



COMMISSION OF ENQUIRY
ON
EMOLUMENTS AND CONDITIONS OF SERVICE
OF
CENTRAL GOVERNMENT EMPLOYEES

1957—59

REPORT

MINISTRY OF FINANCE
GOVERNMENT OF INDIA

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MINISTRY OF FINANCE

RESOLUTION

New Delhi, the 21st August 1957

No. 2474-Secy.(E)/57.—The Government of India have decided to set up a Commission of Enquiry composed of the following:

Chairman

- (1) Shri Justice Jagannadha Das, Judge of the Supreme Court.

Members

- (2) Shri V. B. Gandhi.
- (3) Shri N. K. Sidhanta.
- (4) Shri M. L. Dantwala.
- (5) Shrimati Maragatham Chandrasekhar.

Member-Secretary

- (6) Shri L. P. Singh, I.C.S.

Associate Secretary

Shri H. F. B. Pais.

2. The terms of reference of the Commission will be as follows:—

- (i) examine the principles which should govern the structure of emoluments and conditions of service of the Central Government employees;
- (ii) consider and recommend what changes in the structure of emoluments and conditions of service of different classes of Central Government employees are desirable and feasible keeping in mind the considerations mentioned below;
- (iii) recommend, in particular, the extent to which benefits to Central Government employees can be given in the shape of amenities and facilities; and
- (iv) in making their recommendations, the Commission will take into account the historical background, the economic conditions in the country and the implications and requirements of developmental planning, and also the disparities in the standard of remuneration and conditions of service of the Central Government employees on the one hand and of the employees of the State Governments, Local Bodies and aided institutions on the other, and all other relevant factors.

3. The Commission may consider demands for relief of an interim character and send reports thereon. In the event of the Commission recommending any interim relief, the date from which this relief should take effect will be indicated by the Commission.

4. The Commission will devise their own procedure and may appoint such advisers as they choose for any particular purpose. They may call for such information and take such evidence as they may consider necessary. Ministries and Departments of the Government of India will furnish such information and documents and other assistance as may be required by the Commission. The Government of India trust that the State Governments, service associations and others concerned will also extend to the Commission their fullest co-operation and assistance.

5. The Commission are requested to make their recommendations to the Government as soon as practicable.

Ordered that the Resolution be published in the Gazette of India.

Ordered also that a copy of the Resolution be communicated to the Ministries and Departments of the Government of India, State Governments and all others concerned.

S. RATNAM, *Secy.*

PART ONE
INTRODUCTORY

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**COMMISSION OF ENQUIRY ON EMOLUMENTS AND CONDITIONS OF
SERVICE OF CENTRAL GOVERNMENT EMPLOYEES (1957—59)**

REPORT

To

The Secretary to the Government of India,
Ministry of Finance (Department of Expenditure).

We, having been appointed a Commission of Enquiry to

- “(i) examine the principles which should govern the structure of emoluments and conditions of service of the Central Government employees;
- (ii) consider and recommend what changes in the structure of emoluments and conditions of service of different classes of Central Government employees are desirable and feasible.;
- (iii) recommend, in particular, the extent to which benefits to Central Government employees can be given in the shape of amenities and facilities;”

submit the following Report.

CHAPTER I

PROCEDURE OF THE COMMISSION

1. We assembled on 9th September 1957, and on 11th September issued a public notice inviting associations* of Central Government employees and other organizations, institutions or individuals who might be interested, to send memoranda of their views on matters covered by our terms of reference, not later than 10th October. At the request of some service associations, the date was extended first to 10th November and then to 10th December 1957.

2. In the last week of September 1957, we addressed all Ministries and other agencies of the Central Government requesting them to furnish factual information, as on 30th June 1957, in regard to the various services and posts under their administrative control. As our terms of reference required us to take into account, among other factors, the disparities in the standard of remuneration and conditions of service of the Central Government employees on the one hand, and of the employees of the State Governments, Local Bodies and aided institutions on the other, we simultaneously addressed the State Governments requesting them to supply us essential information regarding the remuneration and conditions of service of their own employees and those of Local Bodies and aided institutions.

3. In response to the public notice we received about 5,000 memoranda, of which more than 800 were from service associations etc.; and in a considerable

*Unless the context indicates otherwise, 'association' wherever it occurs in our Report may be taken as including a trade union of Central Government employees.

number of these memoranda the question of interim relief had been raised. We accordingly devoted our attention for some weeks mainly to the examination of that question. On 14th December 1957, we submitted a Report (reproduced as Appendix I) to the Government, recommending grant of an increase in dearness allowance which was to continue until we made our final Report.

4. On 14th January 1958, we issued a questionnaire (reproduced as Appendix II) drawn up on the basis of our preliminary study of the matters entrusted to us for enquiry, and in the light of the issues raised in the memoranda received till then. We invited replies by 20th February, but on the request of many service associations, and others interested, extended the date to 10th March. We received more than 700 replies from service associations, State Governments, Public Service Commissions, public men, economists, and retired and serving civil servants.

5. With minor exceptions, the basic information sought from the Central Government had been received by the end of April 1958. Information from many of the State Governments was received piecemeal, but by November 1958 we had been furnished practically all the information regarding the employees of the State Governments. We have not, however, received complete information regarding employees of Local Bodies and aided institutions upto this date.

6. At our request, the Ministry of External Affairs addressed Indian Missions in certain countries in October 1957 requesting them to forward to us information regarding the civil services of those countries likely to be of assistance to us in our enquiry. We received useful material from some of the Missions. We also received some valuable information regarding emoluments and conditions of service of Government employees in certain countries through the good offices of the International Labour Office, Geneva.

7. The Central Government permitted their employees generally to send to the Commission, in their purely personal capacity, any views and suggestions which they might wish to; and as regards Secretariat officers of and above the rank of Under Secretary and heads of Departments the orders of Government were (i) that Secretaries were free to express to the Commission their personal views formed in the light of their knowledge and experience; (ii) that other Secretariat officers and heads of Departments should be permitted to give evidence to the Commission orally or in writing on matters coming within their respective spheres of work; but (iii) that such permission was not necessary in the case of those who wished to give evidence on behalf of service associations with which they were connected.

8. There was some correspondence between us and the Government regarding the extent to which the Government would be willing to make available to us their views on various issues and proposals we were considering. We were informed that the Government's final views would be formulated only after we had made our recommendations, and that expression of opinion by Government at an earlier stage would amount to pre-judging the issues. It was, however, explained that short of expressing definite views, the Government were anxious to give us the utmost assistance, for instance by communicating to us when necessary the reasons for particular decisions taken in the past, or by furnishing an analysis of the various factors and arguments bearing on a particular proposal before us.

9. We were unable to take oral evidence from all the service associations, and we accordingly decided that such evidence should be taken from an association only if it appeared, after considering the memorandum submitted by the association and other relevant circumstances, that it was essential to do so for proper

appreciation of matters we were enquiring into. We started taking oral evidence on 24th March 1958, and heard in all 205 service associations. We also examined Secretaries to Government and other senior officers of Ministries and Departments employing large numbers of staff. In addition, we examined a number of public men, economists and retired civil servants. In all, we devoted 127 sittings, on 90 days, to taking oral evidence. We had, further discussions, among others, with some Chief Ministers and all but one Finance Minister of the States. A list of service associations, etc., and of official and other witnesses from whom we received oral evidence is appended to this Report (Appendix III).

10. With a view to studying on the spot the working conditions in different classes of Government offices, and also to have an idea of the kind of residences provided by Government for lower grades of staff, we visited a number of Railway and Posts and Telegraphs offices in Delhi during February 1958, and spent about a fortnight in Calcutta in April-May of the same year. While in Calcutta, we took the opportunity to have discussions with the President and Secretary of the Bengal Chamber of Commerce, and with a committee of the Indian Chamber of Commerce. We also visited a number of Government factories in and around Calcutta, and quarters provided by the Central Government to various classes of their employees.

11. In addition to the sittings of the Commission devoted to taking oral evidence and discussions referred to above, we have had about 180 internal meetings.

12. We have received courtesy, consideration and fullest assistance from the Central Government in our work, and we express our gratitude to them. We are thankful also to the State Governments and Administrations of Union Territories who readily rendered us such assistance as we sought. We have also received the fullest co-operation from the employees' organisations, and to them too we express our gratitude. We wish especially to thank persons in public and academic life and others not connected with the Government or the public services who, at considerable personal inconvenience, gladly responded to our request for assistance.

CHAPTER II

OUR TERMS OF REFERENCE

1. For the purposes of our enquiry we have taken all persons in the civil services of the Central Government or holding civil posts under that Government, and paid out of the Consolidated Fund of India, to be Central Government employees. Those in the service of public corporations and other semi-autonomous bodies under the Central Government are thus excluded; and employees of the Union Territories are included. In view, however, of certain practical difficulties, to which we refer in a later chapter, and in consultation with the Government, we have examined only the principles on which the emoluments of the employees of the Union Territories should be determined, and have not gone into details of pay scales.

2. We enquired from the Government whether the Indian Administrative Service and the Indian Police Service were covered by our terms of reference. Members of these Services, as such, are not Central Government employees. The majority of them work in the States, and while so working are employees of the respective State Governments. But such of the members of those Services as are serving the Central Government, are, while so serving, Central Government employees. Further, the time-scales of the Indian Administrative Service and the Indian Foreign Service (the latter a Central Service) are identical; and so are the time-scales of the Indian Police Service and the Class I Central (non-technical) Services. In the circumstances, it appeared to us that it might be somewhat anomalous if, on a strict interpretation of our terms of reference, we were to exclude the two all-India Services from our enquiry. We received a reply from the Government to the effect that those Services are controlled jointly by the Government of India and the State Governments, that in the majority of cases members of those Services serve the Central Government on tenure deputations and while so serving hold liens on posts under the State Governments; and that in the circumstances, it was not possible for the Government of India to refer unilaterally to the Pay Commission questions regarding remuneration and conditions of service of members of those Services. The Government, however, added that if in formulating our recommendations with regard to Central Government employees we wished to make any observations regarding the all-India Services, those observations would be given due consideration. While we have had occasionally to refer to the all-India Services in the course of discussion of problems falling within the scope of our enquiry, we have refrained from making any suggestions in respect of those Services.

3. We have construed 'conditions of service', occurring in the Resolution setting up the Commission, in the wider sense in which the term is generally used; the sense, in fact, in which it has been used in article 309 of the Constitution which provides the statutory sanction for the main non-financial as well as the financial rules and regulations applicable to the Central Government employees. Many of the employees' organizations had proceeded on the same assumption in their memoranda to the Commission, and we took the view that it would be appropriate for us to consider any matter falling within the generally accepted meaning of

'conditions of service' which had a bearing on the contentment, morale and efficiency of the employees.

4. Occasionally, the witnesses raised questions which went beyond the scope of our enquiry. The structure of a Department, or methods and procedures of work in Government offices are clearly beyond our terms of reference; nor do those terms require us to examine and make recommendations regarding grade structures. We have taken the set-up of a Department, the grade structures, and the strength of different grades, as they are, and made our recommendations regarding remuneration within those limits. Since, however, conditions of service include promotion outlets, we have considered it permissible to make recommendations regarding these, within the framework, however, of the existing structure. Further, where grades have no functional significance but have meaning only in terms of pay rates, we have felt free to recommend changes. Likewise, where there are numerous grades without clear differentiation of duties and responsibilities, there too we have not considered it inappropriate to recommend a change, should a change appear to be called for.

5. While we have refrained from making recommendations on matters not covered by our terms of reference, we have made a few suggestions on such matters if in the course of our investigation we have come upon problems which, we have felt, deserve the Government's attention. The suggestions are not in the nature of recommendations but merely ideas which the Government may have examined, if they consider it worthwhile.

CHAPTER III

GENERAL DESCRIPTION OF CENTRAL GOVERNMENT EMPLOYEES

1. In this chapter we give a general description of the staffs covered by our terms of reference, the changes that have taken place since the Central Pay Commission 1946-47 (which, after its chairman, we shall hereafter refer to as the Varadachariar Commission) made its Report, and the rates of pay at present in force.

2. No information is available about the number of persons who were serving the Central Government when the Varadachariar Commission made their Report; but according to the information furnished by the various Ministries and Departments, their number on 1st April 1948*, was 14,45,050. Of these, 8,50,229 were employed in the Railways and 1,43,250 in the Posts and Telegraphs Department@ and 2,94,659 were civilian staffs under the Ministry of Defence. These three Departments thus accounted for about 90 per cent. of the total staff. The number, as on 30th June 1957, has risen to 17,73,570†, showing an increase of 23 per cent over 9 years, i.e. an average annual increase of 2.5 per cent.§

3. The details of the growth of employment under the Central Government during these nine years are as in the table below:

TABLE I

Department	1948		1957		Percentage increase or decrease over the period
	Number	Percentage of total	Number	Percentage of total	
Railways	8,50,229	58.8	9,97,262	56.2	+17.3
Posts and Telegraphs Department	1,43,250	9.9	2,04,840	15.3	+42.9
Civilians under the Ministry of Defence	2,94,659	20.4	2,70,912	11.6	-8.0
Other Ministries	1,56,912	10.9	3,00,556	16.9	+91.5
TOTAL	14,45,050	100.0	17,73,570	100.0	+22.7

It will be seen that of an increase of 3.28 lakhs,¶ more than 2 lakhs was in the Railways (1.47) and the Department of Posts and Telegraphs (.61) together, and about a lakh and a half in the other Ministries, excluding the Ministry of Defence under which, on the other hand, there has been a decrease.|| The rate of

*In respect of some Departments, the information relates to a different date but in the same year.

@Excluding the Extra-Departmental Agents.

†Excluding those serving under the Union Territories.

§Geometric average is 2.3 per cent.

¶One lakh = 1,00,000 (One hundred thousand)

One crore = 1,00,00,000 (Ten millions).

||The figures in table I are of sanctioned strength, and we have been informed that the actual strength of civilian staff under the Ministry of Defence is smaller. So the decrease has been greater than the figures show.

growth, however, has been higher in the Department of Posts and Telegraphs (43 per cent.) than in the Railways (17 per cent.). Although, as indicated earlier, the overall increase has been only about 23 per cent., in some Ministries the expansion has been at a much higher rate. During the period under reference, the number of employees has grown about 14 times in the Ministry of Rehabilitation, more than 7 times in the Ministry of External Affairs, about 4 times in the Ministries of Food and Agriculture, and Labour and Employment, about 3 times in the Ministries of Law, and Health, and has more than doubled in the Ministries of Home Affairs and Information and Broadcasting, and in the Office of the Comptroller and Auditor General. Among the other major Ministries, the expansion has been 53 per cent. in Finance, 50 per cent. in Works, Housing and Supply, 48 per cent. in Transport and Communications, and 44 per cent. in Commerce and Industry.

4. We made enquiries from the Ministry of Finance, and the other Ministries concerned, about the annual cost of the Central Government staff. The expenditure in 1957-58 was Rs. 303.86 crores, made up as follows:

	(Rs. crores)
Railways	161.62
Posts and Telegraphs	35.99
Defence Services (Civillian Staff)	39.54**
Others	66.71
Total	303.86

The figures are of the cost of pay and allowances, and exclude expenditure on pensions, gratuity, Government's contribution to provident funds, amenities, facilities etc. Costs of staff paid from contingencies or engaged on construction works are excluded, except that the figure for the Railways includes the cost of staff charged to works, which, we were informed, could not be readily separated from the total.

5. The distribution of the present number among the Ministries and Classes† is as in the table below:

TABLE II

Departments	Class I	Class II	Class III	Class IV	Workshop staff	Others	Total
						£	
Railways*	2,578	756	2,24,422	4,80,882	2,88,608	16	9,97,262
Civilians in Defence	1,307	1,167	58,351	42,767	1,56,219	11,101	2,70,912
Posts and Telegraphs	485	932	1,46,631	50,333	6,459	..	2,04,840
Others	6,021	16,415	1,23,759	1,19,336	15,849	19,176	3,00,556
Total	10,391	19,270	5,53,163	6,93,318	4,67,135	30,293	17,73,570
Percentage of the total strength of Central Government employees	0.59	1.09	31.19	39.08	26.34	1.71	

*The annual Report of the Railways (Vol. II) 1956-57 gives the total strength of staff as 10,54,343. But the number given in this statement is based on the information furnished by the Ministry of Railways to the Commission.

£Unclassified staff in the office of the Railway Board.

**Including expenditure incurred in England on account of pay and allowances of Defence Services Officers, Other Ranks and Civilians ; separate figures are not available.

† 'Class' has been discussed in a chapter in Part IV of our Report.

The classification adopted in table II requires some explanation. The workshop group includes only staffs who are employed on manual work in the Central Government's departmentally run establishments which, with a few possible minor exceptions, can be regarded as factories, as defined in the Factories Act, 1948. These staffs are generally governed by the rules framed under the Industrial Employment (Standing Order) Act, 1946, and, except those in the Railways, are not usually classified under the relevant Classification Rules. The other staffs are classified into four Classes and are governed by the Fundamental, and Supplementary Rules etc. We have advisedly not adopted the usual division of staffs into industrial and non-industrial; for, as far as we are aware, the terms industrial and non-industrial civil servants have not been defined by the Central Government. The Industrial Disputes Act (1947), no doubt, applies to some categories of Central Government employees, and not to others; but a classification made on that basis would not have represented the real position. For instance, not all the employees of the Railways, Posts and Telegraphs, Civil Aviation Department, etc., who are covered by the provisions of that Act, can, for our purposes, be treated as industrial workers in the full sense of the term. In the matter of pay scales, and conditions of service and work, there are—particularly outside the Railways—considerable differences between those employed in the workshops, and others; and we have, therefore, adopted a simpler classification for our Report, separating from the general body of civil servants such of them as are manual workers employed in workshops.

6. Leaving out the workshop and a small number of unclassified—including work-charged and non-regular staffs*—the number of employees is 12,76,142. More than half of these are in Class IV and over 93 per cent. in Classes III and IV together; only a little more than 2 per cent. are in Classes I and II. Broadly speaking, while the staffs in the three higher Classes perform administrative, technical, professional, executive and clerical duties, the Class IV staffs are generally employed on manual work of one kind or another, and other simple duties. More than half of the staffs in Classes I, II and III (2,95,340) are engaged on what is commonly known as office work; about one-fourth consist of departmental categories, such as Telephone Inspectors, Postmen, Linemen, Telegraphists, etc., in the Posts and Telegraphs Department (72,525), and Station Masters, Guards, Ticket Examiners, Signallers, etc., in the Railways (71,748); and the various specialist and professional groups, such as engineers, scientists, doctors, economists, statisticians, lawyers, etc. (56,774) combined, account for about another one-tenth.

7. Before 1948, there were not many organised services but the trend during the last 10 years has been towards constituting, wherever practicable, regular services by encadring similar posts in one or several Departments. Examples are the various Central Secretariat Services, the Central Health Service, the Central Legal Service, the Central Information Service, the proposed Indian Economic Service and the Indian Statistical Service. The objects are to facilitate planned recruitment, orderly management and mobility; and to provide well-defined career prospects.

8. Class IV, with a total strength of 6,93,318 is composed of a large number of categories, some of which are common to all or many Departments. Notable among these are Peons (58,368), Sweepers (43,921), Bearers/Waiters (12,332), Chowkidars (11,672), Daftries (6,556) and Jamadars (3,054). The Railway categories constitute 57 per cent. of the total; and of them those with the largest numbers are Gangmen (1,20,906), Khalasis (45,787), Pointsmen/Yard-porters (36,735), Sainiks (32,144),

*Shown as "others" in Table II.

Cleaners (18,151), Firemen (17,961), Gatekeepers (16,912), Levermen (16,521), Flagmen (12,143) and Permanent Way Mates (11,101). The number of Class IV staffs covered by departmental categories in the Posts and Telegraphs Department, and among the civilians under the Ministry of Defence is relatively small.

9. Of the 4,67,135 workshop staffs, 4,44,827 (95 per cent.) are employed in the Railways and the Ministry of Defence. They are broadly classified into four categories in the following proportions: highly skilled 3 per cent., skilled 37 per cent., semi-skilled 20 per cent., and unskilled 40 per cent.

10. Out of 17.73 lakh employees, 68 per cent. are permanent, and 32 per cent. temporary. Excluding the Railway staffs, the proportion of permanent and temporary employees is, more or less, equal. The proportion of temporary staffs among the civilians under the Ministry of Defence is exceptionally high. Further, in 15 out of 19 Ministries there are more temporary than permanent employees. We discuss this question at some length in a separate chapter of our Report.

11. There are aspects of recruitment arrangements with which we are not directly concerned; but we have had to examine the recruitment procedures in the context of some of the issues raised before us; and we are, therefore, briefly mentioning the salient features of those procedures. The Constitution lays down that the Union Public Service Commission shall be consulted on "all matters relating to methods of recruitment for civil services and for civil posts" under the Central Government and shall conduct examinations for appointment to these posts. In actual practice, however, unless there is specific provision to the contrary in the relevant rules, recruitment to Class III and Class IV posts is excluded from the purview of the Commission by regulations made under the proviso to clause (3) of article 320. The Railways, however, recruit their Class III staffs through their own Service Commissions. The Union Public Service Commission conducts about 30 examinations in a year to fill, on an average, 1,825 posts in different services. Some of the well-known examinations are those held for recruitment to the all-India and the Class I and Class II Central Services, various Class I Engineering Services, and the Assistants' grade of the Central Secretariat Service. There is also a large number of posts—on an average 1,400 in a year—for which the Commission selects candidates without any written examination. Such recruitment is made on the basis of the qualifications, experience, and records of the candidates, supplemented by an interview confined to those who, from the information furnished in their applications, etc. appear fit for consideration. For certain posts in the higher grades, requiring exceptional qualifications or experience, the procedure of formal interview is modified to suit the status of the persons considered for appointment. Posts which are not filled by promotion or through the Union Public Service Commission, are required, under orders of Government, to be filled from lists of eligible candidates obtained from the Employment Exchanges.

12. The Varadachariar Commission had recommended 156 scales of pay for the Central Government employees; but the Government prescribed a larger number, and at present there are in all 517* scales, or fixed rates, of pay. However, only 177 of these have more than 100 employees each. In spite of this proliferation of scales, extensive changes have not been made in the broad scheme of remuneration recommended by that Commission. More than 75 per cent. of the staff are at present on some 30 typical scales recommended by the Commission; and another 4 per cent. are on 12 other scales each of which carries a substantial number of employees. The two tables below show respectively the number of employees on each of the two groups of scales referred to above.

*Scales or fixed rates of pay which were introduced after the Report of the Varadachariar Commission are known as "prescribed scales".

TABLE III

(Total Strength—17,73,570)

Pay Scales Rs.	Number	Pay Scales Rs.	Number
1800—100—2000	115	160—10—250	11,534
1600—100—1800	69	150—7—185—8—225	15,881
1300—60—1600	484	80—5—120—EB—8—200—10/2—220	72,800
1000—50—1400	359	100—5—125—6—155—EB—6—185	25,543
600—40—1000—1000—1050—1050— 1100—1100—1150	2,842	80—4—120—5—170	21,422
350—350—380—380—30—590—EB— 30—770—40—850	3,578	60 (or 64, 68, 72)—4—120—EB— 5—170	76,939
500—30—650—EB—30—800	1,037	80—5—120—8—160	5,093
275—25—500—EB—30—650—EB—30— 800	3,880	60—4—120—5—150	26,698
160—10—300—15—450	7,340	60—3—81—EB—4—125—5—130	1,39,671
250—15—400	1,746	75—3—105.	4,054
300—20—400	2,873	55—3—85	11,093
260—15—350	3,837	60—5/2—75	11,974
160—10—330	4,671	40—1—50—2—60	52,361
200—10—300	8,392	35—1—50	1,31,313
100 (124)—8—140—10—200—EB—10— 300	5,267	30—1—35	6,96,331
		Total	13,49,197

76.1% of the total strength.

TABLE IV

Pay scales Rs.	Number	Pay scales Rs.	Number
800—50—1150	580	130—10—250—EB—15—355	1,332
530—30—800	803	160—10—300	2,698
275—25—500	1,752	80—4—120—5—185	10,191
360—20—500	1,337	35—1—50—2—60	7,683
200—15—380—20—500	4,323	40—1—50	18,299
250—10—300—15—450—25/2—500	2,733	35—1—40	9,811
		Total	61,542

3.5 % of the total strength

The remaining employees (20 per cent. of the total) are on 475 scales of pay.

13. The scales mentioned in tables III and IV are all "prescribed scales", which came into force in or after 1947. Staff who had entered service before 16th July 1931—commonly described as pre-1931 entrants—are, unless they have opted for the prescribed scales, governed by their old scales not only in respect of the posts they held but also of those to which they were, or may be, promoted later. The decision to allow these employees to retain their 'old' scales was first taken at the time of the pay revision in 1931—33, and again in 1947. A similar protection in respect of remuneration, conditions of service, etc., has been extended by article 314 of the Constitution to members of the ex-Secretary of State's Services.

14. After 1947, there has been no general revision of pay scales, but changes have taken place in the pay of a number of departmental categories; and in 1956 there was also a general revision of the starting pay of Lower Division Clerks from Rs. 55 to Rs. 60. While recommending a number of pay scales for industrial workers, the Varadachariar Commission had generally left it to the Departments to fit the different grades of staff into one or another of the recommended scales. They had also, in some cases, suggested that, in the light of their general recommendations and such scales as they had recommended, suitable scales should be evolved for such of the grades as were not specifically covered by their recommendations. Some of the Departments, particularly those employing large staffs, found it necessary to set up committees, etc., to go into these residual matters, many of them obviously of considerable importance. The Railways, for instance, set up the Workers' Classification Tribunal (1948), the Railway Joint Advisory Committee (1949), and a Tribunal (1955—58), consisting of a single member, Shri Sankar Saran, on the report of which, however, no action has yet been taken. And, in February 1957, the Government announced revision of scales of pay and redistribution of posts in various grades of 16 main categories of non-gazetted staff, such as Station Masters, Assistant Station Masters, Commercial Clerks, Travelling Ticket Examiners, Train Clerks, etc., affecting about 1,70,000 railwaymen. In some other Departments, also, some changes were made with or without investigation by officers on special duty or committees; but, speaking broadly, the general pay structure rests on the foundations of the Varadachariar Commission's recommendations, and outside the Railways the changes that have been effected are not of any major significance.

15. The rates of dearness allowance payable to the Central Government employees have, however, been revised on a number of occasions. The Varadachariar Commission had thought that prices would stabilise at about the level indicated by a cost of living index of about 185 to 200 on the pre-War base, and had recommended that as long as the cost of living continued to be substantially higher, some system of dearness allowance over and above pay must continue in operation.* They had proceeded to recommend a scale of dearness allowance payable on a specified rise in the cost of living index, to staff in different pay ranges. The recommendation provided for a six-monthly review of dearness allowance and for a revision of the slab rates upward or downward, as the case might be, if the index number for the last three months for which information was available showed a variation of 20 points. The Government announced their acceptance of this recommendation in May 1947. But, subsequently, they expressed themselves unable to follow the recommendation and granted instead an *ad hoc* increase of Rs. 10 in January 1949, followed by another of Rs. 5 in June 1951, to all persons whose pay did not exceed Rs. 250† per mensem. In December 1957, on an interim recommendation made by us, the Government sanctioned, with effect from 1st July 1957, another increase of Rs. 5 per mensem to all employees drawing pay of not more than Rs. 250 per mensem. (As on the two previous occasions, the benefit was extended to employees in the pay range of Rs. 251—300).

16. Employees drawing more than Rs. 300 per mensem have not received any increase since 1947. The Varadachariar Commission had not recommended any dearness allowance for staff whose salaries exceeded Rs. 1000, except by way of marginal adjustments upto Rs. 1100. The Government, however, granted dearness allowance to those on salaries of upto Rs. 2000 per mensem with marginal

*Report of the Central Pay Commission (1947), para. 18.

†On account of some marginal adjustments, employees in the pay ranges of Rs. 251—300 also got the increase on both these occasions.

adjustments upto Rs. 2150 per mensem. The allowance was later withdrawn in three instalments, spread over a period of two years commencing 1st June 1953.

17. On the recommendations of the Dearness Allowance Committee (1952), of which Shri N. V. Gadgil was Chairman, half the dearness allowance (excluding that granted on our recommendation), payable to persons whose pay does not exceed Rs. 750 per mensem is treated, with effect from 1st April 1953, as pay for certain purposes. That Committee preferred to keep 50 per cent. of the dearness allowance as such in view of the likelihood—as they thought—of the price-level going down substantially as a result of the anticipated improvement in the production and availability of food stuffs.

18. Our terms of reference cover also conditions of service, and we shall discuss these in Part IV of our Report. It is sufficient here to mention that while until a few years ago there were marked differences between several of the conditions of service applicable to Class IV staffs, and those applicable to others, the differences have virtually disappeared as a result of a progressive liberalisation of the conditions of service of the Class IV staffs.

PART TWO
GENERAL PRINCIPLES AND CONSIDERATIONS

CHAPTER IV

PRINCIPLES OF PAY AND CONDITIONS OF SERVICE

1. Our terms of reference specifically require us to examine the principles which should govern the structure of emoluments and conditions of service of the Central Government employees, and we have, accordingly, given special thought to this matter. All the questions in part I, practically all in part II, and a number of questions also in other parts of our questionnaire, were designed directly or indirectly to elicit opinion on this matter; and apart from the replies to the questionnaire, we have received considerable written and oral evidence bearing on this question.

2. For about thirty years, the basic structure of salaries continued to conform to the pattern recommended by the Royal Commission on the Public Services in India (1912—15) presided over by Lord Islington; and the principles underlying that pattern were enunciated by the Islington Commission@ as follows:

“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 the term of their service. Whilst, therefore, we have noted the rise in prices which has taken place, we have not based on this any general recommendation. Where we have advised changes of salary it has been to meet inequalities of remuneration prejudicial to efficiency, to fulfil expectations reasonably founded on formal announcements made by Government, and to improve recruitment, where the existing terms have been shown to be insufficient to obtain a satisfactory personnel.”

3. The Royal Commission on the Superior Civil Services in India (1923-24), known as the Lee Commission, expressed full agreement with the principle adopted by the Islington Commission, and made it the basis of their proposals. The Commission† recommended certain relatively minor improvements in emoluments, but considerable improvements in the shape of some allowances, and in conditions of service, on the ground that “a great rise in prices has taken place since the scales of pay were fixed on the recommendation of the Islington Commission, and that while the Government was not in a position to treat its own employees in as generous a fashion as commercial houses of the better class were treating their superior employees, the disparity of remuneration as between a commercial and an official career had become so conspicuous and so discouraging to civil servants that something had to be done without delay to restore contentment and make service career attractive.”

4. The Varadachariar Commission (1946-47)* re-examined the principles of salary determination, and came to the following conclusion:—

“We are thus led to think that the test formulated by the Islington Commission has only to be liberally interpreted to suit the conditions

@Para. 49 of their Report.

†Paras. 45 and 48 of their Report.

*Para. 44 of their Report.

of the present day and to be qualified by the condition that in no case should a man's pay be less than a living wage. In its practical application, the general principle enunciated by them has to be amplified or supplemented by other ways of stating the test. The general educational qualifications expected of candidates as well as special qualifications and training required of the holders of particular offices are of course important considerations. Even more important is the nature of duty and responsibility of the office. Great stress has been laid on the necessity of enabling the holder of an office to maintain its status and dignity. Though this cannot be made a fetish in this democratic age, it cannot be wholly ignored. Some officers have insisted on the need for keeping public servants beyond temptation; this is true, if it means keeping them reasonably above want. But it will be too much to assert that high salaries are by themselves absolute safeguards against corruption. While it may be generally agreed that the market value test may not always be available—and it may not even be the proper test if exclusively applied—it is only reasonable that so far as practicable, a "fair relativity" should be maintained between the rates of pay of certain classes of civil servants and comparable outside rates, the parity being judged only with reference to long-term trends in wage levels in the country."

Amplifying their view that an employee's pay should in no case be less than a "living wage", the Commission observed that a Government which proposed to sponsor minimum wage legislation for private industry must be ready to give the benefit of that principle to its own employees. They recognized, however, that the application of the minimum wage rule had always been taken to be subject to limitations imposed by the general economy of the country, and that the State being the trustee of all citizens would not be justified in imposing an unduly heavy burden of taxation on its subjects to raise money to pay its employees liberally; for, by doing so, it would be making it more difficult for the average citizen to get anywhere near a living wage for himself. Ultimately, however, the Commission said: "We are nevertheless convinced that the State must now take some step forward in the direction of giving effect to the 'living wage' principle in dealing with its employees".†

5. The Varadachariar Commission also considered the question of maximum salary. They agreed with the view that the State should not compete with private enterprise in respect of prize jobs; but they were unable to agree that the salaries of public servants could with safety be reduced much below the standard of remuneration available to men of capacity in private service posts similar in nature and responsibility. They thought that "adequacy of remuneration bears on the efficiency of the employee, because it affects his freedom from care and anxiety and promotes his willingness to work."* But, they concluded with the observation: "We nevertheless think that the time has arrived when the problem of high salaries calls for a new approach quite as much as the problem of low salaries."@

6. Thus, while accepting the Islington Commission criteria as broadly sound, and taking the view that their recommendations had to be made within the framework of the existing socio-economic structure, the Varadachariar Commission introduced the principle that, as a matter of social policy, the lowest rate of remuneration should not be lower than a "living wage", and that the highest salaries should also, as a matter of social policy, be kept down as far as possible, consistent with the essential requirements of recruitment and efficiency. The minimum and

† Para. 48 of their Report.

* Para. 53 of their Report.

@ Para. 54 of their Report.

the maximum having been so determined, the intermediate salaries were fixed largely on considerations of maintaining or establishing satisfactory vertical relativities within a service or a hierarchy of services, and horizontal relativities between one set of services and another. It is in this way that the existing structure of emoluments has been built up.

7. That the structure of emoluments and conditions of service should be so designed as to ensure recruitment at different levels of persons with requisite qualifications and abilities and to keep them efficient, is a matter on which there could be no difference of opinion; and, in fact, there is not any among our witnesses, except that while some consider that the public services should secure, and retain, the very best, some would be satisfied with the more modest standard of adequacy as distinguished from excellence. The real question, however, is not one of the objective, but of principles that have to be adopted if the objective is to be achieved. There is the further question whether the criterion of efficiency is enough, or whether the emoluments and conditions of service should be such as to satisfy certain social and ethical standards as well.

8. If the emoluments in the public service taken with the other conditions bear fair comparison with those of persons with similar qualifications, duties and responsibilities in outside employments, the Government should, *a priori*, be certain of getting recruits of the required standard, and of keeping them contented and efficient. But the converse of this, namely that the Government cannot get recruits of the requisite standard and keep them contented unless they pay rates of remuneration comparable to those outside, may not be true. For instance, the higher grades in the civil service may continue to obtain recruits of the best quality at emoluments lower than those available in the private sector—just as academic life does—because of what many consider to be the high social value of the civil servant's work, or because of the importance they attach to opportunities for participation in the shaping of public policies and in the carrying out of programmes intended directly for the benefit of the community. At the lowest levels, on the other hand, the outside rates may be too low for maintaining the efficiency of an employee even though with so much unemployment and under-employment in the country the Government may have no difficulty in recruitment so long as they pay the current rates. We discuss the principle of fair comparison at some length later; here we have merely touched upon it in the context of recruitment.

9. There are then the empirical tests, namely, whether, at the current rates of emoluments, and with the conditions of service as they are, the Government are getting recruits of the requisite standard; whether public servants are generally continuing to be efficient through their service; and whether there are not many pre-mature retirements, or resignations, in order to take other employment. We consider these to be valuable tests, and we have studied whatever data are available regarding recruitment, making allowance, where necessary, for known national shortages of personnel in certain fields. The quality of recruits is, no doubt, a matter of judgment in many cases, and efficiency in service is perhaps even more so. But that does not appear to us to detract much from the value of the criteria themselves. Statistical measurement is not always possible, and in many matters human observation and judgment are good enough guides for action.

10. Before we proceed to examine other principles that have been suggested, we may dispose of the idea, strong in the past and still lingering, that the social position of an official should be taken into consideration in determining his salary. We do not consider that the social position which a Government servant is traditionally expected to maintain, should in itself be a factor of any importance in the determination of his remuneration in the present-day conditions. Even where a certain obligation, for instance that of entertaining distinguished visitors, is specifically

imposed on him, adequate re-imbusement, not an increased rate of remuneration, would be the appropriate arrangement.

11. Many organizations of Class III and IV, and of industrial employees, are of the view that the Government should be a model employer, and that the structure of emoluments and conditions of service should be such as to reflect this concept of Government as an employer. The National Federation of Indian Railwaymen, for instance, has expressed itself as follows:

"The Government in this country are the biggest employer and as such their policy as an employer will affect the other employers. Now the country has adopted the socialist pattern of society; hence, the Government's interest in public ownership and control of industry is bound to increase. In other words, the public sector in the industry will progressively increase and along with it a progressively increasing number of employees will come under the management of the Government. Under these circumstances, there is no doubt that the Government should be a model employer.

"Once the principle namely that the Government should become a model employer is agreed to, the question of the second and third principles will not arise because they will have already been covered in the first principle.* By Government, in this respect, we mean the Government in the Centre and those in the States, as well as the industrial undertakings owned and managed by the Governments whether in the Centre or in the States.

"Under the present circumstances, there is no doubt that Governments are going to lay down the pattern of industrial justice. Hence we earnestly feel that the Pay Commission should endeavour to cover a substantial step in the direction of securing industrial justice to the Government employees."

Not all organisations which have advocated the "model employer" principle have explained fully or precisely what their concept of a model employer is. Nor is there complete identity of view among those who have explained their ideas. In general, however, what is meant is a minimum wage which should be high enough to satisfy the norms laid down by the fifteenth Indian Labour Conference (held in 1957); conditions of service and fringe benefits which would compare favourably with those allowed by the best employers in the private sector; and greatly improved rates of remuneration also above the minimum wage level, but not at the highest levels. The salaries at these latter levels, it is suggested, should be brought down so that the existing disparities might be reduced and the structure of emoluments under the Central Government might reflect the egalitarian objectives of a socialist society.

12. The opposite view has also been expressed. It has been said that unlike other employers the Government has the resources of the entire nation to draw upon for its needs; that its capacity to pay is limited only by the extent to which it is able to make a draft upon those resources; and that the State which ought to function as the mirror of the society has, as an employer, become a "class by itself", its employees being far better off in matters of pay, promotion, conditions of service, amenities, etc., than comparable classes outside. The Government, according to the exponents of this view, appears to the people to be an extravagant employer; and it is suggested that the total emoluments and other benefits of the

*The reference is to the various possible principles mentioned in Q. 2 of our questionnaire.

Central Government employees should bear a just relationship with the *per capita* income of the country; that the lot of the Central Government employees should be compared not only with that of employees in other spheres, but also of self-employed persons, such as artisans and cultivators. This may be described as the tax-payer's point of view uninfluenced by any other considerations—a view in which all the emphasis is on economy and fairness to the community; the efficiency of the public services, which too is a matter of vital importance to the community, and the bearing of fair remuneration on efficiency, have been left out of consideration. This lends some support to the view expressed occasionally, that the Government as an employer is apt to err on the side of parsimony because of its susceptibilities to the tax-payer's feelings, and the zealotry with which the tax-payer's interests may be guarded by the legislature; and that the Government's dual position in relation to its employees, *viz.* that of an employer as well as of the regulator and arbiter of employer-employee relationship, is a circumstance which may often put Government servants at a disadvantage compared to persons in other salaried employment. The standpoint referred to earlier in this paragraph is of value, nevertheless, as drawing pointed attention to the necessity of looking at public service pay and conditions as matters which should be determined on principles fair to the community as well as to public servants. As one of the witnesses has said, it is well to remember that the Government does not exist for maintaining its servants who are only means to achieving the purposes for which the Government is constituted; and that it would be wrong if the Government were to impose additional burdens on the community in order to become a model employer. The phrase "model employer" is, however, capable of varied interpretation. If the Government were to function as a model employer in the sense that they paid higher wages and salaries than other good employers for comparable work and were ahead of other such employers also in the provision of generous conditions of service and fringe benefits, they would ordinarily expose themselves to a well-founded criticism of extravagance: the community would be required to pay a price which the efficiency of the public service did not demand, and which should not, in fairness, be asked of the community. The Government cannot, therefore, in our opinion, be a model employer in this sense.

13. This does not, however, mean that the Government have no special obligations as employer, or that they should determine the remuneration and conditions of service of their employees at all levels without importing any social or other non-economic considerations. Having accepted the social obligation of regulating wages and conditions of employment in the private sector, the Government have necessarily to be guided, in their capacity as employer, by the objectives, principles and standards which they prescribe or even commend to other employers. Early in 1948, a law was enacted to provide for statutory fixation of minimum wages in employments where rates of remuneration were exceptionally low, or the workers, being unorganized, were not in a position to secure fair treatment through their own strength. Also in their Resolution on Industrial Policy, issued about the same time, the Government accepted the necessity to provide for payment of fair wages to labour, and announced their decision to establish a machinery for advising them on fair wages (as well as fair remuneration for capital); and conditions of labour. This led to the appointment of a Committee, known as the Fair Wages Committee, composed of representatives of employers, employees and the Government; and the Committee submitted its Report in 1949 making virtually unanimous recommendations. In April 1950, the Prime Minister made a statement in Parliament announcing that the Government were committed to the principle of fair wages as recommended by the Fair Wages Committee; and a few months later a Bill embodying those recommendations—the Fair Wages Bill (1950)—was introduced. It lapsed on

account of the dissolution of the provisional Parliament, and was not re-introduced; but the fact remains that the Government stand committed to the principle of fair wages, as recommended by the Fair Wages Committee. In the Government Resolutions, issued in 1957, setting up tripartite wage boards for the textile, sugar and cement industries the commitment was, in fact, re-affirmed, the terms of reference of the boards requiring them to work out a wage structure based on the principles of fair wages as set forth in the Report of the Committee on Fair Wages. The observations and recommendations of the Fair Wages Committee, which are relevant to the issues we are considering are (i) that almost at any level of the national income, there should be a certain level of minimum wages which society can afford; what it cannot afford are minimum wages fixed at a level which would reduce employment itself and thereby diminish the national income; (ii) that a minimum wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker, and include, therefore, provision for some measure of education, medical requirements, and amenities; and (iii) that between the lower limit set by the minimum wage and the upper by the capacity of an industry to pay, the actual wages should depend on a consideration of (a) the productivity of labour, (b) the prevailing rates of wages in the same or similar occupations in the same or neighbouring localities, (c) the level of the national income and its distribution, and (d) the place of the industry in the economy of the country. It may be added that since the enactment of the Industrial Disputes Act, 1947, wage rates have been continuously influenced or determined by operations of the agencies set up by the Government, namely, Boards for promoting settlements, Courts of enquiry, Labour Courts and Tribunals. And, to a greater or lesser extent, these agencies have often been guided by the recommendations of the Fair Wages Committee, and those of the Varadachariar Commission, which too, it will be remembered, had accepted social considerations among the factors to be taken into account in fixing salaries and wages at the lowest level. If it is the Government's declared policy that on social grounds minimum wages in the private sector should not be allowed to fall below a certain level, and that that level should be such as to provide not merely for the bare sustenance of life but also for some measure of education, medical requirements and amenities, the same social considerations should obviously apply in the determination of wages and salaries for the lowest grade of the Government's own employees.

14. There has also been a great deal of legislation to secure for workers hours of work and other conditions of employment which would safeguard their health, provide them essential amenities and facilities, and give them a measure of social security. In regard to these also, the Government must, obviously, accept responsibilities and obligations which they seek to impose upon other employers. It is true that, unless specifically applied, some of the laws in question are not applicable to Government employment. But the explanation for this distinction is not any policy to exempt the Government from the common responsibilities and obligations of other employers, but the assumption—generally valid—that the conditions of service and work under the Government are already better and that, in any case, Government would voluntarily be guided by whatever principles and standards, which, by law or otherwise, they prescribe for others.

15. In the two Five Year Plan Reports also, the Government have laid down policies and principles in respect of wages, conditions of employment, and employer-employee relationship, which have relevance to our enquiry. For instance, it was stated in the first Five Year Plan Report that all wage adjustments should conform to the broad principles of social policy; that disparities of income have to be reduced to the utmost extent; that the worker must obtain his due share in the national income; and that claims of labour should be dealt with liberally in proportion to

the distance which the wages of different categories of workers had to cover before attaining the living wage standard. And whatever policies and principles were enunciated must generally apply to Government themselves, as well as to other employers. Some of them, in fact, have been expressly made so applicable. In the first Five Year Plan Report*, for instance, it was stated that "wages in public undertakings should not be less favourable than those prevailing in the neighbouring private enterprises. In so far as working conditions and welfare amenities are concerned, undertakings in the public sector should set the pace and serve as models." This was emphasized in the second Five Year Plan Report† where it was stated that "conditions of work in public undertakings are expected to set the pace for the private sector" and "any attempt on the part of public employer to avoid the responsibility of an employer on the ground that he is not working for profit has to be discouraged. . . . In the last analysis employees in the public sector should on the whole be at least on par with their counterparts in private employment and should feel a legitimate pride in what they produce and in their position as employees in the public sector." The reference here, presumably, is to public undertakings outside departmental management; but in the application of these principles there can obviously, be no valid distinction between public undertakings and departmental employment, industrial or otherwise.

16. Apart from any other commitments, there are the obligations imposed by articles 38, 39, 42 and 43 of the Constitution. If it is a Directive Principle of State Policy that the State shall endeavour to secure to all workers a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure, and social and cultural opportunities, or that it shall ensure just and humane conditions of work, the State must, obviously, regulate its relationship with its own employees, accordingly.

17. Thus, it would appear that during the last twelve years, the Government have evolved certain policies in regard to wages, conditions of employment, and employer-employee relationship, generally. The policies are not rigid, or always capable of simple definition; they reflect in some cases the complexities of the social and economic situation in India, and the relative importance of one or the other of the factors that have operated in their shaping. For instance, the policy in regard to the statutory fixation of minimum wages has been one of considerable caution, allowing wide discretion to the local authorities; and it is recognized that preoccupation with the social objectives in disregard of the economic realities would be unwise and self-defeating. But social considerations have throughout been given weight, and wage determination has at no stage been considered to be a function exclusively of economic policy, untrammelled by any social objectives. We thus reach the conclusion that while the 'model employer' principle in the sense explained in para. 11 is not a sound one, the social principles and standards which Government have laid down for or commended to employers generally should be taken into account in determining the emoluments and conditions of service of Central Government employees. The Central Government are already the biggest single employer in the country, and employment under them is still expanding. The effectiveness of their wage policy, and labour policies generally, will depend, in no small measure, on their actions and outlook as employer.

18. In the matter of conditions of work and employment practices generally, the Government may, in fact, well become the pace-setter—a model employer. Economy in these matters, as is well recognized, is often short-sighted, and the

*Page 580, para. 42.

†Page 572, para. 4 and page 577 para. 19.

employer's enlightened self-interest itself dictates provision of good working conditions, and adoption of sound employment practices which give to the employee a sense of security and dignity. These are essential elements in good management, and the Government have much to gain, and nothing to lose, by becoming a leader in good management.

19. We have reached the conclusion that the minimum wage or salary should not be determined merely on economic considerations, but should satisfy also a social test—both because of its intrinsic validity and because of its bearing on efficiency. We have come to the further conclusion that even above the minimum level Government should remunerate their employees fairly: for, those who serve the State, as well as others, are entitled to fair wages. We have quoted earlier the Fair Wages Committee's criteria for determining a fair wage. But when Government are the employer, their capacity to pay cannot be assessed in the manner in which the capacity of an industry to pay can be assessed: the test of profit and loss is usually not there. Nor can productivity of labour be a suitable criterion in Government employment except, if at all, within certain limits. The level of the national income may in a way be relevant, and we shall refer to it later. But we first consider as to what extent prevailing rates of wages and salaries outside should influence the rates of remuneration of the Central Government employees.

20. Many of our witnesses have expressed the view that fair comparison with rates of remuneration in comparable employment outside is a sound principle, provided that allowance is made for other conditions of service—both those which can be expressed in monetary terms, and those which, though not capable of being so expressed, make Government employment attractive, such as security of service, prestige, and the opportunity of serving the community. There is, however, a section of opinion which is basically opposed to the determination of Government salaries and wages by reference to this principle. One of our witnesses—a well-known economist—has stated the objection as follows:—

“In the present phase of Indian society the role of the State being of decisive importance, it is essential that it (the State) should lead in developing new patterns and bring new forces into play rather than permit its approach to be unduly affected by the existing income structure and its inherent limitations. ‘The Civil Service is a microcosm’ in the words of the U.K. Royal Commission on the Civil Service (the Priestley Commission) ‘of the employed population and its remuneration must reflect patterns and changes in the macrocosm.’ The view in India has a very partial validity, and has to be largely modified by the need of changing the macrocosm itself—a task in which the State has to use its ‘microcosm of the employed population and its remuneration’ as an important instrument and agent of social change.....Even in this approach, the need for not allowing scales of public salaries to get out of step with the general income structure of the country has to be given its due weight; but the emphasis has to be shifted from ‘microcosm’ of public salaries reflecting the macrocosm to the urgency of changing the macrocosm itself. If proper care is taken to regulate and determine incomes in general, there need be no fear of the State not being able to recruit public servants of the right quality. With the increasing importance of the public sector as a long-term trend, the scale of public salaries is going to be a more and more important determinant of incomes as a whole rather than the other way about. When the problem of the State not being able to get recruits for such services owing to the counter-attraction of more

highly paid posts or opportunities in private sector or of high professional incomes arises, the State should deal with it by reducing the 'outside' incomes rather than by unduly disturbing relativities of the salaries of public officials. A purposive change in the entire income structure of the economy being one of the prime objects of the policy of social transformation it is obvious that the undesirable pull of private avenues of income on the available supply of skill and ability should be consciously counteracted by appropriate measures. As stated above, it should be wrong in principle to assume that public salaries have to reflect the anomalies of the scale of private incomes. From this point of view all incomes have to be planned, be based more and more on the principles which derive their validity from the same fundamental premises and express the same social purpose. The conflicts, if any, have to be resolved by operating positively on private incomes and their sources, and not by creating anomalies in the scale of what may otherwise be assumed to be a carefully conceived scale of balanced public salaries.....”

The question with which we are concerned here is not the fundamental one whether incomes should be planned and regulated throughout the economy so as to subserve certain accepted social ends. Many of our witnesses, including some to whose views we attach great weight, have advocated the formulation of a national policy on incomes—a policy that would embrace wages and salaries in outside employments as well as those in the public service—and we shall refer to those views in a later chapter. We do not suggest that social considerations should be left out of account in considering the highest salaries under the Government any more than they should be left out in considering those at the lowest levels, and we have more to say about this too later. But it does seem to us that we should be going far beyond the limits of the task entrusted to us if we were to treat the revision of salaries of Government servants primarily, or even to any considerable extent, as an opportunity for changing the pattern of income distribution in the community. That is a matter to be dealt with by a taxation enquiry commission, the Planning Commission, or some other body with a far wider jurisdiction than ours. Moreover, in a country like India, with a low percentage of wage-earners and salaried employees in the occupied population, the benefits of a wage and salary policy, howsoever socialistically inspired, can but affect a relatively small population. Re-distribution of incomes for the benefit of the poorer sections of the population generally might require other forms of public policy and action—fiscal measures, agrarian reforms, limitation of dividends and the like. In any case, the remoulding of the structure of emoluments of Central Government employees may not be an effective instrument for changing the social order: though the Varadachariar Commission reduced the highest salaries from Rs. 4,000 to Rs. 3,000, salaries and other emoluments at the higher levels in the private sector have shown marked increase during the last twelve years—at the top even phenomenal increase. But even assuming that the pattern of public salaries would in course of time have a marked influence on salaries and other incomes outside, we do not think it would be right to treat public salaries principally, or even largely, as means to such wider social ends. They must be so determined as to serve certain more limited and proximate ends. They must be such as would ensure an efficient public service; and they should, in conditions existing at a particular time, be fair to public servants as well as to the community.

21. Fair comparison with rates of remuneration for broadly comparable work in outside employments is thus not a principle to which exception can be taken on the ground that public salaries should provide a model for, and not reflect in any

considerable degree, the structure of salaries outside. There is, in fact, much to be said in favour of that principle. It has been adopted in the United Kingdom on the recommendation of the Royal Commission on the Civil Service (1953-55), presided over by Sir Raymond Priestley, and we can do no better than quote from the Report of that Commission*:

“‘Fair comparison’ as the primary principle is fair to the community at large for two reasons. First, it looks after the ordinary citizen’s interest as a taxpayer. If the Government which represents him pay what other responsible employers pay for comparable work, the citizen cannot reasonably complain that he is being exploited. Equally we consider that he would agree that he could not, in the long run, obtain an efficient service by paying less.

* * * * *

“Fair comparison as the primary principle is fair to those responsible for administering the Civil Service because it should enable them to secure the staff they need for the efficient discharge of their duties. The Service will not be efficient unless it contains in all or most classes a certain number of men and women of the highest ability, and a high proportion of at least average ability in the relevant field, all possessing the appropriate qualifications and experience. On the other hand the Civil Service must not take more than its fair share of the cream and enjoy a high standard of efficiency at the expense of depriving other equally important fields of national life—industry, commerce, the educational world, the other professions—of the talent they need for their efficient functioning. In the absence of any form of direction of labour, the only way—admittedly imprecise and by no means wholly reliable—of trying to ensure that all these employments get their fair share of the available talent is to make the pay and conditions of service in each one reasonably comparable, or at least not so widely disparate that a man’s natural attraction towards one particular field must be inevitably outweighed by its relative financial disadvantages.....

“Fair comparison as the primary principle is also in our view fair to the individual civil servant. Since the civil servant’s first loyalty is to the Government of the moment, which is liable to change overnight, and since his ultimate loyalty is to the public, which casts a jealous eye on public expenditure, he is entitled to some guarantee that his just deserts will not be sacrificed to political expediency or to uninformed Press or public criticism. We think that the principle of fair comparison affords such a guarantee. Equally if his remuneration and conditions of service taken together approximate to those prevailing in the outside world he cannot legitimately complain of injustice.”

The Priestley Commission mentioned other reasons too, some of them of great importance in the British context; but we have quoted only what appears to us to be broadly applicable to our conditions as well.

22. We have considered the suitability of the principle for adoption in Indian conditions, with or without qualifications; and before we proceed to comment on the criticisms of the principle that are usually made, we may explain that comparison, if instituted, would have to be limited to rates of remuneration and conditions of employment in undertakings known to be giving fair wages, to be following sound employment and management practices, and to be generally maintaining good relations with their employees; in other words, the comparison would be with

*Paras. 97, 100 and 101.

good employers. Further, a meaningful comparison would be possible only with the larger, well-organized undertakings, in which personnel problems—recruitment, conditions of service, etc.—have necessarily to be dealt with in a systematic manner.

23. Among the criticisms of the principle of fair comparison, one commonly mentioned is that the State as an employer should not pay to any of its employees remuneration that is not sufficient to meet his essential physical and social needs, whatever may be the lowest rates paid outside. The criticism is in itself right, and we have already said that in the determination of the lowest salaries and wages social as well as economic considerations must have weight. But so long as comparison is made with rates paid by good employers, it is unlikely that the lowest salaries and wages would be found to be socially inadequate. In any case, in Indian conditions the principle must be recognised to be subject to the qualification that the lowest salaries and wages should not be below a level determined by a combination of social and economic considerations.

24. A second criticism levelled against the principle is that the Central Government being the biggest single employer in the country, wages and salaries in organized employments outside often follow the pattern of wages and salaries under the Government; and that this is particularly so as regards certain classes of staff, for instance clerks who are employed by the Government far more extensively than by other employers. It is argued that in these circumstances it would be a "circular" procedure—and one making for perpetual immobility—if the Government were to adopt comparison with rates in outside employment as the main principle for determining the salaries and wages of their own employees. It has been stated that the Varadachariar Commission's recommendations, and in particular those which were accepted by Government, had a notable influence on wage agreements and awards and also on other conditions of employment in the private sector; and it is argued that if we were to recommend the adoption of the principle of fair comparison with the current rates of remuneration in comparable outside employments, it would, in effect, mean that every Pay Commission would be following its predecessor's recommendations fairly closely, departing only where the recommendations had not found general acceptance. This seems to us to be a somewhat incomplete statement of the facts and an over-simplified interpretation of the developments during the last twelve years. The Varadachariar Commission's recommendations exercised considerable influence because while a volume of discontent had grown up among the workers during the War years (when trade union activity was inhibited by emergency laws and curtailment of political liberty and when the real wages fell below the pre-War level), there was not much by way of general principles or "case law" to guide the tribunals that came into existence under the Industrial Disputes Act, 1947. It is only towards the middle of 1949 that the Committee on Fair Wages submitted its Report. It was in this situation that during the years 1947-50 the Varadachariar Commission's recommendations relating to general principles and other broad questions had notable influence on wage agreements and awards. As years passed, the reliance of the tribunals on that Commission's Report decreased progressively, part of the explanation being that actual developments had largely caught up with many of the recommendations, and part that other guidance had become available to those dealing with wages and salaries. There have been developments in the private sector independently of the recommendations of the Varadachariar Commission; but even acceptance of the fact that that Commission's recommendations have had a wide, and a deep, influence on wages and other conditions of employment outside, does not necessarily make the principle of fair comparison with rates of remuneration outside largely invalid. It is natural that what happens in Government employment should

have greater or lesser repercussions in the private sector. But rates of remuneration in the private sector are not replicas of those in Government employment. They are, in many cases, determined by free collective bargaining; they are influenced by the profits and productivity of the industry in question, and by awards made by industrial tribunals; and they usually reflect the play of employment market forces.

25. A variant of the criticism discussed in the preceding paragraph is that while comparison with rates in outside employment may be a satisfactory principle in a developed economy in which Government employees constitute a small percentage of the total number of salary and wage earners, it is unsuitable in conditions such as those of present-day India. It is pointed out that out of an estimated total working force of 155 millions in 1957, 112 millions are engaged in agriculture and allied occupations; that the earnings of these cannot, obviously, be of any *direct* value in considering the rates of remuneration of Government servants; and that the total number of wage earners and salaried employees in non-agricultural occupations is only of the order of 17.60 millions*. Of these, about 1.77 million, as on 30th June 1957, are Central Government employees, excluding those employed on the administration of Union Territories. The table below shows the comparative figures (1957) and ratios for India, U.K. and U.S.A.

Country	Number of wage-earners and salaried employees outside agriculture.	Number of Central or Federal employees.	3 as percentage of 2.
1	2	3	4
	(millions)	(millions)	
India	17.60	1.77	10.1
U. K.	21.63	1.05	4.8
U. S. A.	52.54	2.42	4.6

*The estimates have been made on the basis of the results of the 1951 Census, which were as follows :—

Total working force	143.2 millions.
Engaged in agriculture and allied occupations	103.6 „
Wage-earners and salaried employees in non-agricultural occupations :	
(a) excluding earning dependents	13.5 „
(b) including earning dependents (estimated)	16.2 „

If the total number of public employees (i.e. employees of State Governments, Local Bodies, etc., as well as those of the Central Government) is taken, the figure works out to about one-third of the total number of wage-earners and salaried employees in non-agricultural occupations. The corresponding proportion in the United Kingdom, including the nationalized industries, is about 20 per cent. It is true that the ratio of Central Government employees to the total number of wage and salary earners outside agriculture is much higher in India than in U.K. or the U.S.A. But the ratio is not so high as by *itself* to make comparison with rates of remuneration in outside employments an unsound procedure, even though it must

be recognized that, normally, the larger the number of comparable employees outside in relation to those in Government employment the more useful would be the comparison.

26. There are, however, other difficulties about the adoption of the principle, some of them intrinsic and some connected with circumstances at present existing in India. The nature of duties and responsibilities in certain branches of the public service, particularly at the higher levels, and the organisation of the public services and Government Departments—often with deep hierarchies—have usually no exact parallels outside. This would make comparison a difficult, and a somewhat complicated, process; and in the case of the higher positions in the public service there is the further difficulty of assessing the allowance that should be made for the non-economic rewards of the public service to which we have referred earlier. None of these difficulties is, however, insuperable; and in regard to employments in which the nature of work does not differ, whether they are in Government or outside, comparison with outside rates is far easier. Instances are unskilled workers and skilled tradesmen in factories, typists and the lowest grades of technical and professional personnel.

27. It is, however, not the greater or lesser difficulties inherent in the principle of comparison, but the more practical difficulties in the application of the principle in the present situation in India, to which we attach importance. Full and systematic information is not available regarding rates of wages even in the well-organised sectors of commerce and industry; and information regarding salaries, except where they have been subject matters of a public enquiry or adjudication, is even more scanty. During our visit to Calcutta, we had a meeting with a committee of the Indian Chamber of Commerce, and we sought information on the range of salaries and conditions of employment in the commercial and industrial undertakings with which the Chamber is concerned. We followed this oral request with a letter, to which we received the following reply:—

“.....The scales of pay offered in the private sector are subject to wide variations from company to company, and hence it is hardly possible to give any figure as representative of the scale of pay for any particular post. To mention but one instance, I understand that for the post of Chief Accountant, the variation in salary is between Rs. 250/- in the case of one company to Rs. 2,500/- in another. Similarly, in the matter of leave entitlement and retirement benefits also, there are wide variations. In the circumstances, we feel that no useful purpose will be served by our giving figures.....”

The reply not only shows the difficulty of getting data about salaries etc., in the private sector but also brings out the existence of an exceptionally wide range of variations in salaries and conditions of service and the absence of any common standards for determining them. It is, no doubt, possible to set up a machinery to find out the relevant facts concerning outside employments. But the further question arises whether staff relations in the public service have developed to the point at which such a machinery can serve all the purposes it is capable of. An essential condition for fruitful functioning of such a machinery is an agreement between the Government and the employees' organisations concerned as regards the outside undertakings from which data should be collected, and about the methods of analysing the work of the staff selected for comparison and of converting staff benefits into money terms. Without such an agreement, the data collected, and the method of handling them, may give rise to sharp differences and acute controversies, which would not facilitate the process of salary determination.

28. We have thus come to the conclusion that in the present circumstances, the principle of fair comparison with rates of remuneration in outside employment has serious practical limitations. This does not, however, mean that we do not accept the utility of such comparison even at present, or that we do not consider it desirable for the Government to make arrangements for systematic collection of information concerning wages, salaries and conditions of service in selected undertakings in the private sector. Whatever limitations, practical or otherwise, that there may be to the use of outside rates in the determination of Government salaries and wages, it is those rates which—representing as they usually do, the result of the operation of the free market mechanism—supply the primary economic guide. Because of the monopolistic character of most governmental activities, a relationship between wages and salaries, and demand for the product of labour, is impossible to discover; and this is essentially true of railways operated by the Government, and of the postal and telegraph services, as well as of the purely administrative activities and the social services. The determination of Government salaries and wages without taking into consideration the rates in outside employment, may, therefore, have one or another undesirable consequence. If the remuneration fixed is too low, even after making allowance for other conditions of service, it may lead to recruitment difficulties and high turnover of staff: in the present conditions of the employment market the competition is mostly confined to that for exceptionally talented and technical personnel, but it is likely, in course of time, to extend over a wider field. If, on the other hand, the remuneration paid by Government is substantially higher than that paid in outside employments, it might, apart from being unfair to the community of whose interests the Government are the trustees, result in Government having an excessive share of the ablest and the best qualified persons, at the cost of professions, undertakings and institutions outside, many of which too are engaged directly or indirectly in promoting the welfare and development of the country.

29. In the circumstances, while refraining from adopting fair comparison with outside rates as a principle suitable for full and detailed application, we recognise it as one of the important factors to be taken into account—a factor, however, to be considered at present usually in a broad way and with discrimination. But we think that even where the remuneration is to be determined mainly on other, for instance social considerations, comparison with outside rates should be used as an aid and a corrective.

30. We have said that in determining the minimum wage or salary, social as well as economic considerations should be admitted. We think that a combination of social and economic considerations is appropriate also in the determination of the highest salaries. The social considerations in this case exercise an influence in the opposite direction: while they would operate in one case to raise the floor, they would operate in the other to keep down the ceiling of the salary structure. In the matter of minimum wage, the requirement of social policy is that an employee should be assured the satisfaction of certain human and social needs; in regard to the highest salaries, the requirement is that the salaries while sufficient to attract persons with the requisite talents and qualifications, and to retain them in service with their efficiency and keenness unimpaired, need not be such as would compare with the highest salaries in outside employments. Once the demands of efficiency of the public service are satisfied, it is considerations of social justice and values appropriate to the social order aimed at that should have decisive weight; and these considerations require limitation of disparities and their reduction as far as possible. The application of these principles, and the bearing of the present scales of emoluments in private employment on public salaries at the highest level, we discuss in a later chapter.

31. With the minimum and the maximum salaries having been determined on the principles stated in the preceding paragraphs, sound and equitable internal relativities should be the most important single principle to be followed in the determination of the intermediate salaries. There are various reasons why it should be so. As we have said earlier, there is no grading system outside similar to that in the civil service; and there are classes and groups of staffs under Government who have no comparable counterparts outside. Their salaries can, therefore, be determined only by a comparison of their duties and responsibilities, and of the value of their work, with those of other Government servants. Further, civil servants are generally organized in hierarchical structures, each level in the hierarchy shouldering greater responsibility than, and supervising the work of, those at the lower level. Such vertical relativities should, obviously, be recognized by differences in the rates of remuneration; otherwise, there would be no economic incentive for seeking promotion to a higher grade, or reward for accepting greater responsibility. Horizontal relativities should, normally, be a less important factor in the determination of salaries; it is difficult to make valid comparisons between classes in different occupational groups, or with entirely different kinds of duties; and the supply and demand and, in consequence, the recruitment conditions, also vary a great deal from one occupation or profession to another. Moreover, as increased importance is attached to comparison with outside rates, the difficulty of working out horizontal relativities within the public service on any other basis, would increase. The employees' organizations generally do not, however, share this view of the importance of horizontal relativities. In fact, the case for what has been described as fair horizontal relativities has been pressed with greater vigour than that for adjustment of vertical relativities; and this is not surprising, considering that in regard to vertical relativities the question is not whether the rates of remuneration should be different (they must obviously be so), but whether the differentials are right. Comparison of different professions or occupations, or of different kinds of duties, on the other hand, raises more fundamental questions and admits of wider controversies. We are of the view that where qualifications for recruitment are identical or comparable, the starting salaries should also be comparable. This is, however, on the assumption that the qualifications are determined by the real requirements of the particular service—an assumption which we have not always found to be correct. Where the qualifications prescribed are disproportionate to the nature of the work and responsibilities, these latter must be taken into consideration and may even be given greater weight than the entrance qualifications. We should explain further that qualifications should not be equated merely because the level of education or training prescribed is identical or comparable. Where a higher standard of mental equipment or of personal qualities is required, a higher starting salary would be fair and reasonable, even though the academic qualifications laid down are identical. For instance, while a university degree may be required both for a clerical and an administrative service, the abilities required for the latter are of a far higher order so that only the ablest of the graduates can measure up to the requirements; and it would obviously be wrong to prescribe for the two services scales of pay which have the same starting point. We have considered it necessary to deal specifically with this question as some of the proposals placed before us by employees' organisations proceed—directly, or by implication—from the premise that all those who have the same degree or diploma, or who at a competitive examination obtain marks above a certain minimum percentage, should be remembered at the same rate, irrespective of the quality of their degree or diploma, or, in the latter case, of their relative ranks.

32. The fact that only limited use can be made of comparison with rates in outside employment increases the importance of a careful determination of the internal relativities in the service. There is no scientific process for working out

fair relativities; but a systematic and careful examination of the existing relativities, and their re-adjustment where the changed conditions so require, or where the traditional valuation has been unfair or irrational, should achieve the degree of fairness that is humanly possible.

33. We shall now consider whether there are any general economic factors which should be included among the principles with reference to which the remuneration of Government servants should be determined. On behalf of large sections of employees it has been urged that along with the "model employer" principle, and the principle of social or distributive justice, the increase in the national output, as reflected in a rise of the real (national) income per capita, should be taken into account in determining the new structure of remuneration. It has been stated that except when Government are engaged on non-monopolistic production, it is not possible to relate increases in remuneration of Government servants to any increases in productivity in individual units, measurable in economic terms; and that in this situation those who serve the community should be recognized as entitled to share, in the form of increased remuneration, the nation's prosperity as reflected in the growth of per capita real income. There is also a suggestion that wages and salaries of Government servants should be increased in proportion to the rise in per capita real income.

34. In the view of the employees' witnesses, another economic factor which should be accepted as of crucial importance to the determination of salaries and wages is the level of the cost of living. They suggest that not only should that be taken into account in setting the rates of wages and salaries—except in the case of the higher grades—but that a link between consumer prices and remuneration should be established as an integral part of the principles of wage and salary determination.

35. Many of our non-official witnesses too, including well-known economists, attach great importance to these economic factors, which however they view from a different angle. While the employees look at the growth of national income primarily as a factor entitling them to an improvement of their standard of living, the other witnesses look at the low national income, in spite of the growth that has occurred in recent years, as a ground for diversion of larger resources towards the building up of capital equipment essential for accelerating the rate of economic growth: only thus, they think, can a substantial improvement be brought about in the living standards of Government servants, along with those of other sections of the community—many of them at a far more depressed level at present. They point out that even the minimum remuneration, though influenced by social considerations, cannot be determined without reference to the size of the national product—the goods and services available for distribution. To put it differently, while the sight of one is set to the recent growth of national income, that of the other is set to its still exceptionally low level and the paramount necessity of raising it rapidly.

36. The general level of real wages and salaries in a country at any time is limited by the country's productive capacity, and any substantial rise in that level will depend on the increase of the total national output, together with a more equitable distribution of incomes where there is widespread maldistribution. The question raised before us, however, is not one of the relevance of national productivity to wages and salaries in this broad sense. It is whether wages and salaries of Government servants should be related positively and, in effect, directly to the trend of national productivity. And to the proposals that they should be, several objections have been raised. It has been pointed out that the

entire increase in productivity cannot be treated as being available for present consumption; as mentioned earlier, it is essential that a part of it should go towards increasing the rate of investment. Further, the growing outlays on the social services, for instance expansion of educational opportunities, including provision of free primary education, health services, and cultural facilities, are of benefit to Government servants as well as to other sections of the community; and the proposal to relate their wages and salaries to national productivity leaves this "social income" out of account. The State, it is stated, is increasingly sharing the burdens of the earner, and the cost of it comes from the same national pool. The answer to these two objections might be that the rate of remuneration should be related to national productivity after making allowance for increased capital formation and greater expenditure on the social services. There are, however, other objections, some of them of a more basic character. To begin with, under our system of computation any increase in the remuneration of Government servants itself increases the national income. For example, if "Government services" account for 5 per cent of the present national income, and if Government salaries are raised by 40 per cent, there would be a 2 per cent increase in national income, and about 0.5 per cent. increase in per capita income, even though there may have been no increase whatever in the rest of the economy. And yet, a further increase in salaries would be asked for to match the increase in per capita income—an obviously unacceptable position. National productivity, further, is made up of productivity in different industries, and the distribution of the fruits of progress is not, and ought not always to be, related to the national average. For instance, if there is a substantial increase in agricultural productivity, the first socially valid claim on the increased income would be that of agricultural labour and the small cultivator, whose earnings are far lower than those of Central Government employees, and well below the national average. And this would be true of economically depressed occupations generally. Even in industries where earnings are relatively high it would not be practicable—even if it were fair in every such case—to deny to the workers in that industry a share of the increased productivity to which they may have contributed substantially by working long hours or by intensive application under the incentive, in one form or another, of additional payment. Where improvement of capital equipment contributes to increased productivity, there may be valid claims for larger profits and higher depreciation charges. Thus, either for social or for economic reasons, or both, particular industries and undertakings may secure a share of the increased productivity in excess of the national average, leaving nothing for allocation to others. In this situation, a proposal to relate wages and salaries of Government servants to national productivity may, apart from any other objections, have an inflationary effect. Estimates of national income provide only a *post-facto* measurement of the generation of incomes and their flow; it is not that an increase in national income constitutes a separate corpus which is available for distribution among the various claimants. If, therefore, the Central Government employees are to be given an increase in remuneration on the basis of increase in national income, this can be done only by obtaining the requisite amount from other sectors of the economy, through taxation, deficit financing, etc.; and we are advised that the increase, even though limited to the rate of increase in national income, may have some inflationary effect. We have thus come to the conclusion that except in the broad sense of being an indicator of the level and the state of the economy, and thus of the resources which—though subject to various limitations—the Government can draw upon for their needs, the trend (the annual output, which may sometimes fall, has no practical relevance because rates of remuneration of Government servants cannot, in any case, be revised annually) of national productivity cannot be accepted as a factor by itself for the determination of salaries and wages of Government servants.

37. About the relevance and importance of the level of consumer prices also, there is a similar division of opinion among those who have given evidence on the question; and here again, there is difference in the perspective. To the witnesses on behalf of the employees, increase in prices is primarily, if not exclusively, a ground for compensation: an occasion for protecting the living standards of those in the lower income brackets. To the employees, it is stated, wages and salaries are not ends in themselves, but only means, principally, to consumption; and it is, therefore, not the face value but the real value of their wages and salaries that matters to them. To many other witnesses, rise in prices is usually a sign of inflationary pressures or potential, and a warning that if the health of the economy is to be maintained and the plans for economic development to be pursued with success, there must be a curb on consumption; and that Government servants, including those in receipt of low wages or salaries, as well as other sections of the community, should be prepared to bear hardships in the present so that the future might be secure. We shall not examine, for the present, the validity of either of these standpoints; we deal with this matter at some length in a later chapter. For our present purposes, what is important is that, though for divergent reasons and in different ways, both groups of witnesses recognize the relevance of price levels and movements to the question of rates of remuneration of Government servants. It will be remembered that the Varadachariar Commission considered this factor to be of such importance that they recommended a rigid formula for adjustment of the dearness allowance to movements of consumer prices—a formula which was to be followed irrespective of any other circumstances or developments. We also recognize that where Government salaries and wages follow rates in outside employments, they would, to varying extents, reflect changes in price levels, as also productivity; for whether it is the operation of a free market mechanism, or collective bargaining, or conciliation and adjudication proceedings, both these elements normally exercise influence to a greater or lesser degree. We therefore accept that the level of consumer prices is among the main factors to be considered in determining rates of remuneration of Government servants. We, however, reserve assessment of its relative importance until we have considered the general economic situation, and the requirements of developmental planning. We also leave for later consideration the question whether the nature of Government employment imposes any special limitations on the application of this factor to the determination of remuneration.

38. We have discussed the various principles with reference to which the remuneration and conditions of service of Government servants could be determined, and we have stated our conclusions, including that the social and ethical as well as economic considerations are relevant to the determination of the minimum and the maximum salaries; that the internal relativities should be determined with care, and should be sound and fair; and that the whole structure of remuneration and conditions of service should be fair to the community as well as to the employees. We have, in effect, formulated not one but a number of principles. The principles supplement one another; but there is no fixed order in which they are to be applied. There may, in fact, be cases in which the principles, if applied independently, would lead to divergent conclusions; but they are not intended to be so applied. We look at the principles essentially as a statement of the basic considerations which have to be taken into account together, and harmonized to the utmost extent possible. Further, the principles are to be applied against the background—among other circumstances—of the economic conditions in the country, and the implications and requirements of developmental planning, which we now proceed to examine.

CHAPTER V

I—ECONOMIC CONDITIONS

1. The Varadachariar Commission, reporting in May 1947, hoped that price levels had reached their peak, and that the cost of living index might thereafter fall progressively and stabilise in the range of 185—200* taking the 1939 index as 100. The Commission† assumed that “in the not distant future there will be an improvement in the production and supply of foodstuffs and other essential articles, and in the availability of manufactured goods (indigenous or imported) so as to ease the present situation, and that there would thus result a fall in domestic prices and a rise in the purchasing power of the rupee.” The Dearness Allowance Committee (1952), which was specifically required to indicate the level at which the cost of living index was likely to stabilise in the foreseeable future, was cautious; but it, too, expressed the view that while the cost of living was not likely to go down to the level anticipated by the Varadachariar Commission, it would not, remain at the level obtaining at the time (October 1952). It proceeded to make its recommendations on the assumption that the index would not fall below the range 265—284. The course of events has belied the hopes of the Varadachariar Commission, and even the cautious expectations of the Dearness Allowance Committee. To mention but a single indicator, the consumer price index for the year 1958 was 414 (August 1939=100).

2. We show in the table below the movement of prices during the twelve years, 1947—58.

TABLE I

Year	Index of wholesale prices.		Working class consumer price index	
	General (Year ending Aug. 1939=100)	Food articles (Year ending Aug. 1939=100)	August 1939=100	1949=100
1947	297	292	310	87
1948	367	374	346	97
1949	381	389	356	100
1950	401	410	360	101
1951	439	410	374	105
1952	387	360	367	103
1953	394	381	377	106
	1952-53=100*			
1954	100	98	360	101
1955	92	85	342	96
1956	103	99	374	105
1957	109	107	395	111
1958	111	112	414	116

*corresponding to 381 in the old series.

†The range of 160—175 given in their report was subsequently adjusted by the addition of 25 points.

‡Para. 17 of their Report.

It will be noticed that during the years 1947—51, the trend of prices continued to be upward. The problems of post-war transition were complicated by those of partition, which resulted in mass movements of population, and disrupted for some time the economy of the sub-continent. A number of commodities had already been freed from production and distribution controls; and towards the end of 1947 the Government announced their policy of gradual decontrol of foodgrains. We shall not go into the details of the failure of this policy of decontrol and the subsequent necessity to re-introduce controls on essential commodities; it is sufficient to mention that the index number of wholesale prices registered a very sharp increase, rising from 291 in January 1947 to 390 by July 1948, almost all commodities participating in the rise and the prices of foodgrains rising even more sharply. Then, in September 1949, came the devaluation of the Indian rupee along with the devaluation of currencies of a large number of other countries. Due, however, to the institution of a number of anti-inflationary measures, a further steep rise in the price level was avoided. But the inflationary stimulus of devaluation had hardly spent itself when, in June 1950, the outbreak of hostilities in Korea brought in its wake a world-wide inflationary upsurge which had its effect on the course of prices in India also. The Korean boom was essentially a raw material inventory boom originating from external factors; and the prices of several internationally traded raw materials shot up by the middle of 1951. The prices of foodgrains also rose during this period but to a considerably lesser extent; and even the rise that occurred was attributable largely to the fall in the output of cereals—a 10 per cent decline in the index of cereals production—resulting from a series of natural calamities in the year 1950-51. The sharp increase in money supply, reflecting in part a speculative demand for bank credit, was a further stimulus to a general price rise. The combined effect of these factors was the rise in the general index of wholesale prices from 393 in May 1950 to 458 (the highest level reached upto date) in April 1951; at which level it showed a rise of over 57 per cent compared with the level at the beginning of 1947.

3. After this, the movement of prices entered what may be described as a second phase. Abatement of international tension from mid-1951, which brought about a decline in the prices of industrial raw materials, and an improvement in supplies resulting from an import surplus, together with the Government's anti-inflationary policies, led to a sharp decline in prices, the wholesale price index falling by March 1952 to 378. This gave rise to a fear of a possible depression; but the prices recovered and the fear was allayed. Taking the whole financial year 1952-53 the wholesale price index stood at 381—exactly the level of 1949. 1951-52, it will be remembered, was the first year of the first Five Year Plan, and practically the whole period of that Plan proved to be one of considerable economic stability, the wholesale price index at the beginning of the second Five Year Plan being 100 (1952-53 = 100). The stability of prices during 1952-53 gave place to a downward trend which began in April 1954, gathered momentum from September 1954 and continued upto May 1955 when the wholesale price index touched 342, which was the lowest level since 1948. Unlike the position during the post-Korean recession, the decline this time was the heaviest in food articles which fell by 28 per cent between April 1954 and May 1955; the prices of cereals declined by 27 per cent and there was a sharp decline of 43 per cent in pulses. The cause was increased agricultural production, particularly production of foodgrains, during the crop years 1953-54 and 1954-55, aided by the policy of decontrol, which, for the time being, induced the dishoarding of accumulated stocks. The precipitous fall in food prices gave rise to a great deal of anxiety about its likely effect on agricultural production; and certain measures designed to support agricultural prices were accordingly taken by the Government. This is a point of some significance in the context of the determination of the base year for our recommendations relating to pay, and we shall refer to it in a later chapter.

4. In 1955-56, the prices again started moving up, the wholesale index rising from 89** in May 1955 to 112 in August 1957—a rise of 25 per cent. in just over 2 years. This time again, food prices were crucial to the movement of the general index, the index of cereals rising during the same period from 67 to 106—an increase roughly of 58 per cent. A part of this increase in prices was a corrective to the steep decline which had taken place between September 1954 and May 1955, but the rise went further, surpassing the level of September 1954. After August 1957, the upward trend was arrested for a while and the general index fell from 112 to 105 in February 1958. The upward trend, however, reasserted itself, the general wholesale index steadily moving up to 116 in October 1958. As a result of the good harvest in 1958-59, the situation, however, eased slightly thereafter; and the general wholesale index came down to less than 112 and that for cereals to 98 by April 1959. Since then, the general index has risen to 116, and the cereals index to 102 (June).

5. During the 11 years ending 1958, the wholesale price level had risen by 42 per cent. The increase was not, however, evenly spread. There was a rise of 24 per cent in 1948 itself, and of another 21 per cent from 1955 to 1958. During the middle period, 1949—55, the price level fluctuated a great deal, but there was no general upward trend. It is indeed remarkable that the level in 1949, 1952-53, in September 1954, and at the beginning of the second Five Year Plan, was practically the same. We shall deal with the changes in the working class consumer price index in the chapter dealing with dearness allowance; we shall here only point out that the annual average consumer price index number (1949 = 100) shows a net rise of 33 per cent between 1947 and 1958. The year-to-year variations show considerable fluctuations; but in this case also the increase is concentrated at the beginning, and during the last three years of the 11-year period, the increase in 1948 being 12 per cent and that over the last three years 21 per cent.

6. We have referred to some of the factors which were responsible for changes in the price levels. We shall now briefly review the main developments in the economy which have had a bearing on the course of prices, and which have significance otherwise in the context of the issues we are required to consider. We start with the production trends, which are brought out by the figures below:

TABLE II

Year	Index Number				
	Industrial production	Production of foodgrains*	Agricultural production*	National income at 1948-49 prices@	Per capita income at 1948-49 prices@
	1946 _a = 100	1949-50 = 100		1948-49 = 100	
1947	97	98.1†	99.2†	..	..
1948	108	95.3†	93.6†	100.0	100.0
1949	106	100.0	100.0	102.0	100.7
1950	105	90.5	95.6	102.3	99.8
1951	117	91.1	97.5	105.2	101.3
	1951 = 100				
1952	104	101.1	102.0	109.4	103.9
1953	106	119.1	114.3	116.0	108.8
1954	113	115.0	117.0	118.8	110.1
1955	122	115.3	116.9	121.2	110.8
1956	133	120.5	123.8	127.2	114.8
1957	137	107.3	113.4	125.2	111.6
1958	139	..	..	N.A.	N.A.

*July to June.

@Fiscal years.

†Source : Agricultural Situation in India, July, 1958.

**We are now using the current wholesale index with 1952-53 as the base.

The period under review witnessed the broadening of the industrial base of the Indian economy, the total increase in industrial output from 1947 being more than 60 per cent. It will be noticed, however, that while the rate of growth averaged 8.1 per cent. in 1955 and 8.3 per cent. in 1956, it was only 3.5 per cent. in 1957 and 1.4 per cent. in 1958. It is notable that throughout the period of the first Five Year Plan output continued to increase steadily; and it was a factor making for relative stability of prices during that period.

7. Fluctuations in production of foodgrains which the figures in table II show, have had, as we have pointed out earlier, considerable influence on prices. But while the year-to-year fluctuations have been often sharp, increase in production is clearly noticeable if we take five-year moving averages. The relevant figures are as follows:

Five-year moving averages (Agricultural years)	Output of foodgrains (million tons)
1950—54 (i.e., 1949-50 to 1953-54)	56.4
1951—55	59.0
1952—56	62.2
1953—57	66.4
1954—58	67.3

Over a period of seven years from 1949-50, the index of foodgrain production rose by 20.5 per cent. There was a fall in the agricultural year 1957-58, but an exceptionally good crop in 1958-59 with an output of foodgrains estimated at 73.3 million tons. The impact of the developmental programmes, such as provision of irrigation facilities, fertilisers, better seeds and extension of improved methods of cultivation, has so far been only partial. With full utilisation of all the new facilities, a steadier and larger growth of agricultural production is likely. This is a point of some importance for any forecast of the future trend of agricultural production, and its consequences on the movement of prices, and on national income as a whole.

8. The national income in real terms has also risen steadily during the period under review, though in this case again the rate of rise has been uneven (varying from a little over 2 per cent. to 6 per cent.). And in 1957-58, there was even a decline of about 1.5 per cent. compared with the previous year. Figures for 1958-59 are not yet available, and 1957-58 may reasonably be regarded as exceptional, in that because of decline in agricultural production the continuous upward trend in national income was reversed. In the circumstances, a comparison between 1948-49 and 1956-57 will be appropriate; and such a comparison shows that during the eight years ended March 1957, there had been an increase in national income, in real terms, of about 27 per cent.—which gives an annual average rate of increase of 3.4 per cent. During the same period, the per capita income at 1948-49 prices increased by about 15 per cent. Thus while the economic progress may have fallen short of expectations, and the various objectives of planning may have been only partially achieved, there is no doubt that there has been progress, and that the economic situation today is distinctly better and more promising than it was in 1947-48.

9. While on the subject of national income, we may refer to the indication of the inflationary pressures in the economy, which a comparison of the rate of

growth in national income at current and constant prices provides. The relevant figures are as follows:

	(Annual per cent. change)			
	1948-49 to 1950-51 (Two years)	1950-51 to 1955-56 (Five years)	1955-56 to 1957-58 (Two years)	1948-49 to 1957-58 (Nine years)
National income				
(a) Current prices	5.1	1.0	6.9	3.5
(b) Constant prices	1.2	3.7	1.7	2.8

The disparities in the rates of growth are notable and significant. During the first Plan period, there is no evidence of inflationary pressures; over the five years ending 1955-56, real output rose faster (3.7 per cent. per annum) than income at current prices (1 per cent. per annum). But during the first two years of the second Five Year Plan, the position was almost reversed; whereas output at current prices rose by 6.9 per cent., that at constant prices by only 1.7 per cent.

10. Apart from production, monetary and debt management policies along with fiscal policies may have decisive influence on price trends. Expansion of money supply with the public depends in the main on the excess of Government expenditure or disbursements over receipts, i.e. deficit financing; and on its counterpart in the private sector, namely, credit-creation by banks for that sector. The following table shows the changes in money supply since the beginning of the first Five Year Plan, and the variables determining those changes:

TABLE III

(Rs. crores)

	1950-51	1953-54	1955-56	1956-57	1957-58	1958-59
1. Money supply with the public : outstanding on the last Friday of	1979	1794	2184	2313	2389	2498
2. Scheduled bank credit	547	538	761	900	963	1014
		1951-54	1954-56	1956-58	1958-59	
3. Variations in money supply		-185	390	205	109	
4. Factors responsible for changes in money supply :						
(i) Government indebtedness to the banks (including the Reserve Bank)		-37	288	800	334	
[(ii) Private indebtedness to the banks		-37	119	-82	-131	
(iii) Foreign assets of the Reserve Bank of India (net of borrowings from and repayments to the International Monetary Fund)		-131	-7	-568	-54	
(iv) Other assets and liabilities of the banks		20	-10	55	-40	

Over the period of the first Five Year Plan, money supply with the public increased by Rs. 205 crores or 11 per cent.; but during the first three years there was a fall of Rs. 185 crores, some of it attributable to the import surplus financed by the drawing down of sterling balances. The rest was due, in equal measure, to the decline in the indebtedness of the Government and the private sector to the banking system. In the last two years of the first Plan, the money supply started increasing. Between the end of 1953-54 and 1955-56, it increased by Rs. 390 crores, mainly in response to the increase in the Government's indebtedness to the banking system; scheduled bank credit to the private sector also increased from Rs. 538 crores to Rs. 761 crores. During this period, the size of the import surplus was negligible; and in the absence of this off-setting factor, the credit given by the banking system to the Government and to the private sector was almost fully reflected in the increase in money supply and rise in money incomes. Moreover, in spite of an increase in money supply, there was a fall of some 12 per cent. in the wholesale price index because of an increase in the national output, including the bumper crop of 1953-54. Thus, as we have mentioned earlier, the first Five Year Plan period was, taken as a whole, one of considerable stability. Since the beginning of the second Five Year Plan, however, the situation has changed. During the first three years of the Plan, money supply with the public increased by Rs. 314 crores, which was slightly less than the increase in the last two years of the first Plan. But this was so mainly because of the heavy depletion of the country's foreign exchange reserve. Over the first three years of the Plan, Government's indebtedness to the banking system increased by Rs. 1,134 crores, and there was in consequence an increase in money supply with the public. Private indebtedness to the banking system declined; but this was only a reflection of the increase in time deposits of banks, in particular the large accumulation of time deposits held by the United States Embassy on account of the PL 480 transactions. Scheduled bank credit to the private sector increased by as much as Rs. 139 crores in 1956-57. It, however, increased by Rs. 63 and Rs. 51 crores respectively, during the two subsequent years.

11. It has already been mentioned that the wholesale price level increased by 21 per cent. over the three years ending 1958—i.e. roughly the first three years of the current Plan. The explanation for this increase lies in the growing tempo of investment; the fact that a decreasing proportion of the outlays is coming from public revenues and genuine savings, and a large proportion in the form of budgetary deficits or bank credit; and in the relatively slow rate of growth of production, particularly of foodgrains and other consumer goods. In a later section of this chapter we shall mention some details of Plan outlays. For the present, it is necessary only to point out that the total Plan outlays of the Central and the State Governments increased from Rs. 343 crores in 1953-54 to Rs. 981 crores in 1958-59; and, according to the budget estimates, the outlays during the present year will be Rs. 1,092 crores.

12. This brief review of the economic conditions in the country leads us to the conclusion that with hardly any scope for a further drawing down of foreign balances (which now stand at less than Rs. 200 crores), and with the present magnitude of development outlays on the one hand, and the methods by which they are being financed on the other, inflationary pressures are likely to continue and a gradual rise of prices may take place; and this is a conclusion in which we are supported by practically all our economist witnesses. On the other hand, we have noticed that the budget deficits have recently been lower than during the first two years of the current Plan; and so also credit-creation in the private sector. We have further noted that while the price level increased by 12 per cent in 1956 and 6 per cent. in 1957, the increase in 1958 was at the rate of 2 per cent. Judging

from the trend during the first six months of 1959, the rate of rise this year may be only slightly higher than in 1958. The Government themselves apparently view the situation with reduced anxiety, as would appear from the passage below from the Economic Survey issued by the Government in February last:

“While the economic trends in the first two years of the Plan were indicative of a growing imbalance in the economy arising mainly out of the step-up in investment activity in pursuance of the plan, the signs now are of a lessening in this imbalance. The step-up in aggregate investment during the year under review has been relatively small; a larger proportion of it than in the previous two years has been financed by external resources. Credit creation has been on a smaller scale; and, stringency in the money market has abated, with consequential improvement in the loan receipts of both the Central and State Governments. The upward trend in prices has been mainly the consequence of a shortfall in agricultural production rather than of any overall excess of demand. Prices of raw materials and manufactured goods have remained practically stable.”

We do not ourselves think that, either on past experience or on present trends, it would be reasonable to take an alarmist view, and to consider serious instability of prices a likely development in the near future; and, here again, we are supported by the consensus of opinion among our economist witnesses. The Government are, we have no doubt, aware of the danger to the progress of the country from any serious disturbance of price stability; and judging from measures taken by them during the last three years it may be expected that they would take suitable steps to hold inflationary pressures under check. We cannot, however, assume, particularly in view of the element of uncertainty in agricultural production and its influence on prices, that even the best efforts of Government would always be effective. We have already mentioned the virtual unanimity among the competent witnesses on the likelihood of an upcreep of prices; and all the material before us enjoins an attitude of caution, and suggests the need for circumspection in any matter that is capable of aggravating the inflationary trends.

II. Developmental Planning

13. Our terms of reference require us to take into account; among other factors, “the implications and requirements of developmental planning”. We consider this factor in two parts: as a matter of financial resources required for implementing the current and future plans; and as a broader economic and social problem. The two are, of course, related.

14. A review of the budgetary trends reveals the strains to which the Central Government budget has been subjected in order to finance the large investment programme undertaken for the second Plan. The revenue surplus of the Government of India, which increased from Rs. 39 crores in 1952-53 and Rs. 40 crores in 1955-56, to Rs. 89 crores in 1956-57, dwindled in the subsequent year and turned into a deficit of Rs. 60 crores in 1958-59 (Revised Estimates) and Rs. 59 crores in 1959-60 (Budget Estimates). Over the six years to 1958-59, expenditure on revenue account has risen by about 77 per cent. whereas the total revenue has increased by 47 per cent., the rise in tax revenue being about 37 per cent.

15. The failure of revenue to grow sufficiently to match current expenditure, and the shortage of resources on capital account have together been responsible

for large-scale deficit-financing in recent years. The resources of State Governments have also fallen short of requirements. The total deficit of Central and State Governments was Rs. 238 crores in 1956-57; the deficits in 1957-58 and 1958-59 were Rs. 499 crores and Rs. 156 crores respectively, making a total for the three years of Rs. 893 crores. In the budget for the current year the deficit at the Centre is estimated to be Rs. 223 crores; and the State budgets show a total deficit of Rs. 7 crores.

16. A comparison with the pattern of financing the first Plan provides a clearer picture of the resources available for the current Plan. The following table shows the Plan outlays of the Central and the State Governments, and the manner of financing them:

TABLE IV

	First Plan				Second Plan			
	(Three years) 1951-54		(Two years) 1954-56		(Two years) 1956-58		(One year) 1958-59	
	Rupees Crores	Per Cent	Rupees Crores	Per Cent.	Rupees Crores	Per Cent.	Rupees Crores	Per Cent.
Total Plan Outlay .	870	100.0	1090	100.0	1485	100.0	981	100.0
How Financed :								
(i) Domestic Budgetary Resources .	592	67.9	761	69.8	618	41.6	508	51.8
(ii) External As- sistance .	129	14.9	58	5.3	133	9.0	325	33.1
(iii) Deficit Financing .	149	17.2	271	24.9	734	49.4	148	15.1

SOURCES : 1. Review of the First Five Year Plan.
2. Plan Resources and Outlay—a Review.

NOTE : Figures upto 1956-57 are 'actuals' and for the remaining two years 'likely actuals'.

It will be noticed that the proportion of domestic budgetary resources has come down 68 per cent. in the first 3 years of the first Plan to 42 per cent. in the first 2 years of the second Plan. There was a slight improvement in 1958-59, but the proportion was still considerably below that obtaining during the first Plan period, and it was only a little more than 50 per cent. of the Plan outlay in 1958-59. It will be noticed that in absolute terms also the domestic budgetary resources during the first 2 years of the current Plan were lower than those during the last 2 years of the first Plan. The reduction in absolute terms was partly due to the practice of treating, at the end of the Plan, a part of the outlay as being outside the Plan—a matter to which we refer in a later paragraph.

17. The main components of budgetary resources available for the Plan are—
(a) balance from current revenues, (b) Railways' contribution, (c) loans from the

public, and (d) small savings, unfunded debt and miscellaneous capital receipts. The comparative figures for each of these are shown in the table below:

TABLE V
CENTRE AND STATES

	(Rs. crores)					
	1951—54	1954—56	1956—59	1956-57	1957-58	1958-59
(a) Balance from current revenues	368.5	205.8	427.5	145.4	155.7	126.4
(b) Railways' contribution	74.0	41.4	126.1	34.1	40.0	52.0
(c) Loans from the public	-4.7	209.1	462.1	145.9	78.1	238.1
(d) Small savings, unfunded debt, etc.	154.4	228.8	110.8	36.5	-17.7	92.0
TOTAL BUDGETARY RESOURCE	592.2	685.1*	1126.5	361.9	256.1	508.5

*Revised Estimates for 1955-56. Actuals for this year give a total for two years of Rs. 761 crores.

The Plan outlay during the period 1956—59 was Rs. 1,376 crores higher than that for years 1954—56; and yet the contribution of current revenues increased only by Rs. 222 crores. This was a continuation of a tendency noticeable even during the last 2 years of the first Plan. The contribution of current revenues was 42 per cent. of the Plan outlays in the first three years of the first Plan; it declined to about 20 per cent. during 1954—56 and further to 17 per cent. in the current Plan period.

18. There has also been a considerable increase in the non-Plan outlays in recent years as the following table will show:

TABLE VI
CENTRE AND STATES

	(Rs. crores)		
	(Three years) 1951—54	(Two years) 1954—56	(Two years) 1956—58
Non-Plan outlay			
(i) Development	693	527	1050
(ii) Non-development	1604	1143	1415*
TOTAL	2297	1670	2465

*1957-58 figures are revised estimates ; others are actuals or likely actuals.

NOTE : Non-development outlay includes cost of tax collection, debt service, defence, general administration, police, administration of justice, stationery and printing, currency and mint, audit, privy purses and few miscellaneous items, excluding 'state trading'.

The rest of the non-Plan expenditure, including loans and advances other than those to the States is treated as developmental.

From an annual average of Rs. 765 crores in the early years of the first Plan, the non-Plan outlay has increased to Rs. 1,232 crores per annum in the first two years of the second Plan. The increase in non-development outlay is ascribable partly to increase in defence expenditure from Rs. 186 crores in 1951-52 to about

Rs. 282 crores in 1957-58, and to a certain extent also to the expansion of governmental agencies which has occurred in recent years. The increase in defence expenditure must be taken to have been unavoidable; and though there may be scope for some measure of economy in expenditure on civil administration, expansion of staff has to be accepted as a normal concomitant of expansion of governmental activities. The other part of the non-Plan outlay consists of expenditure needed for the operation and maintenance of development schemes executed during the first Plan period, and is thus, obviously, inescapable. This indeed underlines the basic fact that a given Plan outlay will require progressively larger effort at mobilising internal resources because of the unavoidable addition to the recurring liabilities of Government, which most new schemes involve on completion. And to the extent resources are absorbed by non-Plan outlays, however essential, they are not available for further development.

19. The total outlay of the 'public sector' part of the Plan originally proposed was Rs. 4,800 crores. The Planning Commission made a re-appraisal of the resources in May 1958, and there was a further review in November, 1958. The net outcome of the two reviews is that the resources in sight amount only to Rs. 4,220 crores; but that in order to avoid a large cut in the social services and decline in the rate of growth of production and employment, it has been decided not to allow the outlay to fall below Rs. 4,500 crores. The uncovered gap of Rs. 280 crores is to be filled through additional effort; and the part of the Plan beyond that covered by Rs. 4,500 crores is to be undertaken to the extent to which any further resources become available. The table below shows the provision made originally for financing the Plan, and the picture as it emerges from the last year's appraisal and review†:

TABLE VII
SECOND PLAN

	(Rs. crores)		
	Original	Appraisal	Review
Total Plan Outlay	4800	4500	4500
How financed :			
A. Domestic Budgetary Resources	2800	2022	2028
(a) Balance from current revenues	1200	759	750
(b) Railways' contributions	150	250	250
(c) Loans and small savings	1200	984	1102
(d) Unfunded debt and other capital receipts	250	29	-74
B. External Aid	800	1038	1100
C. Deficit Financing	1200	1200	1092
		4260	4220
Gap		240	280
		4500	4500

†Recently, the Planning Commission has made a re-assessment of the position for the first four years, taking into account the Central and State Budgets for 1959-60. This is presented in the form of a post-script to the "Plan Resources and Outlay—a Review". It now appears that Plan outlay over the five years will probably be close to Rs. 4,500 crores. It will be noted, however, that the budgeted deficit for 1959-60 is higher than the figure assumed in the November Review.

20. In estimating the gap in resources for financing the reduced Plan "no allowance has been made for any additional expenditure on pay and allowances which may have to be incurred as a result of the implementation of the Pay Commission's recommendations..... In other words, the implicit assumption is that the funds needed to pay for this increase will be raised more or less by increased taxation".*

21. On the broader requirements of developmental planning we shall here make only brief comments. In an underdeveloped country, such as ours, rapid economic development must be the central objective of public policy; this has, in fact, been made clear in the Report on the second Five Year Plan, where the objectives of planning have been defined as (a) sizeable increase in national income, (b) rapid industrialisation, and (c) expansion of employment opportunities. But along with these economic objectives, a social objective, *viz.* reduction in inequalities of income and wealth, has also been laid down. Until the economy develops, no substantial improvement in the standard of living of the people generally, or, for the matter of that, of the great majority of Government servants is possible; and economic development in conditions of India requires restraint in current consumption for the sake of the future. Taking the economy as a whole, the increase in consumption expenditure must be kept well below the rate of increase in national income; for this is an essential condition of adequate investment. Developmental planning does not, however, postulate a general reduction in the standard of living. A sacrifice of the current standards can be imposed on those who are well-off; and even from others, restraint in the enjoyment of the *additional* fruits of development can reasonably be asked for. There is, it is true, no fixed line of demarcation between those from whom a reduction in the present living standard can, and those from whom it cannot be, fairly demanded; and there may even be circumstances in which the whole community may have to make sacrifices. A great deal thus depends on the situation at a particular time. But our general approach is that for the lowest grades of Government servants, developmental planning should not involve a depression of their existing living standard. And while thinking of investments and development, it is well to remember that our Plan has social as well as economic objectives, and that investment in human beings is not the one that is least important, or one that brings no return.

*Plan Resources and Outlay—a Review.

CHAPTER VI

DISPARITIES BETWEEN CENTRAL EMOLUMENTS AND THOSE UNDER STATE GOVERNMENTS, LOCAL BODIES, ETC.

1. Among the factors we are required by our terms of reference to take into consideration in making our recommendations, are the disparities in the standard of remuneration and conditions of service of the Central Government employees on the one hand, and of the employees of the State Governments, Local Bodies and aided institutions, on the other. We had, accordingly, included a number of questions on the subject in our questionnaire (question Nos. 70—73), collected information about the employees of the State Governments and, in lesser detail, about those of Local Bodies, etc.; and we also had discussions, separately, with the Chief Minister or Finance Minister of each of the States except one which was represented by its Finance Secretary. While we propose to examine the disparities between the Centre's and the State Governments' employees at some length, we are not in possession of the data necessary for a similar examination concerning the employees of the Local Bodies, etc.; nor, in fact, is this really necessary. A great deal of what we have to say about the disparities between the Central employees and the employees of the State Governments is broadly applicable also to the other disparities which usually are linked, to a greater or lesser extent, with the financial resources etc., of the respective State Governments. We shall, further, confine our comments to disparities in remuneration; those in conditions of service are, generally speaking, not particularly marked and, in some matters, for instance hours of work, public holidays, educational and house rent concessions, the employees of some of the State Governments, or certain classes of them, are better off than the employees of the Central Government. The total number of employees of the State Governments, as on 30th June 1957, is 20,11,193, and the total of the employees of the Local Bodies, as reported by the State Governments, is 7·6 lakhs; but this is admittedly incomplete, and according to estimates made by us the figure including school teachers in the service of Local Bodies, is of the order of 16 lakhs. The information furnished to us regarding aided institutions, which are mostly educational institutions, is also incomplete, and in this case too we have, therefore, had to get an estimate made on the basis of such information as is available in various official publications etc. The estimated total is about 5 lakhs.

2. Before examining the bearing of the disparities on the issues with which we are concerned, it is necessary briefly to mention and analyse the main facts. This presents some difficulties as there are notable disparities between one State and another, necessitating not one but a series of comparisons; and, moreover, a valid comparison can be made only when it is established that the duties and responsibilities of the posts under reference are, more or less, similar. A broad comparison is, however, possible.

3. The rates of remuneration of the heads of major Departments in the States, excepting Jammu & Kashmir, Kerala, Mysore and Assam, do not compare unfavourably with those of the heads of Departments under the Central Government. Though there are exceptions, the typical scale for the latter is Rs. 1,800—2,000; in ten States, the rates of remuneration of heads of Departments fall within the range Rs. 1,300—2,000, the latter amount being the maximum in six of them. In respect of the heads of smaller Departments and junior administrative posts also, the position is not very different; and in one or two States the remuneration at this level is higher than under the Centre: for instance, while Superintending Engineers in Punjab are on the scale Rs. 1,500—1,750; those under the Central Government are on Rs. 1,300—1,600; and, again, while dearness allowance for Central employees is limited (except for marginal adjustments) to those

whose salaries do not exceed Rs. 1,000, in West Bengal dearness allowance at 17½ per cent. of pay, subject to a maximum of Rs. 263 per mensem, is payable to those with salaries of upto Rs. 2,000 (with marginal adjustments above that figure).

The higher State Services can be compared with the Class I Central Services. And at this level also, the difference, with some exceptions, is not marked. In most of the States, the higher State Services start at about Rs. 350 and go upto Rs. 1,200 or Rs. 1,250. Nor, by and large, is the disparity considerable at the next level. Excepting Kerala and Jammu & Kashmir, the scale of pay for the State Services starts at about Rs. 220 and ends at about Rs. 750, compared to the standard Central Class II scale of Rs. 275—800. Under the Centre as well as in the States there are Class II services on lower rates of pay.

At the level of non-clerical subordinate services precise comparison is not possible: the categories of staff and the pay scales are numerous, both under the Centre and in the States; and the nature of duties and responsibilities is often not comparable. Speaking broadly, however, there is no marked difference in the rates of remuneration even at this level.

It is in the case of the next two groups, namely, the clerical and the Class IV staffs—who are the most numerous—that the differences are conspicuous; which, in conjunction with the similarity of the qualifications and duties, has for some time provided ground for agitation by the non-gazetted employees of the State Governments.

4. The table below shows (a) the 1947 and the current minimum rates of remuneration for Class IV staffs in the different States, with the corresponding Central figures; and (b) the total current minimum remuneration of (i) clerks in the State Secretariats, and (ii) matriculate clerks in other offices under the State Governments.

TABLE I

Central Government/ States	1947 Total remunera- tion.	Current minimum rates for Class IV of			Total current minimum remunera- tion of clerks, in	
		pay	dearness allowance	Total	Secretariats	Other offices
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Central Government	55	30— $\frac{1}{2}$ —35	45	75	115	115
Andhra Pradesh	34	26— $\frac{1}{2}$ —40	30	56	84	84
Assam	44·5	28— $\frac{1}{2}$ —34— $\frac{1}{2}$ —40	38·5**	66·5	131·5†	103·5
Bihar	40	22— $\frac{1}{2}$ —27— $\frac{1}{2}$	27·5	50	94	80
Bombay	55	30— $\frac{1}{2}$ —35	40	70	120	86
Jammu and Kashmir	Not available.	25— $\frac{1}{2}$ —30	8	33	70	58
Kerala	do.	30— $\frac{1}{2}$ —40	37@	67	95	79
Madhya Pradesh	40	25— $\frac{1}{2}$ —35	26@	51	81	76
Madras	34	18— $\frac{1}{2}$ —25	35	53	90	84
Mysore	26	25— $\frac{1}{2}$ —35	25	50	60	55
Orissa	32	18— $\frac{1}{2}$ —24	27	45	88	80
Punjab	52	30— $\frac{1}{2}$ —35	30	60	100£	100
Rajasthan	37*	25— $\frac{1}{2}$ —40	25	50	95	95
Uttar Pradesh	32·5	22— $\frac{1}{2}$ —27	27·5	49·5	90	90
West Bengal	40*	20— $\frac{1}{2}$ —25	35	55	126**	106

**Includes cash (in lieu of subsidized food) allowance.

†The minimum qualification is Intermediate.

@Includes Rs. 5 and Rs. 12 respectively as special dearness allowance.

£There is only one grade of clerks.

*Figures for 1950.

It will be noticed that in Bombay and Punjab, the basic rate of pay for Class IV staffs is the same as under the Centre, and that in Assam, Andhra Pradesh, Rajasthan and Kerala the maximum of the basic rate is Rs. 5 higher than under the Centre; but the dearness allowance is in every case lower than that under the Centre and, in many cases, substantially so. And thus, in most cases it is the Centre's higher rate of dearness allowance which accounts for the major part of the disparity at the lowest level. The fact that only in Uttar Pradesh, Madhya Pradesh and Kerala has a part of the dearness allowance been converted into dearness pay, and even in those States to a lesser extent than under the Centre, has contributed another element of disparity.

As compared with the minimum remuneration of a clerk under the Central Government (Rs. 115), the rates for matriculate clerks whether in the Secretariat or other offices under the State Governments are not notably low in Assam, West Bengal and Punjab. In Mysore, the minimum rate is less than half that under the Centre or, for the matter of that, very nearly half that in some of the States.

5. A closer, quantitative, comparison is furnished in the table on the opposite page showing (as in 1958) the average monthly remuneration of different Classes of employees of the Central and the State Governments:

TABLE II

	Basic Pay					Dearness Allowance					Total				
	Class I	Class II	Class III	Class IV	All Classes	Class I	Class II	Class III	Class IV	All Classes	Class I	Class II	Class III	Class IV	All Classes
Centre	892	416	128	36	88	75	75	59	45	52	967	491	187	81	140
J. & K.	437	242	81	31	77	31	18	12	8	11	468	260	93	39	88
Punjab £	1060	520	120	30	109	55	74	42	33	40	1115	594	162	63	149
Rajasthan.	703	467	100	37	79	38	26	33	27	30	741	493	133	64	109
Assam *	817	433	127	37	85	..	..	40	35	37	817	433	167	72	122
W. Bengal *	1031	422	89	32	84	154	80	45	35	44	1185	502	134	67	128
Orissa	892	440	99	29	83	29	35	29	28	29	921	475	128	57	112
Bihar.	828	415	112	27	74	84	73	38	28	33	912	488	150	55	107
Uttar Pradesh @	977	442	82	35	71	..	14	27	25	26	977	456	109	60	97
Madhya Pradesh	661	401	80	28	65	47	64	33	30	32	708	465	113	58	97
Bombay	702	398	116	38	114	83	70	52	41	50	785	468	168	79	164
Mysore +															
Andhra Pradesh %	827	422	106	26	92	74	69	31	25	30	901	491	137	51	122
Madras†	921	444	101	30	73	70	71	40	31	36	991	515	141	61	109
Kerala.‡	1159	398	114	39	80	41	67	45	41	44	1200	465	159	80	124

£Position as obtaining before the pay revision in 1958.

*D. A. includes grain compensation/food subsidy.

@Position as obtaining before 31st March, 1959.

+Figures not available.

%Position as obtaining before the pay revision in 1958-59.

†All persons on scales of pay going upto Rs. 60 have been treated as Class IV.

‡Classes III and IV according to the State's classification have been taken as Class III and their Class V has been taken as Class IV.

Notes :

- (i) The basis of classification of employees is not identical in the States; an assumed classification has been adopted after grouping the Services and posts under the State Governments according to their functions. The higher State Services and equivalent higher posts have been classified as Class I; the State Services including the junior branch of those Services and equivalent posts as Class II; the Subordinate Services, clerical and non-clerical, as Class III; and peons, messengers, etc., as Class IV.
- (ii) The mean of the minimum and the maximum in respect of each time-scale has been weighted by the number of persons reported to be employed in that grade.
- (iii) For computing the figures relating to the States, the number of primary school teachers and employees in commercial and industrial undertakings has been excluded. It was found that the number of primary school teachers in Government employment varied considerably from State to State, depending on the extent to which primary education was being directly managed by the Government.

6. The figures in table II confirm that it is the Class III and Class IV staffs of the State Governments whose total (average) remunerations are in all cases lower than those of comparable staffs under the Central Government, and that judging from the average the Class I and Class II staffs in five of the States are in a favourable position compared with those under the Centre. Out of 20,11,193 total staffs of the State Governments, 3,63,342 are clerical staffs and 7,82,747 are Class IV staffs; and these, as we have said, are the classes whose rates of remuneration compare particularly unfavourably with those under the Centre.

7. The State Governments as well as their employees have, in recent years, expressed concern about the disparities. To the Varadachariar Commission also, the Provincial Governments had expressed the view "that the pay of Central Servants serving in the several Provinces should be identical with or bearing as close a relation as possible to the pay of Provincial Government servants of the same category in the same area". But the matter appears to have assumed much greater importance since 1952, when it was raised at a conference of Finance Ministers. It has been urged by the State Governments that the disparities have caused a great deal of dissatisfaction, particularly at the lower levels where duties are not at all distinguishable; that the State employees as well as Central employees are engaged on the execution of an integrated national Plan and should, therefore, be similarly treated; and that the resources of both the Centre and the State Governments have been assessed and, in effect, brought into a common pool for financing the Plan, with the result that the States are no longer in a position to raise additional resources for improving the emoluments of their employees. It is suggested that the remuneration of public employees, whether under the Centre or under the States or under Local Bodies etc., should be viewed as a single national problem and dealt with as such. And since the financial resources of the State Governments are already fully pledged to the Plan, and there is no scope, for the present, for further taxation, whatever funds the Central Government can find for raising the remuneration of public employees should be apportioned between the Centre and the States. It is added that if the Centre is not in a position to make grants to the States to enable them to raise the remuneration of their staffs, the Centre should refrain from allowing any increase to its own employees: some amount of disparity may not matter much, but the existing disparities must not be made wider. What are described as the elasticity of the Central revenues and the inelasticity of those of the States are also referred to by some of the State Governments—even though the States now share the proceeds of two out of the three principal sources of Central revenues, namely, income-tax and excise. It seems that because of the changes in the spirit of the relationship between the Centre and the States after partition, and more particularly under the impact of the two Five Year Plans and the method of financing them, the disparities are seen in a different perspective. This is very well exemplified by the fact that while the Bombay Pay Revision Committee (1947) was of the view that the Central and Provincial scales could not be identical and must be related to the respective resources of the Governments concerned, the Mysore Pay Structure Committee (1956) expressed the hope "that the day is not far off when this question will be given the urgent attention it deserves and some solution arrived at, and this great disparity between the State and Central Government scales of pay removed". The appreciable expansion of Central Government employment, on uniform rates of remuneration, throughout the country, seems to have high-lighted the disparities.

8. It is not within our terms of reference to make any recommendations regarding the rates of remuneration of the employees of the State Governments; what we have to consider is the importance that it would be reasonable to attach

to the existing disparities in determining the remuneration of Central Government employees. In making this assessment we have to look at the basic reasons for the disparities, as well as the possible repercussions of their increase. And we must emphasize that there is little meaning in lumping together all the States—or, for the matter of that, all aided institutions or Local Bodies which include the Bombay, Calcutta, Madras and Delhi Corporations as well as small municipalities—and referring to the disparities between the standard of remuneration in States and those under the Central Government as if the States had a common standard. As we have pointed out, the differences between the remunerations of the lower grade employees of different States are wider than those between the rates under some State Governments and the Central Government. The problem is thus, in large part, one of disparities among the States themselves.

9. The respective financial resources of the State Governments appear to have been among the major factors influencing the rates of remuneration of their employees, particularly of those in the lowest grades. Because of reorganization a comparison of the revenues of the States taking a long-period average is not possible; and, accordingly, the average annual per capita revenue for the three year period 1957-58—1959-60 has been worked out in respect of each State, and shown in the table below. For the first of the three years, the actuals have been taken into account; for the second, the revised estimates as the actuals are not available; and for the current year, the budget estimates.

TABLE III
PER CAPITA REVENUE

State	Excluding resources	Including resources
	transferred from the Centre	transferred from the Centre
	Rs.	Rs.
Andhra Pradesh	12.9	20.0
Assam	16.4	30.8
Bihar	8.1	15.0
Bombay	17.6	24.7
Kerala	14.2	21.6
Madhya Pradesh	12.3	19.6
Madras	14.4	20.8
Mysore	14.2	23.0
Orissa	9.0	17.7
Punjab	18.5	26.9
Rajasthan	12.2	19.9
Uttar Pradesh	9.9	15.5
West Bengal	16.4	28.9
Jammu and Kashmir	11.3	24.2
All States	13.3	20.8

- NOTES : (1) Population figures used for the above computation are mid-year estimates for the reorganized States for 1957, 1958 and 1959.
- (2) Revenue figures of the States are net of working expenses of industrial concerns, road transport schemes, irrigation, multi-purpose river valley schemes and electricity schemes. Figures exclude 'transfers from funds'.
- (3) Resources transferred from the Centre to the States relate to (a) shared taxes, *vis.*, income-tax, union excise duties (including additional excise duties), estate duty and tax on railway fares, and (b) statutory and non-statutory grants (including capital grants).
- (4) In the State budgets some of the receipts from grants are shown under receipts or as deduct entries under expenditure heads. Such items are included in the above grants and hence the total of grants included above is more than the figure of grants-in-aid to the States appearing in the State budgets.

Source : State Budget.

It will be noticed that the per capita revenue, whether with or without resources transferred from the Centre, varies a great deal, ranging from Rs. 18·5 to Rs. 8·1 (excluding resources transferred from the Centre), and from Rs. 30·8 to Rs. 15·0 (including the transferred resources). The disparities in per capita revenue are, in fact, greater than in the rates of remuneration at the lowest level, which now range from Rs. 70 to Rs. 45 per mensem. It will be further seen that Assam, Punjab, West Bengal and Bombay, which are four out of the five States where the rates of remuneration of the lowest grades of staff are relatively high, are also the States where the figures of per capita revenue are so. Bihar, Uttar Pradesh and Orissa are three of the five States where both the minimum rates of remuneration and the per capita revenues are relatively low. Mysore and Madras are among the exceptions where, though the per capita revenue has been equal to or higher than the all-States average, the rates of remuneration have been comparatively low. The emoluments of the employees of the State Governments, thus, seem to have a fair degree of co-relation with the revenues of the States. The variations from the general pattern reflect, we think, the play of other factors—of considerable importance sometimes—to which we shall refer later.

10. The economy of a State may be an even more fundamental cause of disparities. It influences the level of taxation and the rates of wages and salaries in outside employments; and these, in turn, influence, to a greater or lesser extent, the rates of remuneration of the State Government employees. The indicators of relative economic development (per capita income, per capita annual consumer expenditure etc.) available to us are not such that we can make confident use of them; but there is no doubt that there is difference among the States in the level of economic development. Some States, such as West Bengal and Bombay, have a more diversified economy, with much greater industrial development than, for instance, Bihar, Orissa or Uttar Pradesh; as shown by the last census figures the former have much smaller proportions of their population engaged in agricultural occupations. There are also differences in the proportion of literate persons in the population, the range for the Part 'A' States, as shown by the last census, being 30·3 per cent. to 13·7 per cent. The rates of salaries and wages in outside employments in a State are another factor which would normally exercise influence on the rates of remuneration in comparable appointments under the State Government; and thus rates which may be reasonable in one State may be too high or too low in another where employment market conditions are substantially different. We have not all the data necessary for ascertaining the extent to which the rates under a particular State Government reflect the salaries and wages paid in outside employments in that State. But the average annual earnings of factory employees covered by the Payment of Wages Act do show marked differences among the States—Assam and Bombay* showing, in 1957, an average respectively of Rs. 1,833·6 and Rs. 1,452·6, while a number of other States had an average below Rs. 1,000. We do not wish to draw any general inference from these partial data; but we would point out that in many cases as State Government salaries and wages are brought closer to those under the Central Government, they might be moving away from the rates of salaries and wages generally current in the particular States. What, however, is specially relevant for our purposes is that there are more basic disparities among the States than those in the remuneration of their employees. And some of our witnesses have expressed the view that with such basic disparities, those in the rates of remuneration of staffs of the State Governments, *inter se*, and between some or more of the States and the Centre are unavoidable. It is suggested that the removal of disparities in the emoluments of Government servants is a problem that can be tackled satisfactorily, not directly

*Indian Labour Gazette March 1959, page 678.

but through a more rapid economic development of the backward States, and a larger allocation of Central resources to such States at the time of the five yearly reviews by the Finance Commission. In other words, the disparities, as between one State and another, and between the employees of many of the States and those of the Centre, would disappear or become insignificant as the end-product of a process of economic development leading to regional equality; and it is pointed out that the successive Finance Commission awards, making population increasingly the basis for the distribution of the States' share of the divisible Central revenues, and the programmes and projects under the two Five Year Plans—many of them distributed or located with the objective of reducing regional inequalities—have been operating to narrow down the differences in the level of development in the various States. As illustrations of this process, mention is made of the notably accelerated growth of development expenditure in some of the underdeveloped States such as Rajasthan.

11. Our attention has also been drawn to the fact that there has been a phenomenal growth in the resources transferred from the Centre to the States in recent years. The States' share of taxes and grants from the Centre are shown in the table below:

TABLE IV

	(rupees in crores)		
	1951-52	1956-57	1959-60 (Budget Estimates)
1. Shared Taxes	52.86	79.38	164.62*
2. Grants :			
Statutory	17.30	23.91	48.84
Others (including Capital grants)	14.96	60.36	129.80
TOTAL	32.26	84.27	178.64
3. Total of 1 and 2	85.12	163.65	343.26

*Including additional excise duties in lieu of sales tax and excluding the share of yield from budget proposals.

It will be noticed that the amounts transferred to States, including those transferred under the Finance Commissions' awards, increased from Rs. 85 crores in 1951-52 to Rs. 164 crores by 1956-57; and the Budget for 1959-60, provides for Rs. 343 crores for such transfers. Central loans to the States also increased from Rs. 73 crores in 1951-52 to Rs. 313 crores in 1959-60 (Budget Estimate). These large transfers of resources from the Centre to the States have, it is stated, served the dual purpose of increasing the resources of the States relatively to those of the Centre, and reducing the inequalities among the States *inter se*.

12. It is not necessary for our purposes to subject this line of reasoning to a close examination and to pronounce judgment on it. But it does seem to us that with some exceptions the disparities in the emoluments of public servants in different States are, to a large extent, but not entirely, the reflection of unequal levels of economic development, and of differences in the financial resources of the State Governments. We have examined whether there has been any reduction of the disparities in the emoluments of employees since 1947 and a reference to table I will show that while in 1947 the lowest remuneration in a State (Mysore)

was Rs. 26 per mensem, i.e. 47 per cent. of the Central minimum, the lowest in 1959 (paid in Orissa) is Rs. 45 per mensem, which works out to 60 per cent. of the Central minimum. Among the States themselves, the highest minimum rate in 1947, which was paid in Bombay, was more than double the Mysore rate. In 1959, the range has narrowed considerably, Orissa's Rs. 45 being about two-thirds of Bombay's Rs. 70; and relative to the Central minimum, the mean deviation of the State minima has dropped from 29 per cent. in 1947 to about 27 per cent. One may expect, in normal course, the continuance of this trend.

13. We have also considered whether in a federal or a quasi-federal structure such as ours parity between the emoluments of Central Government staffs and those of the States is a normal feature, or an objective which either the States or the Centre, or both, should strive directly to achieve. We made enquiries about the position in some other countries which have a federal form of Government, and we are informed that in the United States of America, while the minimum salary of a Federal employee belonging to the Classified Service is \$ 2690, in many of the States it is much lower (\$ 1056 in Alabama, \$ 1524 in Missouri, \$ 1500 in Indiana, and \$ 1680 in Wisconsin). In one of the States—New York—which is exceptionally rich, the scales of pay are better than those in the Federal Service. In Canada also, there is no deliberate attempt to establish parity between the Federal and Provincial employees. The announced policy of the Government of Canada is that salaries should be fixed in relation to "rates paid by good employers in private industry for reasonably comparable work having due regard to the conditions of work in the Federal Service"; and while making surveys to determine what private employers are paying for various types of work, rates paid to provincial employees are also taken into account. In Australia, however, the Public Service Board endeavours to keep salaries in the Commonwealth Government in line with those of comparable positions in the State Public Services as well as in outside industries; and since the State Governments are also guided by the principle of comparability with outside rates in fixing the emoluments of their employees, the State and Commonwealth salaries of certain major groups, such as clerks, typists, artisans, etc. tend to approximate closely. A further circumstance leading to affinity among rates of remuneration all round is that they are all influenced by awards of Industrial Courts.

14. The opinion among our witnesses was divided. An eminent economist thought that a sort of new class structure was being created within the public service in this country because of the continuance of disparities, which he considered very undesirable; and he proceeded to observe that it was completely unrealistic to think that there could be anything like a rational consideration of the pay structure of the Central Government employees without taking into account the emoluments of employees of the State Governments, Local Bodies, etc. On the other hand, a witness with very wide experience, and occupying an eminent position in national life, considered demands for parity in remuneration illogical and unreasonable, and thought that the Centre and the States should raise funds in their own way to meet their respective commitments. He was very critical of the way the States have been handling the question of raising finance, observing that there was scope for increased taxation on land of which the State Governments had failed to make use. This again is not a matter on which we are called upon to pronounce judgment. There may or may not be scope and justification for increasing land revenue, agricultural income-tax, betterment levies, irrigation charges, and the like; but the fact remains that under our Constitution the Centre and the States have their own respective spheres for raising finance, and any imbalance that arises between the two is normally expected to be corrected on the recommendations of the Finance Commission.

15. There is a further aspect of a federal or a quasi-federal structure which is relevant to the issue of disparities between the emoluments of the Central employees and those of State Government staffs. The claim of the employees of a State Government for improvement of their emoluments is only one of the claims on its resources; and different State Governments may accord a different priority to this claim. Even assuming that all the State Governments have, in relation to their population etc., equal financial resources, and that there is a perfect distribution of revenues between the Centre and States, it does not follow that there would be uniformity in the emoluments paid by the State Governments to their employees, or parity between those and the Central emoluments. One State Government may consider expansion of education or health services to be far more important than improving the remuneration of its employees; another may consider prohibition of intoxicating drinks, notwithstanding the loss of revenue that it may involve, a matter of greater urgency; and a third may give precedence to increasing the salaries of its employees. Not all the Governments in the country may accept identical principles for determination of salaries and wages, or may apply even common principles in the same way. To quote from a written answer sent by one of the State Governments to question 73 of our questionnaire, determination of the remuneration and conditions of service of the Central and State Government employees on an identical basis "is not feasible unless it is decided to have a unitary form of government in the whole country". It seems to us that in the context of our constitutional structure the issue of disparities is a highly complex one, and tangled with a great deal else; it is not one that can be resolved in a simple way. This is exemplified by the fact that not all the States have taken equal advantage, and few, we understand, have taken full advantage, of the scheme of Central assistance for raising the emoluments of the low-paid employees of the State Governments and Local Bodies etc., announced in 1957-58. The scheme which, according to the existing decision, will remain in force till 1960-61, provides that the Central Government will bear two-thirds of the extra expenditure incurred by a State Government in raising, by an amount not exceeding Rs. 12 p.m., the emoluments (that is, pay plus dearness allowance) of their low-paid employees, and of corresponding categories of employees of Local Bodies and teachers in aided schools, whose emoluments, after such increase, do not exceed Rs. 100 p.m. With one or two exceptions, no State has allowed an increase of Rs. 12 p.m. to its eligible employees. We have no idea of the expenditure the Central Government would have had to incur if all the States had taken full advantage of the scheme. We, however, understand from the Ministry of Finance that, subject to final adjustments, the Central Government have paid to the States under this scheme Rs. 739.65 lakhs in 1957-58 and Rs. 1,116.46 lakhs in 1958-59. (No amount has so far been paid to Mysore and Jammu & Kashmir.) The scheme also provides for some loan assistance to the States to enable them to increase the emoluments of employees in the pay range Rs. 100—250. But, according to our information, only three States—West Bengal, Madras and Kerala—have so far taken advantage of this provision. The difficulty, presumably, has been that the States are unable or unwilling to find the matching resources required under the scheme. As one of the State Finance Ministers put it, the Legislature of his State was keen to raise the remuneration of the low-paid staff, but not prepared to tax the people for it. We have referred to the suggestion made on behalf of one of the State Governments that if the Central Government can find funds for improving the remuneration of Government servants, they should share those funds with the State Governments. The suggestion was made on behalf of a Government which has a *per capita* revenue approximately equal to the all-States average, but pays to the lowest grades of its employees a somewhat lower remuneration than a neighbouring State with a lower *per capita* revenue. And there is the case of Mysore with a high *per capita* revenue, but with the low minimum remuneration of Rs. 50. The question arises

whether it would be equitable for the Centre to distribute any funds that it wished to allot to the States for improving the remuneration of their employees, on a uniform basis, and whether the Central assistance should not be limited to States where both the rate of remuneration and the *per capita* revenue are exceptionally low. We are mentioning this point not because we have a ready-made answer for it but because it illustrates the complexity of the problem.

Thus, we find it exceedingly difficult to determine the degree of importance that we can reasonably attach to the existing disparities in determining the emoluments of Central Government employees. This would require a judgment whether the present rates in the various States are, in their respective circumstances, fair and reasonable—a judgment which it would be beyond our terms of reference to pass, and for which, in any case, we have not all the relevant data before us.

16. A suggestion was made that the Central Government employees posted in different States might be remunerated at the rates prescribed for the State employees; and if this was open to the objection that such an arrangement would violate the directive principle of equal pay for equal work, the dearness and other allowances alone might follow the State rates. We do not consider this proposal sound or feasible. In the first place, it would not be right to consider the basic pay and the dearness allowance independently; for the basic pay was fixed in different States in different years and is not related to a common price level. It is only if all the States are agreeable to re-fix the basic pay with reference to the price level in 1949, which we are adopting as the base year for our recommendations, that the proposition that the Central allowances including the dearness allowance should be equated with the State allowances, can be at all considered. But even if 1949 is accepted as the base year by all the States, the difficulties would not be over. The dearness allowance is usually expected to compensate an employee fully, or in part, for the rise in the cost of living above the level to which the basic pay is related. If the basic pay is prescribed uniformly for all areas without taking into consideration the regional differentials in the cost of living as in the base period, it would not, as the figures below illustrate, be logical to link up the dearness allowance with the local cost of living index numbers. The average consumer price indices for 1958 (with 1949 as base) for some of the major cities are as follows:

Bombay	..	..	..	..	129
Calcutta	..	..	..	..	110
Delhi	..	..	..	..	113
Kanpur	..	..	..	..	96
Madras	..	..	..	..	124

The fact that the index for Madras was 124 as against 113 for Delhi and 110 for Calcutta, does not necessarily mean that Madras was in 1958 costlier than Delhi or Calcutta; the indices reflect only the percentage change in prices as compared to the 1949 level at each place without regard to the comparative costliness of the places in 1949. If the dearness allowance were linked to the local cost of living indices, it would result, for instance, in a higher rate of dearness allowance being paid in Madras than in Delhi or Calcutta, although it might not be justifiable in relation to the comparative costliness of these cities. We might also mention that while the dearness allowance has so far been the larger element in the total remuneration at the lowest levels, it would, according to our recommendations, become a much smaller element; and it would not thus be an adequate instrument for reducing Centre-State disparities, even if the proposal discussed above were

found acceptable. Finally, we may add a non-economic point, mentioned by the Finance Minister of a major State, namely, that different rates of dearness allowance for Central Government employees stationed in different States would give rise to complaints of discrimination against Central Government employees in areas where the allowance was lower.

17. There remains to be considered the proposal, made from time to time since 1952, that recruitment to the non-gazetted posts under the Central Government in each State should be made by transfer of selected personnel from the appropriate Services of the State Government. We questioned the Finance Ministers and other representatives of the State Governments about this proposal, and the answers varied from enthusiastic support to doubts about the usefulness of the proposed arrangement, with one Finance Minister refraining from expressing any views. In support of the doubts, it was stated that, apart from the practical difficulties that were likely to arise in its operation, the arrangement would deprive the State Governments of their best employees without giving commensurate satisfaction to the States' employees generally. The enthusiastic supporters thought that in addition to providing experienced staff to the Central Government, this would be the only way to give satisfaction to State employees without involving imposition of additional burdens on the taxpayer, more deficit financing, or diversion of resources from the Plan programmes. In general, the scheme was welcomed as likely to provide "psychological relief" to the low-paid employees of the State Governments who would look at the Central posts open to them as a sort of selection grade to which they could aspire, instead of feeling envious about. We questioned also the Secretaries of two of the Central Departments which employ considerable numbers of Class III and Class IV staffs in the States; and their attitude can be summarised as one of qualified acceptance. The desired reservations are: (i) that the selections should be made by the employing authorities, not by the State authorities; (ii) that the selections should be confined to State employees below 35 years of age, who were not too old to adapt themselves; (iii) that the existing promotion prospects of Central employees should not be affected; and (iv) that those selected should not claim credit for their service under the State Governments in the determination of their seniority *vis-a-vis* persons recruited from other sources.

18. It is not for us to examine these proposals in detail; but it seems to us that a scheme of this sort would be suitable in respect of certain, but not all, groups of Class III and Class IV posts. Posts of Lower Division Clerk, and comparable posts under the Railways and in the Posts & Telegraphs Department among the Class III, and those of Peon among the Class IV categories, might be particularly suitable for the arrangement. Class IV employees of the State Governments could also be recruited to unskilled posts in the Central Government workshops, and under the Railways generally; but it is extremely unlikely for instance that many Peons in the service of the State Governments would wish to take appointments involving arduous physical labour. The scheme should, obviously, be limited to classes of appointments which do not carry all-India transfer liability; but such liability is limited only to about 4.37 per cent. of the Central Government staffs.

If the employees of a State Government are eligible for appointment only to vacancies in Central establishments in the particular State, employees of the States where there is concentration of Central Government establishments would derive a great deal of benefit and those of the other States far too little. Thus, while the effect of the disparities between the Central Government employees and those of some State Governments would in a way be reduced, they would continue practically unabated elsewhere; and in addition, a new kind of disparity would arise between employees of one State Government and those of another. Perhaps,

the best arrangement will be one in which vacancies occurring in a Zone are distributed among the States comprised in it, on the basis of their populations, or of the respective strengths of their staffs. While we have summarized the evidence we have received, and made some observations of a general nature, the details would have to be worked out in consultation with the State Governments, if the scheme is accepted in principle.

19. For our own purposes, we are only concerned with the importance we should attach to the existing disparities in making our recommendations regarding the Central Government employees. We have discussed the various facets of the problem, referred to its wide ramifications, and explained the difficulties involved in determining the weight that we should give to this factor. We have, however, come to the conclusion that accepting the situation as it is, and mainly on practical considerations including that even if the State Governments raise further finance there would be numerous other claims on the additional resources, we should regard the disparities as a factor calling for restraint, but not one that would justify the denial to the Central Government employees of the minimum improvement in remuneration, which may otherwise appear to be fair and desirable. It is after all for the State Governments to consider the problems of their lower grade employees, on merits, and to find solutions for them.

CHAPTER VII

MINIMUM REMUNERATION

1. The minimum remuneration of a Central Government employee at present is Rs. 75, made up of a basic pay of Rs. 30, a dearness pay of Rs. 20 and a dearness allowance of Rs. 25. If the test of sufficiency to attract recruits of the right type is applied, this rate of remuneration will, undoubtedly, be considered reasonable. It is common experience that for every vacancy in the grade, for instance, of Peon or in any category of unskilled staff, there are numerous candidates who possess the requisite physical and literacy qualifications. This is not surprising, with the present magnitude of unemployment and under-employment in the country, the low level of agricultural wages, the small incomes of self-employed persons in many occupations, and the level of wages and salaries in outside employments generally. The minimum wages fixed under the Minimum Wages Act, 1948, have a wide range; but if only unskilled workers are taken, the wages vary, according to the latest information available, from Re. 0.50 per diem, that is Rs. 15 per mensem, to Rs. 75 per mensem. The latter figure is, however, very exceptional, being limited to Delhi; and the concentration is in the rates of Re. 1 to Re. 1.25 per diem, with a substantial number, however, in the rates of Re. 1.25 to Re. 1.75 per diem. Thus, with a few exceptions of little significance, the minimum wage fixed under the law ranges from Rs. 30 to Rs. 52.50 per mensem. Though statutory minimum wages are primarily intended for the protection of workers in employments where sweated labour is prevalent or where there is much chance of exploitation of labour, these rates give an idea of the general levels of wages of unskilled workers in the rural areas, and for some classes of such workers in the urban areas. And when these rates are considered with the fact that in many cases the employment is only seasonal or irregular, and that there are no non-wage benefits of any importance, it is obvious that employment under the Central Government at a minimum remuneration of Rs. 75 cannot but be conspicuously attractive.

2. We have also examined the rates of remuneration in outside employments of the kind with which it would be fair and reasonable to make a comparison of the Central Government rate. In employments where workers are well organized, the total monthly remuneration of an unskilled male worker varies from about Rs. 112 in textile mills in Bombay to about Rs. 36 in manganese mines in Madhya Pradesh. Even in the cotton textile industry itself there is a wide variation, the monthly minimum remuneration in West Bengal being only Rs. 60.67. In the coal mines, the remuneration for unskilled workers fixed by the Labour Appellate Tribunal, is Rs. 69.06. The average minimum wage of an unskilled worker in organized industry appears, in all probability, to be near about Rs. 70. (The figures mentioned in this paragraph are for 1953).

3. We have also examined the figures of average annual earnings of factory workers covered by the Payment of Wages Act. The earnings include in addition to basic wages, dearness allowance, cash value of any food concession that there might be, and bonus; and they can, therefore, be compared with the remuneration of Central Government employees without any adjustment, such as might have

been necessary if, for instance, the bonus were not included. The factory workers about whose earnings we have information constitute about five-sixths of the total number of factory employees. The latest authoritative figures available to us are for the year 1957, and the figures* for the more important industries are as in the table below.

TABLE I

Industry	Average annual earnings per capita during 1957
	Rs.
Cotton Textile	1,363·5
Jute Textile	1,037·4
Silk Textile	1,215·7
Paper Mills	1,212·8
Printing, Publishing and Allied Industries	1,217·5
Tanneries and Leather Finishing	775·9
Artificial Manures	1,284·8
Heavy Chemicals	1,259·0
Matches	914·0
Iron and Steel	1,929·0
Metal Containers and Steel Trunks	1,101·0
Textile Machinery and Accessories	1,201·1
Ship-building and Repairing	1,658·9

The all-industries average was Rs. 1,233·9; but there were considerable variations, and in some industries the average earnings were appreciably lower than the all-industries average. We wish, further, to point out that the average earnings in 1957 were the highest during the 11 years starting 1947. The figures of annual average earnings are shown below:

	Rs.		Rs.
1947	737·0	1953	1,110·9
1948	889·7	1954	1,111·3
1949	985·9	1955	1,173·5
1950	966·8	1956	1,212·7
1951	1,035·6	1957	1,233·9
1952	1,112·2		

The figures in this paragraph are of the average earnings of all factory employees (including clerical and supervisory staff) whose monthly earnings did not exceed Rs. 200,† and so the average earnings of unskilled workers must obviously have been lower.

*Indian Labour Gazette, March 1959, pages 673 to 687.

†The limit has been raised to Rs. 400 with effect from 1st April 1958 ; but since the figures we are referring to relate to 1957 the change is of no significance for our purposes.

4. We have found broad corroboration of our estimate also in the Report of the Study Group on Social Security, 1958, which after examining all the material available, came* to the following conclusions in regard to the unskilled group among the employees to whom social security schemes are applicable:

“....In Delhi a consolidated wage of Rs. 52·50 p.m. is the prescribed minimum for certain industries. There is a large volume of employment on Rs. 45 p.m. in many other industries. A study of the wages of the unskilled worker given in the Indian Labour Gazette and the Awards shows that the consolidated wage goes above Rs. 65 per month only in a few localities. In a large majority of industries and localities, it is well below. In the Delhi Cloth Mills with the level of dearness allowance at say, Rs. 55, the wage of an unskilled worker comes to Rs. 80 or so. In Cotton Textiles at Bombay, Ahmedabad, Sholapur, Kanpur and Delhi it is above Rs. 108. In the public sector, it is Rs. 75 to 80. These figures do not include cash payments by way of house rent, compensatory allowance and the like granted by Government, but these elements do not take the average very much high. The low wage pockets are more numerous in the industry taken as a whole. The average wage of Rs. 65 per month will appear to be a safe figure for an unskilled worker in the manufacturing industry. This is further supported by the wage distributions shown by the E.P.F. (Employees Provident Fund) and E.S.I. (Employees State Insurance) data.....”†

5. We have considered whether with Rs. 75 as the minimum remuneration, the lowest grades of Central Government employees to whom the rate applies can be expected to render efficient service. There is nothing like a permanent, and universally applicable, yard-stick with which efficiency can be measured; but the facts mentioned in the preceding paragraphs clearly suggest that the lowest grades of Central Government employees can reasonably, and fairly, be expected to come up to the standard of efficiency obtaining in organized employment outside. As we have mentioned earlier, the lowest rates of remuneration under the State Governments, leaving aside Jammu & Kashmir with its Rs. 33, range from Rs. 70 (in Bombay) to Rs. 45 (in Orissa), the concentration being in the range Rs. 50—55 and the rate exceeding Rs. 60 only in three cases. We have no reason to think that, for instance, Peons under the State Governments are not working efficiently; and when we questioned a senior officer representing one of the larger States with considerable industrial and commercial employment, whether his Government was experiencing any difficulty in obtaining efficient service from the lowest grades of its employees because of the low rate of remuneration, the answer was that no such difficulty was being experienced. There is no doubt that living below the subsistence level would visibly lower the efficiency of a worker; but at the present level of remuneration the Central Government employees must obviously be distinctly above the level of the majority of wage-earning population in the country; and in this relative sense above the poverty line. We are not at the moment considering the long-term effect of low wages on the employee's own health or on the well-being of his family, though any likely harmful effects in the case of a Central Government employee would obviously be smaller than in the case of others with still lower earnings. Without wishing to under-estimate the importance of social effects of low wages, we think that from the restricted angle

*Pages 77-78 of the Report.

†It may, however, be noted that the Government have set up Wage Boards for Textile, Cement and Sugar industries to examine the levels of current wages. Wage Boards for some other industries may be set up in near future. “The Study Group also states “that the present pressure by the workers for rise in wages is likely to result in the grant of some increase to the unskilled group.” (Page 79).

of the efficiency of the employee it would be reasonable to take the view that the present minimum remuneration is not perceptibly inadequate. In this connection, we sought to investigate the extent to which the present levels of remuneration were adversely affecting the health of the employees and/or driving them to incur substantial debt. The available data are scanty; but we found, for instance, that among the Railway employees, who form the bulk of the Central Government's staff, the incidence of deaths from sickness for every 1000 employees had gone down from 0.93 in 1948-49 to 0.46 in 1957-58. As regards indebtedness, while the membership of co-operative credit societies organized by the Railway and Posts & Telegraphs employees has increased in recent years, there has not been a corresponding increase in the amount of loans granted by these societies. During the period 1948-49 to 1956-57, the amount of loans taken from provident funds increased from Rs. 10.90 lakhs to Rs. 26.38 lakhs; but there was also a corresponding increase in provident fund deposits.

6. It is, however, not on the ground of recruitment difficulties, fair comparison with rates in comparable outside employments, or fall in efficiency, that the employees' organizations have put forward a claim for an appreciably higher minimum remuneration. The claim is based primarily on what is considered to be the social urgency of a need-based minimum remuneration—which, it is said, other employers may or may not accept, but which the Government themselves must recognize as employer because of their declared policies and commitments. The employees' organizations have, in particular, referred to certain proceedings of the fifteenth Indian Labour Conference which met in July 1957. The Conference is a tripartite body consisting of representatives of the Central and State Governments, employers, and employees, and the conclusions in question, which it reached unanimously, are as follows:—

“(1) While accepting that minimum wage was ‘need-based’ and should ensure the minimum human needs of the industrial worker the following norms were accepted as a guide for all wage-fixing authorities including minimum wage committees, wage boards, adjudicators, etc.:—

- (i) In calculating the minimum wage the standard working class family should be taken to comprise three consumption units for one earner, the earning of women, children and adolescents being disregarded.
- (ii) Minimum food requirements should be calculated on the basis of a net intake of calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
- (iii) Clothing requirements should be estimated on the basis of a per capita consumption of 18 yards per annum, which would give for the average worker's family of four a total of 72 yards.
- (iv) In respect of housing, the rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme should be taken into consideration in fixing the minimum wage.
- (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20% of the total minimum wage.

(2) Wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the aforesaid norms.”

On the basis of these principles and norms a minimum wage ranging from Rs. 110 to Rs. 137 per mensem (at prices prevailing towards the end of 1957) was worked out by some of the major organizations of Central Government employees, and proposed to the Commission as the base of a new pay structure. It was not quite clear to us as to what was the precise nature and degree of the Central Government's commitment to the policy on minimum wage accepted by the Labour Conference, and we accordingly sought clarification from the Government in a communication dated 14th March 1958, from which we quote below:—

“The Commission wish to know whether the Central Government now stand committed to the adoption, during the current Five-Year Plan, of a policy of need-based minimum wage, or pay, determined by the norms laid down by the Labour Conference; and if so, whether the policy applied to the Central Government's own employees, as well as to others. Since the Labour Conference resolution specifically mentions only industrial workers, the Commission would also like to know whether whatever views the Government express on the above questions would, or would not be applicable to their other employees.

One of the clauses of the resolution of the Conference provides that wherever the minimum wage fixed was below the norms recommended, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to those norms. If possible, it may be clarified whether this clause contemplates departures from the general standard only for exceptional reasons in particular cases, or also on general considerations, such as the present level of national income, stage of economic development, requirements of developmental planning etc.”

Towards the end of April 1958 we received a reply from the Secretary to the Government of India, Department of Expenditure, Ministry of Finance, explaining the Government's position in the following words:—

“...The Government desire me to make it clear that the recommendations of the Labour Conference should not be regarded as decisions of Government and have not been formally ratified by the Central Government. They should be regarded as what they are, namely, the recommendations of the Indian Labour Conference which is tripartite in character. Government have, at no time, committed themselves to taking executive action to enforce the recommendations.”

7. We were thus, in effect, left to consider the recommendations of the Labour Conference on merits. It is true that the recommendations related to industrial workers; but including Railway staffs the bulk of the Central Government employees are classified as industrial workers for various purposes, and a considerable proportion are industrial workers in the fullest sense of the term. Moreover, a large percentage of Class IV staffs, even though not engaged in industrial operations, have duties essentially comparable to those of unskilled and semi-skilled industrial workers. These facts, combined with the tripartite character of the recommendations, and the importance attached to them by employees' organizations, made it necessary for us to consider the recommendations with the utmost care. We have accordingly examined their economic and wider social implications, and also whether it is physically possible to provide now, or in the near future, goods and services on the scale laid down in the Labour Conference recommendations, even if a money wage of the requisite size can be afforded. We have also obtained expert opinion as to the validity of the assumption regarding minimum nutritional requirements made in those recommendations.

8. It is for the first time in this country—and for the matter of that, in any other country of which we have information—that the needs which a minimum wage should satisfy, have been defined in precise, quantitative terms. Nothing of this sort is required, or has so far been done, for instance under the Wages Council Acts or any of the other laws in the United Kingdom which provide for a machinery for statutory regulation of wages. The practice in India, and in many other countries, has been to fix different minimum rates of remuneration for different regions, or for different industries even in the same region; and we have referred to the wide range of the rates so fixed under the Minimum Wages Act, 1948. Further, neither directly nor by implication does the Minimum Wages Act lay down any principle for fixing a minimum wage: it only lays down a procedure which is designed to lead to a rate which, in the circumstances of a particular employment, would be fair and feasible—a rate determined after taking into account the capacity of the industry in question, the needs of the workers, and the general standard of living in the locality. It would thus appear that the Labour Conference recommendations in question mark a notable departure from the past, and from the widely accepted idea of a minimum wage as an instrument for ensuring to workers a rate of remuneration which the industry concerned is capable of paying, but which, because of lack of organization or some other similar reason, the workers would not be able to secure without the intervention of State agencies. It is true that the Fair Wages Committee took the view that an industry which is incapable of paying a minimum wage related to the worker's needs, has no right to exist, and considered that the minimum wage must provide not merely for bare sustenance of life but also for the preservation of the worker's efficiency, and, therefore, for some measure of education, medical requirements, and amenities. But the Committee did not attempt a detailed statement of goods and services that would fulfil the requirements of a minimum wage as recommended by it; and thus, in effect, it left some scope for flexibility. The recommendations of the fifteenth Labour Conference do not allow any such scope in regard to the basis on which the minimum wage should be determined; and while they do envisage (para. 2 of the recommendations) circumstances which might prevent adherence to the prescribed norms, the circumstances, apparently, must be peculiar to a particular industry or undertaking. It is not intended that departure from the norms could be made on the ground that the country's economy could not afford a minimum wage determined by those norms. The recommendations, moreover, are expressly meant to be followed during the current Plan period; they do not lay down an objective to be achieved progressively as the economy develops and the fruits of development are more equitably distributed.

9. The consensus of opinion among our economist and other witnesses whose views are entitled to special weight, was that while the concept of a need-based minimum wage was theoretically sound, the determination of the need at a particular time had to be flexible if it was to form the basis for immediate action. As one of the witnesses said, a minimum defined in some external objective term could only be treated as a standard in theory—as a goal to strive for rather than something that could be immediately put into effect. And more than one witness emphasized that it is only such a definition of minimum related to the present level of the country's economy and one that took note of the fact that the living standards of the community generally were very low, that could be regarded as at all realistic. Another witness said that a need-based floor might be conceivable in a few prosperous industries, but could not, in the present situation, be accepted for nationwide application.

10. Thus it seems to us that more important than the fact of quantitative definition of minimum remuneration is the content of what is defined; and an

examination of the content and its monetary value shows (a) that the minimum remuneration worked out according to the recommended formula may be of the order of Rs. 125 as compared with Rs. 52.50 which, with some exceptions, is the upper limit of minimum wages fixed under the law; (b) that it would be about 70 to 80 per cent. higher than the rates generally prevailing in the organised sectors of industry where wages are fixed either by collective bargaining or through conciliation and adjudication proceedings; and (c) that it would be well above the highest wages i.e. Rs. 112 (in cotton textiles industry in Bombay—average for 1958) which any considerable number of unskilled workers are at present getting in the country. Whether right or wrong, this undoubtedly is a new concept of minimum remuneration. We have considered if a minimum remuneration of this size is at all feasible at the present level of our economic development. The per capita income at current prices has varied during the nine years ending 1957-58 between Rs. 246.90 and Rs. 291.50. Taking a standard family as consisting of four members of whom only one is an earner (this is the standard which the Labour Conference, and others concerned with wages have generally adopted), the average income of a family at the highest figure during the nine years would work out to Rs. 1,166 per annum, or about Rs. 97 per mensem. The minimum wage cannot be of the order of Rs. 125, when on the basis of the national income the average for a family works out only to Rs. 97 per mensem. It is not that the entire national income is available for current distribution; a good percentage of it must go towards building up of capital assets, without undergoing distribution. A minimum wage pitched above the level of per capita income, and intended for very wide application is obviously one beyond the country's capacity; in ignoring the vital need for savings and investment, such a wage gives no thought to the future; and a wage that exceeds the highest level, and far exceeds the general level in the organised industries is obviously not one needed for protecting those whose living standards are sub-average.

11. We have also examined the financial implications of raising the minimum remuneration payable to a Central Government employee to Rs. 125 per mensem. There are about seven lakh employees who at present start at Rs. 75, and if they were all to start at Rs. 125, the additional annual expenditure on remuneration—leaving aside the effects on superannuation benefits etc.—would be of the order of Rs. 42 crores per annum. The consequential salary adjustments at the higher levels, leaving out the Class I and Class II staffs, might cost about that much again. These figures have only to be placed against the present total wage bill of the Central Government, and against the uncovered gap in resources required for completing the second Five Year Plan, to show how far out of the feasible financial limits a minimum remuneration of Rs. 125, or anything approaching that figure, is in the present circumstances.

12. In the Health Bulletin No. 23 entitled "The Nutritive Values of Indian Foods and the Planning of Satisfactory Diets" by Dr. W. R. Aykroyd, published by the Nutrition Research Laboratories, a net intake of 3,000 calories has been mentioned as the daily nutritional requirement of an average man doing moderate work. But reading the recommendations of the Labour Conference with the papers prepared by the Ministry of Labour and Employment for the Conference, it appears that the Conference had in mind a net intake of 2,700 calories, which, in fact, was the figure which Dr. Aykroyd himself had considered adequate in view of the somewhat lower metabolism of Indians. Apart from providing the required calories, a diet has to be balanced and to supply other elements essential for health. Such a diet was recommended at page 16 of the Health Bulletin referred to, and appears to have been taken as the standard diet for the purposes of the minimum wage norms we are considering. There can be little meaning in drawing

up a budget satisfying nutritional and other standards, and decreeing that the minimum wage should correspond to the total cost of that budget, without considering whether the economy would be in a position to supply the goods and services postulated. And we have found, on examination, that while the standards set in the particular balanced diet formula may be feasible in respect of cereals and to a large extent in respect of pulses, they are clearly impracticable in the case of other foodstuffs such as fruits, milk, meat, fish and eggs. Taking milk as an example, the total output of milk at the beginning of the first Five Year Plan, which was estimated at eighteen million tons, worked out to a supply of only five ounces of milk and milk products per capita; and even the second Five Year Plan only attempts to increase the supply by 30 to 40 per cent. over a period of 10 to 12 years in intensely worked areas. Thus, ten ounces of milk recommended in Dr. Aykroyd's balanced diet will not be attainable for the whole or even a very large section of the population for many years. Similarly, while according to Dr. Aykroyd's formula an egg a day is the requirement of a balanced diet, the second Five Year Plan only aims at raising the per capita supply from 4 to 20 per annum. The gap between the present or planned supplies, and the quantities that would be needed on the basis of those included in Dr. Aykroyd's balanced diet is equally wide in the case of other animal foods. These facts have special significance when considered with the finding of nutrition surveys of population groups in different parts of the country that the pattern of deficiency diseases is largely attributable to deficiency of 'protective foods' rather than to deficiency of calories. In any case, since it cannot be the object of any rational social policy to ensure a balanced diet to a particular section of the community at the cost of vast numbers whose diet is even more unbalanced and deficient than that of the particular section, determination of minimum wage on the basis of such a balanced diet is clearly unjustifiable. It would be a different matter if a minimum wage so determined were recommended as an objective to be attained over a period of years.

13. We received evidence from Dr. V. N. Patwardhan, Director, Nutrition Research Laboratories, Hyderabad, and Dr. B. C. Guha, Head of the Department of Applied Chemistry, University College of Science and Technology, Calcutta; and we obtained, and looked into, diet schedules worked out by Dr. M. V. Radhakrishna Rao, Assistant Director, Nutrition Department, Haffkine Institute, Bombay, and some other nutrition scientists. We have had the benefit, further, of discussions with Dr. B. C. Roy, Chief Minister of West Bengal, and Dr. Jivraj N. Mehta, Finance Minister, Bombay—both of them medical scientists, and the latter a former Director-General of Health Services under the Central Government. Dr. Mehta was good enough to send, at our request, a note in amplification of the views expressed by him in the course of his discussion with us, together with some valuable information on nutrition standards obtained by him during his recent visit to Japan. He also forwarded to us copies of correspondence with Dr. Patwardhan, which he had initiated on some of the points raised in the course of our discussion with him.

14. We have been informed that the Nutrition Advisory Committee of the Indian Council of Medical Research has recently scaled down the calorific requirements of men engaged in moderate activity from 3,000 to 2,800, and has considered 2,400 calories as adequate for a man engaged in light or sedentary work. The Committee has, further, reduced the protein requirements for an average man from 82 gms. to 55 gms. Since the figures of nutritional requirements mentioned above are related to the requirements of a man at the age of 25, when they are about the highest, the average for the whole working life, we are advised, will in each case be lower. Dr. Mehta has drawn our attention to the fact that an average Japanese male known to be an industrious worker and living in relatively

cool climate, can manage with 2,200 calories, and has observed that for a sedentary or light worker in India, with an average weight of 55 kgms. and a height of 162 cms., 2,100 to 2,200 calories should be adequate. Dr. Mehta has also quoted Dr. Patwardhan's views, which we are reproducing below:

"As you are aware, the Nutrition Advisory Committee had under consideration for the last two years the subject of the revision of calorie allowances for Indians. I was entrusted with the preparation of a memorandum for the Committee and I had gone at great length in studying the problem in some detail. I found that according to my calculation the calorie requirements of an average Indian doing light work would be 2300 calories per day for the whole year. This calculation was principally based on the available information on basal metabolism of Indians and the results of determination of energy cost of certain non-occupational personal activities and some sedentary occupations.

I admit that the work on these aspects so far has been very little in India; but whatever little we had been able to do at Coonoor gave me relevant information for calculation of the total energy requirements for sedentary work. Even in this figure of 2300, there may be a slight over-estimate. It is thus possible that your suggestion of 2200 calories as the average daily requirements throughout the year for an Adult Indian Male engaged in sedentary work would be reasonable. However, one point against which we have to contend is to be able to provide an answer to the question how far the smaller body size of an average Indian is due to continued mal and under nutrition. In recommending calorie requirements at a lower figure we might be accused of penalising the Indian for his low body weight. Unless, therefore, the situation with regard to the factors which determine the average body size of an Indian are well understood, this objection will always remain unanswered.

The second point which will act in favour of your recommendation of 2200 calories will be that whereas in the determination of wages and salaries the age of the man is considered to be between 20 and 30, as he progresses in service and reaches the age of retirement, the average calorie requirement for the whole age period of his service will be lower than what it should be at the beginning of his career.

In view of this your recommendation may be nearer reality."

In view of the reservations he has made about the possible link between unsatisfactory nutrition and the smaller body size of Indians, we do not read Dr. Patwardhan's views as being in unqualified agreement with Dr. Mehta's; but they do appear to us to confirm that the minimum nutritional requirements may reasonably be taken to be somewhat lower than even the revised figures of the Nutrition Advisory Committee.

15. We do not consider ourselves competent to determine the composition of a balanced diet. We, however, thought that it would be of some aid to us in our deliberations if a diet capable of providing the requisite calories and other essential nutrients was worked out within the limits of the country's present output of foodstuffs. A diet suitable for an adult man engaged in moderate (not light or sedentary) activity was accordingly worked out, and sent to Dr. Patwardhan for

his opinion. As revised in the light of Dr. Patwardhan's comment, the suggested diet is as follows:

Cereals	15 oz.
Pulses	3 „
Vegetables	6 „
Milk	4 „
Sugar and Gur	1½ „
Vegetable oil and ghee	1½ „
Groundnut	1 „

The calorific value of the diet is a little over 2,600, and its cost at prices prevailing in Delhi in December 1958 has been worked out at 56 nP i.e. about Rs. 52 per mensem (including a small allowance for condiments etc.) for a family of three adult consumption units. If expenditure on clothing, housing, and other requirements is added in accordance with the norms recommended by the Labour Conference, the figure works out to Rs. 82.50 at December 1958 prices when the consumer price index stood at 119 (1949 = 100). The corresponding figure for an index level of 100 will be Rs. 69.33, and that corresponding to 115, Rs. 79.73.

16. In the preceding paragraphs we have considered whether a minimum wage of the size implied in the fifteenth Labour Conference recommendations is feasible economically and financially, and we have reached the conclusion that it is not. There is, however, a wide gap between the present minimum remuneration of a Central Government employee (Rs. 75) and the minimum in terms of the Labour Conference recommendations which would be of the order of Rs. 125 per mensem. The question whether a smaller increase in the minimum remuneration is desirable and feasible, is thus still open. Apart from the Labour Conference recommendations, the main ground on which the employees' proposal for increase is based, is the increased cost of living which, it is stated, has not been fully neutralised by the increases in the dearness allowance granted from time to time, with the result that the real income of employees on the lowest scales is lower than the level at which it was fixed on the recommendation of the Varadachariar Commission. We have mentioned in chapter III the increases in the dearness allowance, which have taken place since 1947, when the minimum emoluments of a Central Government employee were fixed at Rs. 55 per mensem, made up of a basic pay of Rs. 30 and a dearness allowance of Rs. 25. The table below shows the minimum emoluments (including dearness allowance), the movement of the all-India Working Class Consumer Price Index numbers, and the minimum emoluments which would have been necessary for full neutralisation at different dates:

TABLE II

1	Average minimum remuneration including D.A.]	Average consumer price index : base 1949=100	Index of real minimum remuneration. (a) Jan. '47=100		Minimum remuneration including D.A. required for full neutralization (a)
			Col. 2 55	Col. 3 80	
	Rs.				Rs.
1947	55	87	92		60

TABLE II—contd.

1	2	3	4	5
	Rs.			Rs.
January	55	80(b)	100	55
1948	55	97	82	67
1949	65	100	95	69
January	65(c)	100	95	69
1950	65	101	94	69
1951	68	105	94	72
June	70(d)	106	96	73
1952	70	103	99	71
1953	70	106	96	73
1954	70	101	101	69
1955	70	96	106	66
1956	70	105	97	72
1957	73	111	95	76
July	75(e)	113	97	78
1958	75	116	94	80

(a) Calculated on the assumption that the minimum remuneration of Rs. 55 corresponds to the consumer price index of 285 with Aug. 1939 as base, or 80 with 1949 as base.

(b) The index for Jan. 1947 was assumed, on the limited information then available, to be 285 with Aug. 1939 as base. That is equivalent to 80 with 1939 as base. More reliable information since available places the index for Jan. 1947 at 289 with August, 1939 as base and 81 with 1949 as base. For the purpose of this table the figure of 80 has, however, been retained.

(c) An increase of Rs. 10 in dearness allowance was allowed with effect from 1st January 1949. On the basis of the average consumer price index for the preceding 12 months (data for 6 months are not available), the minimum remuneration should have been Rs. 67.

(d) An increase of Rs. 5 in dearness allowance was allowed with effect from 1st June, 1951. On the basis of the average consumer price index for the preceding 6 months (which was 102), the minimum remuneration should have been Rs. 70.

(e) The interim increase of Rs. 5 in dearness allowance was allowed with effect from 1st July, 1957. On the basis of the average consumer price index for the preceding 6 months (which was 108), the minimum remuneration should have been Rs. 74.

17. We may mention that upto a certain salary level the amounts of dearness allowance recommended by the Varadachariar Commission were in excess of those called for even for full neutralization of the rise in cost of living. At the cost of living index number of 285, the basic pay and dearness allowance recommended for the lowest grade of employees were Rs. 30 and 25 respectively, and an increase of Rs. 5 was recommended for every 20-point rise in the index. Thus, on the rise of the index number to 305 an employee on a total remuneration of Rs. 55 became entitled to an additional dearness allowance of Rs. 5 when full neutralization required it to be Rs. 3.86; in other words, to a compensation of about 130 per cent. of the rise in the cost of living. It could not have been the intention to treat a rise in consumer prices as an occasion for improving the real income of the employees. But whatever may be the explanation for the rate of increase provided for in the Varadachariar Commission formula, in reviewing the extent of erosion in the living standards of the lowest grade employees that has occurred as a result of rise in prices, what is relevant is the difference between the compensation actually allowed and that required for full neutralization. The figures in the last column of the table above accordingly show the total emoluments calculated on the basis of full neutralization.

18. It would appear from table II that with the index at 116 an increase of Rs. 5 per mensem in the total emoluments would, in the case of employees on the lowest pay, restore their real income to the level at which it was fixed on the Varadachariar Commission's recommendation. But it is to be considered whether justice to the employees requires that such a restoration should be made, and whether it would be fair to the community, and desirable in the context of the present economic situation, to do so.

19. We took particular care to seek, on the economic and social issues involved, the views of our economist witnesses, and of others with experience of public affairs or public administration. The inflationary pressures in the economy, the investment requirements of rapid economic development, the need for expansion of employment, the claims of social justice, and the importance of keeping Government servants contented—apart from any other reasons—for efficient execution of the development schemes themselves, were given varying degrees of importance. Some of the witnesses said, or implied, that we should not feel bound, as a matter of policy, to accept the Varadachariar Commission's recommendation that at a particular level of the cost of living index the minimum remuneration should be Rs. 55; that further economic progress would be retarded if we felt so bound; and that we should, therefore, seize the problem and consider the issues of Government salaries and wages against the background of the national economy. At the other end was another economist witness who expressed disagreement with the proposition that any increase in the remuneration of Government employees can be only at the cost of economic development and, thus, of enlargement of employment opportunities. He regarded remuneration paid to the staff as part of the cost of development, and Government servants as instruments, in some measure, of economic development. Higher salaries and wages, he maintained, would go to increase efficiency, which would mean that a smaller staff would be sufficient for business which requires a large number at present. The cost of administration and, in the broader context, of the economy as a whole, would, in consequence, come down, and this in turn would release more funds for investment. He admitted that increase in efficiency might lag behind increase in remuneration, and there might also be other difficulties. But he thought these would be of short duration. He, however, explained that he was all the time thinking of increases in remuneration which were not out of tune with the general growth of the economy and the general level of income and that, in his view, the crucial point was the magnitude of the increase to be recommended. This explanation, in effect, brought this witness's views fairly close to the general tenor of the evidence of this group of witnesses. The common view was that the inflationary effects of increase in the remuneration of Central Government employees would depend largely on the size of the increase; even a witness who, disagreeing with others, thought that there was general (though not a run-away) inflation in the country, agreed that a modest increase could not add up to an amount that would have a serious impact on the inflationary situation. He added—and there was hardly any disagreement on this point—that if the increase was large, and the cost was found by additional deficit financing, it would certainly have a harmful effect. With the existing gap between the resources needed and those available for implementing the present Plan, it was obvious—most of the witnesses thought—that increase in the remuneration of Government servants would reduce the resources needed and available for implementing the Plan, the size and significance of the reduction depending on the size of the increase allowed. It was, however, recognized that on social considerations, and in order to secure loyal and more efficient service from the staff, there was a case for allowing an increase to the lower paid employees whose standard of living had suffered erosion as a result of rising prices. Even a witness who was critical of what he considered to be the abstract or doctrinaire approach

of the fifteenth Labour Conference, and who described the particular approach as "suggestive of the method of trying to raise oneself by one's bootstraps", and thought that the effect of a large increase was likely to be illusory or ephemeral as it would have large inflationary implications and would impede the course of economic development, agreed that "a modest response is, however, indicated as necessary and desirable on grounds of social justice as well as efficiency of service". Another witness who attached importance to the economic as well as the social factors, and was critical of the fifteenth Labour Conference recommendations, nevertheless, felt that if the whole administration was affected by dissatisfaction, that too would be an obstacle to development; and that there was need, therefore, for paying a reasonable price to have loyal and efficient functioning of the administration. If this involved rephrasing of the Plan, even that might have to be undertaken, he added. Thus, while it was recognized that keeping inflationary pressures in check, and promoting rapid economic development without which no real improvement of the standard of living was possible, were of decisive importance—and that these required curb on consumption—a modest increase in the remuneration of the lowest paid Central Government employees was desirable for social reasons, and in the interest of greater efficiency. The likely economic consequences of such an increase were not considered to be of a magnitude that would justify complete disregard of these reasons. This is a broad summing up, with which we are in general agreement although, as we have already indicated, there were dissenting views at one end and the other, and differences in emphasis even among those in general agreement.

20. We have indicated in the chapter dealing with economic factors that the explanation for the recent increase in the price level lies in the continuing gap between investments and genuine savings and in the fact that production, particularly of foodgrains and other consumer goods, has been lagging behind the increase in demand. In a sense, rise in prices performs a necessary economic function of bringing about a balance between the current output of consumer goods and the claims made on it, by reducing the 'real' size of these monetary claims; and unless the gap between investment and genuine savings is reduced—by a reduction in investment, or through an increase in productivity and savings—we feel that the tendency will be for the price level to rise, the extent of the rise depending on the magnitude of the gap in resources. It is not for us to enter into the broader question of the measures which may appropriately be taken to contain inflationary pressures and the part to be played, in this broad framework, by a policy of putting a restraint on wages and salaries. But it appears to us that wage policy, if it is to succeed and be acceptable to the parties concerned, has to be an integral part of the general economic policy in a developing economy.

21. We have given particular thought to the question whether even a modest increase in the remuneration of Central Government employees would have an inflationary effect. Rates of remuneration of Government servants cannot, of course, affect costs of wage goods directly; and we have, therefore, considered whether an increase in those rates would have repercussions on the wage structure in the private sector, and thus have a wide impact on the economy, even if the increase in itself is small and its effect on the Central Government's budget is not disturbing. We have already referred to the fact that the Varadachariar Commission's recommendations had exercised wide influence on remuneration and conditions of employment in the private sector particularly during the years 1947—50. And among the reasons for the influence, we have pointed out that there had grown up during the War years a volume of pent-up, legitimate demands for wage increases, the satisfaction of which, in absence of other guidance, was facilitated by the recommendations of the Varadachariar Commission. It was,

however, the group of recommendations pertaining to principles governing wage determination and adjustment, and not the precise rates recommended by the Commission, that had generally exercised influence. What we are at present considering is not so much a fundamental principle but an increase in the rate of remuneration of the lowest grades of employees to be allowed on a consideration of the various relevant circumstances. We do not wish to make prophecies, but, according to the best judgment we are able to form, we do not expect that the increase we are considering would have undesirable repercussions in the private sector—repercussions such as would set up a wage-price spiral. While we should avoid making recommendations that would have harmful effect on the national economy, we do not consider that every wage increase in the private sector, whether stimulated by our recommendations or brought about otherwise, would be undesirable. Profits and/or productivity in a particular industry or undertaking may well call for a substantial increase in wages that would be socially just, and economically unobjectionable.

22. It is, moreover, only that part of a rise in remuneration of Government servants which goes into current consumption that can have effect either on prices or on the resources available for expenditure on development. We are recommending in another chapter schemes of compulsory subscription to provident funds and of contributions by employees towards improved survivorship benefits, which, if accepted, would reduce the amount that would otherwise be available for additional current consumption.

23. It is easy to over-rate the contribution which a policy on wages and salaries may make towards the general management of the economy. In a developing economy, the total wage bill and, therefore, the demand for goods and services is bound to increase even if the rates of wages and salaries remain stationary; and for keeping inflationary pressures under control more direct measures, such as fiscal and monetary policies, control of investment and the allocation of raw materials, and ultimately price control and rationing may be necessary. Moreover, the inflationary effect of a rise in wages and salaries depends on the proportion of wages and salaries in the national income; and the proportion in India, outside the agricultural sector with which we are not directly concerned in the present context, is relatively small. From the ethical angle—and, to a degree, even from the economic angle—it is necessary that restraint on wages and salaries should not be an isolated measure but should be part of a general scheme of restraints on incomes, including profits and rents, and on consumption of other sections of the community as well as of wage and salary earners. To the argument that if additional money incomes accrue to a class whose propensity to spend on consumer goods is less than that of wage and salary earners, the impact of such additional incomes on prices would be milder, the answer is that such a policy, which by hypothesis would result in the rich becoming richer, would hardly accord with the accepted social objectives of our economic development. In any case, it seems to us that it would not be right in the name of economic development to refuse to the lower grades of Government servants a small improvement in their remuneration which, on other considerations, appears to be called for. It is only as an element in an integrated economic and social policy that a sacrifice of this kind could be fairly demanded, and could be expected, along with other measures, to conduce to a general improvement in the economic situation.

24. In the chapter dealing with “principles”, we have already referred to the wage policy, applicable to the public employer as well as to other employers, enunciated in the second Five Year Plan. The aim of that policy, it will be remembered, is “a structure with rising real wages”; and that aim was, in effect,

re-affirmed, when in his budget speech on 15th May 1957, the Finance Minister emphasised the social objectives of the Plan and said—

“With knowledge that a better future for all is possible has come the aspiration that the desired improvements should take place without delay. Whether it is the demand of industrial labour for higher wages and better housing conditions, or of low-paid teachers and government employees for a fair deal and greater security—all these are but manifestations of the new awakening and of the new striving for an economic future which is consistent with the dignity of the citizens of a free society. One cannot merely shrug one’s shoulders in the midst of such a situation and say that all these things must wait till somehow or other the financial situation in the country improves. Whatever the difficulties of the moment, the demands of the people—especially of the low-income groups—must be assessed carefully and met to the maximum possible extent.”

25. We have considered whether, apart from the factors to which we have referred above, the claim of the employees for an increase in their remuneration derives any support from, or is strengthened by the increase in the per capita income which has taken place in recent years, and to which some organisations of employees have drawn our attention. We have already dealt with the general question whether wages and salaries of Government servants can be linked with national income figures in any direct or precise manner, and have reached the conclusion that they cannot be so linked. We have also been cautioned about the imperfections of the estimates of national income, and advised against making use of them except in broad, dimensional terms. We have, all the same, examined the relevant details, and they are summarised in the table below:

TABLE III

	1948-49	1957-58	Percentage in money terms	Increase in real terms*
	Rs.	Rs.		
Average annual costs on a Central Govt. employee** (source : budget papers)	1,214	1,593	31.2	14.7
Average pay of Central Govt. employees per annum† (source : C.S.O. Census) :				
All employees	1,122	1,450	29.2	12.9
Upto Rs. 300 p.m.	1,042	1,350	29.5	13.2
Upto Rs. 200 p.m.	1,008	1,295	28.4	12.2
Consumer Price Index (1949 = 100)	97	111	14.4	..
Per capita national income				
at current prices	246.9	289.1	17.1	..
at 1948-49 prices	246.9	275.6	..	11.6

*Obtained by deflating the percentage increase in money terms by the percentage increase in the consumer price index ; the price indices used relate to the calendar years 1948 and 1957 ; the increase in the per capita national income is however based on a more comprehensive evaluation of the net output in 1957-58 at 1948-49 prices and is quoted from the Estimates of National Income (CSO).

**Obtained by dividing the total cost of staff by the number of persons employed ; extra-departmental staff in the P. & T. Department excluded ; covers pay and all allowances including grainshop concession in the case of Railway employees.

†Estimated on the basis of the pay distribution contained in the Census of Central Government employees assuming concentration at mid-value in each pay range ; covers basic pay and dearness allowance only ; estimates for 1957-58 worked out by repeating the distribution of employees at various levels as at mid-1956 and adjusting for subsequent increase in dearness allowance ; when the actual pay distribution for 1957 is available, the averages may turn out to be slightly higher. Percentage increase in emoluments revealed by these figures reflects shifts in concentration from slab to slab but ignore improvements, if any, within each slab.

For our purposes, the increases in the average annual earnings of the staff in the lower pay ranges are particularly important; and although the minimum remuneration payable to a person entering Government service has suffered, as shown in table II (para. 16), a 6 per cent decline in real terms as compared to January 1947, it would appear that the combined effect of increases in dearness allowance, increments drawn in the pay scales, and promotion to higher grades—presumably accelerated by expansion of staff—has been to increase the average total earnings by 28.4 per cent between 1948-49 and 1957-58 as compared with an increase, during the same period, of per capita income at current prices by 17.1 per cent. In real terms, the increases have been 12.2 per cent. and 11.6 per cent. respectively. These averages understate the increase in earnings for reasons explained in the footnote.* We have also considered whether comparison with 1957-58, a year in which there was an exceptional decline in national income, is quite appropriate, and we have found that a similar comparison with the year 1956-57 does not improve the employee's case. Their case, however, gets some support if the present position is compared with 1947-48. The calculations in the table take 1948-49 as the base year for comparison since figures of national income prior to that year are not available. But we have noticed earlier that there was a sharp increase in the price level between 1947 and 1948; and the increase in 1948 was even larger as compared to January 1947, the date from which the Varadachariar Commission's recommendations were given effect to. Thus between 1947 and 1948-49, and particularly between January 1947 and 1948-49, there was a considerable decline in *real terms* in the average earnings of the Government employees, while we have no reason to believe, considering the trends in agricultural and industrial output, that national income and per capita income would have declined, if at all, to such an extent during that period. Thus the relative decline in the average earnings of Government employees since January 1947 is not reflected in the above table. At the other end of the period too the consumer price index rose to 116 in 1958, and the indications are that the national income in real terms will be found to show an increase in 1958-59. We have no data concerning average earnings of the employees in 1958; but since there has been no increase in dearness allowance after 1957, the average is not likely to have risen by a significant amount. The net effect of all these may well be that since 1957-58 the average real earnings of employees have risen less than the real per capita (national) income.

26. We have already explained that no direct and precise link can be established between the wages and salaries of Government servants and the national income. Our examination of the data brings out the difficulties inherent in any such attempt. But the fact that the trend of the per capita income at 1948-49 prices, as well as at current prices, has been upward (except for a set-back in 1957-58) has some bearing, even though indirectly, on the question under consideration. If the per capita income were not rising, it could (we do not suggest that it necessarily would) be a ground for refusing an increase in remuneration even if prices were rising. The fact that the trend of the real per capita income has been upward gives a somewhat different aspect to the employees' claim.

27. Considering all the circumstances which we have discussed in the foregoing paragraphs, we have come to the conclusion that the minimum remuneration payable to a Central Government employee, which at present is Rs. 75 per mensem, should be increased to Rs. 80 per mensem. In determining the size of the increase we have also taken into consideration the fact that Government employees have incremental scales of pay, not fixed rates, and that we shall be recommending in a later chapter a greatly improved scale for the lowest grades.

*See footnote † on page 73.

We examine in a later chapter the question of re-apportionment of the total remuneration between pay and dearness allowance. Anticipating our recommendations in that chapter, however, we wish to point out that the lower grades of employees would derive further considerable benefits, in the shape of retirement provisions, and otherwise, in consequence of the re-apportionment we are proposing. Thus the real improvement at the lowest level will be substantially greater than the addition of Rs. 5 to the starting remuneration may suggest.

CHAPTER VIII

HIGHEST SALARIES

1. The Varadachariar Commission considered that Rs. 2,000/- per mensem should, ordinarily, be the maximum salary for public servants, but that for the highest posts such as those of Secretaries to Government, Members of the Railway Board, Central Board of Revenue, Public Service Commissions, General Managers of Railways and Ambassadors, four higher rates of salary, namely, Rs. 2,250, Rs. 2,500, Rs. 2,750, and Rs. 3,000, would be suitable. The present structure of salaries is based, largely, on these recommendations. The only notable exceptions are officers of the Indian Civil Service and the Indian Police, and members of certain other superior services who had entered service before 1931. While holding the highest posts, these usually draw salaries at rates which the particular posts carried before the new rates based on the Varadachariar Commission's recommendations came into force.

2. The number of posts, as on June 30, 1957, carrying a salary of more than Rs. 2,000 per mensem is 298. The tables below show an analysis of these posts:

TABLE I

(a) Secretaries, Additional Secretaries and equivalent posts

Pay	I.C.S.	I.F.S.	Railway Board	Central Legal Service	Others	Total
Rs. 4,000	22	3	5	..	3	33
Rs. 3,500—100—4,000	1	..	..	..	..	1
Rs. 3,500	3	..	5	..	2	10
Rs. 3,000 . . . . .	..	13	..	1	2	16
Rs. 2,750 . . . . .	..	12	..	1	..	13
Rs. 2,250 . . . . .	..	..	..	..	1	1
	26	28	10	2	8	74

NOTE : 1. The prescribed pay of a Secretary and an Additional Secretary is Rs. 3,000 and Rs. 2,750, respectively. I.C.S. and pre-1931 officers are entitled to Rs. 4,000 when appointed to posts of Secretary, and Rs. 3,500 when appointed to posts of Additional Secretary.

The fixed pay of Grades I and II of the Indian Foreign Service is Rs. 3,000 and Rs. 2,750 respectively. I.C.S. officers seconded to the I.F.S., are entitled to a pay of Rs. 4,000 when appointed Secretary to Government.

2. The number of I.F.S. posts in this table and the table below includes I.F.S. officers serving abroad.

TABLE II

(b) Joint Secretaries and equivalent posts

Pay	I.C.S. I.A.S.	I.F.S.	Central Legal Service	Others	Total
Rs. 3,000	58	4	..	15	77
Rs. 2,500 . . . . .	..	12	..	..	12
Rs. 2,250	4	13	6	23	46
	62	29	6	38	135

NOTE: The prescribed pay of a Joint Secretary is Rs. 2,250. I.C.S. and pre-1931 officers are entitled to Rs. 3,000. The fixed pay of Grades III and IV of the Indian Foreign Service is Rs. 2,500 and Rs. 2,250 respectively. I.C.S. officers seconded to the I.F.S., are entitled to Rs. 3,000 when appointed Joint Secretary to Government.

TABLE III

(c) Police Officers

Pay	No.	Pay	No.
Rs. 3,500	1	Rs. 1,950—50—2,150 (plus S.P. Rs. 100).	12
Rs. 3,000	2		
Rs. 2,500—125—3,000	1	Rs. 2,150	1
Rs. 2,500—100—3,000	2	Rs. 2,000	1
Rs. 2,250—125—2,750	2	Rs. 1,950 (plus S.P. Rs. 200)	1
		Total	23

NOTE: At present, all these posts are held by officers of the Indian Police. For officers of the Indian Police Service the scales of pay will be Rs. 2,500, Rs. 1,850—100—2,250, and Rs. 1,450—50—1,650 plus a special pay of Rs. 200.

TABLE IV

(d) Other posts

Pay	No.	Pay	No.
Rs. 3,500	2	Rs. 2,500	5
Rs. 3,000	4	Rs. 2,300—100—2,500	1
Rs. 2,750—125—3,000	1	Rs. 2,000—100—2,500	2
Rs. 2,600—200—3,000	1	Rs. 2,250	5
Rs. 2,875	1	Rs. 2,000—125—2,250	32
Rs. 2,750	9	Pay not yet fixed	3
		Total	66

The two posts on Rs. 3,500 in table IV are those of Solicitor General and Development Commissioner, Kandla; 13 of the posts are in the engineering and scientific lines; and 7 of the 9 posts on Rs. 2,750 are those of General Managers of Railways.

3. There are another 59 posts on scales of pay which start below Rs. 2,000 but of which the maximum is Rs. 2,250. With one or two exceptions, all these are posts of heads of Departments under the Railways.

4. Thus, in all, 357 posts carry salaries exceeding Rs. 2,000. The number of posts which carry salaries exceeding Rs. 3,000, is 47. With a few exceptions, the posts are filled by members of the Indian Civil Service/Indian Administrative Service, Indian Police/Indian Police Service, and the Class I Central Services, including the Indian Foreign Service. The strength of the three groups of Services is 1785, 1081 and 10,391, respectively, making a total of 13,257. There are a certain number of offices and posts specifically provided for in the Constitution, which have not been included in the figures mentioned in the preceding paragraphs even though the salaries, etc., of those offices and posts are fixed by the Central Government. They are posts of Attorney-General and Chief Election Commissioner (Rs. 4,000), Special Officer for Linguistic Minorities (Rs. 3,500), Chairman and Members, Union Public Service Commission (Rs. 3,500 and Rs. 3,000 respectively, unless they are members of the I.C.S. or pre-1931 entrants for whom the salaries are Rs. 4,000 or Rs. 3,500 respectively).

5. Many associations of Class III, Class IV, and industrial staffs have criticized continuance of what they regard as disproportionately high salaries. In their view, the existing disparities between the remuneration received by the lowest and the highest grades of Central Government employees are in excess of any requirements of reasonable differentials necessary for efficient service; on the other hand, they create a gulf between the highest and the lowest grades of staff, causing dissatisfaction among the latter. And the extent of the disparities, they add, is incompatible with the Government's avowed socialist objectives. It has also been stated that it is iniquitous that while the lowest grades of employees should be required to accept in the interest of the country's economic development a lowering of their already low standard of living, the salaries of the highest grades should be left intact. One or more of these views, with or without qualification, have been expressed also by a number of other witnesses who include persons with wide experience of public affairs, and of high standing in the country. Other, and opposite, views have also been expressed, and these too by witnesses whose judgment is entitled to considerable weight. Before, however, we refer to these views more fully, we briefly review the existing disparities and the extent to which they have been affected by developments during the last 20 years or so.

6. In the table below, we show the total *starting* remuneration admissible to members of the highest and the lowest paid services in 1939-40, 1947-48, 1949-50, 1951-52 and 1957-58. 1939-40 was the last year in which conditions were more or less normal; in 1947-48 effect was given to the recommendations of the Varadachariar Commission; and in each of the subsequent years selected, there was an increase of the dearness allowance.

TABLE V

	1939-40	1947-48	1949-50	1951-52	1957-58
I. Starting salary plus dearness* allowance of the lowest paid Government servant (Rs. per mensem)	10†	55 (30+25)	65 (30+35)	70 (30+40)	75 (30+45)
(Index)	100	550 (100)	650 (118)	700 (127)	750 (136)

*Except in 1939 when there was no dearness allowance.

†Employees on Rs. 10 were not numerous (the salary of the lowest grade employees varied from Rs. 10 to Rs. 14 per mensem); nevertheless, it was the lowest rate in the pay schedule.

TABLE V—contd.

	1939-40	1947-48	1949-50	1951-52	1957-58
II. Starting salary plus dearness* allowance of an I.C.S./I.A.S. officer (unmarried) post-tax (Rs. per mensem)	434†	378	381	381	381
(Index)	100	87.1 (100)	87.8 (100.8)	87.8 (100.8)	87.8 (100.8)
III. Disparity ratio II : I	43.4	6.9	5.9	5.4	5.1

It will appear that while the ratio between the starting salary, for instance, of a Peon and that of an I.C.S. officer in 1939—40 was 1:43.4 the corresponding ratio (I.A.S. taking the place of I.C.S.) in 1957-58 was 1:5.1 or 1:5.5, depending on whether the I.A.S. officer was unmarried or married. The changes before 1947-48 are, however, more of historical than of practical importance; it is the developments after the new rates of remuneration came into force on the recommendations of the Varadachariar Commission, that are of practical significance. And the reduction of disparities since then has been from 1:6.9 to 1:5.1, or taking a married I.A.S. officer, from 1:7.4 to 1:5.5. The disparities have, thus, been reduced by about 26 per cent.

7. We have also made a comparison between the maximum remuneration of the lowest and the highest grades of officers in each of the same five years, and the result is shown in the table below:

TABLE VI

	1939-40	1947-48	1949-50	1951-52	1957-58
I. Maximum salary plus D. A. of the lowest paid Government official (Rs. per mensem)	10	60 (35+25)	70 (35+35)	75 (35+40)	80 (35+45)
(Index)	100	600 (100)	700 (116.6)	750 (125.0)	800 (133.3)
II. Pre-1931 entrant and I.C.S. officer's pay @ (post-tax) income. (Rs. per mensem)	3,285	2,747	2,813	2,800	2,738
(Index)	100	83.6 (100)	85.6 (102.4)	85.2 (101.9)	83.3 (99.6)
III. Disparity ratio II : I	329	46	40	37	34
IV. Maximum salary prescribed on the Varadachariar Commission's recommendations.** (Post-tax income) (Rs. per mensem)	2,566†	2,263	2,292	2,304	2,281
(Index)	100	88.2 (100)	89.3 (101.3)	89.8 (101.8)	88.9 (100.8)
V. Disparity ratio IV : I	257	38	33	31	28.5

*Except in 1939 when there was no dearness allowance.

†In 1939-40 the pre-tax monthly entrance emolument of an Indian Civil Service officer was Rs. 450. After 1944 there was no recruitment to the Indian Civil Service, and in its place the Indian Administrative Service came into being in 1947. The pre-tax monthly salary of an Indian Administrative Service officer has throughout been Rs. 350 per mensem, with a dearness allowance of Rs. 40 per mensem for an unmarried, and of Rs. 70 per mensem for a married officer.

@The pre-tax salary was Rs. 4,000.

**The pre-tax salary was Rs. 3,000.

†Worked out for comparison.

The disparity from 1939-40 to 1957-58 was reduced from 329 to 34 taking an I.C.S. officer or a pre-1931 entrant; and from 257 to 28.5 in other cases. However, in this case also, comparison with 1947-48 is more relevant, and such a comparison shows a reduction from 46 to 34 taking an I.C.S. officer or pre-1931 entrant, and from 38 to 28.5 in the case of others. The disparity has, thus been reduced by 26 per cent and 25 per cent respectively.

8. The reductions have been brought about by the combined effect of increased taxation of higher incomes in the earlier years and a progressive increase in the dearness allowance of the lower paid staff. At a salary of Rs. 4,000 per mensem, the fall in post-tax income since 1939 was 16.7 per cent; and at Rs. 3,000, 11.1 per cent; but as compared with 1947-48, the fall at Rs. 4,000 was nominal (0.4 per cent); and at Rs. 3,000, there was a nominal increase (0.8 per cent). On the other hand, the increase in the maximum remuneration at the lowest level was 700 per cent. as compared with 1939-40, and 33.3 per cent as compared with 1947-48.

9. If the lowest scale of pay is raised to Rs. 70—1—85, with a dearness allowance of Rs. 10, as we are recommending, the disparity both at the starting and the maximum levels would be further reduced, the disparity ratio at the latter level being (95:2281) 1:24. If the *minimum* remuneration at the lowest level (Rs. 70 + Rs. 10) is compared with the *maximum* of the highest prescribed pay (post-tax), the ratio will be 1:28.5. If the comparison is made with the mid-point of the lowest scale, the ratio will be 1:26. The Taxation Enquiry Commission* (1953-54) had expressed the view that "there should be a ceiling on net personal incomes after tax, which generally speaking should not exceed approximately 30 times the prevailing average per family income in the country", and had proceeded to add that they did not suggest "that this was capable of immediate implementation", but that it was "important to strive by stages for its implementation over a period of time". The Taxation Enquiry Commission was referring to incomes in general; and we notice that the post-tax income of a person with a salary of Rs. 4,000 works out at 22 times of the average per family income in the country (in 1956-57), assuming a family to consist of 5 persons. At a salary of Rs. 3,000, the corresponding ratio is 18 times.

10. It would thus appear that there has been a remarkable reduction in disparities since 1939-40, and a significant reduction also since 1947-48. In the matter of retirement benefits, leave, medical attendance and, with hardly any major exception, conditions of service generally, the discrimination which until some years ago existed against the Class IV staffs has disappeared; and since most of these benefits are capable of being expressed in monetary terms, the reduction in disparities has, in effect, been greater than the figures in the preceding paragraphs suggest.

11. It remains true, nevertheless, that the disparities even now are wider than in the civil service of any of the countries of which we have authoritative information. In the United Kingdom, the disparity ratio is about 1:15; in the United States Federal Service 1:5; in Canada 1:6; in Australia 1:13.6; and in Japan 1:4.7. In each case, the maximum pay of the lowest grade has been compared with the maximum of the highest grade. The information in all the cases does not relate to the same year, and in some cases our interpretation of the data may not be absolutely accurate. We have, moreover, made comparisons between pre-tax salaries, not knowing what the tax rates are, and it is, therefore, likely that the disparities

*Para. 28, page 154 of their Report, Vol. I.

are even smaller than we have mentioned. Thus, if the emoluments within the civil service were to be determined in isolation, and if we were to be guided by the example of the countries we have referred to, there would be a clear case either for a drastic lowering of the ceiling or for raising of the floor, or for a combination of the two. We have already considered whether the floor can be raised a great deal, and we have stated our conclusions in the preceding chapter. We now consider whether it would be desirable to reduce the salaries of the highest grades.

12. We thought it would be useful to have a comprehensive look at the top salariat in the country, of which the Central Government servants under consideration are but a relatively small part. There are, to begin with, a number of public offices, including those in the higher judiciary, of which the emoluments are laid down in the Constitution itself. These number about 195, and the lowest salary in this group is Rs. 3,500 payable to Judges of High Courts. We are not concerned with these salaries; but it seems to us that, for reasons to which we shall refer presently, a reduction of the salaries of the higher civil servants can appropriately be undertaken as a part of a national scheme to reduce the present gap between the highest and the lowest incomes—a scheme which might well call for consideration of the salaries prescribed by, or fixed by the Government under any special provisions of the Constitution, as well as of other public salaries. Though there are about 47 appointments in the public service which at present carry salaries exceeding Rs. 3,000, the number will go on decreasing as I.C.S. officers and pre-1931 entrants retire; and eventually no appointment in the public service will carry a salary exceeding Rs. 3,000. (This excludes the Chairman of the Union Public Service Commission, who will draw Rs. 3,500). The number of posts in the public service of which the prescribed salary is Rs. 3,000, is about 35. The highest salary under the State Governments will be Rs. 2,500, and that of an officer in the Industrial Management Pool Rs. 2,750.

13. Thus, in future, it is only offices of which the emoluments are fixed by the Constitution, or under any special provision of the Constitution, that will continue to carry salaries exceeding Rs. 3,000; and the number of such offices is about six times the number of posts in the public service which will carry a salary of Rs. 3,000.

14. We made enquiries about the salaries and other emoluments of persons employed in the private sector. The information we received was meagre, but it showed that the higher appointments carried a number of substantial perquisites and, in many cases, a bonus equal to about three months' salary. We have, however, found valuable data in the All-India Income-Tax Revenue Statistics published by the Central Board of Revenue. Taking assessees who are *purely salary earners*, the income bracket Rs. 40,001 to Rs. 70,000 is the marginal bracket in which practically all the holders of the highest public offices, and the highest paid public servants—Governors, Supreme Court and High Court Judges, highest officers in the Armed Forces, and Secretaries and Additional Secretaries to Government, etc.—are included. The number of these, including the highest paid officers of the State Governments, was (as worked out by us) about 270 in 1956-57, when the total number of assessees in the bracket was 1830. Above that bracket, there were 410 assessees, and with hardly any exception all of them were in the private sector. 29 of these received salaries exceeding Rs. 2,00,000 a year, six of them receiving over Rs. 5,00,000 a year; and the average pre-tax salary of these six assessees was Rs. 8,00,159. Thus, out of 2,240 purely salary earners whose annual incomes exceeded Rs. 40,000 only about 270—almost all of them in the bracket Rs. 40,001—Rs. 70,000,—were in the Government sector. The figures are significant not only in themselves, but because of a marked trend which they reflect. The developments from 1948-49

to 1956-57 (which is the last year for which we have had a detailed study made) are shown in the table below.

TABLE VII

	1948-49	1956-57	Change
Purely salary earners in the non-Government sector :			
(i) Total number of assesseees with incomes exceeding Rs. 40,000	Rs. 321	Rs. 1,970	
Average pre-tax income	57,477	63,356	(+ 10 per cent.)
Average post-tax income	38,629	37,367	(— 3 per cent.)
(ii) Total number of assesseees in the highest income bracket	2	6	
Average pre-tax income	2,38,448	8,99,159	(+ 336 per cent.)
Average post-tax income	77,250	2,86,929	(+ 371 per cent.)

Certain significant facts emerge from our study.* First, a very large increase has occurred in the number of purely salary earners in the private sector in brackets with incomes exceeding Rs. 40,000; during the same period, the number of assesseees with incomes exceeding Rs. 40,000 in the Government sector has increased by not more than 50 per cent. Secondly, the average salary in the private sector has also increased, the increase being particularly marked at the highest level where it has occurred in both pre-tax and post-tax income. The increase in the number of assesseees with salaries exceeding Rs. 2,00,000 has also been notable—from 2 to 29. The figures mentioned in this paragraph, incidentally, confirm our observation in an earlier chapter that rates of remuneration of public servants have had small effect on the higher salaries in the private sector: the Varadachariar Commission reduced the highest salaries in the public service by 25 per cent; and while those salaries have remained at the reduced level since then, the salaries in the private sector have risen enormously. It is obvious that the higher salaries in the private sector are determined by wider economic factors, and the state of particular business or industry; and, in some cases, it seems, even circumstances outside the country influence those salaries. The concerns controlled by foreigners pay to their non-Indian employees salaries comparable to what those employees might get in their own country; and the rates so determined for the non-Indian employees in turn influence the rates fixed for Indian employees.

*The coverage of the Income-Tax Revenue Statistics since 1948-49 has changed on account of financial integration of Part B States and States Re-organisation. There have also been certain changes in the manner of their compilation. We have, however, satisfied ourselves that these changes do not alter our broad conclusions.

15. These trends are not confined to the top salariat but are also noticeable, with some differences, if the entire body of purely salary earners in the two sectors assessed to income-tax, are considered. The table below shows the relevant figures.

TABLE VIII*

	1948-49	1956-57	Change
I. Number of assesseees :			
(i) Central Govt. sector	59,845	47,404	-20.0 per cent†
(ii) Non-Govt. sector	1,36,559	1,59,145	+16.5 per cent.
II. Pre-tax income (Average per person) Rs.			
(i) Central Govt. sector	6,567	7,426	+13.1 per cent.
(ii) Non-Govt. sector	5,400	9,112	+68.7 per cent.
III. Post-tax Income (Average per person) Rs.			
(i) Central Govt. sector	6,096	7,000	+14.8 per cent.
(ii) Non-Govt. sector	4,795	7,950	+65.8 per cent.

It will appear from the above table that while the average salary of a Central Government employee in 1948-49 was well above that of an employee in the private sector, by 1956-57 the position had been reversed: while the average in the case of Central Government employees had increased by 13.1 per cent., the increase in the case of the private sector employees was 68.7 per cent.

16. The disparity ratio between the highest salaries and the lowest wages in the private sector is also far higher than in the Central Government sector, and has, moreover, increased considerably since 1948-49. The table below brings this out.

TABLE IX

(Income per annum in rupees)

Category	1948-49	1956-57
I. Total emoluments of an unskilled worker :		
(a) Cotton Textiles, Bombay	999	1,185
(b) Jute Textiles, W. Bengal	702	806
II. Average post-tax salary income of the highest salary earners	77,250	2,86,929
III. Disparity ratio II : I (a)	77	242
II : I (b)	110	356

The valid comparison is with wages in jute and not cotton textiles, and in fact even the jute textiles wages are not the lowest in organized industries. We have,

*c.f. Foot-note to the preceding paragraph.

†The decline in the number of Central Government employees assessed to tax is mainly due to the fact that the exemption limit was Rs. 4,200 in 1956-57 as against Rs. 3,000 in 1948-49. It is significant, however, that in 1957-58 when the exemption limit was again lowered to Rs. 3,000, the number of assesseees in the non-Government sector was 171,130 as against 49,432 among Central Government employees.

however, made a comparison also with the wages of an unskilled worker in cotton textiles in Bombay because they are about the highest wages which an unskilled worker gets in the private sector. And we should invite attention to the fact that we are all through this chapter referring to incomes of purely salary earners in the private sector; earnings in other forms at the top levels of that sector are higher.

17. The Government obtain returns from foreign-controlled companies in India showing the employment of Indians on salaries of Rs. 1,000 and above; and from an analysis of the returns, as on January 1, 1958, published some time ago, it appears that out of a total of 12,356 such employees, 6,704 are Indians. Compared with this, the total number of posts under the Central Government, as on June 30, 1957, carrying salaries or scales with the maximum exceeding Rs. 1,000, is 4,831. It further appears that the number of Indians employed by those companies has increased progressively from 1949 when it was only 1,085; the annual average addition during the last 3 years for which information is available has been about 900. Compared with this the average annual intake into the all-India and the Class I Central services, technical and non-technical, has not exceeded 300, and including appointments made by promotion, 500. The number of Indians employed by the companies on salaries exceeding Rs. 3,000 is smaller than the number on lower salaries; but even so about 16 per cent of the posts in the salary group Rs. 3,000—5,000 and 6 per cent of the posts on salaries exceeding Rs. 5,000, per mensem are held by Indians. The total numbers are not available; but working on the basis of the numbers for an earlier year, it appears that about 350 Indians are drawing those high salaries. That is a much higher number than that of public servants in Central Government employed on salaries exceeding Rs. 3,000; and the number is expected to increase. It has, further, to be remembered that these figures are for foreign controlled companies only.

18. The rates of remuneration alone do not, it is true, determine the relative attractiveness of different employments. The nature of tenure, retirement benefits, and conditions of service generally, are also important, apart from social status, opportunities for congenial work and other similar factors, to which we shall refer later. There is a fair degree of security of employment in the private sector; but it is not complete, or comparable with the security of Government service. On the other hand, the fringe benefits allowed to the managerial and highest technical staffs are considerable; and, as far as we have been able to gather, they would, in many respects, compare favourably with those available to Government servants. As regards retirement benefits, the general practice, we understand, is to allow to the "covenanted staff" (corresponding to the gazetted staff under Government) benefits of pension; and the main features of some of the pension schemes, of which we have information, are mentioned in the chapter dealing with retirement benefits. We understand, however, that in some cases even those on the highest salaries are allowed the benefits of a contributory provident fund, the employer and the employee each contributing $6\frac{1}{4}$ per cent or $8\frac{1}{3}$ per cent of the salary. As a result of an amendment of the law, operative from 1st April 1957, contributions made by the employer to an approved provident fund upto 10 per cent of the salary are not treated as part of the income of the employee and as such are free from income-tax and super-tax. The interest credited on the amount to the credit of the employee is also exempted from tax up to a certain limit. These provisions are similar to those which have been applicable to provident funds constituted by Government for their own employees; but if we understand the position correctly, the results of this simple parity may be quite extraordinary. Public salaries being what they are, the Government's annual contribution, even at $8\frac{1}{3}$ per cent of the salary, will not exceed Rs. 4,000 or so; but on the highest salaries in the private sector the employer's contribution may be about Rs. 30,000 a year. In a considerable number

of cases it may exceed Rs. 10,000 a year; and since neither the employer, nor the employee when he receives his provident fund accumulations, pays income-tax on the employer's contribution, there may well be cases in which an employee after 10 years' service on a very high salary retires with a few lakhs of rupees, half of it free from tax both at the time of contribution and of final drawal.

19. We are definitely of the view that it would be completely wrong to think of emoluments of public servants in terms of those of the highest incomes in the professions, or the higher incomes in business and industry. There are risks in professional, business and industrial careers from which careers in the public service are free; and those who choose security may not reasonably aspire to the glittering prizes open to persons who take risks. We are aware that many of those who hold salaried appointments in the private sector do not run significant risks, but, as we have said earlier, they do not have the security of tenure which a public servant has; and apart from that, public service, particularly at the highest levels, has its own rewards. There is the honour and the prestige—somewhat attenuated in recent years but still considerable; and there are opportunities for full and continuous use of talent, and for the exercise of influence in the shaping of public policies and programme. To many on the eve of selecting a career, the public service appears to stand out among salaried employments because those who enter it are servants of the public, not of individuals, and accountable ultimately to the supreme constituted authority in the country. We have no doubt that these non-economic conditions impart to the public service an attractiveness which is present now, and which will continue unless the gap between the emoluments of public servants and those available to persons with comparable talents and qualifications in other walks of life, in particular in salaried appointments, is very wide. In many western countries, a good proportion of the finest products of the universities continue to take to the academic life in spite of its low monetary rewards as compared with those in business or industry, or even in the civil service; and we believe that, for similar intangible reasons, the civil service in India will not fail to attract young persons of the requisite calibre and qualifications, unless, as we have said earlier, the gap between public salaries and earnings outside is too wide.

20. Some of our witnesses, including one or two with experience both of public administration and the private sector, thought that the gap is already too wide; that the private sector now looks for the same sort of combination of talent and personal qualities as does the civil service; and that it is getting an increasingly larger share of the best. Some of them added that the wide, complex and increasing responsibilities of a government committed to planned development, and expansion of the social services, calls for a specially high standard of ability, imagination and character in the public service, and that it would be unwise to economise on salaries and thus the risk of lowering the quality of the recruits. Other witnesses thought that the public service is getting its fair share of such talent as is available, and that, in fact, it would continue to do so even if the highest salaries were reduced by a few hundred rupees. Some of them also said that the private sector has somewhat different criteria for selecting their higher staff, and that the qualifications and qualities it looks for are not always the same as those which the public service requires and the Public Service Commission considers essential.

21. We have seen the results of some studies of the quality of recruits to the all-India and the non-technical Class I Central services, made in the Ministry of Home Affairs. One of the studies covered recruitment during the 11 years, 1947-57, and the conclusion reached was that there was no evidence of a fall in the standard of the best candidates, or in the average performance of the top 350, or so, candidates who took the combined competitive examination. It was found in another

study, that taking the years 1950-56 together, 1 in every 4 graduates with first classes appeared at the combined examination; and that for every vacancy in the all-India and the Central Class I services, there were on an average 3 candidates with first class degrees. These figures certainly show that the highest public services have continued to draw a fair share of the best products of the universities. It is true that the analysis referred to above has revealed that the ratio of graduates with first classes appearing at the examination to the total number of such graduates had fallen from 1 in 3 during the years 1950-52 to 1 in 4 in 1953-55, and to 1 in 5 in the year 1956. As, however, the number of graduates who obtained first classes had increased progressively during the period—from 1475 in 1950 to 3451 in 1956—the number of candidates with first classes remained high. We doubt if it would be correct to draw from the fall in the proportion of first class graduates taking the examination a confident inference that commerce and industry have begun to attract a dis-proportionately large number of the best graduates; and in any case there should, in our view, be no cause for anxiety so long as there are 3 candidates with first classes for every vacancy, and the examination results themselves do not show a fall in the level of performance. In the course of his oral evidence the Chairman of the Union Public Service Commission expressed himself as being in broad agreement with the conclusions reached on the basis of the studies in the Home Ministry and made the following statement:—

“Our opinion on the experience of the combined results of the written examination and personality test is that about 80 to 90 top persons every year are suitable for the I.A.S. and I.F.S. and about 200 or so, would be suitable for the Central Services. I would say that of these, about 40 to 50 candidates are really of good quality and stand out.”

On the whole, we consider that while the quality of recruits should be watched carefully—for, if the progressive fall in the proportion of first class graduates appearing at the examination continues, there may be cause for concern—there is no reason to think so far that the highest services are not getting recruits of the requisite standard.

22. The question, however, is whether there is a likelihood of the standard falling if the highest salaries are reduced. And there is a further question, *viz.* whether considering all the relevant circumstances, including, on the one hand, the desirability of reducing disparities in salaries and of economy in public expenditure, and, on the other, of not giving public servants reasonable cause to think that they were being denied equitable treatment, it would be fair to reduce the highest salaries. We have emphasised the intangible rewards of a public service career; and we would add that the public service requires certain human qualities and acceptance of a scale of values with which pursuit of wealth is not quite compatible. We think, however, that it would be unrealistic, at the same time, to expect any class of employees—as distinguished from exceptional individuals—to give loyal and efficient service without remuneration on a scale bearing some relation to what persons with comparable qualifications and responsibilities are receiving in other employments, and sufficient to enable them to maintain a standard of living not conspicuously below that of other groups in the community with which they are socially linked. We understand that it is largely on considerations of this sort that the pay of a Permanent Secretary in the United Kingdom has been raised by stages from £3000 a year before the second World War to £7000 recently, and that salaries of university teachers have also been substantially increased. We were told by a witness representing the Government of West Bengal that that Government was faced with serious recruitment difficulties at the higher levels of the public service because of competition from the private sector, and that for some posts requiring persons with first class degrees there were no candidates. Some

of our witnesses thought that the highest public salaries should be lower than they are at present; but even these were of the view that there should be a reasonable ceiling on incomes outside as well as in the public service, and that a lowering of the ceiling for the latter could appropriately be considered as part of a national policy for incomes, particularly salaries and wages. They considered that the high incomes in the private sector should be reduced, for which fiscal measures are not enough, and that the State should intervene more directly and regulate incomes at the source: by restriction of perquisites and the like where necessary; by moral suasion and a gentleman's agreement between Government and the private sector; and, as a last resort, by legislation amending the company law, and the like. It is not for us to express any opinion on the very wide issues involved in these suggestions. What is relevant for our purposes is that in the judgment of competent witnesses the highest public salaries ought not to be considered entirely by themselves, in disregard of the income structure in the country.

23. We have considered all aspects of the problem of the highest salaries in the public service and we have come to the conclusion that we would not be justified in suggesting a reduction of the salaries at present prescribed for the highest grades of officers. We summarise below the reasons for our conclusion. Salaries of posts with a rate of pay exceeding Rs. 2,000 were substantially reduced in 1947; and there has since been a considerable erosion of real incomes as a result of the very substantial rise in prices. If the upward trend of prices continues, the value of these salaries would fall further; and any compensation at these levels is not contemplated. As shown earlier in this chapter, disparities between the highest and the lowest emoluments have been significantly reduced because of the factors just mentioned, combined with increases in the dearness allowance etc., of the lowest grades of staff. And, further, the pattern of income distribution in the community generally and, in particular, the levels of emoluments, amenities, etc., allowed in outside employments to the comparable managerial class have to be taken into account. A reduction of salaries of the highest civil servants can be undertaken without a risk of lowering the standard of recruits only if the reduction is a part of a national scheme to reduce the present gap between the highest and the lowest incomes—a scheme which as we have said earlier may well call for consideration also of the salaries prescribed by, or fixed by Government under any special provisions of the Constitution. We do think that in the determination of both the highest and the lowest salaries in the public service social considerations have a part to play, and that the disparity between the two in the public service should be much smaller than outside. This in fact, is the present position; and the disparity will be reduced further as a result of our recommendations regarding the remuneration of the lowest grades of employees. But we do not think that without excessive costs, such as would be involved in raising the minimum further, or without jeopardising satisfactory recruitment to the higher services, a structure of emoluments can be evolved for the public service which does not reflect, in a considerable measure, the structure of emoluments in outside employments.

CHAPTER IX

DEARNESS ALLOWANCE

1. The total remuneration of Central Government employees with basic salaries not exceeding Rs. 1,000 is separated into two elements, namely, a basic salary and a dearness allowance; and in the case of those whose basic salary does not exceed Rs. 750, a part of the dearness allowance is treated as pay for certain purposes. We have considered whether this system of separation of remuneration into two, and up to a certain level, three elements should continue, and if so, with what modifications. The institution of dearness allowance came into existence during the second World War. It started in 1940 in the form of a grain compensation allowance given to the low-paid employees of the Central Government at rates sanctioned by the Provincial Governments for their own employees. The lack of uniformity among the provincial schemes, and the continuing rise in prices led, in August 1942, to the replacement of the grain compensation allowance by a dearness allowance determined on an all-India basis. The rates and coverage went on changing thereafter until July 1944 when a war allowance became payable even to gazetted officers drawing pay upto Rs. 2,000. The subordinate staff of the Railways were governed by certain other special arrangements. With some changes, the present arrangement, however, rests on the recommendations of the Varadachariar Commission. They determined the basic salaries on the assumption that prices might stabilise at a level which would give a cost of living index between 160 and 175, taking the 1939 index to be 100. They further took the view that, so long as the cost of living continued to be substantially higher a system of dearness allowance must continue in operation; and they accordingly proceeded to recommend a scale of dearness allowance payable at different levels of the cost of living index, to employees in different pay ranges upto Rs. 1,000 with marginal adjustments, however, between Rs. 1,000 and Rs. 1,100. The scale was as follows:—

Index	280	260*	240	220	200	180	160
<i>Pay range.</i>							
Upto Rs. 50	30	25	20	15	10	5	
Rs. 51—100	40	35	30	25	15	10	
Rs. 101—150	45	40	35	30	18		
Rs. 151—200	55	45	35	30	20		
Rs. 201—250	60	50	40	30	20		
Rs. 251—300	75	60	45	30	25		
Rs. 301—500	85	70	55	40	25		
Rs. 501—750	105	85	60	40			
Rs. 751—1,000	125	100	75	50			

*The Commission had considered the rates of dearness allowance starting at Rs. 25 for the income slab upto Rs. 50 per mensem to be appropriate at the level of prices prevailing in January 1947, and had assumed 260 to be the index number corresponding to that level. When the index number was actually worked out, it was found to be higher, and it was accordingly agreed between the Government and the Commission that the above table should be worked by raising the index number by 25 points. Thus, the rates recommended for index number 260 were taken to be for index number 285. Later computations have shown the index number in January 1947 to be 289.

It was recommended that the slab rates should be examined every six months and a revision made only if the index figures for the last three months for which they were available stood above or below the index figures for the next slab. The notable features of the scheme were that subject to the above periodicity, the adjustment was to be automatic; there was a flat rate for every pay range, but the rate diminished proportionately as the pay range rose, no compensation whatever being provided above the pay of Rs. 1,000; and the magnitude of the fluctuation (20 points) calling for a revision was about 12 per cent of the index range (160—175) to which the basic salaries were related. Apart from certain apparently unintended variations within the general pattern, we find that the recommended increase of Rs. 5 for every 20-point rise in the cost of living provided more than full compensation in cases in which the basic salary was below Rs. 46.25.@

2. The Government accepted the Varadachariar Commission's recommendations in May 1947. In the meanwhile, the cost of living index had begun to rise; and though it had risen much more than 20 points, the Government came to the conclusion in February 1948 that there should be no increase in the dearness allowance. There was a further rise in 1948, the average for the year being 346; and in January 1949, when the index stood at 356, the Government made a public announcement that increase of the dearness allowance to the full extent of the increase in the cost of living index had to be ruled out as that would result in serious deficits in the Government's budgets, and intensify the forces of inflation. They, however, sanctioned an increase of Rs. 10 in the dearness allowance of employees whose basic pay did not exceed Rs. 250. In June 1951, a further increase of Rs. 5 per mensem was allowed to employees in the same pay range. The average cost of living index number during the year 1950 was 360, and in 1951 the number stood at 371 (according to the interim index then available).* Both the increases were described as *ad hoc* measures; and thus, except for the initial orders, the Varadachariar Commission's recommendations regarding dearness allowance were not followed. For six years, which were also years of relative price stability, there was no change in the dearness allowance; and then on our recommendation an *ad hoc* increase of Rs. 5, effective from 1st July 1957 and to continue until we made our final report, was allowed to employees whose pay did not exceed Rs. 250 per mensem, with marginal adjustments upto Rs. 300, as on the two previous occasions. In the meantime, however, on the recommendation of the Dearness Allowance Committee (1952) of which Shri N. V. Gadgil was the Chairman, the Government had decided to treat, with effect from 1st April 1953, 50 per cent of the dearness allowance payable to employees with pay not exceeding Rs. 750 as pay for purposes of retirement benefits and certain allowances etc. The present structure of basic pay, dearness pay and dearness allowance (in the

@For full neutralisation of a 20-point rise in the cost of living index, an employee on a basic pay of Rs. 30 needed only—

- Rs. 3.24 if the basic pay of Rs. 30 is regarded as corresponding to an index of 185 ;
- Rs. 3.43 if the basic pay of Rs. 30 is regarded as corresponding to an index of 175 ;
- Rs. 3.75 if the basic pay of Rs. 30 is regarded as corresponding to an index of 160 ;
- Rs. 3.86 if the total emolument of Rs. 55 is regarded as corresponding to an index of 285 ;
- Rs. 4.23 if the total emolument of Rs. 55 is regarded as corresponding to an index of 260.

The above calculations are based on the assumption that the basic pay of Rs. 30 corresponds to the index 185.

*According to the current official consumer price index the average index for 1951 on 1949 as base is 105. Converted to August 1939 as base, the figure works out to 374. The corresponding figures for June 1951 are 106 on base 1949 and 377 on base August 1939.

case of gazetted officers, the rates* of dearness allowance are for married officers) is as follows:—

Pay range	Dearness pay	Dearness allowance	Total of dearness allowance and dearness pay.
		(c)	
	Rs.	Rs.	Rs.
Upto Rs. 50	20	25	45
Rs. 51—100	25	30	55
Rs. 101—150	27.50	32.50	60
Rs. 151—200	30	35	65
Rs. 201—250	32.50	37.50	70
Rs. 251—300	32.50	37.50	70
Rs. 301—500	35	35	70
Rs. 501—750	42.50	42.50	85
Rs. 751—1000	(a)	(b)	100

(a) Amount by which the pay falls short of Rs. 792.50.

(b) Rs. 100 less the amount treated as dearness pay.

(c) Including Rs. 5 recently granted as interim relief.

At the lowest level, the dearness allowance constitutes 33-1/3 per cent of the total remuneration; but the percentage falls as the remuneration increases.

3. We are not aware of any other country (except possibly Pakistan) in which a dearness allowance has become a normal supplement to salaries and wages both under Government and in outside employments. Adjustment of salaries and wages of Government servants wholly or partly on consideration of changes in the cost of living is, no doubt, made in other countries also; but as a rule it takes the form of changes in salaries and wages themselves; an increase is not shown, or treated for any purpose, as a separate element of remuneration. We have considered whether there are circumstances in India which would justify the continuance of our present arrangement. A dearness allowance can have justification only if the current level of prices does not represent a normal situation and there is a reasonable likelihood of prices coming down. And if the dearness allowance is to be retained, it is necessary to come to a conclusion as to what should be regarded as a stable level of prices: a level with reference to which the basic remuneration can be determined and the dearness allowance adjusted. We have received a considerable amount of written and oral evidence on both these questions.

4. Before we proceed further, we should say a word about the index which we propose to use. We have so far been referring to the cost of living index with August 1939 as the base. That series is no longer in current use and is compiled only for facility of comparison, by multiplying the current series, with its base in

*For unmarried gazetted employees, the rate of dearness allowance inclusive of dearness pay is 10 per cent. of pay subject to a minimum of Rs. 40 and a maximum of Rs. 75 per mensem. The rate of dearness pay is, however, the same as for married gazetted officers; and so, the difference is only in the dearness allowance.

1949, by a certain figure—3·56. We give parallel figures of the two series since 1947 in a footnote.* Hereafter, all our references, unless the context specifically indicates otherwise, will be to index numbers of the consumer price index 1949 = 100. We have also considered whether the index of wholesale prices would be a more reliable economic indicator for use in the context of the issues we are considering in this chapter; and while we are aware of the limitations of the working class consumer price index, we have come to the conclusion that it would be preferable to use this rather than any other index. We should, however, add that neither the old index nor the current one is designed to measure changes in the cost of living of the middle or higher classes; and thus any assessment of changes in the real value of salaries above the Rs. 300—400 range has to be of the nature of rough estimate. This makes it appropriate to distinguish employees above that salary range from the others for some of the purposes being considered in this chapter.

5. Reverting to the question of price trends, the consensus of opinion among the competent witnesses was that with the magnitude of the investment involved in the present and future Plans—which may be larger—, and with the present manner of financing it, an upward tendency is likely to persist. While we accept this estimate of the likely movement of prices, we cannot rule out, and neither did many of our witnesses, the possibility of a fall in the price level. We have reviewed the movement of consumer prices since 1952 and noticed sharp fluctuations. In 1955, the index fell at one time to 92; in 1957, it ranged between 107 and 114; and in 1958, between 110 and 123. And though it stood at 123 in October 1958, it remained at or about 118 during the first five months of the current year. It is true that if the average for a whole year is taken there has been a steady upward trend, the index numbers for the last four years being: 96, 105, 111 and 116. Even so, in a country where the general price level is influenced to a large extent by movement of agricultural prices, and where agricultural production depends a great deal on the vagaries of the monsoon, a continuing element of uncertainty in the behaviour of prices has to be accepted. The big drop in the price level that occurred in 1955 as a result of a fall in the prices of food articles, is an illustration. Added to this are the element of instability peculiar to a developing economy, which may experience unexpected strains and stresses, and the repercussions which international political and economic developments may have on internal price movements. We consider the lack of certainty about agricultural prices to be particularly germane to the question we are considering, for food articles carry a heavy weight (between 50 and 60 per cent) in the consumer price

*Working Class Consumer Price Index :

Year	1949 = 100	August 1939 = 100
1947	87	310
1948	97	346
1949	100	356
1950	101	360
1951	105	374
1952	103	367
1953	106	377
1954	101	360
1955	96	342
1956	105	374
1957	111	395
1958	116	414

index numbers. We have, therefore, come to the conclusion that the dearness allowance should continue as a separate element in the remuneration of Central Government employees. For reasons which we shall mention hereafter, this should be limited for the present to employees whose salaries are below Rs. 300 per mensem.

• 6. While recognising that price fluctuations of substantial amplitude in either direction cannot be ruled out, we have considered whether there is a level below which a drop can reasonably be regarded as improbable, and we have come to the conclusion—in which we are supported by some of our economist witnesses—that the index is not likely to drop below 100. During the last ten years, the index fell below that level only in one year, i.e. 1955, when before the index reached the level of 92 the Government intervened to reverse the downward trend, and a number of measures were adopted, including modification of export duties and grant of permission to export foodgrains, in order to support agricultural prices. It is, therefore, reasonable to infer that in the interest of the national economy the Government will not, in future, permit prices to fall and remain for any length of time below the 1955 level, if they can at all help it. We, however, propose to determine the basic salaries in terms of the requirement at an index of 100 (which represents the consumer price level of 1949) and not of 92, which was the lowest point reached in 1955, or 96 which was the average for 1955. As we later explain, we are of the view that adjustment of remuneration should be made only if there is a substantial change in the price level; and thus, remuneration related to an index of 100 would not require adjustment even if the index fell to 90. As it is, a drop to the level of 90 appears highly improbable in the light of our past experience, and in the context of our economic development.

7. Apart from any changes that we may recommend in the rates of basic remuneration, the effect of treating the consumer price index level 100 as the base for re-determining salaries and wages, would be the absorption of the bulk of the dearness allowance in basic remuneration. And this, in turn, would involve considerable additional expenditure in the form of increases in retirement benefits etc.: we estimate that in the case of the lowest paid employees the retirement benefits may increase by about 55 per cent. But we have taken the view that it would be unrealistic, and unfair to the employees, to maintain the present ratio between the basic salaries and wages, and dearness allowance, when on the evidence before us there is little room for doubt that the prices will never go down to the level to which the present relative proportions of the two parts of the total remuneration are related.

8. A number of issues arise for consideration in regard to the new scheme of dearness allowance, for the question of adjustment of remuneration according to changes in the price level presents many complex problems not only for the mechanics of its operation but also of policy, with repercussions far beyond the field of wages and salaries. It will be remembered that employees with basic salaries exceeding Rs. 300 have not been allowed any increase in dearness allowance since 1947 when the allowance was first granted on the basis of the Varadachariar Commission's recommendations. The rates of remuneration (inclusive of dearness allowance) of this class of employees have, thus, remained unchanged during the past twelve years. The view was presumably taken that the salaries of these employees, together with the initial dearness allowance, had a cushion which could provide protection against rise in prices; and it may also have been thought that since the share of food in a family budget decreases as the income level rises, the working class consumer price index with a heavy weight for food could not be regarded as reflecting the extent of the fall in the living standard of the higher

paid employees. The avowed objective of reducing disparities in incomes was possibly another and, may be, an important factor which, together with limitations of the Government's financial resources, influenced the policy in this matter. Whatever the reasons may be, the position is that those whose salaries exceed Rs. 300 per mensem have no element in their total remuneration, which is related to the rise in prices since 1949 or even since 1947, when the cost of living level in terms of the current index was 87. In the circumstances, unless it is proposed to grant dearness allowance also to staff in the pay ranges from Rs. 300 upwards, it would be meaningless in their case to treat the 1949 price level as the datum line for the new salary scales. As it is, we consider that it would be appropriate to fix the entire remuneration for such staff in the form of salaries which appear reasonable in the present conditions on a consideration of factors such as recruitment, rate of turnover, comparison with outside rates, and internal relativities within the civil service. Thus, it is only below Rs. 300 per mensem that the salaries we shall recommend, will be related to the 1949 price level.

9. It follows that there will, for the present, be no dearness allowance for those whose salaries, according to our recommendations, will be Rs. 300 or above. For future adjustment, however, we consider the staff above that level as falling in three groups, namely, (i) those in the pay ranges Rs. 300 and above, but below Rs. 400; (ii) those in pay ranges Rs. 400 and above, but below Rs. 1,000; and (iii) those whose salaries are Rs. 1,000 and above. We consider that those in (i) should, in future adjustments of the dearness allowance to meet rise in prices, be grouped with those in the pay range below Rs. 300*; for the present, we recommend only marginal adjustments for those on a pay of Rs. 300 and above. As regards group (iii), we do not envisage a situation in the foreseeable future in which it should be necessary to allow to that group a compensation for rise in prices. Concerning group (ii), we do not wish to pre-judge their claims for dearness allowance, should the index continue to rise; and we suggest that their case may be considered in the light of the various relevant circumstances at the time: the state of the economy; the extent and duration of the price rise as measured by the middle-class cost of living index which, we understand, is likely to come into existence in a year or two; the trend of remuneration for comparable classes of employees outside Government; the availability of candidates of the requisite standard, etc.

10. A dearness allowance is a device to protect, to a greater or lesser extent, the real income of wage earners and salaried employees from the effects of rise in prices; and the distinction we have made in the preceding paragraph is based on the consideration that employees in the lower pay ranges in particular would suffer serious hardship without such protection, while those drawing higher salaries may not. But even among the lower paid employees, there is gradation; not all of them require the same degree of protection. There are other questions too to be considered: what should be the extent of neutralisation; whether it should be at a tapering rate, the compensation decreasing as the salary increases; and whether, even at the lowest level, full neutralisation is called for. Again, there is the question of the frequency and periodicity of adjustment; and the magnitude of the change in the cost of living level for which adjustment of the dearness allowance should be necessary. There is the further question—and one of importance from the broader angle of the economy—whether there should be a precise link between the dearness allowance and prices and a provision for automatic adjustments in terms of that link.

*It is of interest in this connection that the relevant law has been amended to bring within the purview of the Payment of Wages Act (1936) factory employees whose pay does not exceed Rs. 400 ; formerly the limit was Rs. 200.

11. The Varadachariar Commission had taken the view that "for the classes whose pay only enables them to live on the marginal level in normal times, the allowance must be so fixed as to neutralise the rise of prices". If the minimum remuneration is just enough for subsistence at a particular price level, full neutralisation is obviously an essential social requirement when the prices rise; otherwise the employees would be pushed below the subsistence level. In Chapter VII, we have examined whether the present total remuneration of the lowest grade of Central Government employees can, in Indian conditions, be regarded as the bare minimum in that sense; and it is not necessary to go over that ground again. It seems to us that progressive improvement of the real wages throughout the economy being a declared objective of the Government, it should be the Government's endeavour at least to maintain the real value of the wages and salaries of the lowest grades of their own employees. We are, however, unable to support the view that this should be done irrespective of the situation in which the prices rise, or of the broader national requirements. There is a point of view, expressed in the evidence before us that even in regard to the lowest salaries there should be no attempt wholly to compensate the employees for the rise in prices that has occurred or may occur in future and thereby to nullify the economic purpose of the rise; that if an effort were made throughout the economy to compensate all fixed income earners for the decline in real value of their incomes in consequence of rise in prices, the shift of resources towards investment uses, which is sought to be effected, would be rendered extremely difficult of achievement. The net result, the argument proceeds, of such an effort would be a larger total volume of monetary demand in relation to real resources, accompanied by a spiral of price and wage increases. The process would defeat the aim of compensation, retard the investment programme and lead to serious dislocation of the economic development effort. Thus, what seems obviously inequitable at first thought, namely, that the real incomes of the lower grades of salary earners should be allowed to go down, is in fact necessary if larger investment is to be achieved without serious inflationary consequences. Elaborating the same point, an economist witness said that some restraint on consumption was called for even by people in the lower income groups, for the rate of investment which the country had undertaken required a very wide spread of sacrifices. Social justice, it was said, no doubt, required the grading of the sacrifices, but even in the case of the lowest grades of Central Government employees the compensation for rise in prices should be less than one hundred per cent. It seems to us that while it may not be right to provide for full compensation irrespective of the circumstances when the rise in prices occurs, it would not be right also to rule out such compensation in advance. Whatever economic purposes a rise in prices may achieve, its effects are usually not in accordance with any consciously desired social objectives. As is well-known, inflation favours some classes of the population and penalises others; and among the latter are salary earners unable to secure an increase in remuneration sufficient to maintain the real value of their income. Inflation is a most arbitrary method of distributing burdens, for it does not take account of the capacity of different groups in the population to bear the burdens; and we cannot accept that at least some of the social consequences of inflation must be left undisturbed, without judging whether they are fair and desirable.

12. As we have said earlier, we do not favour a rigid approach, and we have mentioned some of the reasons. There are other reasons also. Generally speaking, compensation for rise in prices has social justification only when as a result of the rise some sections of the community benefit and some, for no fault of their own, are exposed to suffering. There are occasions, such as a severe crop failure, when no section of the community (except, perhaps, speculators) benefits at the cost of the others; and the agricultural prices rise and the real income of the

country is reduced by the extent of the fall in agricultural production from its previous level. If in such a situation the real wages and salaries of Government servants are maintained by a money increase, in the shape of dearness allowance or otherwise, it would simply mean that the Government servants would not have to share in the hardship imposed by a national misfortune. Similarly, adverse terms of trade caused by a rise in the prices of imports in the countries of origin, or by other world factors, might result in a significant fall in national income; and if in such a situation the rise in prices were to be compensated by raising or supplementing salaries and wages, one section of the community—which may or may not be the most vulnerable—would be singled out for protection at the cost of others. There is yet another situation in which a pre-determined, rigid, system of neutralisation of increase in the cost of living of Government servants may be found to be somewhat illogical, and unfair to other sections of the community. Not infrequently recourse is had to indirect taxation, partly to curb consumption and to counter inflationary forces; and because of the tax the prices of the goods affected rise. If the goods enter into and raise the consumer price index, the rise becomes a ground for compensation. This is an obviously illogical process; and in some countries, for instance Denmark, certain excise taxes are excluded from the computation of the index to which wages and salaries are linked. In India, the indirect taxes are not so excluded; and though we tried to have an estimate made of the element in the rise of the index during recent years attributable to indirect taxes the effort proved fruitless. The bearing of indirect taxes on any arrangement for adjustment of remuneration to prices is, in our view, of special importance in India. It is recognised that taxation in this country must have the widest possible base if it is to yield resources of the order expected from this source; and such taxation must obviously take the form of taxes on many articles and services which enter into the consumer price index. This is what in fact has been happening. For some years, indirect taxes have constituted an increasing proportion of the Government's draft on private incomes, and are now about two-thirds of the total. It is, we presume, not intended that the low-paid employees of Government should not pay their share of the taxes; and yet if they are compensated for the rise in prices caused by taxation they would in effect be escaping their tax liability. We have, on all these considerations, come to the conclusion that the cause of the rise in prices should at any time be a material factor in deciding whether the Central Government employees should be compensated; and if so, to what extent. Such a freedom of decision will not be possible if a link is established between prices and dearness allowance.

13. The economic consequences of compensation, if given, may also vary according to the state of the economy at the particular point of time. If the inflationary pressure is already severe, a further addition to incomes may aggravate the situation. Moreover, the claim of employees for compensation is only one of the claims on the financial resources of the Government, and we do not wish to make a recommendation which would, by implication, accord priority to that claim over all other competing claims, including those of investment essential for the country's advancement, and of expansion of social benefits which the employees of Government would share with the rest of the community. We believe a degree of flexibility to be essential for the efficient management of a developing economy with its numerous social and other complexities and variables, and its rapidly changing situations; and it seems to us that a rigid, over-simple, arrangement for adjustment of Government servants' remuneration to rise in prices would go ill with these desiderata.

14. We are aware that there are arguments in favour of, as well as against, automatic, sliding scale adjustments, in general. A system of such adjustments,

with or without refinements and reservations, is applicable to a larger or smaller proportion of wage earners in many countries; but as far as we are aware, such arrangements are applicable to Government servants only in Belgium, Denmark, Italy (only for some classes of Government servants) and one or two other countries. In India itself, sliding scale arrangements, providing generally for a neutralisation of 70 to 90 per cent—and in the case of the textile industry at its main centres, 100 per cent—exist in many organised industries. The arrangements generally tend to reduce the time lag which might otherwise occur between rise in the price level and increase of wages; they reduce possibilities of industrial conflicts, and interruption of production, by providing for a simple, orderly, and, more or less, mechanical adjustment; and they give a sense of security to the workers as regards their real wages. On the other hand, they may set up or accelerate a wage-price spiral with various harmful economic and social consequences. We do not propose to go into these wider questions, and we wish to make it clear that our observations in the preceding paragraphs have been made mainly in the limited context of compensating Central Government employees; the wider questions of desirability or otherwise of a link between prices and wages in the economy generally and of suitable safeguards such as limiting wage increases to increases in productivity are beyond our purview. And it may well be that what is suitable in the case of Government employees, is not suitable in employments outside. As we have mentioned earlier, outside India, automatic sliding-scale adjustments are far less common in the case of Government employees than of others. They do not, for instance, exist in the United States Federal Service or the British Civil Service. This does not, however, mean that wages and salaries of Government employees are not adjusted on the ground, directly or indirectly, of rise in the cost of living.

15. We advise against an arrangement for automatic adjustment, and we do not wish to make a recommendation which would place Government under an obligation to compensate any class of their employees to a particular extent in the event of a rise in the cost of living irrespective of the cause of the rise and the circumstances existing at the time; the Government, we think, should be free to weigh the social and the economic consequences of the grant or denial of an increase in a particular situation. But we do consider at the same time that a substantial and persistent rise normally creates a *prima facie* case for compensation, and to a greater extent in the case of the employees in the lower ranges of remuneration than of others; and that it should be the Government's endeavour not to allow the standard of living of such employees to fall. We shall indicate presently what our idea is of a substantial and persistent increase in the cost of living.

16. We make a distinction between future adjustments and the course of action that may be appropriate now; for while we do not know what precisely the circumstances would be after a year or two years, we do know what they have been during the recent past and what they are at present. We accordingly make specific recommendations for the present, and more general recommendations for the future. Our recommendations are:

- (i) Employees drawing pay below Rs. 300 may be granted dearness allowance at the following rates:

(a) basic pay below Rs. 150	Rs. 10 per mensem
(b) basic pay of Rs. 150 or above but below Rs. 300	Rs. 20 per mensem

There should be marginal adjustments for employees drawing a basic pay of Rs. 300 or above but below Rs. 320.

- (ii) These rates of dearness allowance should be taken as related to the consumer price index 115, and should continue unless the index falls below 100.
- (iii) If during a period of 12 months the index remains, on an average, ten points above 115, the Government should review the position and consider whether an increase in the dearness allowance should be allowed; and if so, at what rate.
- (iv) If thereafter, the index falls by the same margin and for the same period (i.e. average of 10 points during a period of 12 months) the position may be similarly reviewed and appropriate adjustment made.
- (v) The benefit of dearness allowance should, *in future* upward adjustments, be extended to all employees drawing a basic pay below Rs. 400 per mensem in such a way that the total of basic pay and dearness allowance paid to an employee in the pay range of 300 to Rs. 400 does not exceed Rs. 400.

The reference in these recommendations is to rates of pay that will come into force on the Government's decisions on our recommendations. For a 15 per cent rise in the cost of living, the rates of dearness allowance recommended above will compensate an employee on a pay of Rs. 70 per mensem at 14.3 per cent; an employee at Rs. 110 per mensem at 9.1 per cent; one at Rs. 225 per mensem, at 8.9 per cent; and an employee at Rs. 300 per mensem, at 6.7 per cent.

17. In recommending a review only if there is a rise of ten points (i.e. 10 per cent of the base level index), and for a period of 12 months, we have been guided by the consideration that for budgetary reasons, and considering the long-term character of Government employment, the remuneration of Government servants should not change frequently, and that Government servants should be prepared to take the consequence of a small or short-term rise of prices, which may often be fortuitous, as counterpart of the security of their emoluments, which are rarely changed to their disadvantage. Moreover, whatever conditions have to be fulfilled before a review is to be undertaken to consider an upward revision, have also to be fulfilled for a review for a downward revision. We have, further, taken the view that price trends over a shorter period may not, in present conditions, provide a reliable basis for adjustment. This is particularly so because of the decisive importance of food articles in the rather narrow range of articles and services covered by the working class consumer price index.

II

18. It has been suggested from time to time that instead of allowing cash compensation to employees for rise in the cost of living, the Government should arrange to supply them articles of food, and other essential consumer goods, at fixed prices and thus immunize them against a fall in their standard of living. Questions were, accordingly, included in our questionnaire, asking if it would be advisable, and if advisable feasible, for the Government to supply to their employees in the low pay ranges essential consumer requirements such as food, clothing, etc., at fixed or subsidised prices (questions 23 and 24). In addition to the written replies, we received oral evidence on these questions. The overwhelming weight of evidence, including that adduced on behalf of the major employees' organisations, is against the introduction of a scheme of subsidised supplies as *an alternative* to a system of dearness allowance.

19. It will be remembered that a chain of grainshops was established in 1942-43 for the benefit of Railway staffs, that the shops continued for many years, and that, in fact, even now about 12,000 railway employees are continuing to enjoy the grainshop concession. The scheme was a comprehensive one and the apparatus for purchase, distribution and supervision, that was set up, apparently imposing. The final verdict, given in the Report of the Railway Grainshops Enquiry Committee, 1948, was, however, unfavourable, and the Committee recommended that while a modified scheme might be continued as a transitional arrangement, there should be no question of retaining the grainshops as a permanent part of the Railway administration. There were organisational and human failures, and malpractices and corruption; and a heavy loss was caused to the Railways (in the year 1947-48, the loss for every employee served by the grainshops was Rs. 309) with no commensurate benefits to the employees. Among the most serious problems that arose in the operation of the scheme, and which led to malpractices, and caused dissatisfaction among the employees, was that of quality control—a problem which would be there even if the other defects of the scheme could be removed. Against the background of this experience it is not at all surprising that the idea of reintroduction of a similar scheme should not be favoured. Moreover, what was essentially an offshoot of the general war-time system of control of prices and supplies cannot be reintroduced in present conditions without exposing the Central Government to the criticism that they had picked out their own employees for specially favourable treatment even in a matter of vital importance to vast sections of the general community. And there appear to be no substantial benefits that could be set off against such criticism, and against the expenditure of effort that would be needed to make the scheme work fully efficiently.

20. Both, employees' organisations and others who have given evidence on the subject have, however, supported the idea of the Government providing every reasonable facility, and all assistance short of a regular subsidy, to consumer co-operative societies, to be organised and operated by the employees themselves. It has been suggested that the Government should be prepared to make bulk supplies, particularly of foodgrains, to employees' co-operative societies at wholesale rates so that the middlemen's charges might be eliminated; and it has been pointed out that with the expected growth of State trading in foodgrains this should be perfectly feasible. Consumer co-operative societies, in fact, already exist in the Railways, and the Posts and Telegraphs, among other, Departments; and though there are some differences in the pattern of assistance, which might be removed, the Government are already providing facilities for the organisation and working of such societies. There has been a significant growth of consumer co-operative societies on the Railways recently, the total membership rising from about 39,000 in 1955-56 to 58,000 in 1957-58, the value of transactions increasing in an even higher proportion, and the profits also showing an upward trend. We are recommending encouragement of employees' co-operative societies in the chapter dealing with welfare. We anticipate that recommendation here and underline it in the context of the issue discussed in these paragraphs.

PART THREE
PAY AND ALLOWANCES

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CHAPTER X

PAY SCALES

I. General Observations and Recommendations

1. Before we proceed to recommend pay scales suitable for different classes and grades of staff, we consider it appropriate to mention the principles and considerations which we have kept in view in framing the scales. These principles and considerations supplement and, in some cases, amplify those formulated in the preceding chapters.

2. We have already mentioned the importance of internal relativities in determining the intermediate salaries, once the lowest and the highest salaries have been determined on a combination of economic and social considerations. The existing relativities are important in that the employees have got used to them, and any change unless clearly justifiable may cause unsettlement. We have not, however, regarded the existing relativities—vertical or horizontal—as sacrosanct. On the contrary, we have re-examined the existing position in the context of present-day conditions, and wherever a case for a change has been established, we have recommended a change.

3. The most important questions concerning relativities are those relating to differentials. Where there is a recognizable difference in qualifications for recruitment or level of duties and responsibilities, the rate of remuneration must be higher; but, at the same time, we have not attempted too fine a differentiation and recommended different rates of remuneration on a consideration of insignificant differences. Accordingly, at some of the highest levels we have broad-banded considerable numbers. Also at the unskilled level we find large numbers broad-banded, and we have recommended that this should continue in the present situation. Such broad-banding is, however, possible only when comparisons are horizontal. Within the same hierarchy, a supervisor has ordinarily to be paid more than those he supervises, however small may be the difference in qualifications and responsibilities.

4. By restricting the dearness allowance to the salary level of Rs. 1000, keeping the rates of allowance unchanged above the level of Rs. 300, and granting to the staff below that limit dearness allowance at a proportionately diminishing rate as the salary range rises; the scheme of dearness allowance in force during the last 12 years has operated to narrow down differentials. In accordance with our recommendations, there will be no dearness allowance for salaries from Rs. 300 upwards, and in other cases the bulk of the dearness allowance will be absorbed in pay. The narrowed differentials will thus become part of the pay structure itself. We are aware that in several developed countries there was a progressive narrowing of differentials for over two decades due to a variety of economic and social reasons, but that there has been a trend in those countries during recent years towards a return to wider differentials in wages and salaries generally on the ground that they are necessary for increasing productivity. With a reduction of the gap between the highest and the lowest salaries, and the need to provide to the lower paid employees neutralization for rise in the cost of living as far as possible, it is inevitable that differentials in Central Government employment should tend to become

narrower. The structure of pay we are recommending, however, provides for differentials which, though not large, are adequate to serve their purpose as economic incentives.

5. This brings us to the question of overlapping scales which were forcefully criticized by the largest employees' organizations, but which, when it came to specific proposals, some of those organizations themselves wanted to be replaced by other overlapping scales. Unless we have very short scales even for the entry grades overlapping is difficult to avoid; and a short scale for an entry grade is usually open to the criticism that the employee reaches the maximum of the scale very early in his career, and thereafter has no improvement in his remuneration unless he secures promotion to a higher grade. Overlapping scales, moreover, reflect in some cases an overlapping of duties, for instance as between Lower and Upper Division Clerks. In any case, overlapping scales may do no harm if the following conditions are satisfied: (i) the size of increments in the higher of the two overlapping scales is larger, particularly above the stage at which employees in the lower grade are normally promoted to the higher grade; and (ii) the rule for fixation of pay on promotion provides for a certain minimum increase in pay on promotion. As far as possible, we have kept condition (i) in view in framing our pay scales. And as regards (ii), we make our recommendations in the following paragraph.

6. Under the existing rules, on promotion to a higher post an employee gets the minimum pay of that post, whether he was holding the lower post in a permanent or a temporary capacity. When the minimum of the higher post is not higher than the pay drawn in the lower post at the time of promotion the pay is fixed at the stage next above the pay drawn in the lowest post, if the post was held in a permanent capacity. In the case of an employee holding a lower post in a temporary capacity, the pay is fixed normally at the minimum of the scale attached to the higher post, even if the pay drawn in the lower post is higher than such minimum. The relevant rules are, however, relaxed by the Government in individual cases. Thus, even the benefit of fixation of pay at the next higher stage is not available to temporary employees as a matter of course. Further, even one full increment is not assured on promotion; the benefit of one full increment can be derived only in cases in which the pay drawn in the lower post is equal to a stage in the scale applicable to the higher post. It appears to us to be unsatisfactory that an employee should not have the benefit or the incentive of at least one increment when he is asked to shoulder greater responsibility, and we, therefore, recommend that on promotion to a higher post the pay of an employee should first be increased by one increment in the lower scale and then fixed in the higher scale at the stage next above. We further recommend that no distinction should be made on the ground that the lower post was held in a quasi-permanent or temporary and not permanent capacity. The benefit suggested above may, however, be restricted to promotions upto and inclusive of those from the present Class II level to Class I; it should not be available on promotion above that level.

7. The Varadachariar Commission had recommended about 30 standard scales and about 156 scales in all, many of these being fragments of the standard scales or formed by combining parts of two of those scales. As we have pointed out in an earlier chapter, the number of rates of pay prescribed by Government exceeds 500. Certain employees' organizations expressed the view that practically all Central Government employees should be fitted into about a dozen or so scales. We do not ourselves think that it is possible to determine the optimum number of scales on *a priori* reasoning; the number of scales must be determined on practical, and often complex, considerations. We are in any case not writing on a clean slate, and

it is clearly impracticable to recommend a theoretically ideal number of scales—even assuming that there is such an ideal number—with the spread of each scale and its relationship to the adjoining scales, and the size and frequency of increment etc., worked out according to some set formulae. Our approach has been largely practical, and the number and nature of scales we are recommending have been determined with reference to the requirements of different services, grades and occupational groups. Proceeding in this manner, we have worked out in all about 140 scales and fixed rates of pay; and we think the Government should not have any serious difficulty in fitting into one or another of these the various relatively small groups of staff in respect of whom we are not making any specific recommendations. It is true that the Central Government have a very large number and variety of employees, which makes a comparatively large number of pay rates necessary; but even so, we have found on examination that the present number is far in excess of any reasonable requirements. This is confirmed by the information we have about some other countries. To mention but one example, nearly a million employees of the United States Federal Government, who are subject to the Classification Act, are distributed in only 18 pay rates.

8. Some of the employees' organizations referred to the Directive Principle [article 39(d) of the Constitution] that the State shall direct its policy towards securing that there is equal pay for equal work for both men and women. On the constitutional issues involved in this question, we refrain from expressing any opinion. We would only mention that in recommending pay scales for various categories of staff we have kept in view the broad principle that services and posts whose duties and responsibilities are comparable should, other relevant circumstances being the same, carry substantially the same or comparable rates of remuneration. Since the same pay scales are applicable to both men and women employees, the question of discrimination on the ground of sex does not arise.

9. The Varadachariar Commission observed that a long time-scale was suitable for an entry grade, and a short one for a promotion grade: and they thought that for an entry grade something like a 20 year scale would ordinarily be the most desirable. This was, however, not to apply to grades at the bottom of the public service where the work was of a kind which did not improve in quality with lapse of time, e.g. crude labour or mere attendance. For such grades, they considered a short, 11 year scale (Rs. 30— $\frac{1}{2}$ —35) suitable. While our general approach to the length of pay scales is not dissimilar, we have considered it appropriate to recommend a certain number of short scales for some of the workshop categories; and we have taken a somewhat different view of the length of the scale for the lowest grade of employees. While it is true that the work of the great majority of those who are at present on the scale of Rs. 30— $\frac{1}{2}$ —35 is not capable of continuous improvement, it is, in our view, capable of deterioration if there is no economic incentive to keep the employee interested in his work. Where there is an adequate promotion outlet, that would provide the necessary incentive; and so also would the provision of a selection grade. But where there is neither, the employee may feel frustrated and become apathetic. In fact, even where there is a reasonable promotion outlet, it may be desirable to have a comparatively long scale for an entry grade in order to accommodate the employee who fails to develop the potentiality which would justify promotion, but who, nevertheless, continues to perform useful, if relatively simple, duties. As it is, the staffs in the scale of Rs. 30— $\frac{1}{2}$ —35 have very limited opportunities for promotion. To take the Class IV staffs on this scale, about 5,24,000 such staffs can look forward, in the normal course, to only about one lakh posts to be filled by promotion. And considering the low qualifications required for appointment to Class IV posts generally, and to the unskilled grades in workshops, and the nature of the duties at those levels, any substantial enlargement of the promo-

tion outlets is not possible. It has also to be remembered that because of the low educational qualifications (if any) for recruitment, and the low age of entry, combined, in many cases, with a higher age of superannuation (60 years), Class IV and workshop staffs have normally a longer working span than employees in the higher Classes. When all these facts are considered together, the need of replacing the present short scale with a longer, and otherwise improved, scale becomes obvious. We are accordingly recommending in the chapters dealing with Class IV and workshop staffs a 16 year scale (Rs. 70-1-85) for the lowest grade of employees whose number, we may add, is of the order of 7 lakhs.

10. With the object of providing incentive to employees who have no outlets or very limited outlets for promotion to higher posts, we are recommending in a number of cases that a certain percentage of the posts in the grade—usually 10 per cent.—should carry a somewhat higher scale of pay even though there will be no change in the duties. Following the terminology in vogue we have described these posts as selection grade posts.

11. Some of the employees' organizations are opposed to efficiency bars on the ground that these bars may be unfairly used against the employees. When it is pointed out that these bars are, in practice, not real hurdles, and that, with rare exceptions, employees cross them as a matter of course, the rejoinder is that the bars are in that case superfluous, and merely serve as irritants to the staff. A practically uninterrupted progression on a time-scale is one of the major attractions of the public service; but where the time-scale is long, it is also a factor which may have adverse effect on efficiency. However careful may be the system of initial selection for recruitment, there is no warrant for presuming that an employee would in every case maintain his efficiency, and develop with experience; and an arrangement under which the poor or the indifferent worker can go on earning increments for 20 or 25 years just as the good worker does is hardly conducive to good morale or to special effort. There is a growing opinion in favour of relating earnings to productivity. In workshops, and also in the case of more or less mechanical operations in offices etc., an objective measurement of productivity may be possible, and a system of payment by results can be introduced in place of, or as a supplement to, time rates. But in other parts of the public service, these are not practicable. It is true that marked ability and industry can be recognized by accelerated promotion; but, in many cases promotions, accelerated or otherwise, are available only to a proportion of employees in any grade; and as among the rest, it is ordinarily through efficiency bars that a practical discrimination between satisfactory and unsatisfactory workers can be made. We have, therefore, usually provided an efficiency bar somewhere about the 10th year in scales which are to run for more than 15 years or so, and a second efficiency bar at a later stage in scales which are to run for 20 years or longer.

12. There has been a persistent demand for improved scales for certain classes of posts requiring technical qualifications. In most of these cases, the shortage of qualified candidates or resignations of those already in service, is, in the last analysis, due to a national shortage. And the national shortage is not due to unattractive rates of remuneration under Government or outside. There are, in fact, many more candidates for admission to technical and professional institutions than the institutions can accommodate; and the real remedy, therefore, is a rapid expansion of facilities for technical and professional education and training, and in some cases arrangement for practical training within the Department itself. It would not be right to raise pay scales to meet temporary shortages, except when there is reason to think, as there is in some cases, that the Government's recruitment difficulties are due to rates of remuneration which compare unfavourably with outside

rates, with the result that the Government are not able to get even a proportionate share of the available personnel. In such cases, we have recommended improved scales. In some cases, authorisation of recruitment with advance increments, rather than a change of the scale itself, may meet the situation.

13. The Varadachariar Commission referred to the Rajadhyaksha Award (1946) relating to postal employees, in which the conclusion had been reached that the cost of living of an average lower middle class family was about 80 per cent. higher than that of a working class family, and recommended that while the minimum remuneration for an unskilled worker at the cost of living as in January 1947 should be Rs. 55, that for a middle class employee should be Rs. 90. The position, at present, is that while the minimum remuneration of a Class IV employee is Rs. 75 (made up of a basic pay Rs. 30 and dearness pay and allowance of Rs. 45) that of a clerk is Rs. 115 (made up of basic pay Rs. 60 and dearness pay and allowance of Rs. 55). A Lower Division Clerk's remuneration in 1947 was thus 64 per cent. above that of a Class IV employee; it is now 53 per cent. This reduction has been brought about by the proportionately higher rate of dearness allowance granted to staff in the lowest pay range. We have considered whether there should be any direct, rigid, relativity between manual and clerical staffs, and we have come to the conclusion that the acceptance of any such relativity will be incompatible with the principles for determination of remuneration of Government servants which we have adopted. We have noticed that there is no such fixed ratio in outside employments; for instance, in the jute industry in West Bengal a matriculate clerk's remuneration, which in 1948 was 75 per cent. higher than that of an unskilled manual worker, had come down to 53 per cent. in 1958 (January—August); for the engineering industry in the same State, the corresponding figures are 82 and 58 per cent.; and for the textile industry in Bombay, 46 and 44 per cent. As far as we have been able to gather, in other countries also there has been no direct link or relationship between the remuneration of manual and clerical employees. For instance, in the United Kingdom while the clerical officer had had an increase of about 63 per cent. between 1939 and 1954-55, the messenger had an increase of 90 per cent. during the same period. But as against that, during the last 2 years the wages of clerks have risen more than those of manual workers. We have not, therefore, sought to determine the pay of clerical and other similar staffs with reference to that of manual workers, but have considered independently what, in the present conditions, would be fair remuneration for each.

II. Scheme of Discussion of Pay Scales

14. We have discussed staff falling within a common occupational group in a single chapter, even if the staff are distributed in a large number of Departments. Examples are scientific, engineering and medical staffs. We have also dealt with each of the categories found in all or many Departments, for instance clerical staffs in the offices outside the Secretariat, together in one chapter. As regards Class IV staffs, we have found it convenient, subject to two exceptions, to deal with them in a single chapter, even though some of them are found in only one or two Departments. The exceptions are Class IV staffs in the Railways and the Posts & Telegraphs Department.

15. We have dealt separately with only such of the Ministries as have large bodies of staff peculiar to them.

16. For workshop staffs we have only recommended a pay structure in segments which we have considered appropriate for the different Departments and major establishments within a Department employing such staffs. With this exception, we have recommended particular scales for practically all the major classes and groups of staff. But it has not been possible for us to recommend the allocation of every group to one or another of the pay scales we have proposed. We expect, however, that in the light of the general and specific recommendations we have made, fitting in of the groups left out will not present any serious difficulty.

17. In the following chapters we have usually described the duties of a post or grade before recommending a rate of pay for it. The description is not full; only the more important duties are mentioned, and those too only in broad terms.

18. We have in many cases said that we do not consider a change in the present position called for. This is intended only to convey that we regard the relative position of the particular class or grade of staff to be right, and not that in the process of change-over from the present to the proposed scale the particular class or grade will not have some improvement in remuneration.

CHAPTER XI

HEADQUARTERS ORGANIZATION OF THE GOVERNMENT OF INDIA

I. General

1. The headquarters organization of the Government of India comprises a number of Ministries and Departments. The allocation of business between them is regulated by rules framed under article 77(3) of the Constitution. A Ministry is responsible for the formulation of the policy of Government within its sphere of responsibility, and for the execution and review of the working of that policy. The basic pattern of a Ministry's organisation is simple. Below the Minister a Secretary to the Government of India is the administrative head of the Ministry. He is the principal adviser of the Minister on all matters of policy and administration within his Ministry. Where the volume of work in a Ministry is large, one or more wings are established with an Additional or a Joint Secretary in charge of each wing. In such cases, the Additional Secretary or Joint Secretary functions, more or less, like a Secretary in respect of all business falling within his charge subject, however, to the general responsibility of the Secretary for the administration of the Ministry as a whole.

2. For the efficient and expeditious disposal of business allotted to it, the Ministry is divided into Divisions, Branches, and Sections. The lowest unit is a Section. It consists of a number of Assistants, Upper Division Clerks and Lower Division Clerks, who work under the supervision of a Section Officer. (There are two grades of Section Officers). Normally, two Sections form a Branch, which is under the charge of an Under Secretary; and two Branches ordinarily constitute a Division under a Deputy Secretary. Deputy Secretaries and Under Secretaries guide and direct the 'office' in its work, and are required to dispose of as many cases as possible on their own responsibility. Only cases involving questions of policy, or otherwise important, are to be referred to higher officers.

3. Thus, treating the post of an Additional Secretary as being on the same level as that of a Secretary, there are 9 grades which make up the structure of the Central Secretariat. The number of posts in each of these grades is as follows:—

	Number	Prescribed rates of pay Rs.
Secretary/Additional Secretary	32	3000/2750
Joint Secretary	81	2250
Deputy Secretary	230	<i>Grade pay plus Spl. Pay Rs. 300</i> 1100—50—1300—60—1600—100—1800
Under Secretary	475	<i>Grade pay plus Spl. Pay Rs. 200</i> 800—50—1150
Section Officer (Grade II)	241	530—30—800
Section Officer (Grade III)	748	275/325—25—500
Assistants	3080	160—10—300—15—450
Upper Division Clerks	902	80—5—120—8—200—10/2—220
Lower Division Clerks	4173	60—3—81—4—125—5—130

4. The arrangement for staffing the Central Secretariat is as follows. The superior posts, i.e., posts of and above the rank of Deputy Secretary are, subject to exceptions mentioned later, filled on a tenure basis by officers of the Indian Administrative and Class I Central Services. This arrangement has been in existence for a long time. In fact, the Government of India have not had a service of their own to man superior posts at the headquarters, and they have depended on officers brought on deputation from the Provinces and, to a smaller extent, from the Class I Services. Some years ago, however 45 posts of Deputy Secretary were constituted into a selection grade for the officers of the Central Secretariat Service, reducing at least to this extent the Central Government's dependence on other sources for filling superior posts. Apart from this the only change that has been made in regard to this arrangement is that while before 1947 most of the superior posts under the Central Government were specifically reserved for officers of the Indian Civil Service, no such reservation has now been made for any Service. It is, however, only the Indian Administrative Service that has a regular arrangement to provide officers to the Centre. The authorized strength of each State Indian Administrative Service cadre includes a certain number of officers—determined by a common formula—for manning posts under the Central Government. At present, the number of central deputation reserve in these cadres stands at 357. Of the Class I Central Services only the Audit and Account Service carries a deputation reserve; other do not even though officers from many of the Services are being employed in posts at the Central headquarters. Another significant development that has taken place recently is the constitution by the Government of India of a Central Administrative Pool of officers with an initial strength of 120. The scheme provides that these officers, selected from the all-India and Class I Central and States Services, will be isolated from the operation of the tenure system and will always be available to the Central Government for manning superior posts.

5. Although a proportion of posts of Under Secretary are also filled for limited tenures by officers belonging to the Indian Administrative Service, the Class I Central Services, and the State Services, the bulk of these posts, and practically all posts of Section Officers and Assistants, are held by officers of the Central Secretariat Service. The clerical staff are provided by the Central Secretariat Clerical Service. These two Secretariat Services were organised between 1948—54 and are controlled by the Ministry of Home Affairs. Before the constitution of these Services the staffing pattern at these levels was somewhat different. Like the superior posts, posts of Under Secretary were also filled on a tenure basis, though occasionally officers of the Secretariat Service (then called the Imperial Secretariat Service) were appointed to these, and sometimes even higher posts. Normally, however, the highest posts to which the secretariat staff could then look forward to were a few posts of Assistant Secretary. Thus, the only permanent element in the Secretariat organisation was provided by 'office' made up of four grades: Superintendent, First Division Assistant, Second Division Clerk and Third Division Clerk. There was no direct recruitment above the grade of Assistant. The Central Secretariat Service Scheme introduced some changes in this structure. It abolished the grade of Assistant Secretaries, who in the process were upgraded as Under Secretaries; and it added a new grade of Assistant Superintendent, now called Section Officer Grade III, to which 50 per cent. appointments are made by direct recruitment.

6. The highest posts in the Secretariat, i.e., those of Secretary, Additional Secretary and Joint Secretary carry a fixed pay. The prescribed rates of pay for these posts, viz., Rs. 3,000, Rs. 2,750 and Rs. 2,250 respectively, are based on the recommendations of the Varadachariar Commission. For officers of the ex-Secretary

of State's services, and others who entered service before 1931, however, the old rates of pay, as we have said earlier, have been protected. We have discussed in an earlier chapter the general considerations which should govern the rates of pay at the highest levels and in accordance with the conclusions reached there we recommend that these posts may continue to be remunerated at the existing rates.

7. The following are the rates of pay admissible to incumbents of posts of Deputy and Under Secretary:—

Service to which the officer belongs	Deputy Secretary	Under Secretary
(a) Indian Administrative Service/ Indian Foreign Service.	Pay in the senior scale plus a special pay of Rs. 300.	Senior or junior scale depending on seniority plus a special pay of Rs. 200.
(b) Central Secretariat Service	Fixed scale of Rs. 1100—50—1300—60—1600—100—1800	Fixed scale of Rs. 800—50—1150.
(c) Class I Central Services	Can at their option have either (a) or (b)	Can at their option have either (a) or (b).

Before the fixed scales of pay mentioned above were prescribed Secretariat Service officers holding these posts were also given a special pay in addition to their pay as Assistant Secretary. The Varadachariar Commission did not favour the system of granting special pay in these posts, and recommended fixed scales of pay even for tenure appointments—Rs. 1,300—60—1,600—100—1,800 for Deputy Secretaries and Rs. 950—50—1,150 for Under Secretaries. The Commission did not make any recommendation about the rates of pay to be allowed to the Secretariat Service Officers for holding these posts. For Posts of Assistant Secretary, which were filled exclusively by Secretariat Service officers, the Commission recommended the scale of Rs. 800—40—1,000. The Government, however, decided to continue the practice of granting special pay in cases of tenure appointments, and prescribed for Secretariat Service officers the somewhat different fixed scales mentioned at the beginning of this paragraph. In 1957, the Class I Central Services officers were given the option while holding these posts to be governed by either of the two rates. We are of the view that the grant of a special pay fits in with the idea of tenure appointments. It aims at giving a uniform benefit to holders of these posts who are at different points in their basic scales. We do not, therefore, recommend any change in the present arrangement in respect of tenure appointments generally, except that officers on deputation from the Class I Central Services may continue to have the option to have the fixed scales we recommend later for the Secretariat Service officers.

The Central Secretariat Service (Grade I) Association has proposed that Secretariat Service officers holding posts of Deputy and Under Secretary should be allowed the scales that were recommended by the Varadachariar Commission for tenure appointments. We do not consider that any change is called for in the pay of Deputy Secretaries and we accordingly recommend that they may continue on the scale of Rs. 1,100—50—1,300—60—1,600—100—1,800. On his first appointment as Deputy Secretary an officer of the Central Secretariat Service is allowed a minimum increase of Rs. 150 over his pay in the Under Secretary's scale. We were specifically asked to examine if the practice should be allowed to continue. Considering the complements of the higher grades of the Central Secretariat Service, and the number of posts of Deputy Secretary specifically earmarked for members of that

Service, it seems to us unlikely that an Under Secretary belonging to the Central Secretariat Service will be appointed Deputy Secretary at a stage when he is drawing a pay much below the starting pay of Deputy Secretary, viz., Rs. 1,100. There is considerable difference between the responsibilities of a Deputy Secretary and those of an Under Secretary, and we consider it appropriate that when an officer is promoted to the rank of Deputy Secretary, he should get a substantial addition to his pay. An officer of the Indian Administrative Service, or for instance, of the Indian Audit & Account Service, gets an addition of Rs. 100 to his special pay (from Rs. 200 to Rs. 300) when he moves up from a post of Under Secretary to that of Deputy Secretary; this addition is allowed even though the officer may have moved in the meantime from the junior to the senior time-scale of his Service. If our recommendations are accepted, the Class I Central Services will have a single scale instead of two scales—junior and senior—as at present; but the new scale provides for a large increment in the sixth year, and so far as the Indian Administrative Service is concerned, the present division of the pay scale into junior and senior will continue. Having regard to all the circumstances, it seems to us that it will be fair to continue the present provision allowing to Central Secretariat Service officers a minimum increase of Rs. 150 on promotion to the rank of Deputy Secretary; and we recommend accordingly. For Under Secretaries we consider that the scale of Rs. 900—50—1,200 will be suitable. In regard to the other grades we formulate our proposals in the following sections where we deal with the Central Secretariat Service and the Central Secretariat Clerical Service.

8. There are, however, one or two general questions to which we refer here. It was stated on behalf of the associations of some of the Class I Services that members of those Services were not afforded adequate opportunities to serve in the Central Secretariat, and that, apart from the difference in the junior and senior time scales, this was a circumstance which placed them at a disadvantage compared to the Indian Administrative Service. We consider it desirable that the Government of India should draw personnel for their headquarters' organization from as wide a field as possible, and that it is in the interest of the efficiency of the central organization that fuller use should be made in it of the abilities, and the diversity of the experience of the officers of the Class I (non-technical) Services. It further appears that under the present arrangement officers of these Services do not have, as among themselves, equal opportunities for service in the Central Secretariat. Part of the explanation presumably is that with the one exception, we have mentioned earlier, these services do not carry an adequate deputation reserve, provision of which is a necessary condition of a systematic arrangement for deputation of officers from these Services to the Central Secretariat. Taking the Secretariat and other organizations under the Central Government where appointments are generally made for limited tenures, there are about 600 superior and 550 posts of and equivalent of those of, Under Secretary. There is regular arrangement to fill only 350 posts of Under Secretary and 522 superior posts—357 from the Indian Administrative Service, 120 from the Central Administrative Pool, and 45 from the Central Secretariat Service. Officers of the Class I Services can, in the circumstances, be employed in these posts in larger numbers than has been the practice so far; the combined strength of these Services being about 2,000, there would be a wide field of choice ensuring selection of meritorious officers.

9. It was represented to us on behalf of Section Officers that all posts of Under Secretary should be reserved for them. We do not see any justification for this proposal, and consider that Section Officers have sufficient scope at present to secure promotion to higher grades. The official witnesses also did not support the proposal of Section Officers, and, on the contrary, said that more and more of these posts should be filled by officers of the Class I Central Services. At the level of

Under Secretary, knowledge and experience of the Secretariat, which Section Officers possess more than officers of other Services, are valuable; but so are capacity for original work, ability to understand the broader problems of Government, and experience of men and practical administration. Any staffing arrangement under which either of the two elements is inadequately represented would be detrimental to efficiency.

10. Proposals were made to us on behalf of officers belonging to the specialist classes, viz., scientists, engineers, etc. that they should be more freely appointed to administrative and Secretariat posts. It was urged that the principal specialist officer should have direct dealings with the Minister, and that there should be no interposition of an administrative officer who could only become a transmitter of professional or specialist advice, not unoften failing to transmit or interpret the advice with the clarity and precision with which the specialist officer himself could do. It was further stated that the present arrangement does not afford to a specialist adequate opportunities to influence policy or otherwise to make the maximum contribution he is capable of.

11. We do not wish to make any recommendation on this subject: though raised as one having a bearing on conditions of service, it involves issues which extend beyond the scope of our enquiry. We, therefore, content ourselves with making a few general observations. Where the work of a Department is mainly technical, it is desirable, in our view, that the Secretary should be a person who, while possessing administrative ability and capable of taking a broad Government-wide view of matters, has a technical background in the particular field. In a Department which has a considerable amount of technical as well as administrative work, the Secretary may be either a technical officer, with proved administrative capacity, or a generalist administrator; technical officers should not be excluded from the field of choice, on *a priori* considerations, but should be considered on merits. Further, the top technical advisers or heads of Departments should have full opportunity to have their views considered by the Minister, along with any views which the Secretary of the Department may have; for which a suitable arrangement may be a joint discussion with the Minister, whenever there is an unresolved difference of opinion between the technical head and the Secretary. The basic idea governing the relationship between the two must be the recognition that the former should have an effective share in the framing of policies and programmes at the highest official level. We are, however, clearly of the view that the functions of head of Department and Secretary should not normally be combined—whether the Secretary is a general administrator or a technical or a professional officer.

II. The Central Secretariat Service

12. The Central Secretariat Service is organised as follows:

	Authorised strength (as on 1st May 1958)	Number	Scale of pay Rs.
Selection Grade (Deputy Secretaries and above)	45	152	1100—50—1300—60—1600—100—1800
Grade I (Under Secretaries and equivalent posts)	350	451	800—50—1150
Grade II (Section Officers and equivalent posts)	430	660	530—30—800
Grade III (Section Officers and equivalent posts)	590	1350	275/325—25—500
Grade IV (Assistants)	4000	5000	160—10—300—15—450

The first three grades are in Class I; Grades III and IV are in Class II; and officers in Grade III are given gazetted status. The Service provides staff not only for the Central Secretariat but, as described later, also for most of the 'attached' and some 'subordinate' offices.

13. The Selection Grade and Grade I have been discussed in the previous section. The lower grades provide the 'office' staff. Section Officers Grades II and III are in charge of Sections in a Ministry, and besides supervising the work of the staff under them they are required to handle important cases themselves. They are also authorised and expected to dispose of certain types of simple cases. Assistants are engaged on case work, which involves collection of the relevant material, such as old references, precedents, facts and figures, required for dealing with a case. Each Assistant in a Section is allotted certain subjects. He notes and drafts on cases relating to those subjects; suggests a course of action where possible; and submits them to higher officers through the Section Officer. Selected Assistants are allowed to submit cases direct to higher officers.

14. The Central Secretariat Service (Reorganisation and Reinforcement) Scheme provides that 75 per cent of posts in Grade IV (Assistants) shall be filled through a competitive examination held by the Public Service Commission for which a university degree is the minimum qualification, and 25 per cent by promotion of meritorious Upper Division Clerks. 50 per cent of posts in Grade III (Section Officers) are also to be filled by direct recruitment on the result of the combined competitive examination for the Class I Central Services; another 25 per cent on the result of a limited competition open only to permanent, young, Assistants; and 25 per cent by promotion of Assistants without any examination, or any restriction as to length of service. The Scheme does not provide for direct recruitment to Grades I and II. Posts in Grade II are filled by promotion from Grade III, and those in Grade I by promotion from Grade II. Two modifications have, however, been made in the above arrangements for the time being. First, the proportion of direct recruitment posts in Grade IV has been reduced from 75 to 50 per cent with a view to providing opportunity to temporary Assistants and certain categories of Upper Division Clerks to enter the permanent cadre of Assistants on the basis of a limited competitive examination. Secondly, temporary Assistants with a minimum of three years' service have also been made eligible to appear at the limited competitive examination held by the Public Service Commission for promotion from Grade IV to Grade III.

15. The proportions of direct recruitment to Grades III and IV and of promotion to Grade III by a limited competition mentioned above are only of permanent vacancies; the Scheme does not lay down methods of recruitment to fill temporary vacancies. It prescribes a somewhat complicated method for determining the authorised permanent strength of each of the four grades comprised in the Service; and it is only in the authorised permanent strength that permanent vacancies occur. There is a very large difference between the authorised and the actual strength of the different grades; and since little direct recruitment is made to the temporary posts, the result is that even in the direct recruitment grades the proportion of promotion posts is high.

16. There is no single association to represent the Service as a whole and each Grade was represented before us by a separate association. The proposals of the associations were as follows:

		Rs.
Section Officers Grade II	...	600—30—900
Section Officers Grade III	...	350—25—575
Assistants Grade IV	...	200—15—320—20—500

The official witnesses from the Ministry of Home Affairs thought that the two grades of Section Officers should be amalgamated. As we have said earlier, before the constitution of the Central Secretariat Service there was only one grade of Superintendent; a new grade was introduced to enable some direct recruitment at that level. The idea originally was that there would be equal number of posts in the two grades of Section Officer, and those in the lower grade would hold charge of smaller and less important Sections. Further, for direct recruits the new grade was to be a training grade. The evidence we have received does not show that the Scheme has worked in the above manner; and it seems that there is free interchange of positions among Section Officers of the two grades. In the circumstances, and also in the interest of improved recruitment, we recommend the amalgamation of the two grades. The resultant grade would be as attractive as most other Class II services under the Centre, and in the States, and would draw better direct recruits than does the present Grade III, carrying a maximum pay of only Rs. 500. It is true that there is promotion from Grade III to Grade II; but there is uncertainty about promotions, and there is, in any case, no assurance of a practically certain progression in the maximum of the usual Class II scale. Whatever the original intentions may have been, once the period of training is over, there is no difference between the two grades functionally. The separate existence of the two grades is thus serving no useful purpose except providing—at least theoretically—an opportunity for selection at the stage of promotion from Grade III to Grade II; and this purpose can be served by introducing an efficiency bar at a suitable stage in the proposed combined grade. That the highest level of direct recruitment to the Central Secretariat Service should be a grade which is less attractive than the general run of the Class II services appears to us to be an unsound arrangement, and to suggest a possible under-estimation of the value to the Central Secretariat Service of the mental calibre of its direct recruits. The interest of the public service, on the contrary, appears to require that a significant proportion of direct recruits to the Service should be of a standard higher than that of the generality of the Class II services, if not comparable to that of the Class I Central (Field) Services. In conclusion, we recommend for the proposed grade of Section Officers the scale of Rs. 350—25—500—30—590—EB—30—800—EB—30—830—35—900.

17. The Varadachariar Commission had suggested two grades for Assistants—a lower grade carrying the scale of Rs. 160—10—330 and a higher grade in the scale of Rs. 250—10—300—15—450. The recommendation was, however, not accepted by Government, and a single scale of Rs. 160—10—300—15—450 was prescribed, mainly on the consideration that the proposed scale of Rs. 160—330 would not be sufficient to attract the type of recruits required for the grade. We do not think that any change is required in this case and we accordingly recommend for Assistants the scale of Rs. 210—10—290—15—320—EB—15—425—EB—15—530.

III. The Central Secretariat Clerical Service

18. The Central Secretariat Clerical Service is made up of two grades as follows:—

	Number	Scale of pay Rs.
Grade I Upper Division Clerks	2537	80—5—120—8—200—10/2—220
Grade II Lower Division Clerks	7580	60—3—81—4—125—5—130

This Service, like the Central Secretariat Service, provides staff to a number of 'attached' and 'subordinate' offices also.

19. Upper Division Clerks are employed on 'case' work. But they are required to deal with cases involving noting and drafting of a simple nature, the more important cases being entrusted to Assistants. Their other duties relate to preparation, verification and scrutiny of statements and records pertaining to accounts, establishment matters and the like. Lower Division Clerks are ordinarily given work of a routine nature, such as the maintenance of diaries and registers, indexing and recording of files, preparation of arrear statements, typing, comparing and despatch.

20. Under the Central Secretariat Clerical Service Scheme recruitment to Grade I is to be made as follows:—

- (i) a proportion of vacancies is set apart for recruitment from amongst the Upper Division Clerks working in offices subordinate to such attached offices as participate in the Scheme. (The fixation of the actual proportion of such vacancies is still under consideration in consultation with the Public Service Commission);
- (ii) in a proportion of the vacancies (again, under consideration) quasi-permanent Upper Division Clerks are to be made permanent;
- (iii) half of the remaining vacancies are to be filled by promotion of permanent Lower Division Clerks by selection on merit with due regard to seniority; and
- (iv) the other half by direct recruitment, of university graduates, on the result of a competitive examination to be held by the Public Service Commission.

The Scheme, however, provided that no direct recruitment should be made during the first three years, 1954—57, and that thereafter the question should be reviewed. We understand that it is not intended to hold any examination for direct recruitment before 1961.

21. As regards the grade of Lower Division Clerk, the Scheme provides that subject to such adjustments as may be necessary for absorption of quasi-permanent Lower Division Clerks, and reservation of a certain proportion of posts to be filled by Lower Division Clerks working in subordinate offices, the permanent vacancies, as also temporary vacancies likely to last for more than three months, shall be filled by direct recruitment on the result of an examination to be conducted annually by the Public Service Commission. The first examination for the purpose was held in December 1958. Matriculation is the minimum qualification for this examination.

22. So far the educational qualifications for direct recruitment to the two grades have been different. According to a decision taken by the Government in 1958 on the recommendations of the Public Services (Qualifications for Recruitment) Committee, 1956, recruitment to both these grades will in future be made from amongst candidates who have passed the Higher Secondary examination and are within the age of 18—21 years.*

23. A number of associations representing clerical staffs have proposed that there should be only one grade of Clerk. Some of the official witnesses have also supported the proposal. It has been claimed by the service associations concerned that both Upper and Lower Division Clerks are employed on the same type of

*As long as Matriculation is not completely replaced by Higher Secondary—such replacement is in progress—the qualification for the grade of Upper Division Clerk will be Intermediate, Senior Cambridge or Higher Secondary and for that of Lower Division Clerk Matriculation. Thereafter, Higher Secondary will be the minimum qualification for both the grades.

work; and it has been stated that in large semi-autonomous bodies controlled by Government, such as the Reserve Bank, the Life Insurance Corporation and the State Bank of India, there is only one grade of Clerk. Whether there should be one grade or two should, obviously, depend on the present allocation of duties to the two grades, and on whether the nature of clerical work in Government offices is such that it can be performed more efficiently by a single or by two grades of staff. The evidence before us shows that in Government offices generally the work of Upper Division Clerks is different from that of Lower Division Clerks. In offices outside the Secretariat, there is a large volume of work relating to accounting, budgeting, checking and verification of statements, establishment matters, etc. which is ordinarily not entrusted to Lower Division Clerks; and that is the reason why in certain Departments, such as Income Tax, Audit, Defence Accounts, where this type of work is heavy, the number of Upper Division Clerks is 3 to 4 times that of Lower Division Clerks. With increased delegation of powers to heads of Departments and subordinate authorities, such work is likely to increase in these offices. In the circumstances, the present system of two clerical grades appears to us to provide a sound arrangement in the offices outside the Central Secretariat. The fact that educational qualifications for recruitment to the two grades will now be identical is a matter to be taken into account in considering whether direct recruitment to the Upper Division should continue. It cannot, however, be a valid ground for abolishing the distinction between the two grades, which is based primarily on the nature of duties and responsibilities rather than on qualifications for recruitment.

24. In the Central Secretariat, however, the position may be slightly different because it has a grade of Assistant to deal with cases. The grade of Upper Division Clerk was introduced in the Secretariat for the first time some time in the twenties. But after a few years its utility came to be doubted, and in 1939, on the recommendations of the Maxwell Committee, it was abolished. The Varadachariar Commission also took the view that one grade of Clerk would be sufficient for the Secretariat. The grade was, however, revived under the Central Secretariat Clerical Service Scheme. When the Scheme was being considered by the Ministry of Home Affairs, views and comments of the various Ministries were invited on the question of the re-introduction of this grade and the consensus of opinion was in its favour. We do not have all the material necessary to examine whether or not the cadre of Upper Division Clerks should continue in the Secretariat and unless there are exceptional reasons connected with rates of remuneration or conditions of service we would not like to make recommendations regarding grade structures, which, as such, are not within our terms of reference. It is for Government to consider whether duties and responsibilities at present distributed among Lower Division Clerks, Upper Division Clerks, and Assistants can be efficiently managed by two grades. We are formulating our pay proposals on the basis of the existing arrangement under which Upper and Lower Division Clerks are entrusted with different kinds of duties.

25. The Varadachariar Commission had recommended a scale of Rs. 80—220 for Upper Division Clerks recruited from amongst graduates. The same scale is in force today. Including the dearness allowance, an Upper Division Clerk now starts at Rs. 135 and goes upto Rs. 290. Different service associations have proposed different scales, such as Rs. 150—320, Rs. 120—400, Rs. 160—460. It appears from the awards made by adjudicators during the years 1957 and 1958 that the total minimum emoluments of senior clerks in outside employment ranged between Rs. 140 to Rs. 150 per mensem; and considering this with the facts that recruitment qualifications have been lowered and that Upper Division Clerks have fair prospects of promotion to the grade of Assistant in the Secretariat, we do not consider that

any substantial change in the rate of their remuneration is called for. We, accordingly, recommend for them the scale of Rs. 130—5—160—8—200—EB—8—256—EB—8—280.

26. As regards Lower Division Clerks in the Secretariat we were asked by some of the official witnesses to recommend a higher scale of pay than that allowed to such Clerks in other offices. It was urged that a distinction has always been made between the Secretariat staff and those employed in other offices on the ground that work in the Secretariat carries higher responsibility. The factors that have to be considered in deciding whether there is justification for making such a distinction are: method of recruitment, prospects of promotion, and the duties and responsibilities attached to the posts. For some 10-11 years all the offices, including the Secretariat, had been recruiting through the Employment Exchanges; it was only towards the end of 1958 that a competitive examination for recruitment to the grade of Lower Division Clerk in the Secretariat was revived. If this arrangement of recruitment through the Public Service Commission is continued, the standard of selection for the Secretariat will, no doubt, be stiffer than for the other offices. The prospects of promotion vary from one office to another. A broad comparison between the Lower Division Clerks belonging to the Secretariat Clerical Service, and those in all other offices taken together, is, however, possible and is made in the table given below:

	Total strength	Secretariat	Other Offices
		No. of posts available* for promotion of Lower Division Clerks and the percentage of such posts to the total number of Lower Division posts	No. of posts available* for promotion of Lower Division Clerks and the percentage of such posts to the total number of Lower Division posts
Lower Division Clerks	7580	..	105438 ..
Upper Division Clerks	2537	1269 (17 %)	55125 27562 (26.0%)
Assistants	5000	625 (8.2 %)	} 10583** 5292 (5.0 %)
Section Officers (Grade III)	1350	85 (1.1 %)	
Section Officers (Grade II)	660	41 (0.5 %)	
Under Secretaries (Grade I)	451	28 (0.4 %)	

*It has been assumed that employees who begin as Lower Division Clerk will share promotion posts in each grade according to their proportion in the grade from which promotion is to be made. At present both in the Secretariat and in other offices generally 50 per cent of posts of Upper Division Clerk are filled by promotion of Lower Division Clerks.

**Promotion posts in various scales.

It will be seen from the above table that the proportion of promotion posts in the grade of Upper Division Clerk to the total number of posts in the Lower Division is higher in the case of offices outside the Secretariat than in the Secretariat. Above that grade, however, there is quicker, and larger opportunity for, progress in the Secretariat. And these promotions take the Secretariat staff to a

much higher level of remuneration than in the other offices. In terms of money value, however, there does not seem to be any significant difference in the total promotion prospects available to a Lower Division Clerk in the Secretariat and his counterpart in other offices. As regards duties and responsibilities we do not think that the work of routine clerks dealing with receipt, despatch, typing, etc. can differ significantly between one office and another. Thus by the criteria discussed above, differentiation in the rates of remuneration of Lower Division Clerks does not appear to be justified. If, however, the object is to draw to the Secretariat persons with distinctly higher abilities than those expected of the generality of Lower Division Clerks, a higher remuneration would be justified as a means to that end. We have been told by the official witnesses that, that in fact is the objective, and that it is in pursuit of it that an all-India examination is held for recruitment. The Varadachariar Commission had also recommended a higher scale of pay for Lower Division Clerks in the Secretariat on the ground of the necessity "to get recruits from a wider field so as to ensure best selection". Whether it is really necessary to have for the Secretariat a superior class of recruits even at the level of Lower Division Clerk is a matter for the Government to decide; but if the decision is that it is, a slightly higher remuneration, as at present, would be appropriate.

27. At present, a Lower Division Clerk starts at Rs. 115 (pay plus dearness allowance) and goes upto Rs. 190. The awards made by adjudicators to which we have referred earlier, indicate that comparable employees in private employment start on an average at Rs. 100 per mensem. In the Life Insurance Corporation, an Assistant starts at Rs. 125; and in the State Bank for Clerks working in Area I, where the scale is the highest, the total emoluments at the start are Rs. 111. It is only in the Reserve Bank of India that a Clerk starts at higher emoluments, viz., Rs. 142.50. On the whole, however, the present pay of Lower Division Clerks does not compare unfavourably with the corresponding rates in outside employment. Considering this with the nature of their duties, we recommend for Lower Division Clerks the scale of Rs. 110—3—131—4—155—EB—4—175—5—180.

28. In the end we recommend that as in future the educational and age qualifications for recruitment to the two clerical grades are to be the same, direct recruitment to the upper grade should be given up, and posts of Upper Division Clerk should be filled wholly by promotion. The rationale of direct recruitment has been the object of drawing into the clerical service young university graduates. If it is no longer considered necessary to draw graduates—and we agree that it should not be necessary to do so—that rationale disappears. We, however, suggest that promotion to a proportion of posts which are now being filled by direct recruitment should be made on the basis of a written examination conducted by the Public Service Commission. Stoppage of direct recruitment to the grade of Upper Division Clerk would greatly improve the prospects of Lower Division Clerks, and while we consider this very desirable, the efficiency of the public service should be safeguarded by making a fair proportion of the promotions wholly on merit.

IV. The Central Secretariat Stenographers Service

29. The Central Secretariat Stenographers Service is organised in three grades as follows:—

	Number	Scale of pay Rs.
Grade I	122	325-25-500
Grade II	198	250-10-300-15-375
Grade III	1367	160-10-330

This is a Class II Service; and while Grade I has gazetted status, Grades II and III are non-gazetted.

30. Broadly speaking, Grade I is for 1st Personal Assistants to Ministers and Private Secretaries to Secretaries to Government. Grade II is for Personal Assistants to Secretaries, Joint Secretaries and officers of equivalent rank; and Personal Assistants to Ministers are also in this grade. The remaining posts of Stenographers are in Grade III. Usually one Stenographer is attached to two Under Secretaries or one Deputy Secretary. Ordinarily, posts of Personal Assistant to Secretaries or Joint Secretaries are to be filled by officers of Grade II; but the Scheme permits the appointment of Grade III officers to these posts, without entitlement to any additional remuneration.

31. Direct recruitment is made to the lowest grade on the basis of periodical examinations held by the Public Service Commission. The minimum educational qualification prescribed is matriculation. The age limits for admission to the examination are 18—24 years. Certain categories of Government employees are, however, eligible to appear at the examination upto the age of 35 years. No recruitment difficulties have been reported to us.

32. Posts in the higher grades are filled by promotion. The Central Secretariat Stenographers Service Scheme provides that Stenographers who have completed 4 years' service in Grade III will ordinarily be eligible for promotion to Grade II. Selections for such promotions are required to be made on the basis of a competitive proficiency test conducted by the Public Service Commission, and no Stenographer is to be allowed more than 3 chances to appear at such a test. So far, however, promotions have been made on the recommendations of a departmental promotion committee, and proficiency tests have not been held for the purpose. Promotions to Grade I are made from among Stenographers who have not less than 4 years' service in Grade II, and ordinarily not less than 8 years' service in all. Selections are made on the recommendations of the Public Service Commission.

33. A limited number of posts of Section Officer Grade II are also open to members of the Central Secretariat Stenographers Service.

34. It has been represented on behalf of Stenographers that they should have the same career prospects as are available to Assistants. The Government of India Stenographers' Association suggested that this could be made possible by merging the Central Secretariat Service and the Central Secretariat Stenographers Service into one; but that if that was not possible, Grade I of the Stenographers Service should be merged with Grade III of the Secretariat Service. In the alternative, the Association proceeded to suggest, the pay scales of all grades of the Stenographers Service should be suitably increased and more posts in the Central Secretariat Service should be reserved for members of the Stenographers Service.

35. We do not consider that a merger of the Central Secretariat Stenographers Service and the Central Secretariat Service will be a satisfactory arrangement; the nature of work and duties, and the qualifications for recruitment are too different to make merger a workable arrangement. There is a very real difference between the two. Stenographers and Assistants, we think, have necessarily to be in two separate cadres.

36. The next question is whether the two should be treated on par. The proposal of Stenographers for parity with Assistants was supported by the official witnesses from the Ministry of Home Affairs. They suggested that all Stenographers

working in the Secretariat should be put on one scale which may be the same as for Assistants, and those who work as 1st Personal Assistants to Ministers and Private Secretaries to Secretaries to Government may be given some special pay in addition. The Varadachariar Commission had favoured the same remuneration for Stenographers as for Assistants, on condition, however, that educational qualifications for recruitment would be identical, viz., a degree. But the minimum educational qualification for the post of Stenographer is matriculation, as compared with a degree for direct recruitment to the grade of Assistant. In their oral evidence the representatives of the Government of India Stenographers' Association considered higher educational qualification unnecessary for recruitment to their Service, and expressed themselves strongly opposed to any raising of the present qualification. We do not consider the proposal for parity justifiable on any valid ground. The starting pay of Stenographers Grade III and Assistants is already the same; which, considering the respective educational qualifications of the two, means that as it is, considerable value is attached to proficiency in stenography initially. The duties of a Stenographer, until he reaches Grade II, have, however, little in common with those of an Assistant; and such clerical work as Grade III Stenographer has to attend to is small, very simple, and of a routine nature. We do not, therefore, think that their scale of pay should go up to the maximum of the Assistants' scale.

37. Stenographers working in offices outside the Secretariat have complained of wide disparity between their pay scale and that of Grade III of the Central Secretariat Stenographers Service. It has been urged that qualifications and duties of Stenographers attached to Under Secretaries and of those working with officers of equivalent rank in other offices are broadly similar. We see the force of this argument. While there may be some justification for giving a higher scale to those who enter service on the basis of an all-India examination conducted by the Public Service Commission, the existing disparity is too wide to be explained by this single fact. We, therefore, consider that in future the lowest grade of Stenographers in the Secretariat should be in a scale of Rs. 150-5-160-8-240-EB-280-10-300. We are recommending for Secretariat Stenographers a higher start than that proposed for those in other offices on the assumption that recruitment to the grade will be made on the basis of an open competitive examination conducted by the Public Service Commission. Above this grade there may be a grade corresponding to the present Grade III of the Service. Recruitment to this grade may be partly by direct recruitment as at present, and partly by a limited competitive examination open to those in the lowest grade. We consider that some improvement in the pay of this grade (corresponding to present Grade III) is justified on the ground that promotion prospects above this grade are meagre. We accordingly recommend for this grade the scale of Rs. 210-10-290-15-320-EB-15-425.

38. We have mentioned earlier the positions in which Stenographers Grades I and II are employed; in these positions Stenographers usually come into closer contact with administrative work than Stenographers in the lower grades. In addition to stenographic work, they are responsible for maintaining official documents including secret and top secret papers, for handling some amount of correspondence, and dealing with visitors; and they are required to provide general assistance to Ministers and officers in the disposal of routine work. Their responsibilities thus extend beyond those of a stenographer: they have to be reliable and intelligent civil servants, and their duties are usually very exacting. Moreover, they would have reached these positions after about 13-14 years' service. At this level, therefore, it would be appropriate to give to Stenographers the same scale as to Assistants. We, accordingly, recommend for Stenographers Grade II the scale of Rs. 320-15-470-EB-15-530. There should be no separate scale for Grade I. The scale we have

recommended for Grade II will apply to Grade I also, and Stenographers working as 1st Personal Assistants to Ministers and Private Secretaries to Secretaries should be given a special pay of Rs. 100 and Rs. 50 per mensem, respectively. This would be a satisfactory arrangement in that above Grade II, it is only a matter of addition to responsibilities; the stenographic efficiency and the nature of duties generally do not change.

39. The Secretariat Stenographers want that opportunity should be given to them to compete at the limited competitive examinations held to fill respectively posts of Assistant and Section Officer Grade III. The limited competitive examination for recruitment to the grade of Assistant is not a normal feature of either the Central Secretariat Service Scheme or the Central Secretariat Clerical Service Scheme. On some administrative considerations the quota for direct recruitment to the grade of Assistant has been temporarily reduced from 75 to 50 per cent, and 25 per cent of the vacancies thus available are to be filled by a limited competitive examination open to certain specified categories of temporary Assistants and Upper Division Clerks. The examination is likely to be conducted only for a few years. Since this limited competitive examination is not a regular feature and has been started for a specific purpose, we are unable to support the Stenographers' request. The limited competitive examination for promotion to posts of Section Officer Grade III, however, is a regular method of recruitment to 25 per cent of the vacancies in that cadre. We do not see any good reason why Stenographers should be allowed to take that examination either. As we have said earlier, the nature of their duties until they reach Grade II is significantly different and the posts of Section Officer are not in direct line of promotion for Stenographers.

40. Some posts of Section Officer Grade II are filled by promotion of Stenographers. This promotion generally goes to Stenographers in Grade I who have also been tried as Section Officer Grade III. We suggest that Stenographers should continue to be eligible for promotion to a limited number of posts of Section Officers as at present.

41. The Government of India Stenographers' Association has represented that posts of 1st Personal Assistant to Ministers which are encadred in the Central Secretariat Stenographers Service should not be filled by outsiders. We realise that it may not always be convenient for a Minister or a Deputy Minister to appoint a member of the Stenographers Service as his Personal Assistant; and posts of personal staff of Ministers need not have been included in the Service, if flexibility was desired. But so long as the posts are so included, when non-cadre persons are appointed to such posts, an equal number of other posts of Stenographer may be temporarily upgraded.

42. There are 959 Stenotypists in the Central Secretariat. They generally belong to the cadre of Lower Division Clerks and are eligible for promotion to the Upper Division. They are given a special pay as long as they are employed on stenographic work. We do not recommend any change in the present arrangement.

V. The Railway Board

43. The Railway Board functions as a Ministry of the Government of India. The Board consists of the Chairman, Financial Commissioner and 3 Members, who are assisted by Additional Members and by a number of Directors, each placed in charge of a Directorate. Under the Directors, there are Joint, Deputy and Assistant

Directors. Most of these posts are filled from the various Railway services. The prescribed rates of pay are as follows:—

	Rs.
Chairman	3000
Financial Commissioner	} 3000
Members	
Additional Members	2750
Directors	1800—100—2000—125—2250
Joint Directors	1300—60—1600 plus special pay of Rs. 200*
Deputy Directors	Grade pay in the senior scale plus special pay of Rs. 200.
Assistant Directors	Grade pay in the senior or junior scale plus special pay of Rs. 150.

We do not recommend any change in the existing rates.

44. The office staff are provided by the Railway Board Secretariat, Clerical, and Stenographers Services organised on the model of the corresponding Central Secretariat Services, discussed in the previous sections. The strength and rates of pay of these Services are as follows:—

	Number	Scale of pay Rs.
The Railway Board Secretariat Service:		
Grade I Assistant Directors/Under Secretaries	13	800—50—1150
Grade II Section Officers	43	530—30—800
Grade III Section Officers	57	275—25—500
Grade IV Assistants	399	160—10—300—15—450
The Railway Board Clerical Service:		
Grade I Upper Division Clerks	43	80—5—120—8—200—10/2—220
Grade II Lower Division Clerks	344	60—3—81—4—125—5—130
The Railway Board Stenographers Service:		
Grade I Private Secretaries	16	275—25—500
Grade II Personal Assistants	28	250—10—300—15—375
Grade III Stenographers	109	160—10—330

The duties of these staff are identical with those of the Central Secretariat Services. The methods of recruitment and promotion are also the same. The only difference is that in each of the Railway Board Services there is provision for filling posts by promotion of staff from the other Railway offices. For instance, 25 per cent of posts in Grade IV (Assistants) of the Railway Board Secretariat Service, 20 per cent of posts in Grade I and 25 per cent of those in Grade II of the Clerical Service and 20 per cent of posts in Grade III of the Stenographers Service are reserved to be filled by such promotions.

We consider that the pay scales should be the same as for the corresponding grades in the various Central Secretariat Services, and, accordingly, our proposals in respect of the Secretariat Services may be taken to apply to these Services also.

*Officers who are appointed as Joint Directors on their first promotion to the junior administrative grade (Rs. 1300—1600) are not eligible for special pay.

VI. The Ministry of External Affairs

45. The staff of the Ministry and of the diplomatic missions and consulates abroad are provided mostly by the Indian Foreign Service which has two branches. Branch 'A' is modelled on the lines of the Indian Administrative Service, and Branch 'B' on those of the Central Secretariat Services.

46. The Indian Foreign Service is organized in 7 grades as follows:—

Grade	Number	Scale of pay Rs.
I	12	3000
II	16	2750
III	12	2500
IV	17	2250
V	16	1800—100—2000
Senior scale	103	800—50—1000—60—1300—50—1800
Junior scale	43	350—50—450—450—500—540—30— 870—40—950
Deputation and Leave Reserve	24	
Total	243	

47. Recruitment is made on the result of the combined competitive examination conducted by the Public Service Commission annually for recruitment to the all-India and the Central Services. 10 per cent of the senior duty posts are filled by promotion from Branch 'B'.

48. The Indian Foreign Service Association has represented that the equation established between the Indian Administrative Service and the Indian Foreign Service was not correct; and has proposed the following scales of pay:

Senior scale	Rs. 1100—50—1300—60—1600—100—1800
Junior scale	Rs. 600—50—1150

The Association's memorandum was received at too late a stage of our work to enable us to examine any representative of the Association. We, however, enquired from the Ministry of External Affairs whether it had any proposals to make regarding the pay scales and conditions of service of staff under their control, or any comments to offer on the representation of the Indian Foreign Service Association and we were informed that it had not.

49. The Varadachariar Commission had taken the view that no differentiation should be made between the Administrative Service and the Foreign Service as regards pay scales; and we do not think any new circumstances have arisen which call for a change in the position. Following our general scheme of remuneration of the superior services we recommend for the Indian Foreign Service the following scales of pay:

Senior scale	Rs. 900—50—1300—1300—60—1600—100/2—1800
Junior scale	Rs. 400—400—500—40—700—EB—30—1000

We do not recommend any change in the rates of pay for posts above the senior scale.

50. The Indian Foreign Service 'B' is organised as follows:

Grade	Post	Number	Scale of pay Rs.
I	Under Secretaries, First and Second Secretaries in Indian Missions abroad	30	800—50—1150
II	Section Officers, Vice Consul, Registrars, etc.	81	530—30—800
III	Section Officers, Registrars, etc.	143	275/325—25—500
IV	Assistants	652	160—10—300—15—450
	Stenographers Sub Cadre—		
	Personal Assistants } Stenographers }	64	250—10—300—15—375 160—10—330
V	Upper Division Clerks	74	80—5—120—8—200—10/2—220
VI	Lower Division Clerks	456	60—3—84—125—5—130
	TOTAL	1500	

It will be seen that grades and pay scales follow those in the various Central Secretariat Services, the only difference being that Stenographers, who have a separate hierarchy in the Secretariat, are incorporated in the common structure of the Foreign Service 'B'.

51. At the headquarters the duties of these staff are, more or less, the same as those of the equivalent grades of the Central Secretariat Services. When they are posted abroad the exact nature of their work might change, but the level of duties and responsibilities generally remains the same. The methods of recruitment and promotion are the same as in the case of the corresponding Secretariat Services.

52. It has been represented on behalf of this Branch of the Foreign Service that the scales of pay of its various grades should not be linked with those of the corresponding grades of the Central Secretariat Services. It has been urged that while a Secretariat Service officer is normally expected to serve throughout his career at the headquarters of the Government, an officer of the Foreign Service 'B' has to spend a major part of his service life in foreign countries; and that there should be adequate compensation for this unsettled life. We do not consider that compensation for such service condition should be reflected in the basic pay. The Foreign Service officers are granted certain allowances when they are posted abroad. On a comparison of their duties and responsibilities with those of the officers of the Secretariat Services we do not consider that any further differentiation would be justified. Our recommendations in respect of the Secretariat Services may, therefore, apply to the Indian Foreign Service 'B' also.

53. The Association representing this Service has asked for an increase in the promotion quota in the Indian Foreign Service 'A'. As stated earlier 10 per cent of the senior duty posts in the Indian Foreign Service are at present filled by promotion from Branch 'B'. We understand that the demand of the Association is under consideration of the Government in connection with the framing of rules for the Indian Foreign Service 'A'. We do not, therefore, wish to offer any comments.

The Indian Frontier Administrative Service

54. It will be convenient to discuss here another service under the Ministry of External Affairs. The Indian Frontier Administrative Service was formed in the year 1956 for the purpose of manning administrative posts in the tribal and frontier areas viz., the Union Territories of Manipur and Tripura, and the North-East Frontier Agency. Officers of the Service are also posted to senior posts in the Ministry of External Affairs on a tenure basis. The Service with a strength of 47 is organized on the lines of the Indian Administrative Service. For the initial constitution recruitment was made by selection from officers of the all-India and the Foreign Services, officers of the Defence forces, and persons recommended by the Central and State Governments and the universities. In future, subject to certain provisions for appointment of tribal candidates, vacancies will be filled partly from the sources mentioned above and partly by promotion of officers belonging to the local services of the North East Frontier Agency, Manipur and Tripura.

55. The Indian Frontier Administrative Service Association has proposed that the scales of pay for that Service should be higher than those of the Indian Administrative Service. In this case also the memorandum of the Association came too late for taking oral evidence. But, as in the case of the Indian Foreign Service, we enquired from the Ministry of External Affairs if it had any comments to make on the points raised in the memorandum, and we were informed that it had none. We recommend that the scales we have proposed for the Indian Foreign Service may apply to this Service also. The exceptional conditions under which duties have to be performed may continue to be recognized in the shape of allowances.

CHAPTER XII

OFFICE STAFF OUTSIDE THE SECRETARIAT

I. General

1. Offices outside the Secretariat can be grouped functionally into two broad categories: administrative offices, and operating and commercial offices in Posts and Telegraphs and the Railways. The first group can be further divided into Attached Offices and Subordinate Offices. Between the Secretariat, Attached and Subordinate Offices, there is similarity in the structure at the lower levels—upto the level of Assistants in the first two, and upto the level of Upper Division Clerks in all the three. But between the Secretariat and other administrative offices on the one hand, and operating and commercial offices on the other, the differences are wider. Therefore, we deal with the first group in this chapter and with the second group in separate chapters along with the other categories special to the Posts and Telegraphs and the Railways.

2. We discuss first the basis of classification of administrative offices into different categories and the connected question of inclusion of non-Secretariat offices in the Central Secretariat Services Schemes. We have already described the Secretariat organisation and the Central Secretariat Services. Attached and Subordinate Offices are described as follows in the introductory chapter of the Manual of Office Procedure:—

“Where the execution of the policies of Government requires decentralization of executive direction and the establishment of field agencies, a Ministry has under it subsidiary offices which are called Attached and Subordinate Offices. The Attached Offices are responsible for providing executive direction required in the implementation of the policies laid down by the Ministry to which they are attached. They also serve as repository of technical information and advice to the Ministry on technical aspects of questions dealt with by them. The Subordinate Offices function as field establishments or as agencies responsible for the detailed execution of the decision of Government. They generally function under the direction of an Attached Office, or in cases where the volume of the executive direction involved is not considerable, directly under a Ministry.”

The Varadachariar Commission recommended that the “artificial” distinction of status between Attached and Subordinate Offices should be abolished and that offices should be regrouped into (a) policy making organisations (i.e. Secretariat proper), (b) offices of the executive heads and advisory organisations, and (c) offices subordinate to those in groups (a) and (b). It was further recommended that any office considered important enough to be classed with the Secretariat should be absorbed in the Secretariat, but an artificial Secretariat status need not attach to important executive heads, who should be free to deal with the Secretary or the Minister.

Though the traditional classification of offices still continues, the complexion of the problem has changed with the constitution of certain Services for the Central Secretariat and the provision for including in the Schemes of these

Services even non-Secretariat offices. All except a few of the Attached Offices, and some of the Subordinate Offices, have been included in these Schemes; and for staffs in such offices the classification or status of the offices has ceased to be of any significance, as the Secretariat scales of pay apply to them.

3. We do not propose to go into the merits of the existing classification of offices, but in view of its bearing on pay scales we would suggest that it should be made on a functional basis, adopting broadly the following criteria:

- (i) Offices which are closely and directly associated with the Ministries or Departments of the Government of India in the shaping of policies by furnishing essential technical data and advice, and providing executive directions to the Departments etc., which are responsible for implementing the policies or decisions of the Government, should be regarded as Attached Offices; and
- (ii) Departments or offices which are responsible mainly for the execution of policies and programmes of the Government should be regarded as Subordinate Offices.

4. While on this subject we wish to make a suggestion which, though not directly related to questions we have been asked to enquire into, appears to us, in the light of our study of the organisation and staffing of the Central Government, to merit consideration. The standard arrangement at present is that a Ministry and each of its Attached Offices has its own separate 'office'; and correspondence between the Ministry and an Attached Office is normally carried on through self-contained communications. There are some variations from the standard arrangement, however, each of them designed to facilitate a smoother or more expeditious transaction of business in the Ministry concerned. The most notable among the variations is the arrangement between the Ministry of Communications and the Director General of Posts and Telegraphs, and we suggest that the Government may have the feasibility of introducing a similar arrangement in other Ministries examined. The arrangement, in brief, is that the Secretariat and the Attached Offices are combined into a single headquarters organisation; a common 'office' serves the Secretariat officers as well as the head of Department; there is only one file bureau, and all references, including precedents, whether required by the head of Department or by the Secretariat officers are put up by the same dealing hand and Section Officer. At the Secretariat level, all noting is done by officers of and above the rank of Under Secretary, who have no exclusive 'office' staff, apart from Stenographers or Steno-typists. Such an arrangement avoids duplication of work, economises on office staff, and is conducive to speedy despatch of business.

5. We also refer to the question of inclusion of non-Secretariat offices in the Central Secretariat Service Scheme. In order to qualify for inclusion, posts in non-Secretariat offices have to satisfy the following conditions laid down in paragraph 7 of the Central Secretariat Services (Reorganisation and Re-inforcement) Scheme, 1948, viz.,

- “(i) the posts are below the rank of Deputy Secretary and not less than the rank of Assistant;
- (ii) the functions attached to the posts are such as to require that the holders of the posts should possess substantially the same qualifications, training and experience as those necessary for the holders of duty posts included in the Central Secretariat;

- (iii) persons performing the functions attached to such posts are likely to be better fitted thereby efficiently to perform the functions attached to duty posts in the Central Secretariat."

It has been represented that the practical application of these principles has resulted in anomalies in that some offices in which the work is not at all comparable to that in the Secretariat have been included in the Scheme, whereas others in which the work is more akin to that in the Secretariat have not been included. For example, some of the non-Secretariat offices included in the Central Secretariat Service Scheme, such as the Indian Administrative Service Training School and the Indian Administrative Service Staff College, do not appear to satisfy the prescribed conditions. This has given rise to a justifiable sense of grievance among employees of "non-included" offices as regards their remuneration and promotion prospects. We suggest that the matter may be reviewed and definite criteria laid down for determining as to what offices should be "included", and followed in practice.

II. Armed Forces Headquarters

6. Of the administrative offices not included in the Central Secretariat Service Scheme we discuss, separately, first the Armed Forces Headquarters, and then the remaining offices as a single group. The former, though technically not an Attached Office, virtually functions as such in relation to the Ministry of Defence. But it stands on a different footing both from the Secretariat and the Attached Offices, as will be evident from its 'office' hierarchy, which consists of the following grades:—

	Number of posts	Scales of pay Rs.
Class I		
Civilian Staff Officers Grade I	9	800—50—1150
Class II		
Civilian Staff Officers Grade II	40	650—30—800
Officer Supervisors	124	650—30—800
Superintendents]	181	400—20—500
Class III		
Assistants-in-Charge	292	160—450 plus charge allowance of Rs. 40.
Assistants	545	160—450
Upper Division Clerks	1286	80—220
Lower Division Clerks	2229	60—130
Total	4706	

7. The Civilian Staff Officers Grade I are employed on work relating to personnel administration; those in Grade II supervise the work of Staff Captains, Officer Supervisors and Superintendents. Officer Supervisors are in charge of one or two Sections.

8. Direct recruitment is only to the grade of Lower Division Clerks and is normally to be made through the Union Public Service Commission; but during and since the last War it has been made through the Employment Exchanges. Clerks working in the lower formations of the Defence Services are also sometimes drafted to the Armed Forces Headquarters. Posts in all the higher grades are filled by promotion.

9. The main proposal is that there should either be parity with the Central Secretariat Services at all levels, or merger with those Services; and in support of the proposal it has been claimed that the quality of work at the Armed Forces Headquarters is not of a lower standard than in many of the offices included in the Central Secretariat Services Schemes. Official witnesses were not in favour of merger with the Central Secretariat Services, but said that a scheme of integration with the Defence Ministry was being considered. As the duties and responsibilities of Lower Division Clerks, Upper Division Clerks and Assistants at the Armed Forces Headquarters are broadly comparable to those of corresponding posts in the Secretariat we recommend identical scales for these categories. We would, however, point out that whereas in the Secretariat direct recruitment is made at all these levels, and also at the level of Section Officers Grade III, there is no direct recruitment above the level of Lower Division Clerk at the Armed Forces Headquarters. Such an arrangement may not be conducive to efficiency and we suggest that the Government may have this matter examined.

10. At the supervisory level we do not consider that on the nature of duties and responsibilities parity with the Secretariat staff is justified, and we, therefore, propose for Superintendents the same scale as for Superintendents in the bigger non-Secretariat offices. We also suggest that the Ministry should examine whether posts of Assistant-in-Charge, whose duties are mainly supervisory, should not be upgraded to the rank of Superintendent.

11. For Officer Supervisors and Civilian Staff Officers Grade I we do not recommend any change; they should be on scales corresponding respectively to Rs. 650—800, and that recommended for Under Secretaries. A scale intermediate between these two is recommended for Civilian Staff Officers Grade II as the existing arrangement under which they are on the same scale as the Officer Supervisors whose work they supervise is obviously unsatisfactory. To sum up, our recommendations are:

Grade	Scales of pay (Rs.)
Civilian Staff Officers Grade I	900—50—1200
Civilian Staff Officers Grade II	800—40—1000
Officer Supervisors	740—30—830—35—900
Superintendents	450—25—575
Assistants	210—10—290—15—320—EB—15—425—EB—15—530
Upper Division Clerks	130—5—160—8—200—EB—8—256—EB—8—280
Lower Division Clerks	110—3—131—4—155—EB—4—175—5—180

III. Clerical Grades in Offices outside the Secretariat

12. In the remaining group of administrative offices, the broad pattern of organisation at the lower levels is the same as in the Secretariat; in all these offices there are Lower and Upper Division Clerks, and in non-Secretariat offices there are, above them, various supervisory grades, the designations and scales of pay of which vary from Department to Department, and are in all cases different from those in the Secretariat. The numbers and scales of pay of the various grades are as follows:—

TABLE I

Railways	P. & T.	Central Board of Revenue	Defence excluding A.F.H.Q.	Other Departments	Total	Pay scales Rs.
..	..	4	..	..	4	400—25—500
..	..	..	22	54	76	400—20—500
72	..	..	..	..	72	360—20—500
..	..	4	..	..	4	370—15—400—20—500
..	..	..	46	198	244	160—10—300—15—450 (Asstts.).
..	..	..	14	..	14	Do. plus Rs. 40 (Assistants-in-Charge).
..	..	11	..	24	35	310—15—400
168	10	..	..	70	248	300—20—400
..	..	77	153	243	473	250—15—400
..	9	..	..	..	9	280—15—370
524	..	..	64	1	589	260—15—350
..	62	305	..	309	676	250—15—325
1,766	9	16	10	61	1,862	200—10—300
..	..	843	..	32	875	160—10—250—15—280
3,072	410	..	46	4,404	7,932	160—10—250
10,840	2,368	6,543	4,084	33,355	57,190	80—5—120—8—200— 10/2—220
..	..	..	39	..	39	80—5—120—8—160
61,731	3,279	8,740	15,895	14,837	1,04,482	60—3—81—4—125—5—130
78,173	6,147	16,543	20,373	53,588	1,74,824	

13. Generally, direct recruitment is made both to the Lower and Upper Division cadres, all supervisory posts being filled by promotion. Lower Division Clerks are ordinarily recruited from among matriculates, but in the P. & T. Department 50 per cent. of the vacancies are reserved for lower grades of departmental

employees who are promoted either on the basis of a test or on passing the matriculation examination while in service. To the Upper Division direct recruitment is made only to a proportion of vacancies which differs from Department to Department—from 20 per cent. in the Railway to 66 2/3 per cent. in the Income Tax Department; but on the average about 50 per cent. of the vacancies are filled by direct recruitment of graduates. In the P. & T. Department 25 per cent. of the vacancies in the Upper Division are filled by drafting Clerks from the operating offices. The method of promotion of Lower Division Clerks to the Upper Division also varies; generally it is on the basis of seniority-cum-fitness, but in some Departments it is on the basis of an examination.

14. Lower Division Clerks are generally engaged in the same type of work as is done by their counterparts in the Secretariat, such as typing, despatching, and clerical work of a routine nature, and Upper Division Clerks on more important clerical work.

15. As a rule clerical staffs in these offices have no promotion outlet beyond the grade of Office Superintendent, but in some Departments they have other avenues of promotion also. In the P. & T. Department they can compete for posts of Inspector of Post Offices and Railway Mail Service. In the Income Tax Department they are eligible for promotion to 25 per cent. of posts of Income Tax Inspector, on the basis of a departmental examination; and in the Central Excise Department clerks are eligible to take the departmental examination for promotion to posts of Inspector of Central Excise. In the Railways, Clerks of the Chief Commercial Superintendents' office have additional avenues—which, however, they share with other categories of staff—to posts of Inspector in the Commercial Department, and to miscellaneous posts, such as those of Welfare Inspectors, Personnel Inspectors, Public Relation Inspectors etc. In the Meteorological Department, Upper Division Clerks who are graduates can be promoted as Scientific and Professional Assistants.

16. On the ground that the distinction between the duties of Lower and Upper Division Clerks is "artificial" it has been suggested by some of the employees' organisations that there should be only one clerical grade in administrative offices. We have already examined this question and have come to the conclusion that there is no justification for merging these cadres, at least in non-Secretariat offices.

17. For Lower Division Clerks we recommend the scale of Rs. 110—3—131—4—155—EB—4—175—5—180.

18. Upper Division Clerks in administrative offices have claimed parity with Assistants in the Secretariat. We consider that this is not justified as the Assistant's work is more complex and requires greater ability; and in future, moreover, the recruitment qualifications will also be different. For Upper Division Clerks in the Secretariat we have recommended the scale of Rs. 130—280. We consider that Upper Division Clerks in other offices should have a slightly higher scale, not only because there is no higher grade in these offices corresponding to that of the Assistants and the entire case work has to be handled by the Upper Division Clerks, but also because the latter's prospects of promotion compare unfavourably with those of Upper Division Clerks in the Secretariat, as will appear from the table in the chapter in which we have dealt with the Central Secretariat Clerical Service. On these considerations we recommend for Upper Division Clerks outside the Secretariat the scale of Rs. 130—5—160—8—200—EB—8—256—EB—8—280—10—300.

19. We recommend that, as in the Secretariat, posts of Upper Division Clerks which are now filled by direct recruitment should be filled by promotion on the basis of a limited competitive examination, except where for any special reason a degree is considered to be the minimum qualification for those posts.

20. We have examined whether it would be necessary to create selection grades for Lower and Upper Division Clerks in any of the Departments or offices. We have found that in non-Secretariat offices taken as a whole, Lower Division Clerks have greater scope for promotion to the Upper Division than in the Secretariat. But the promotional prospects vary from Department to Department because both, the proportion of Upper Division posts to the total strength of the clerical cadres, and the proportion of posts in the Upper Division available for promotion of Lower Division Clerks, differ. In the circumstances, even after direct recruitment to the Upper Division is discontinued there will be no uniformity in promotional prospects between various Departments. We consider that it will be appropriate to place 10 per cent. of the posts of Lower Division Clerks in a selection grade, with a scale of Rs. 150—5—175—6—205—EB—7—240 in cadres in which because of continuance of direct recruitment to the Upper Division or otherwise, the proportion of promotion posts is less than 50 per cent. of the Lower Division posts. In considering the promotion prospects for the purpose of deciding whether there should be a selection grade in a cadre, note should be taken not only of prospects for promotion in the direct line i.e., to the higher ministerial posts such as those of Upper Division Clerk, Head Clerk etc., but also to non-ministerial posts, as in the P. & T., Income-tax and some other Departments.

21. In view of the improvement proposed in their scale we do not recommend a selection grade for Upper Division Clerks, except in the Indian Audit Department where such a grade already exists, and in the Defence Accounts Department. In these Departments where supervisory grades are those of Accountant, Upper Division Clerks have no promotion outlet unless they pass the Subordinate Accounts Service examination. But there are posts carrying responsibilities higher than those of Upper Division Clerks and lower than those of Accountants. In the Defence Accounts Department there is a cadre of Assistant Accountants on Rs. 100—250 to which recruitment is made from Clerks who have passed the S.A.S. examination. We understand that the number of Assistant Accountants falls short of the number of posts carrying responsibilities higher than those of Upper Division Clerks. We, therefore, recommend a selection grade in the scale of Rs. 210—10—290—15—320—EB—15—380 for such posts which may be filled not only by those who have passed the S.A.S. examination but also by other suitable Upper Division Clerks, including those who show evidence of ability in other directions, e.g., by passing the Cost Accountancy examination.

22. We refer to another problem peculiar to the Railways in which there is a separate cadre of Typists on the Lower Division scale of Rs. 60—130, with promotional outlet to two higher grades of Rs. 80—160 and Rs. 80—220. Posts in the higher grades in the clerical line are not generally open to them. It has been proposed by the employees' organisations that Typists should belong to the general clerical cadre. But we have been informed by the Railway Board that Typists in the Railways have no disabilities arising from the fact that they are borne on a separate cadre. All Typists are given the option to change over to the clerical cadre during the first five years of their service. We do not, however, see any justification for, or advantage in, keeping Typists in a separate cadre. In other Departments and in the Secretariat Typists are only a functional group; they are drawn from the cadre of Lower Division Clerks, are put back on clerical work,

and get promotion as Upper Division Clerks in the normal course. We recommend that in the Railways also Typists may not be retained as a separate cadre but should be merged in the general clerical cadre.

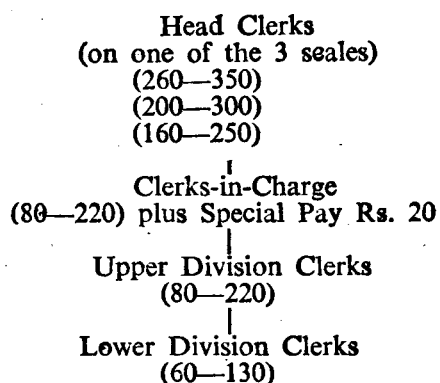
23. Unlike Typists, Telephone Operators in the Railways belong to the clerical cadre, but are granted in addition to their grade pay a special pay of 10 per cent. of that pay subject to a minimum of Rs. 15 per mensem. We do not recommend any change in the system of employing Clerks as Telephone Operators, but would suggest that the necessity for, and rate of, special pay should be reviewed in the light of our general observations regarding the rates of remuneration of Telephone Operators outside the P. & T. Department made in another chapter.

24. In the Meteorological Department there are two combined cadres of Senior Observers and Upper Division Clerks, and Observers and Lower Division Clerks. It was represented by the employees of that Department that there should be separate cadres for technical and ministerial functions. We were informed by the official witnesses that the question of having a separate cadre for Lower Division Clerks is under consideration of the Government, but that the creation of a separate cadre for Upper Division Clerks was not desirable either from the administrative point of view or in the interest of the Upper Division Clerks themselves. This is a matter for the Government to decide.

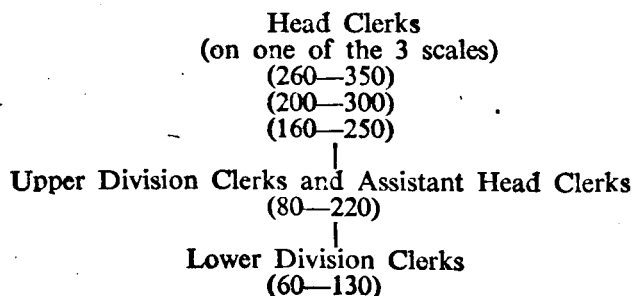
IV. Clerical Supervisory Grades

25. There is no uniformity in the designations, numbers, scales of pay and structure of supervisory grades in different Departments, or in some cases even in different establishments in the same Department. Typical hierarchies in the Railways, P. & T., Defence (excluding Armed Forces Headquarters) and Revenue Departments are shown in the following charts:

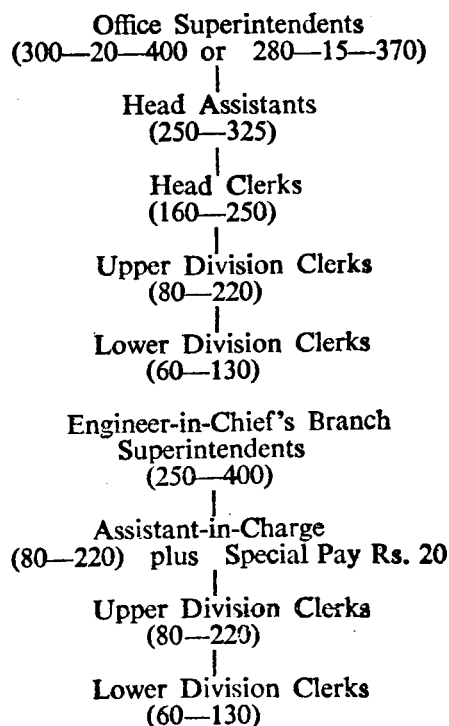
Director General of Ordnance Factories (Factories)



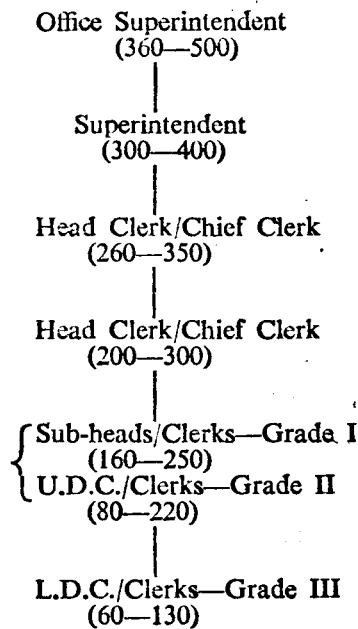
Technical Development Establishment— Controller General of Defence Production



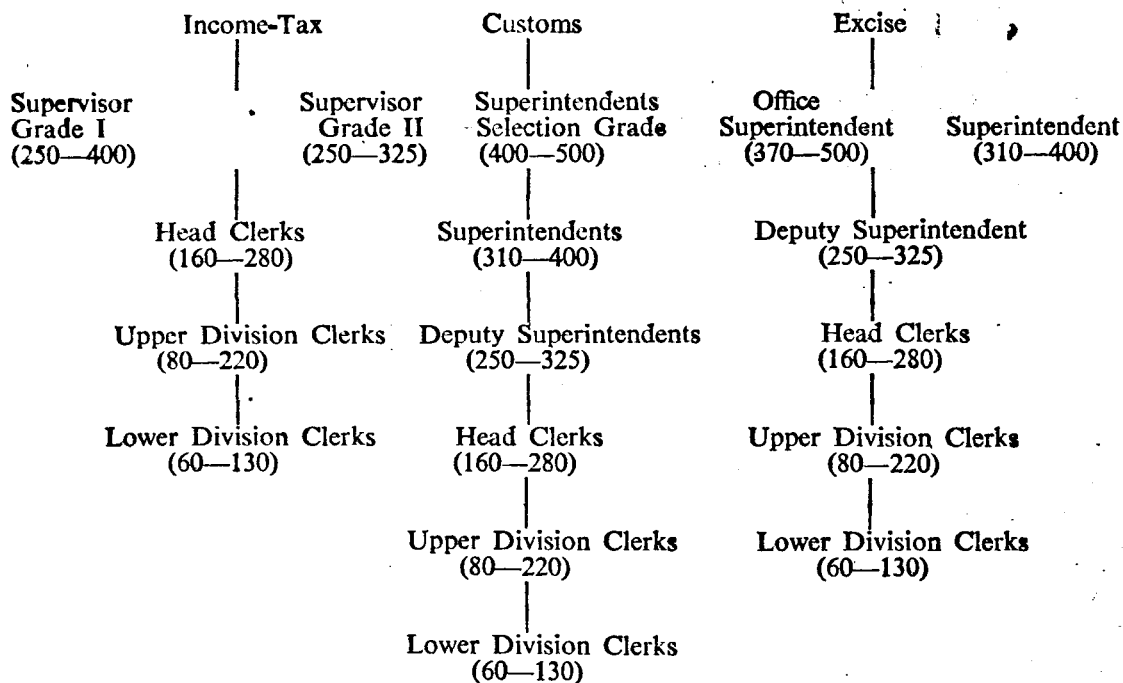
Posts and Telegraphs (Administrative Offices)



Railways (Administrative Offices).



Revenue Department



26. In the Railways the highest scale of Rs. 360—20—500 is applicable to Office Superintendents in bigger offices like those of General Managers, heads of Departments, etc. The next three grades on Rs. 300—400, Rs. 260—15—350 and Rs. 200—10—300 have different names, but the general nature of their duties are more or less the same except that an officer in a higher grade is given a more responsible charge. Sub-heads on the scale of Rs. 160—250 are not employed on purely supervisory duties; besides supervising the work of a few Clerks they are engaged on independent case work. There is no uniformity in the design of the hierarchical

structure; in some offices, an officer in the scale of Rs. 260—350 may be working under an officer in the scale of Rs. 300—400; elsewhere it may not be so.

27. In Defence establishments outside the Armed Forces Headquarters and Inter-Service Organisations, there are Superintendents on the scale of Rs. 250—15—400 above Upper Division Clerks. In subordinate establishments, posts of Head Clerk in any of the undermentioned three grades are sanctioned, having regard to the size of the staff, nature of work etc.:

Grade I	Rs. 260—350
Grade II	Rs. 200—300
Grade III	Rs. 160—250

In any establishment there will be only one of these grades; an officer in the lowest grade does not function directly under another in a higher grade. In the P. & T. Department there are only three categories of supervisory posts—Office Superintendents (who are on the scale of Rs. 300—400 in the larger offices and on Rs. 280—370 in the smaller ones), Head Assistants on Rs. 250—325 and Head Clerks on Rs. 160—250.

In the offices outside the Railways, P. & T., and the Defence Departments, the lowest grade of supervisory posts is that of Head Clerks on Rs. 160—280. In smaller offices he has no supervisory officer over him; but in the larger ones there would be one or two more levels of supervisory functionaries, one on Rs. 250—15—325 or Rs. 250—15—400, and another on Rs. 310—400 or Rs. 400—500.

28. The main proposal is that the scale of pay of supervisory staffs should correspond to that of Section Officers Grade III in the Secretariat. Both, the Railway and P. & T. Federations have emphasised that the work in subordinate administrative offices in these Departments is comparable to that in the Railway Board and the P. & T. Directorate respectively. Even those who have not asked for parity with the Secretariat have proposed scales ranging from about Rs. 250—450 for Head Clerks to about Rs. 400—650 for Superintendents. Another suggestion is that there should be only one supervisory grade.

29. Having regard to the recruitment qualifications and nature of duties and responsibilities, supervisory staffs in administrative offices cannot be compared with Section Officers in the Secretariat where the work is definitely of a higher order than in other offices. Neither do we consider that it would be sufficient to have a single supervisory grade in these offices. It is, in our opinion, necessary to have four supervisory grades to cover the entire range of duties and responsibilities in offices which vary widely in size and differ considerably in the nature of their work. We have not attempted to fix the numbers of supervisory grades required in each Department; it is for the Department concerned to decide how many and which of the supervisory grades would be required in each office. We shall only recommend scales of pay which will be appropriate at various levels, and indicate broadly how the existing grades can be fitted into the recommended pay structure.

30. In some Departments Upper Division Clerks are employed on supervisory duties on their grade pay plus a special pay. This is not a satisfactory arrangement, and if the duties are fully supervisory it should be considered whether regular Head Clerks should not be appointed. The existing practice will, however, be appropriate in a small office with few clerks, where a higher officer may be in intimate touch with its day-to-day working, or in cases where it is necessary to

give some relief to a Head Clerk by having one or two Sub-heads in his section to assist him.

31. The lowest supervisory grades are on Rs. 160—250, Rs. 160—280 and Rs. 200—10—300, of which the first is found mostly in the Railways, Defence establishments and in the P. & T. Department. In the P. & T. Department this scale was prescribed when the office staffs below this grade were in the scales of Rs. 55—130 and Rs. 68—170. A departmental committee (Establishment Standards Committee) has recommended that the scale of pay of Head Clerks should be increased to Rs. 200—10—330. In the Railways the scale of Rs. 160—250 is generally applicable to Sub-heads, Head Clerks being on higher scales. In the Defence establishments this scale is applicable only to the lowest of the 3 grades of Head Clerk. We consider that this scale is inadequate even within the existing pay structure, and with the improvement we have recommended in the Upper Division scale an increase in the pay scale of Head Clerks becomes all the more necessary.

32. The other two scales at the same level are Rs. 160—280 and Rs. 200—10—300. The difference in the maxima of these two scales is not necessarily based on a systematic assessment of the duties and responsibilities attached to these posts; in fact, a very precise assessment is not possible. It would, in the circumstances, be reasonable to broad-band posts on these three scales and, accordingly, for the lowest supervisory grade we recommend the scale of Rs. 210—10—290—15—320—EB—15—380. Immediately above the first-line supervisory grade there are generally two scales of pay—Rs. 250—15—325 and Rs. 260—15—350—of which the latter is commonly found in Railways and Defence establishments and the former in P. & T., among other Departments. We recommend the scale of Rs. 335—15—425 to replace these two scales.

33. At the next higher level, the scales commonly found are Rs. 250—15—400, Rs. 310—15—400, Rs. 300—20—400 and Rs. 280—370. We recommend that these should be replaced by the scale of Rs. 350—20—450—25—475.

34. At the highest level there are scales with the maximum going up to Rs. 500 and the minimum between Rs. 360 and Rs. 400. We recommend the scale of Rs. 450—25—575 for this grade.

35. We summarise below our recommendations regarding pay scales of clerical staffs in administrative offices:—

Grade	Scales of pay (Rs.)
Supervisory level I	450—25—575.
Supervisory level II	350—20—450—25—475.
Supervisory level III	335—15—425.
Supervisory level IV	210—10—290—15—320—EB—15—380.
Upper Division Clerks	130—5—160—8—200—EB—8—256—8—280—10—300.
Selection Grade for Upper Division Clerks	210—10—290—15—320—EB—15—380.
Lower Division Clerks	110—3—131—4—155—EB—4—175—5—180.
Selection Grade for Lower Division Clerks	150—5—175—6—205—EB—7—240.

36. It has been represented that as a measure for improving the promotion prospects of staff in Central Government Offices outside, which at present compare unfavourably with those in the Secretariat, the staff in the former should be

permitted to take the limited competitive examinations held by the Public Service Commission for appointments to certain grades in the various Secretariat Services. The Central Secretariat Clerical Service Scheme provides for some recruitment both to the Upper and the Lower Divisions of the Service from amongst Upper and Lower Division Clerks working in those Subordinate Offices whose related Attached Offices participate in the Central Secretariat Clerical Service Scheme. We understand that no such recruitment has, however, been made so far. If our recommendation that there should be no direct recruitment to the Upper Division in the Secretariat or in other offices is accepted, it may not be fair to Lower Division Clerks in the Secretariat to permit clerical staff in other offices to appear at the limited competitive examination for appointments to a proportion of Upper Division posts in the Secretariat, which, we have suggested, might be instituted. But, in our view, it would be desirable to permit Lower Division Clerks in non-Secretariat offices to compete for appointments to the Lower Division in the Secretariat, allowing them a suitable age relaxation for the purpose. Even if the scales of pay for Lower Division Clerks in the Secretariat and outside are identical, Clerks in such offices outside as have relatively small promotion outlets may be attracted to the Secretariat Clerical Service particularly because of the prospects of advancement above the Upper Division grade.

V. Stenographers outside the Secretariat

37. The numbers and scales of pay are as follows:—

TABLE II

Armed Forces Headquarters	Other Defence Establishments	P. & T. Deptt.	Railways	Others	Total	Scales of pay Rs.
4	..	..	8	..	12	300—400
..	..	..	24	..	24	260—350
7	..	..	..	..	7	200—330
249	28	..	..	21	298	160—330
22	..	..	..	..	22	160—330 plus spl. pay Rs. 30
..	..	9	224	37	270	200—300
..	11	..	..	..	11	160—250
..	423	189	1,544	1,947	4,103	80—220
282	462	198	1,800	2,005	4,747	

38. As a rule recruitment to the basic grade is made departmentally through the Employment Exchanges, and posts in higher grades are filled by promotion. At the Armed Forces Headquarters the basic grade is the same as in the Secretariat and recruitment is made on the basis of the examination conducted by the Public Service Commission for Grade III of the Central Secretariat Stenographers Service.

In the Railways direct recruitment is made to 80 per cent. of the vacancies in the basic grade, through the Railway Service Commission, and the remaining vacancies are filled by promotion of Typists who have the requisite speed.

39. The promotional outlets for Stenographers are generally small. The Varadachariar Commission had recommended that in offices of heads of Departments working directly under the Government, Stenographers should be on the scale of Rs. 160—330, and in other offices on the Upper Division scale of Rs. 80—220 with a selection grade of Rs. 200—250. In some cases a selection grade of Rs. 200—300 was recommended for Stenographers attached to heads of Departments. At present, except at the Armed Forces Headquarters, the Railways, and a few other offices, including that of the Comptroller and Auditor General, in which there are some posts on the scale prescribed for Grade II of the Central Secretariat Stenographers Service, *viz.*, Rs. 250—375, there are no posts on scales higher than Rs. 200—300, and even on this scale the number of posts is less than 6 per cent. of the strength of the basic grade.

40. The main proposal of the employees' organisations is that there should be parity with Stenographers in the Secretariat. There is no comparison between the duties and responsibilities of 1st Personal Assistants to Ministers, and Private Secretaries to Secretaries to Government, and those of Stenographers attached to even the highest officers in other offices. Parity between the higher grades of the Central Secretariat Stenographers Service and Stenographers in other offices is, therefore, not justified. At the lower levels, however, the scale of pay of Stenographers should not be determined merely on the basis of the status of the offices, but should be related to the duties and responsibilities which will generally, though not in all cases, depend on the status of the officers to whom they are attached. At the lowest level the existing disparity is too wide, and we have recommended that the lowest grade of Stenographer in the Central Secretariat should be in the scale of Rs. 150—300. For Stenographers in offices outside the Secretariat we recommend the scale proposed for Upper Division Clerks in those offices, *viz.* Rs. 130—5—160—8—200—EB—8—256—EB—8—280—10—300.

41. At the next higher level, we consider that the scale should be the same as for the present Grade III of the Central Secretariat Stenographers Service *viz.* Rs. 210—10—290—15—320—EB—15—425. Stenographers attached to officers whose duties and responsibilities are broadly comparable at least to those of a Deputy Secretary to the Government may be on this scale. Generally, the existing grades in the scales of Rs. 160—250, Rs. 200—300, Rs. 160—330 and Rs. 260—350 may be fitted into this new scale. For Stenographers in the office of the Comptroller and Auditor General, who are on the scale prescribed for Grade II of the Central Secretariat Stenographers Service and for those in the Railways and at the Armed Forces Headquarters, who are on Rs. 300—400, we recommend the same scale as for Grade II of the Central Secretariat Stenographers Service, *viz.* Rs. 320—15—530.

42. As a measure for improving the promotion prospects of Stenographers in non-Secretariat offices we recommend that they should be permitted to appear at the examination for recruitment to the lowest grade of Stenographers in the Central Secretariat for which we have proposed the scale of Rs. 150—300, and allowed relaxation of the age limit for this purpose. But Stenographers in the Railways, who are eligible for promotion to 20 per cent of the vacancies in Grade III of the Railway Board Stenographers Service, may be permitted to appear at this examination only in case the vacancies in the Railway Board are pooled with those in the Central Secretariat Stenographers Service.

VI. Stenotypists

43. 1164 Stenotypists, of whom all except 40 belong to the cadre of Lower Division Clerks, are employed in the offices outside the Secretariat, on their grade pay plus a special pay of Rs. 20 per mensem. The standard of proficiency in stenography expected of them is generally lower than that prescribed for Stenographers; in fact, they are ordinarily employed where qualified Stenographers are not considered necessary. They are eligible for further promotion in the clerical line and not in the Stenographers' line; but those working in offices included in the Central Secretariat Stenographers Service Scheme are allowed relaxation of age limit for taking the examination held by the Public Service Commission for recruitment to Grade III of that Service. We do not consider any change necessary in the existing system of remunerating them by a special pay in addition to their grade pay, but recommend that Stenotypists in all offices may be allowed age concession for appearing at the examination for recruitment to the lowest grade of the Central Secretariat Stenographers Service, subject to the same proviso as in the last paragraph in respect of Railway employees.

CHAPTER XIII

THE CLASS I CENTRAL (NON-TECHNICAL) SERVICES

1. The strengths of the Class I Central (non-technical) Services, excluding the Indian Foreign Service and the grades of the Central Secretariat Service in Class I, are shown in the table below, together with the scales of pay applicable to them.

TABLE I

Service	Total strength	Time scales		Super time scales§			Percentage of super-time scale posts to time-scales posts
		Rs. 350—850	Rs. 600—1150	Rs. 1000—1400	Rs. 1300—1600	Above Rs. 1600	
Indian Audit and Accounts Service	365	204	100	..	23	38	20.0
Indian Defence Accounts Service	125	75	30	..	12	8	19.0
Indian Railway Accounts Service	208	101	74	..	23	10	19.0
Indian Revenue Service—							
(a) Income Tax	722	248	287	145	24	18	35.0
(b) Customs	58	34	16	2	3	3	16.0
(c) Central Excise	188	81	89	5	5	13	10.6
Indian Postal Service	149	87	39	..	23	..*	18.3
Military Lands and Cantons Service	52	19	28	2	2	1†	10.6
Total	1,867	849	663	154	115	91	

Members of these Services occupy senior posts in their respective Departments. They are also appointed to posts in the Central Secretariat and other administrative posts under the Government of India.

2. Recruitment to these Services is made on the result of a combined competitive examination held annually by the Union Public Service Commission to select

§More details are given in Table II in the following section dealing with supertime scale posts.

*Higher administrative posts in the Posts and Telegraphs Department are not reserved to be filled by any one Service.

†At present, this post is not being held by an officer of this Service.

candidates for the all-India and the Class I and II Central Services. The examination is open to graduates within the age-limits of 21—24. The Union Public Service Commission consider that of the successful candidates about 80 to 90 at the top are, on an average, suitable for the Indian Administrative and Foreign Services, and the next 200 or so for the Central Services. Selected candidates are allotted to different services by the Ministry of Home Affairs in consultation with the employing Ministries. The general practice is that candidates of both high and low ranks are distributed equitably between the different Services. Entry to these Services is in the junior scale, and the higher posts are filled by promotion. A certain proportion of junior-scale posts are filled by promotion from the related Class II services. The proportion varies from 20 per cent in the case of the Indian Audit & Accounts Service to 50 per cent in the Military Lands & Cantonments Service.

3. A general question posed for our examination was the proposal of the associations representing these Services for parity with the Indian Administrative Service. The main argument in support of such parity put forward by these associations is that recruitment to these Services as well as to the Indian Administrative Service is made through a common examination at which out of more than 5,000 candidates, only about 200—300 are selected for the various services; there is, therefore, no likelihood, the argument proceeds, of there being any marked difference among those selected, in respect of ability, personal qualities etc. It has been further urged that the duties and responsibilities of members of the various Class I Central Services and those of the Indian Administrative Service are broadly comparable. We have examined these claims. It is not entirely correct to say that the examination for recruitment to the Indian Administrative Service and the Indian Foreign Service on the one hand, and the Class I Central Services, on the other, is identical. Candidates for the Class I Central Services have to offer at the combined competitive examination three compulsory papers carrying a total of 450 marks and three optional papers of 200 marks each. The standard of these optional papers is "approximately that of an Honours degree examination of an Indian university." Candidates who wish to compete for the Administrative and Foreign Services have to offer two additional optional papers of 200 marks each; and the standard of these papers is higher than that prescribed for the other three optional papers. These two optionals have to be selected out of a list of 15 subjects and the scheme is such that unless a candidate has taken a Master's or Honours degree in two subjects, he has to offer at least one paper from outside the field of his special studies at the university. The rules further provide that the two optional papers of only such candidates will be examined and marked as attain a certain minimum standard at the written examination in all other subjects. These two additional optional papers were introduced in the belief that they would lead to the selection for the Administrative and Foreign Services candidates with wider mental equipment and higher intellectual attainments; and we have seen a study made in the Ministry of Home Affairs which shows that the introduction of the two additional papers has in fact been influencing the selection, one in every five successful candidates for the Administrative and Foreign Services being different from what would have been the case otherwise. Not only is the scheme of written examination different, but the personality test is also different for the two sets of Services. While for the other Services it carries a maximum of 300 marks, for the Administrative and Foreign Services the maximum marks are 400. We asked the Chairman of the Union Public Service Commission whether the Interview Board looked for the same qualities in candidates for the Class I Central Services as in those for the Administrative and Foreign Services; or whether it set its sight higher and looked for a wider range of mental and personal qualities for the latter. He said that the Interview Board did set a higher standard of personal qualifications for, and looked for something more in those to be selected for the Administrative and Foreign Services;

the Board did not, he added, mind so much if candidates for the various Accounts, Revenue and other Services did not show some of those qualities to the same extent.

4. In this context a suggestion was made to us that there should be a single higher administrative service for all the non-technical Departments under the Central Government. This is not a matter falling within our terms of reference, and we have not considered it necessary to examine the proposal. What we are concerned with is whether accepting the present arrangements it will be fair to allow to officers of the Class I Central Services the same rates of remuneration as to those of the Indian Administrative Service. Apart from the facts mentioned in the preceding paragraphs, which have a bearing on this question, we have seen an analysis of the mark-sheets of the combined competitive examination held during the years 1947-57, which shows that while candidates down to about the 90th place can be expected to obtain 50 per cent. or more of the total marks, the percentage goes down to about 45 per cent. at the 200th place and to 41 per cent. at the 300th place. Thus, judging from their performance at the combined examination, the standard of the candidates falls perceptibly below a certain rank; and we understand that recruitment to the Indian Administrative Service and the Indian Foreign Service usually stops above that rank, the largest number of appointments to those Services made in any one year being 87. An analysis of the academic records of the selected candidates also confirms the relatively high standard of those chosen for the Indian Administrative Service and the Indian Foreign Service. The relevant figures for the years 1950-55 (later data are not available to us) are as follows:

TABLE II

	First Class	Second Class	Third Class	Total
Indian Administrative Service	143 (58.1%)	97 (39.4%)	6 (2.5%)	246
Indian Foreign Service	20 (51.3%)	18 (46.1%)	1 (2.6%)	39
Indian Police Service	78 (34.2%)	136 (59.6%)	14 (6.2%)	228
Central Services (Class I)	225 (39.3%)	325 (56.7%)	23 (4.0%)	573
Total	466 (42.9%)	576 (53.0%)	44 (4.1%)	1086

It will be noticed that while 58 per cent. of those selected for the Indian Administrative Service had first class degrees, only 39 per cent. of those recruited to the Class I Central Services had such degrees.

5. We consider that so long as the criteria for selection to the Indian Administrative Service and the Indian Foreign Service are higher, and those Services are getting, as a rule, recruits of a higher standard, higher pay scales for them are justified. There should, however, be no difference in remuneration in appointments under the Central Government which are tenable by officers of both groups of Services; and there is none at present in appointments of and above the rank of Joint Secretary. In posts of Deputy Secretary and Under Secretary also, the remuneration is determined on the same basis, and the associations of the Class I Central Services have not made any proposal to us for a change in the present system.

6. We were asked by some associations representing the Revenue Services to recommend a higher rate of remuneration for those Services than for the others, on the ground of greater difficulty, and more responsible nature of their work. It was further suggested that the existing scales of pay were proving inadequate to retain officers in those Services, and that a considerable number were leaving the

Department to take up employment in private firms. We made enquiries from the Central Board of Revenue and we were informed that during the last five years 20 Income Tax Officers—Class I and II together—and 2 officers of the Customs Service had left the Department. The official witnesses did not consider that these numbers had any disturbing significance. Nor did they think that there was a case for preferential treatment of the Revenue Services. We are in agreement with these views.

7. We received considerable evidence both from official and association witnesses on the difficulties arising out of the present arrangement of having two scales—senior and junior—in the main career grade. This arrangement can work well only if there is a relatively small number of posts in the junior scale—a number sufficient to ensure adequate supply of officers for senior posts, but not appreciably in excess of that. Before 1947 the arrangement existed only in the Indian Civil Service and the Indian Police; and in their case the strength was fixed from time to time on the basis of the number of senior duty posts required in the Service. The calculation of the cadre strength started with ascertaining the requirements for senior posts and then adding to those the number of junior posts, and the leave, deputation, training etc., reserves, based on actuarial calculations. In other words, the strength of the cadre was determined with reference to the senior posts to be manned from it; the members of the Service were to be provided their normal career in the senior time-scale; and the junior posts were intended primarily to enable the new recruits to gain experience requisite for holding the senior posts. When in 1946-47 the Indian Administrative and the Indian Police Services were constituted to replace the Indian Civil Service and the Indian Police Service the same pattern was adopted, though the basis for fixing the complements was re-determined on the advice of the Government Actuary.

8. The strength of the cadre of a Class I Central Service was, we understand, never determined in this manner; and even when the new pay arrangement on the model of the all India Services was adopted in 1947 the basis of fixing the complements was not changed to suit the revised pay pattern. It will be seen from table I in paragraph 1 that in most of these Services there are more posts in the junior than in the senior scale. In normal conditions, therefore, stagnation is likely to occur in the junior scale. We have been informed by the official witnesses that so far junior scale officers have been getting senior posts after 5-6 years' service largely because of the expansion of the cadres of these Services in recent years, and that on occasions such promotions were made possible only by creating additional posts in the senior scale, by temporarily upgrading junior scale posts to senior scale posts, or by reducing the intake of direct recruits to the Service. We do not consider these temporary devices as satisfactory for the management of a service.

9. It has been urged before us that if Class I officers are retained on the junior scale for such a long time as would 'sap their initiative and damp their enthusiasm' the very purpose of constituting Class I services, and of having direct recruitment to these, will be defeated. We consider that the real purpose of Class I services should be to provide officers for senior posts; and we understand, this in fact is how the Services under reference are being sought to be managed. It therefore appears reasonable that, subject to fitness, officers of these Services should have well-founded expectations of moving up to the senior scale in about the sixth year of service; and it seems to us that with the complements of the various grades in these Services as they are, the existing pay arrangement is not likely to ensure this. We have, therefore, come to the conclusion that the present senior and junior scale should be replaced by a continuous scale in these Services, as was the practice before 1947. In arriving at this conclusion we have been particularly influenced by

the opinion of the Comptroller & Auditor General, the Secretary, Department of Revenue, and the Chairman of the Central Board of Revenue.

10. We have already discussed the general considerations on which the rates of remuneration for superior services should be fixed; and keeping those in view we recommend that in the Services under consideration the existing senior and junior scales should be replaced by a single scale of Rs. 400-400-450-30-510-EB-700-40-1100-50/2-1250.*

11. We consider a starting salary of Rs. 400 appropriate for fresh graduates joining the Class I Services. We have, however, provided for the first increment only after two years' service. While we agree generally with the criticism made by service associations and the official witnesses against the present scheme of biennial increments in the junior scale during the first four years, we think it proper that new recruits should be allowed the first increment only after they complete the period of probation, which under the recent orders of the Government will normally be of two years. The Government have also decided that probation should not be treated as a mere formality, and that the authorities concerned should make a very careful assessment of the qualities of mind and character of a probationer before he is confirmed in service. Our proposal of not allowing any increment during the probationary period will be in line with the above decision of the Government. In most of these Services probationers are allowed advance increments on passing the prescribed departmental examinations. We suggest that the Government may have this matter re-examined in view of the new approach to the question of probation. We are providing for a substantial rise in pay in the sixth year as we expect that at about that stage a Class I officer would normally be appointed to hold charge of a senior post, carrying higher responsibilities.

II. Super Time Scale Grades

12. The grade structure above the senior scale differs among the Services, and it will therefore be convenient to deal with each Service separately. The distribution of posts in the various super-time scale grades is shown in the table below:

TABLE III

Indian Audit & Accounts Service	Indian Defence Accounts Service	Indian Railway Accounts Service	Indian Revenue Service			Postal Service	Military Lands & Cantonments Service	Super-time scales Rs.
			Income Tax	Customs	Central Excise			
3	..	..	..	..	..	..	..	2000—125—2250
..	..	10	..	..	..	..	..	1800—100—2000— 125—2250
..	..	..	2	2	..	..	..	1800—100—2000 Special pay Rs. 250
21	7	..	8	1	4	..	..	1800—100—2000
13	..	..	8	..	9	..	1	1600—100—1800
23	12	23	24	3	..	23	2	1300—60—1600
..	..	..	145	2	5	..	2	1000—50—1400
60	19	33	187	8	18	23	5	Total

*For Indian Railway Accounts Service see the chapter on Railways also.

Indian Audit and Accounts Service

13. The service association concerned has asked that all posts of Accountant General should be on the scale of Rs. 1,800-100-2,000-125-2,250; and the proposal has been supported by the Comptroller & Auditor General. At present posts of Accountant General are on the scale of Rs. 1,800—2,000, except that 3 are in a selection grade on the scale of Rs. 2,000—2,250. We do not recommend any change in the present position. No proposal has been made to us in respect of other posts included in the Service and the scales of pay applicable to these posts may continue as at present. It appears from the information sent to us by the Ministry of Finance that the pay of the post of Deputy Comptroller & Auditor General has not yet been fixed by the Government. We recommend for it a pay of Rs. 2,750.

Indian Defence Accounts Service

14. The proposals of the Indian Defence Accounts Service Association were as follows:—

	Rs.
Controller General of Defence Accounts	2500
Additional Controller General, Defence Accounts, and Controllers with all-India jurisdiction	1800—100—2000—125—2250
Other Controllers	1800—100—2000*
Controllers, Navy, Air Force, and Officers	1600—100—1800
Joint Controllers	1300—60—1800*

The post of Controller General of Defence Accounts has always been equated with that of a Joint Secretary to the Government of India, and we recommend for it a pay of Rs. 2250.

15. Seven posts of Controller in the Defence Accounts Department are on the scale of Rs. 1,800-100-2,000. The Association has proposed that the posts of Additional Controller General, Defence Accounts and Controllers, Pensions, Factory, and Other Ranks should have the scale of Rs. 1,800—2250. The Financial Adviser, Defence Finance, suggested for these posts a scale of Rs. 2,000-125-2,250—the same as is allowed to Accountants General in the selection grade. We consider that it will be equitable to place one of these posts—whichever the Government may consider suitable—in a selection grade carrying the scale of Rs. 2,000-125-2,250; and we recommend accordingly.

16. The Varadachariar Commission had not recommended the scale of Rs. 1,600-100-1,800 for any posts in this Service. The Association has suggested that the posts of Controller of Defence Accounts, Air Force, Navy, and Officers, which are at present in the scale of Rs. 1,300—1,600 should be given that scale. The reason mentioned is that when the Varadachariar Commission made their recommendations these Controllers were heads of very small offices, but that their duties and responsibilities have grown because of the considerable expansion of the Navy and the Air Force and increase in the number of officers in the Army. The Financial Adviser, Defence Finance said that while there was no case for upgrading the post of Controller, Navy, the Controller, Air Force should be allowed the proposed

*No change has been proposed for these posts.

scale. He did not, however, express any opinion as regards the post of Controller Officers. We recommend for the post of Controller, Air Force the scale of Rs. 1,600-100-1,800, but do not suggest any change for the other posts. The Joint Controllers may also continue to be on the scale of Rs. 1,300-60-1,600.

Indian Railway Accounts Service

17. The third Accounts Service is under the Railways. We do not recommend any change in the scales in force at present. The Government have allowed a higher scale of pay for posts of Financial Adviser and Chief Accounts Officer in the Railways, than for those of Accountant General or Controller of Defence Accounts, presumably on the consideration that besides maintenance and internal auditing of accounts, those officers are required also to give financial advice to administrative officers and thus to share responsibility for decisions. We consider that the differentiation made is justified.

Indian Revenue Service

18. Under the Central Board of Revenue there are 4 scales of pay for the heads of Departments. These scales are: Rs. 1,800—2,000 with a special pay of Rs. 250, Rs. 1,800—2,000, Rs. 1,600—1,800 and Rs. 1,300—1,600. In the Income Tax Department the Commissioners are on two scales of pay—Rs. 1,800-100-2,000 and Rs. 1,600-100-1,800; and 2 posts on the former scale carry a special pay of Rs. 250 per mensem. In the Customs Department, of the 3 posts of Collectors Grade I, which are on the scale of Rs. 1,800-100-2,000, 2 carry a special pay of Rs. 250 per mensem. Collectors Grade II are on the scale of Rs. 1,300-60-1,600. In the Central Excise Department Collectors Grade I are on the scale of Rs. 1,800-100-2,000, and Collectors Grade II are on one of the 2 scales of Rs. 1,600-100-1,800 and Rs. 1,300-60-1,600, depending upon the responsibilities of the charge concerned. No post of Collector Grade I carries any special pay.

19. All heads of Department need not be given the same scale of pay for their duties and responsibilities vary; and we do not consider four rates of pay as excessive. We, however, consider that the officers of the Central Excise Service have some cause for grievance that though there has been very great increase in the volume and some increase in the complexity, of the Department's work—which is reflected also in the expansion of the excise revenue to a level above that of Income Tax or Customs revenue—there is no post within the Department which carries emoluments equal to those of some posts in the two sister Revenue Departments. In the absence, however, of details of the duties and responsibilities of the various posts of Collectors of Excise, all then we can recommend is that a special pay of Rs. 250 per mensem may be sanctioned for any post of Collector of Central Excise which carries responsibilities, etc., comparable to those of Collectors of Customs and Commissioners of Income Tax who are allowed such special pay.

20. Posts of Assistant Commissioner of Income Tax, and Deputy Collector of Customs and Central Excise are on the scale of Rs. 1,000-50-1,400. There is also a selection grade in the scale of Rs. 1,300-60-1,600 for some posts of Assistant Commissioner of Income Tax. The service associations have proposed that all posts at present on Rs. 1,000—1,400 should be upgraded to Rs. 1,300-60-1,600. We have examined the duties and responsibilities of these posts and do not consider that there is any justification for such an upgrading.

21. In accordance with a recommendation made by the Varadachariar Commission, Income Tax Officers are allowed a minimum increase of Rs. 150 per mensem on promotion as Assistant Commissioner. We were asked to examine whether there was justification for continuing the arrangement, now, that the Income Tax Service has been declared an "Established Central Service", in consequence of which the system of point-to-point fixation of pay on promotion from the junior to the senior scale has become applicable to the Service, allowing to most officers on promotion a minimum advantage of Rs. 150—200 per mensem depending upon the stage they had reached in the junior scale. The provision of a minimum increase of Rs. 150 on appointment as Assistant Commissioner is an exceptional one, there being only one other case, *viz.*, that of promotion from the grade of Under Secretary to that of Deputy Secretary in the Central Secretariat Service for which also there is a similar provision. It is true that we are recommending for the Class I Income Tax Service, among certain other Class I services, a single time scale embracing the present junior and senior scales, and there will therefore be no point-to-point fixation in future; but the scale provides for a substantial jump in the sixth year of service. We do not consider that taking into account all the circumstances it will be appropriate to continue the present system of allowing an increase of Rs. 150 on promotion to the rank of Assistant Commissioner.

Posts and Telegraphs Department

22. In the Posts and Telegraphs Department posts above the junior administrative grade are not reserved for any particular Service. We, therefore, discuss those posts in the chapter dealing with that Department. For Directors of Postal Services, who belong to the Indian Postal Service and are at present on the scale of Rs. 1300-60-1600, we do not recommend any change.

Military Lands and Cantonments Service

23. We do not propose any change in the scales of pay of posts above the senior time-scale in the Military Lands and Cantonments Service. It was represented to us that the post of Director, Military Lands and Cantonments should be filled by an officer of that service. This is an administrative matter, which it is for the Government to decide.

CHAPTER XIV

CLASS II SERVICES AND POSTS

1. There are 19,270 Class II officers (including non-gazetted) under the Central Government; and there are 91 scales of pay prescribed for them. The concentration, however, is in the following scales:—

Secretariat Services	Audit and Accounts Services	Revenue Services	Engineering Services	Medical Services	Scientific Services	Economists and Statisticians	Others	Total	Pay Scales Rs.
..	983	44	..	..	..	..	10	1037	(i) 500—30—800
..	..	..	..	1	..	102	202	305	(ii) 350—25—500—30—800
..	79	1260	1860	39	487	13	128	3866	(iii) 275—25—500—30—800
..	..	..	..	..	158	20	..	178	(iv) 275—25—500—30—710
..	3	169	..	5	204	..	283	664	(v) 275—25—500—30—650
1350	..	..	..	21	52	147	182	1752	(vi) 275—25—500
..	..	..	506	23	329	103	246	1207	(vii) 250—500 (5 scales with these starting and ending points).
5000	..	..	..	..	..	..	601	5601	(viii) 160—10—300—15—450
1367	..	..	..	..	..	..	72	1439	(ix) 160—10—330
7717	1065	1473	2366	89	1230	385	1724	16049	Total

2. Scales (vi), (viii) and (ix) are normally Class III scales; but certain categories of staff on these scales in the Central Secretariat, and some other Departments, have been classified as Class II. The standard scale in Class II is Rs. 275—800.

3. We have discussed scales of pay for Class II services and posts in the various branches of the civil service, in separate chapters. Here we refer only to some general questions. The associations representing the Class II services have generally asked that that Class should be abolished, and the services and posts at present in that Class included in the cadres of the related Class I services, and remunerated accordingly. The proposal, in effect, is that the existing distinction between the Class II and the junior branch of the Class I services should disappear. The main argument in support of the proposal is that the Class II officers have similar duties and responsibilities as Class I officers in the junior scale. This is generally true, but there are exceptions: for instance, in the scientific services, the recruitment qualifications for Class I are higher, and officers of that Class are entrusted with a higher type of work.

4. To a number of Class II services there is no direct recruitment, all the vacancies in those services being filled by promotion of Class III officers; on the other hand, to many of the Class II scientific services there is no promotion but only direct recruitment. In other cases, there is both promotion and direct recruitment. In view of the facts mentioned in the preceding paragraph, the distinction in the scientific services is based on differences in qualifications and duties, and the opinion of the competent witnesses is that there is a good deal of scientific work for which officers with somewhat lower qualifications and calibre are adequate. In the circumstances, it is clearly desirable that the present arrangement should continue in those services.

5. Where the duties and responsibilities of Class II officers and of officers of the junior branch of Class I are similar, the differentiation in remuneration and status is usually sought to be justified on the ground that the Class I officers are recruited for holding higher posts, and that the junior scale posts in their case are only meant to serve as training ground, and to equip them for the higher responsibilities for which they are recruited. Class II officers, on the other hand, are recruited, whether directly or by promotion, mainly to perform the duties of the grade to which they are appointed.

6. The Varadachariar Commission* examined this question at considerable length, and while some members of the Commission thought that all posts in the Class II services where the duties were indistinguishable from those discharged by members of the Class I services should be merged in the junior scale of Class I, the attitude of the majority—to quote the Commission's own words—was as follows:—

“The inclination of the majority of members, however, was that it was desirable to retain the two classes; but, in departments where the differentiation between the two classes was not necessary or possible, either because of the mode of recruitment or because of the difficulty of distinguishing between the importance and responsibility of the duties respectively performed by Class I and Class II officers, the two-fold classification may be dispensed with and the two groups treated as one gazetted service.”

7. We put the proposal of the associations of Class II staffs to several of the official witnesses, and none of them supported it. They said that in practically every Department there was a large volume of work which could be entrusted appropriately only to Class II officers: it was sufficiently difficult and responsible not to be entrusted to Class III officers, but not such that it should be attended to by highly qualified or talented persons such as those recruited to the Class I services—except as part of their training. Their point, in other words, was that the amalgamation proposed by the service associations would be wasteful. One of the official witnesses also said that the proposed arrangement might prove harmful to the interests of the Class III officers who are now promoted to Class II, but many of whom, not being of the standard of Class I, would lose their promotion altogether if the Class II grades were abolished. He added, with reference to the Class II services to which there is no direct recruitment at all, that if those recruited to the Class III services were to be promoted straight to Class I, it would be necessary to consider whether direct recruitment at the intermediate level should not be introduced.

8. We have come to the conclusion that there is not adequate justification for recommending a change in the present system (except that if our recommendation

*Paragraphs 24—29, pages 16—19 of their Report.

in a later chapter regarding the abolition of the present classification of the services into four Classes is accepted, the difference would be limited to pay scales). The slightly lower remuneration of direct recruits to Class II is justified by the lower qualifications and standards laid down for that Class; and the pay which those promoted from a Class III service are likely to draw, will not often compare unfavourably with the pay of a junior Class I officer. Even when there is a difference, it will usually be insignificant.

9. Some of the associations representing the Class II services have proposed that on promotion from a Class II service an officer should be placed in the senior scale of the Class I service. The reason advanced is that experience in Class II is comparable to that in the junior scale of Class I, and that, in the circumstances, if an officer is adjudged suitable for promotion to the higher service he would usually be fit to hold a senior appointment; and the examples of promotions from the State Services to the Indian Administrative Service and the Indian Police Service, and from the Class II to the Class I Central Engineering Service are cited. We do not consider that with various differences in the organization of the services, and in the structure of Departments, a general rule would be suitable. We would leave it to Government to decide in which services promotion to the senior scale would be suitable.

10. The standard Class II scale of Rs. 275—800 is suitable for both direct recruitment and promotion. We are satisfied that the scale does not require any modification. Following our general scheme of remuneration we recommend that the new scale of Rs. 350—25—500—30—590—EB—30—800—EB—830—35—900 should replace the existing scale. All posts which are at present on the standard scale of Rs. 275—800 will, unless we have specifically recommended otherwise, be governed by the proposed scale.

CHAPTER XV
SCIENTIFIC STAFFS

1. The distribution of scientific staff according to Class and nature of work is shown in the table below:

TABLE I

Class	Research	Survey	Scientific development, extension etc.	Total
I	480	150	299	929
II	702	211	514	1427
III	1629	95	3046	4770
Total	2811	456	3859	7126

They are employed mostly under the Ministries of Defence, Food and Agriculture, Transport and Communications (Indian Meteorology Department), Scientific Research and Cultural Affairs, Steel, Mines and Fuel (Geological Survey of India) and the Department of Atomic Energy. The Ministries of Finance, Railways, Commerce and Industry, Works, Housing and Supply, and Irrigation and Power also each employ a small number of scientific staff; and there are isolated posts under other Ministries too.

I. Class I and Class II

2. The distribution of scientific officers in the typical Class I and II scales, and among various Ministries of the Central Government, is as follows:

TABLE II

Defence	Food and Agri.	Meteoro- logical Deptt.	Atomic Energy Deptt.	Geolo- gical Survey	Botanical Survey	Zoolo- gical Survey	Others	Total	Pay scales Rs.
Class I									
4	12	1	6	1	1	..	2	27	Higher posts.
3	11	5	..	16	..	1	2	38	1300—1600
..	..	..	1	..	..	..	..	1	600—1500
18	32	..	..	1	..	1	3	55	1000—1400
..	..	..	2	2	..	..	..	4	600—1300
127	134	38	1	34	6	1	31	372	600—1150
..	..	..	21	..	..	..	..	21	650—50—900
..	..	..	1	..	..	..	..	1	550—50—900
130	79	18	42	77	4	6	16	372	350—850
282	268	62	74	131	11	9	54	891	

TABLE II—contd.

Defence	Food and Agri.	Meteoro-logical Deptt.	Atomic Energy Deptt.	Geolo-gical Survey	Botanical Survey	Zoolo-gical Survey	Others	Total	Pay scales. Rs
Class II									
153	286	..	..	..	..	6	42	487	275—800
..	..	140	..	18	..	..	..	158	275—710
12	1	..	..	187	..	..	4	204	275—650
..	..	..	33	..	..	..	..	33	400—600
..	..	..	62	..	..	..	..	62	275—590
..	1	..	51	..	..	..	..	52	275—500
..	39	194	96	..	..	..	..	329	250—500 (5 scales)
165	327	334	242	205	..	6	46	1325	
447	595	396	316	336	11	15	100	2216	Grand Total

38 Class I and 102 Class II officers are on other scales of pay.

3. Recruitment is generally to individual posts, except in the case of the organised services, which are—

Class I	Number
(i) Defence Science Service	301
(ii) Indian Meteorological Service	62
(iii) Botanical Survey of India	12
(iv) Geological Survey of India	129
(v) Zoological Survey of India	9
Class II	
(vi) Defence Science Service	165
(vii) Indian Meteorological Service	140
(viii) Geological Survey of India	205

4. Scientific officers are employed on different kinds of duties such as research, development and survey, depending upon the organisation under which they serve; and at higher levels their duties include administration, and direction and supervision of the work of others.

5. While in other branches of the civil service direct recruitment to Class I is usually confined to posts on the junior scale, and posts above that grade are filled by promotion, in the scientific branch direct recruitment—made through the Union Public Service Commission—extends to posts on the senior scale, and in some cases, to even higher levels. The Indian Meteorological Service Class I is an exception; in this case direct recruitment is usually confined to posts on the junior scale.

6. The minimum educational qualification required for recruitment to Class I junior scale posts is usually a 1st class Master's degree followed by good research work. In research establishments preference is given to candidates who possess a doctorate. For recruitment to higher posts, research work of a still higher standard

and for a longer duration is required. With one or two exceptions, there is no provision for filling Class I posts by promotion of Class II officers, who are, however, allowed to compete with outside candidates for selection.

7. Recruitment to Class II (gazetted) posts is also made mostly through the Union Public Service Commission, though in some Departments there is also provision for promotion of Class II (non-gazetted) or Class III staffs to a limited proportion of these posts. A first class Master's degree is generally the prescribed qualification for direct recruitment to Class II.

8. We have compared the pay structure, grading, and complements in the National Laboratories under the Council of Scientific and Industrial Research with those of the scientific staff working directly under the Central Government. The position is as follows:

TABLE III

National Laboratories			Government Organisations		
Post	Pay Scale Rs.	Numbers	Post	Pay Scale Rs.	Numbers
Director } Dy. Director }	2000—100—2500 1600—100—1900	13 21 (2·6) 8	Higher posts Higher posts}	2000—100—2500 1800—100—2000 1600—100—2000 1600—100—1800	27 (1·05)
Assistant Director	1000—50—1200— 100—1500	47 (5·9)	Jr. Admn. Grade/ Heads of Divisions, etc.	1300—60—1600 1000—50—1400	38 93 (3·69) 55
Sr. Scientific Officer Grade I.	600—40—1000— 50/2—1150	35 (4·4)	Senior Scale Officer	600—1150	372 (15·09)
Sr. Scientific Officer Gr. II.	350—30/2—410— 30—510—30—770 —40—850	165 (20·6)	Jr. Scale Officer	350—850	372 (15·09)
Jr. Scientific Officer	275—25—500—30 —590	220 (27·6)	Asstt. Officer (Class II).	275—800 275—710 275—600 275—590	911 (36·95)
Sr. Scientific Assistant	250—25—500	311 (38·9)	Research Assistants	250—500	594 (28·11)

(Figures within brackets) show the percentage of posts in the particular grade to the total number of posts).

Qualifications for recruitment to the various grades, except that of Senior Scientific Assistant, are, more or less, the same in the two organisations. The employees of the National Laboratories participate in a contributory provident fund scheme, and their leave entitlements are the same as those of the Government employees. The age of retirement for them is, however, 60; and if extension is granted, it is, subject to medical fitness and efficiency, for periods of two years at a time.

9. A number of associations representing scientific staff have urged that the future progress of the country will depend to a large extent upon the quality and numbers of technical and scientific personnel, and upon the opportunities and incentives that may be provided for scientific work. It is, therefore, of the utmost importance, they have argued, that the emoluments and other conditions of service of scientific officers should be the same as those of the members of the Indian

Administrative Service. They have further suggested that there should be no separate Class II service, and all scientific officers should start in the junior scale of Class I. There is, however, divergence as to the scales of pay proposed. Some have proposed that there should be a single, long, scale of Rs. 350—2,000, with efficiency bars at suitable stages, encompassing the present Classes I and II; others have asked for an improvement of pay scales within the existing framework, and the scheme suggested is as follows:—

Posts/Grades	Pay (Rs.)
Directors of research institutes, heads of scientific organisations, etc.	2250
Heads of Divisions in research institutes and other senior and junior administrative posts	1300—60—1600—100—1800
Senior scale	800—1500
Junior scale	350—850

10. The recommendations of a panel of scientists, set up by the Planning Commission, were also forwarded to us by the late Dr. J. C. Ghosh who was the Chairman of the panel. The panel had recommended that “scientists and technical personnel should at least be placed on a par with those in administrative service as regards their scales of pay and other conditions of service”. Other recommendations of the panel, relevant to our enquiry, were that in order to attract first-rate talent to research, the senior and junior scales of pay for research officers should be merged into a single scale with efficiency bars at appropriate stages; that increased opportunity and incentives should be provided to people engaged in scientific work so that they did not nurse a grievance that they were at a disadvantage as compared to persons of similar competence in other fields; that scientific officers of outstanding ability should be given accelerated promotions; and that persons employed in research and teaching should be given an additional pay of Rs. 50 per mensem on acquiring a Ph.D. and Rs. 125 per mensem on acquiring a D.Sc.

11. We have carefully considered these recommendations. We have also had the benefit of the views, among others, of some eminent scientists, with whom we discussed these and other related matters. A long scale for scientific officers did not commend itself to most of our witnesses. Dr. K. S. Krishnan, Director, National Physical Laboratory, thought that capacity for original work would be judged on the basis of 5-6 years’ performance in the entry grade; that once such capacity was established, a scientist should be placed in a higher grade early in his career; but that only those who had something original to contribute should be allowed to rise. Prof. M. S. Thacker, Secretary, Ministry of Scientific Research and Cultural Affairs, was of the view that if a scientist was placed on a long-time scale, he might lose his keenness for research. Dr. D. S. Kothari, Professor of Physics, Delhi University and Scientific Adviser to the Ministry of Defence, was in favour of a structure broadly similar to that of the Scientific Civil Service in the United Kingdom, which is organised in a number of grades carrying short scales of pay. We are in general agreement with the views we have just quoted. We think that the certainty of a more or less assured progression on a long time scale would in many cases induce a feeling of complacency inimical to high class scientific work, and that on the other hand a graded structure, with relatively short scales, would provide stimulus to the scientific officers, and opportunities to the directing staff to pick out the brilliant men periodically for rapid advancement.

12. A proposal was made that the Class II services should be merged with the Junior scale posts in Class I to form a single grade; but the proposal found little support from the disinterested witnesses including the Secretary, Department of Scientific Research and Cultural Affairs, who thought that a separate grade as at present was necessary. If the proposed merged grade carries remuneration comparable to that of the present Class II, it would make scientific career less attractive: the fact that it was recently found necessary, because of recruitment difficulties to introduce Class I junior scale in the Forest Research Institute, where it did not exist before, is a pointer in that direction. On the other hand, to recruit all scientific officers on the Class I junior scale, as suggested by some service associations, would, in our view, be an extravagant arrangement. There is a considerable amount of scientific work, particularly on the development side and in the survey organisations, and a fair amount also in the research establishments, which can be handled adequately by persons with good scientific education and research experience—persons who may not, however, have exceptional intellectual abilities or proved capacity for original work, such as are required in Class I scientific officers. We do not, therefore, support the proposal for a combined grade at that level.

13. To the question of parity between the scientific services and the Indian Administrative Service, we have given considerable thought. The nature of duties and responsibilities of the scientific services generally differs a great deal from that of the Administrative Service; the age and methods of recruitment, and the structures of the services also vary. These differences present difficulties in the application of a common measure of evaluation, and in particular in the adoption of the I.A.S. scale of pay; they suggest, on the other hand, that the structure of remuneration for the scientific services should be evolved more or less independently and should be so designed as to meet the requirements of those services. But there are considerations also of a somewhat different order. The scientific services as well as the Administrative Service draw the bulk of their recruits from a common source, *viz.* able university graduates; and it is certainly necessary for the scientific advancement and general progress of the country that a young person with high scientific talent and preference for scientific work is not deterred from a scientific career because of its inadequate financial rewards, or of conditions of service which place the scientific officer at a disadvantage. We have come to the conclusion that both sets of requirements mentioned above will be largely satisfied if while the remuneration at the intermediate levels is independently determined, that at the stage of entry to the junior grade of the Class I scientific services compares favourably with the starting point of the I.A.S. scale, and there is a fair measure of parity between scientific and administrative salaries at the higher levels at which scientific and administrative officers have to work closely together. We have also found that certain special provisions more favourable than those applicable to administrative officers are necessary in the case of scientific officers in regard to superannuation benefits. This will be dealt with in a different chapter, but our point is that neither in the matter of remuneration nor in that of conditions of service identity or even rigid parity may be the best solution.

14. The Varadachariar Commission had recommended the same scales of pay for scientific services as for others; but in practice the arrangement has worked differently for the two sets of services. While in most of the Class I non-technical, and also engineering services, the junior scale tends to become merely a training grade, and the normal career is provided in the senior scale, in the scientific services there is, with one or two exceptions, no provision for regular promotions from the lower to the higher scale. It is not only that the relevant rules provide for direct recruitment to posts in the higher grades, but our enquiries have revealed that such recruitment has, in fact, been a regular feature, and that, for instance, in one of the

main Departments employing scientific staff out of 129 appointments made during the last three years to Class I posts in grades above the junior scale, about half went to outside candidates. We do not consider this to be an unsound arrangement. The nature of scientific work requires infusion of fresh blood—and new ideas—at practically every level, and it would be harmful to restrict direct recruitment to the lowest grade of the scientific services. It is also desirable that at least in some scientific fields, such for instance as agriculture and animal husbandry, the Centre should be able to draw scientists from the services of the States. These direct recruitments at higher levels, have however, to be borne in mind in comparing the career prospects of those who enter the Class I scientific service in the junior scale, with those who enter the other higher services at the same level; and if the table below is so read, it will be found that the career prospects of young scientific officers are not very attractive, and also that the proportion of posts in the highest grades is lower than in the other cases:

TABLE IV

	I.A.S*.	Central† Services	Scientific Services	Engineering Services
Higher posts	214	81	27	148‡
Junior Administrative Grade—				
(i) Rs. 1300—60—1600	1571	94	38	264
(ii) Rs. 1000—50—1400		176	55	86
Senior Scale Rs. 600—1150/Rs. 800—1800*		635	372	1439
Junior Scale Rs. 350—850/350—950*		830	372	1734
	1785	1816	864	3671
Proportion of higher posts to remaining Class I posts	13·5%	4·6%	3·2%	4%
Proportion of posts in Junior Administrative Grades to time-scale posts . . . . .	..	18%	12·5%	11%
Proportion of Super-time scale posts to time scale posts	13·5%	24%	16·1%	15·7%

The above table gives only a broad picture, and the actual position may vary from service to service and Department to Department. We have taken into account these special features of the scientific services as regards direct recruitment above the lowest grade, and promotion prospects, in framing our pay and other proposals concerning them.

15. We have already stated our view that long scales would not be suitable for any Grade of the Class I scientific services, and we accordingly propose that the

*The I.A.S. has no Junior Administrative Grade; but its senior scale is Rs. 800—1800, and junior scale Rs. 350—950.

†The Services included are I.A.A.S., I.R.A.S., I.D.A.S., the three branches of the I.R.S. and the Indian Postal Service.

‡The number does not include the higher posts held by engineers in the general line; in the Railways particularly, these officers hold posts of Members, Railway Board, General Managers, Divisional Superintendent, etc., which are outside the technical field.

existing Class I senior and junior scales, extending over 19 and 17 years, respectively, should be replaced by considerably shorter scales, even though this would involve a departure from the pattern of uniform pay structure for the superior services which has been in vogue for many years. Following our general scheme to start the Class I services at Rs. 400, we propose the replacement of the existing junior scale (Rs. 350—850) by a 14-year scale, Rs. 400—40—800—50—950, for the lowest grade of Class I scientific services. We further recommend that all new recruits to this grade should be given one advance increment for every year of *approved* research (in the case of technologists, specialized post-graduate training or experience may be treated as equivalent to research) before entering service, subject to a maximum of two such increments. As research experience is generally an essential qualification for this grade, we believe that most new entrants will start at Rs. 480 per mensem—that is Rs. 80 higher than fresh recruits to the other Class I services, and to the I.A.S. Delayed entry into service without a higher starting pay has been, we understand, among the factors which deter able science graduates from taking to research, and we trust that the higher start we are recommending will remedy this.

16. The next higher scientific grade should carry a scale of Rs. 700—50—1250. For corresponding grades in the other branches of the civil service also, we have proposed a scale starting at Rs. 700 and going upto Rs. 1250. But in the case of scientific officers the increments will be higher, and the distance between the starting point and the maximum will be covered in a much shorter period. That only those who prove their worth in the junior grade and stand a rigorous competition from scientists outside will enter the higher grade, along with the fact that usually the thirties are a particularly fertile period in a scientific career justify this differentiation. Moreover, if scientists of established repute, including Indian scientists working abroad, are to be drawn into the civil service, the main grade to which they are to be recruited should carry a good scale of pay.

17. The next higher grade of scientific officers should carry a scale of Rs. 1300—60—1600. In some Departments we have recommended at about this level a scale of Rs. 1100—50—1400; but in the standard structure of the scientific services an intermediate scale between Rs. 1300—60—1600 and Rs. 700—50—1250 does not appear to us to be appropriate. We notice that a considerable proportion of posts at present in the scale of Rs. 1000—1400 carry a special pay of Rs. 150, which suggests that the scale by itself has not, in many cases, been found to be adequate at that level.

18. At the highest level, a single rate of pay will not be suitable. The scientific organisations, including the research institutions are not all of the same size, or are entrusted with work or responsibilities of the same magnitude or complexity. We accordingly make the following recommendations:

(i) Heads of major scientific organisations or research institutions	Rs. 2,250
(ii) Heads of medium size organisations or institutions, and additional heads of those mentioned in (i)	Rs. 2,000
(iii) } Heads of small organisations	Rs. 1800—100—2000
& }	
(iv) }	Rs. 1600—100—1800

We are not in a position to recommend as to how the existing heads or additional heads of organisations etc., should be distributed in the rates of pay mentioned above, and we leave this to the Government to decide. We would add that

while we have recommended for heads of major scientific organisations etc., the same pay as is allowed to a Joint Secretary to the Government of India, we consider that if in any scientific organisation the work so develops as to require the services of an outstanding scientist to take charge of it, the post should be upgraded and carry a pay of Rs. 2,500, Rs. 2,750 or Rs. 3,000, depending on an assessment of the increased responsibilities.

19. Our recommendations in respect of Class I scientific services will not be complete without some observations on the complements of the different grades in those services, to which some of our witnesses attached considerable importance. One of them said:

“The second point is about the relative distribution of the total number of posts amongst different salary scales—the shape of the so-called ‘service pyramid’. Whether we think of the scientific service or other services, our pyramid is not correct. The number of higher posts is very small relatively to the posts at the lower level, and it is the people at the lower level, still in their twenties and thirties who really create science. And very often it is a matter of pain to us that those who are creating science are getting much less than those who sit over them and administer them.

• • • • •

The second reform which is, therefore, necessary is—whatever scales you may fix—that the lower part (or lower half) of the pyramid should be almost vertical so that a young man who joins service can have some reasonable chance to go up to some extent and going further still will depend upon the number of vacancies.”

To illustrate what he desired, he referred to the structure and complements of the Scientific Officer Class in the United Kingdom, which according to the latest information available to us are as follows: The ‘Scientific Officer’ in the U.K. structure may be regarded as equivalent to our Class II, and the junior and senior grades of our Class I services may be equated with the grades of ‘Senior Scientific Officer’ and ‘Principal Scientific Officer’. The last mentioned grade—corresponding to our Class I senior scale—has the largest number of officers.

20. Complements are outside our terms of reference, and we have refrained from making recommendations regarding them even when we have felt, on such data as are available to us, that a change is called for. But in the present case we have found that whether the structure of remuneration we are recommending will prove sound, and be fair to the officers concerned will depend on what the complements are. In the interest of scientific work we have recommended relatively short scales for both the junior and the senior grades, and if the proportion of posts in the senior grade is not large, or if the proportion of posts in the next higher grade is unduly small, scientific career will not be attractive, and the grievance of scientific officers will remain unredressed. We could, no doubt, recommend a long scale, starting at about Rs. 400, and going up to Rs. 1,600 or Rs. 1,800 or even higher, as, in fact, many of the associations of Class I scientific officers had proposed; but that, as we have said earlier, would have been injurious to the interest of scientific work. At the same time, we are satisfied, largely on the basis of the evidence of our most experienced scientist witnesses, that scientific work requires a substantially higher proportion of posts above the junior scale than exist at

present. We, therefore, recommend that in the research and development organisations, the complements may have some such pattern:

Higher posts	5%
Junior Administrative Grade . .	20%
Senior grade*	45%
Junior grade*	30%

These are not rigid percentages, but only illustrative of the sort of grade structure we consider desirable. Further, in organisation which are not engaged wholly or principally in research, for instance in those engaged on field surveys, there should, normally, be a larger proportion of posts in the junior grade, the actual complements being determined by the requirements of each service.

21. Some of our scientist witnesses stated that with the strength of each grade being rigidly fixed, it was not unoften that there was no vacancy in the higher grade to which an outstanding research worker could be promoted before he began to feel frustrated, or was attracted to a higher-paid administrative post, or some other post outside his speciality. We have reason to think that the problem does exist; and the remedy in our view is the introduction of a scheme of special merit promotion similar to that worked with conspicuous success in the Scientific Civil Service, in the United Kingdom. The scheme should provide for the creation, *ad hoc*, of posts outside the normal strength of a grade, in the scale of Rs. 700—1250 or in a higher scale, depending on the circumstances of each case. If such a scheme is introduced, it would be essential to set up an inter-departmental committee of scientists to consider proposals for promotion under the scheme in order to ensure uniformity in the standard of assessment, and to maintain a high standard of selection; and the association of the Union Public Service Commission would also be necessary for the same purpose. While we strongly recommend the introduction of the scheme, we wish to emphasize that the expenditure involved would not be justified, and the scheme would not serve science, unless it is so administered that only outstanding research workers are promoted. We would further like the benefit of the scheme to be limited to the period a scientist continues in the research field.

22. We now come to Class II. We have already expressed ourselves in favour of retaining a grade below the junior grade of Class I; and we recommend for it a scale of Rs. 350—25—500—30—590—EB—30—800—EB—30—830—35—900. While the standard scale at present is Rs. 275—800, there are 20 posts in scales starting at Rs. 300 and going upto Rs. 800; and 18 of these posts are held by Assistant Research Officers in the Central Inland Fisheries Research Station, Calcutta. The qualifications for recruitment are, as in the case of Class II scientific service generally, a first class Master's degree, and a different scale is therefore not justified.

23. Assistant Meteorologists (140) in the Indian Meteorology Department and Assistant Chemists (18) in the Geological Survey of India are on a scale of Rs. 275—25—500—30—710. The posts of Assistant Meteorologists are filled by direct recruitment and promotion of Professional Assistants, in equal proportion. Recruitment to the latter grade is made from among candidates possessing at least a second class Master's or an Honours degree. Similarly, there is direct recruitment to 75 per cent of posts of Assistant Chemists in the Geological Survey, for

*We have used "senior grade" and "junior grade," in this chapter as synonymous for "senior scale" and "junior scale".

which the qualifications are a Master's degree and two years' experience in analytical chemistry. We have compared the duties of an Assistant Meteorologist and an Assistant Chemist with those of other Class II officers, and we do not find any justification for the differentiation that has been made. The Secretary, Department of Communications and Civil Aviation, was also of the same view as regards the Assistant Meteorologists. We recommend that both these groups of officers should be on the standard scale we have recommended in the preceding para.

24. There are 204 posts on a scale of Rs. 275—25—500—30—650. 187 of them are held by Assistant Geologists and Assistant Geo-Physicists in the Geological Survey of India, whose qualifications and duties are comparable to those of the other Class II officers. We have also noted that for Assistant Geo-Physicists there is no promotion outlet, as all the posts in the related Class I service are filled by direct recruitment. So, for these posts also we recommend the standard scale of Rs. 350—900.

25. There are 329 non-gazetted Class II posts on scales starting at Rs. 250 and going up to Rs. 500. Their distribution in various scales is shown in the table below:

Scale (Rs.)	Period (Years)	Number
(i) 250—25—500	11	96
(ii) 250—25/2—300—20—500	15	6
(iii) 250—15—400—20—500	16	194
(iv) 250—10—300—15—450—25—500	18	2
(v) 250—10—300—15—450—25/2—500	20	31
		329

The 194 posts in scale (iii) are held by Professional Assistants in the Indian Meteorological Department, and the 96 posts in scale (i) by Research Assistants in the Department of Atomic Energy. The rest of the posts are held by Research/Technical Assistants in other Departments. There are 264 posts on scale (v) in Class III also. The duties of the posts generally include carrying on of experiments and field studies under the guidance and supervision of senior officers; but holders of some of the posts are in independent charge of minor work. The minimum qualification for recruitment is usually a Master's or an Honours degree. Except in the Meteorology Department, and in one or two other cases, the Research Assistants have no regular avenues of promotion. Professional Assistants in the Meteorology Department are, however, eligible for promotion to 50 per cent of posts of Assistant Meteorologists. It has been represented by these staffs that they should be given the standard Class II scale; but if that is not possible some of them would be content with the scale of the Senior Scientific Assistant (Rs. 250—25—500) in the National Laboratories, which has increments of a larger size.

26. We have referred to the scientific staff under the Department of Atomic Energy separately, and any recommendation or observation made here does not apply to them. We have compared the qualifications and duties of Research/Technical Assistants with those of the Class II officers, and are satisfied that the present distinction between the two is justified. Nor is there good reason to recommend in

this case a scale of Rs. 250—25—500. While a good Master's or an Honours degree is sufficient for these posts, a Senior Scientific Assistant in a National Laboratory is required to possess in addition 'adequate research experience'. The work in the National Laboratories is also of a different kind, pertaining mainly to long-range problems of fundamental research. But, at the same time, we do not think any useful purpose is served by having 4 or 5 scales for these posts. We accordingly recommend a 16-year scale, Rs. 325—15—475—EB—20—575, to replace all the existing scales. There are 10 Technical Assistants in the Department of Food on a scale of Rs. 250—15—340—20—400. On the basis of their qualifications and duties we recommend the same scale for them also.

27. As indicated earlier, with one or two exceptions, there is no regular avenue of promotion for these staffs. It may not be advisable to reserve for them a fixed proportion of posts in the higher grade, but we suggest that they may be allowed a reasonable age concession to enable them to compete with outside candidates for selection to higher posts on merits.

II. Class III

28. There are 4,770 Class III employees in the scientific branch. They are distributed in 38 scales of pay. The concentration, however, is in 10 scales, as shown below:—

TABLE V

Defence	Food & Agri.	Metr. Deptt.	Atomi Energy Deptt.	Geological Survey	Botn. Survey	Zoological Survey	Others	Total	Pay scales (Rs.)
210	3	1	..	..	..	3	47	264	250—500
..	..	..	107	..	..	..	..	107	250—375
301	755	505	150	37	10	12	116	1886*	160—330
..	17	..	..	..	..	..	69	86	100—300
..	99	..	..	..	..	..	..	99	100—250
53	..	738	..	..	..	..	..	791	100—220
9	34	12	..	..	..	..	4	59	80—220
275	..	..	..	..	..	..	..	275	100—200
34	360	251	..	..	..	..	..	645	60—150
6	80	..	..	..	1	..	30	117	60—130
888	1348	1507	257	37	11	15	266	4329	

29. The broad picture that emerges from the above table is that there are 4 main grades of scientific employees in Class III, viz. (i) Rs. 250—500, (ii) Rs. 160—330, (iii) the group of scales starting at Rs. 80 or Rs. 100 and going up to Rs. 220 or

*509 out of these are in organisations where there is also a selection grade on the scale of Rs. 250—500.

Rs. 200, and (iv) Rs. 60—150 (or 130). There is no uniformity as regards the designations of posts in the various grades, and we consider that it would be useful to have standardized designations. Nor do all the grades exist in each and every Department. The main duties of these staffs lie in assisting scientific officers in carrying out experiments, tests and surveys and to help them generally in their work.

30. Recruitment is made by the Departments themselves, and although qualifications are not the same in all Departments, a broad analysis is given in the table below:—

TABLE VI

Grade	Qualifications for recruitment
(i) Rs. 250—10—300—15—450—25/2—500	A good Master's degree. (In some Departments, research and laboratory experience is also required)..
(ii) Rs. 160—10—330	At least a second class Master's or a first class B.Sc degree ; or B.Sc. with post-graduate training.
(iii) Rs. 100—5—120—8—200—10/2—220 Rs. 80—5—120—8—200—10/2—220 Rs. 100—5—120—8—200	} B.Sc. degree.
(iv) Rs. 60—4—120—5—150 Rs. 60—3—81—4—125—5—130		} Intermediate in Science or Matriculation.

Some notable exceptions are the posts of Laboratory and Field Assistants in the Central Inland Fisheries Research Station, which carry a scale of Rs. 100—8—140—10—300, even though the minimum qualification for recruitment is Intermediate in science; and the posts of Senior Scientific Assistants in the Central Potato Research Institute on the scale of Rs. 80—220, for which a Master's and not a Bachelor degree is an essential qualification. There is generally very little promotion from one grade to another; but relatively speaking, those in grade (iii) in the table above have the best prospects of promotion.

31. Comparable staff in the National Laboratories are distributed in 3 grades as shown below:—

Post	Qualifications	Scale of pay (Rs.)
Junior Scientific Assistants . . .	M.Sc.	160—330
Senior Laboratory Assistants . . .	B.Sc.	100—220
Junior Laboratory Assistants . . .	Intermediate in Science.	60—150

32. The Class III scientific staff have represented that their scales of pay are inadequate, and their prospects much inferior to those in the clerical line. They have proposed that in the scientific branch persons possessing a Master's degree should normally be on a scale of Rs. 250—500; ordinary graduates on a scale of Rs. 160—330; and those with lesser qualifications on a scale of Rs. 200—300, Rs. 120—220, etc. One or two associations, however, have also asked for a single long scale to cover all the existing grades.

33. In view of differences in the duties and responsibilities, often arising from differences in the nature of work between one Department and another, and those in the qualifications for recruitment, one or even two scales would not be sufficient at this level; but four scales appear to be too many, even making allowance for the fact that there would probably be no single organisation in which staff on all the four scales would be entertained. We have, however, to make our recommendations with reference to the existing structure, and we are accordingly recommending four scales. But we suggest that the Government should consider the advisability of reducing the number of grades at this level to three, and while retaining for the highest and the lowest grades the scales proposed in the following paragraphs, to allow for the middle grade, for which a Bachelor's degree in science would be sufficient qualification, a scale Rs. 160—8—256—EB—8—280—10—300.

34. For posts in the highest grade in Class III, we recommend the same scale as we have proposed for the Class II non-gazetted Research Assistants, for we find no difference between these two groups of posts in respect of qualifications, duties, etc. We also suggest that certain percentage of posts in this grade may be filled by promotion, made strictly on merit, from the lower grade.

35. The next lower grade is meant for persons who possess a good Master's degree in science, and are required to carry out, under the guidance and supervision of senior officers, scientific experiments and tests. In some Departments, their duties also include collection of material and data for new investigations. Though their potentialities as scientific workers are yet to be established, and they are not doing original work themselves, they are engaged in responsible work in the scientific field. We recommend for them a scale of Rs. 210—10—290—15—320—EB—15—425. We further recommend that if in a Department the highest grade in Class III is on this scale of pay, 10 per cent of the posts may be placed in a selection grade, carrying a scale of Rs. 325—15—475—EB—20—575. The head of an important scientific organisation, who appeared before us, said that scientific departments did not require highly qualified persons for ordinary analysis or investigation. We would suggest for Government's consideration whether it is necessary to insist on a second class Master's degree for recruitment to this grade.

36. For the next lower grade, the minimum qualification for recruitment is a Bachelor degree in science, and the staff are mostly employed on simple laboratory or field work. For a post of Upper Division Clerk, we have recommended a scale of Rs. 130—300 though, in future, a university degree will not be the minimum qualification for that rank. It is our view that science graduates employed to assist in scientific work should have somewhat better remuneration, and accordingly, we recommend for these a scale of Rs. 150—5—160—8—240—EB—8—280—10—300.

37. For the lowest grade, which comprise mostly of Laboratory Assistants, who are matriculates, we consider a scale of Rs. 110—4—150—EB—4—170—5—180—EB—5—200 as appropriate. In some Departments, Laboratory Assistants are on the scale of a Lower Division Clerk. They may all be brought on to the proposed scale. We are recommending a better scale for Laboratory Assistants than for Lower Division Clerks, because while these have good promotion prospects, which will improve further if our recommendation regarding stoppage of direct recruitment to the Upper Division is accepted, there are hardly any promotion outlets for Laboratory Assistants.

38. To sum up, our recommendations are:

Existing scale (Rs.)	Proposed scale (Rs.)
(i) 250—10—300—15—450—25/2—500	(i) 325—15—475—EB—20—575
(ii) 160—10—330	(ii) 210—10—290—15—320—EB—15—425
(iii) 100—5—120—8—200—10/2—220 80—5—120—8—200—10/2—220 100—5—120—8—200	(iii) 150—5—160—8—240—EB—8—280—10—300 (if 4 grades are retained) <i>or</i> 160—8—256—EB—8—280—10—300 (if 3 grades are retained)
(iv) 60—4—120—5—150 60—3—81—4—125—5—130	(iv) 110—4—150—EB—4—170—5—180—EB—5—200.

39. It should not be difficult to fit in the remaining 441 posts, which are on typical scales, on the scales recommended by us. Generally speaking, scales carrying a maximum of Rs. 500 may be replaced by scale (i), those with a maximum of Rs. 300 and above (except in the Department of Atomic Energy) by scale (ii), unless in the case of posts with a maximum of Rs. 400 or Rs. 450 (30 posts in all according to our information) the qualification for recruitment and the nature of duties are such that they can be more appropriately placed on scale (i); scales with a maximum of Rs. 200 or Rs. 250 by scale (iii); and those with a maximum of Rs. 150 and Rs. 130 by scale (iv). As regards the posts on the scale of Rs. 100—300, for which a university degree is not required, a suitable remuneration may be fixed in the light of our recommendations—atfer re-examining the question of qualifications for recruitment.

III, Department of Atomic Energy

40. There are 573 scientific posts in the Department of Atomic Energy. Their class and pay scale-wise distribution has already been shown in the tables in this chapter. The pay structure for these posts is different from the usual pattern under the Central Government; and in regard to Class II posts, the pay structure of National Laboratories has been followed to a certain extent. We have not gone into the details of these posts, as we were informed that qualifications for recruitment were determined by a committee of experts on the basis of the nature of duties and functions attached to particular posts. The Department being engaged on highly specialized work, we refrain from making any detailed recommendations in respect of these posts; we only suggest that appropriate scales may be fixed by the Government in the light of our recommendations for scientific posts generally.

IV. Scientific Civil Service

41. A suggestion was made by some of the witnesses on behalf of the associations of scientific officers that a scientific service should be constituted on the lines of the all-India and some of the Class I services. Re-organisation services is not within our purview; but it seems to us that the suggestion is misconceived. Common qualifications, a common gradation list, and interchangeability of appointments held by its members, are among the requisites of an organised service, such as the witnesses in question apparently had in view. In this sense, a single scientific service is an impossibility. Recruitment for different branches of science must, obviously, be confined to persons with specialized qualifications in the particular

branches; there cannot be a common gradation list, for instance for physicists and zoologists; and for a higher appointment in physics, a zoologist, whatever his length of service and distinction in his own field, can obviously not be considered. A number of scientific services are certainly feasible, and already exist; and all that is necessary is that there should be the maximum degree of uniformity that is practicable in the rates of remuneration, prospects, and conditions of service. In making our recommendations we have kept this in view. The only further suggestion we have to make is that to ensure uniformity in the management of the different scientific services, and to facilitate occasional interchange from one such service to another, when this is in the interest of scientific work, a standing committee of representatives of various scientific Departments and organisations might be set up.

CHAPTER XVI
ENGINEERING STAFFS

1. The number of engineering staffs, including technical supervisory personnel in workshops, and their distribution according to Class and branch of engineering, is shown in the table below:

TABLE I

	Civil	Electrical and Mechanical	Tele-Communication	Mining	Chemical	Others*	Draftsman and Tracer.	Total
Class I	1720	1171	505	165	18	280	..	3859
Class II	957	386	1432	42	5	71	..	2793
Class III	6902	16796	3738	259	..	187	8183	36065
Total	9479	18123	5675	466	23	538	8183	42717

*Include aeronautical, marine, etc., engineering.

The Ministries of Railways, Defence, Works, Housing & Supply, Irrigation & Power, Transport & Communications, Information & Broadcasting, and Commerce & Industry are the major employers of engineering staffs.

I. Class I and Class II—General

2. The distribution of engineering officers in the typical Class I and II scales serving under the Ministries mentioned above is as follows:

TABLE II

Defence	Railways	P. & T.	Irrigation & Power	Works Housing & Supply.	Transport & Communications.	Commerce & Industry	All India Radio	Others	Total	Pay Scales (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<i>Class I</i>										
1	21	..	10	1	..	1	..	3	37	Higher posts.
..	22	2	2	4	..	6	..	2	43	1800—100—2000
..	..	..	..	..	..	..	1	3	4	1600—100—2000
9	..	..	..	..	9	..	..	5	23	1600—100—1800
..	..	..	17	..	..	26	..	..	43	1300—1800
52	105	33	13	34	11	..	2	14	264	1300—1600
23	..	..	..	..	31	8	13	11	86	1000—1400
1	..	..	..	..	..	1	10	..	12	800—1400
212	564	132	101	158	118	61	..	93	1439	600—1150
422	764	83	111	72	103	73	48	..	48	600—1050
..	..	..	..	..	..	..	..	106	1734	350—850
720	1476	250	254	269	277	176	74	237	3733	

Class II.

	1	2	3	4	5	6	7	8	9	10	11
	5	420	437	247	457	251	3	..	40	1860	275—800
	..	..	..	..	..	..	..	68	..	68	450—710
	..	..	..	..	..	..	..	276	..	276	350—650
	..	..	..	..	*	..	6	..	..	6	325—590
	..	..	..	..	..	144	52	..	21	217	250—500
	..	..	..	..	..	..	..	289	..	289	250—400— S.G. 400—500
Total	5	420	437	247	457	395	61	633	61	2716	
Grand Total	725	1896	687	501	726	672	237	707	298	6449	

*There are some engineering posts on this scale under the Director General of Supplies and Disposals.

3. In most of these Ministries engineering staffs are organised in regular Services. The strength of these Services is given in the table below:

TABLE III

Service	Total	Class I				Higher posts	Percentage of super-time scale posts to time-scale posts (Rs. 275—800)	
		Time-scale		Super time-scale				
		Junior (Rs. 350—850)	Senior (Rs. 600—1150)	Rs. 1300—1600 *Rs. 1000—1400				
Central Engineering Service (W. H. & S.)	206	61	119	22	4	14.4	371	
Central Electrical Engineering Service (W.H. & S.)	34	11	20	3	..	9.6	86	
Military Engineer Service (Defence)	475	307	133	33	2	8.0	..	
Indian Ordnance Factory Service	230	110	70	42*	8	27.8	..	
Telegraph Engineering Service (T. & C.)	250	83	132	33	2	16.2	437	
Overseas Communications Service (T. & C.)	17	8	8	..	1	6.2	37	
RAILWAYS								
Indian Railway Service of Engineers	637	338	238	48	13	10.5	223	
Transportation (Power) and Mechanical Engineering Service	449	237	167	37	8	11.1	76	
Electrical Engineering Service	135	71	52	5	7	10.0	33	
Signal and Tele-Communication Engineering Service	109	54	48	..	7	7.0	32	
Stores Department Service	146	64	59	15	8	17.9	55	
Total	2688	1344	1046	238	60	12.5	1350	

*23 of these are on the scale of Rs. 1000—50—1400.

4. These officers are employed on a variety of duties relating to designing, planning, construction and maintenance of building and other engineering works. The exact nature of work varies from Department to Department. The control and direction of work rests with the holders of the highest posts, such as, Chief Engineers, Additional Chief Engineers, etc., who also generally act as principal technical advisers to the Government in the formulation of policy. The normal hierarchy below that level is made of three grades: superintending, executive and assistant to the executive. And these designations of the grades denote their respective duties. There are variations from this pattern, but the broad principles of gradation and allocation of duties are similar. The main duties of officers of the superintending grade are the supervision, guidance and co-ordination of work in their charge—both on the technical and the administration sides. Those of the executive grade are directly concerned with the execution of works; and in that task they are assisted by the Assistant Engineers.

5. With the exception of the Overseas Communication Service, recruitment to the various Class I Services, mentioned in table III above, is made on the result of a combined competitive examination held annually by the Public Service Commission. The examination is open to engineering graduates within the age-limits of 20-25. The Railways also recruit persons with Intermediate in Science as Special Apprentices, who after a training of four years provided by the Department are appointed to the Class I Service in the Mechanical Engineering Department. All appointments to these Services are made in the junior grade and posts in the higher grades are filled by promotion. Posts outside the organised services are also filled through the Public Service Commission, but no written examination is held for the purpose. Sometimes members of the engineering services of the States are appointed to these posts on deputation. Generally speaking, there is no direct recruitment to posts above the junior grade; the occasional departures are in respect of posts requiring exceptional qualifications. A certain proportion of posts in the Class I Services is also filled by promotion from the related Class II Services.

6. Recruitment to half the vacancies—the remaining being filled by promotion—in two of the Class II services, viz., the Central Engineering and the Central Electrical Engineering Services also is made on the result of the combined competitive examination referred to in the preceding paragraph. To the extent permissible under the relevant recruitment rules, direct recruitment to other Class II services and posts is made through the Public Service Commission on the basis of an interview alone. In many services, mostly in the Railways and the Posts & Telegraphs Department, all posts in Class II are filled by promotion.

II. Class I

7. The service associations concerned have asked for an increase in remuneration on the ground that with a phenomenal expansion of engineering activities under the Five Year Plans, the duties and responsibilities of engineers have grown enormously; and that in an age of which the keynote is scientific and technological development, the emoluments of engineers in Central Government employment should not lag behind those of members of the highest Administrative Service in the country. The scheme of remuneration suggested by these associations is as follows:

Highest posts	Ranging from Rs. 2000 to 2750 depending on the responsibilities of different posts.	
Superintending grade	—	A scale of Rs. 1300—1800
Executive grade	—	A scale of Rs. 800—1300
Assistant grade	—	A scale of Rs. 350—950

(Continuance of dearness allowance at the present rates has been assumed).

These proposals have received support from some official witnesses also.

8. We are aware of the nation-wide shortage of engineers, and we enquired whether this shortage was in any degree attributable to what the service associations had described as relatively low emoluments of engineers. We found that the shortage was due to a rapid increase of demand for engineers combined with the still inadequate, even though expanding, facilities for engineering education and the fact that it takes some years to train an engineer. We understand that far from being un-attractive, engineering career attracts large numbers of talented young men, and that there is exceptional pressure on the seats in the institutions for engineering education throughout the country. We also made enquiries from the Public Service Commission whether there have been recruitment difficulties, and we were informed that any shortage of first class applicants in the age group 20—25 for recruitment to most of the engineering services had not been experienced, the one notable exception being the tele-communication branch. The Secretary, Ministry of Works, Housing & Supply, and the Chief Engineer, Central Public Works Department, also confirmed, in the course of their evidence, that they have had no difficulty in securing engineers of the requisite quality for the Services under their control. From the annual reports of the Public Service Commission, we gather that such recruitment difficulties as exist outside the tele-communication branch, are in respect of posts, usually at higher levels, requiring special qualifications, for the acquisition of which facilities do not exist in the country or are small. We have also no reason to think that a disproportionately large number of the best engineering graduates are yet accepting employment in the private sector; and it is not necessary or even in the national interest that the private sector should not get its fair share. But if experience of other countries is any guide—and signs are not entirely lacking even here—it would be well to watch recruitment and turnover rate of engineers.

9. We have discussed elsewhere the validity of the claims seeking to establish parity between services which are not in hierarchical relationship with one another, and which have widely differing duties; and we have not generally considered it appropriate—except at certain levels—to attach a great deal of importance to this kind of horizontal relativities. The structure of the engineering and administrative services differ, and so does the nature of work and responsibilities at different levels of the two structures. A comparison at each level is, therefore, difficult. But it is important that a good proportion of the best engineering talent should continue to flow into the Central Government service, and that the highest rewards of an engineering career under the Government should be comparable with those in the administrative services. We have kept these objects in view in making our recommendations.

10. For non-technical Class I services we have recommended a single scale in place of the present senior and junior scales. For reasons explained below we do not recommend that arrangement for the engineering services. The complements of the different grades in the Central Engineering, Central Electrical Engineering and the Telegraph Engineering Services are so fixed that there is no difficulty about the promotion of officers from junior to the senior scale in the normal course, i.e., after 5-6 years' service. Although the position in regard to the various Railway Services is apparently not the same, we have been informed by the Railway Board that the conditions on the Indian Railways are such that officers in the junior scale have generally been getting promotion to the senior scale earlier than expected, and that the Board is, therefore, not in favour of replacing the present senior and junior scales by an integrated scale. It is understood that the bulge in the junior grade in these Services—which we have noticed—is a temporary feature

occurring as a result of large-scale recruitment necessitated by expansion of cadres in 1956 and 1957. On account of defence requirements, which necessitate the appointment of military officers to engineering posts, the Military Engineer Service is constituted on an entirely different pattern. It appears from the relevant recruitment rules that the junior grade, which in most other Class I services is only a 'training' grade, is the main 'career' grade in that Service; and officers on the junior scale are not assured of regular promotion to the posts of executive engineers in the same way as in the other Class I services. Moreover, we are satisfied that the nature and distribution of duties in the Service are not such that all its members—unless found unfit—should be enabled to go up to the senior scale or an equivalent level of remuneration in an integrated scale.

11. We have, therefore, come to the conclusion that the existing pay structure of the engineering services does not require modification and in accordance with our general scheme of remuneration for Class I services, we recommend the following scales of pay for the senior and junior grades:—

Senior Grade .. Rs. 700—40—1,100—50/2—1,250

Junior Grade .. Rs. 400—400—450—30—600—35—670—EB—35—950

The same recommendations will apply to posts outside the organised services which are at present on the standard Class I senior and junior scales. We further recommend that if in any Department or service research or specialised practical experience is prescribed as an essential qualification fresh recruits to junior scale posts should be given one advance increment for every year of such work or experience, subject to a maximum of two increments.

12. The standard scale for the superintending grade is Rs. 1300—60—1600 though for certain categories of posts under the Central Water & Power Commission, and the Development Wing of the Ministry of Commerce and Industry it has been extended upto Rs. 1800. A proposal has been made that all posts at this level should be given a scale of Rs. 1300—1800. In some Departments officers in the superintending grade have adequate avenues of promotion to higher administrative posts. For instance, in the Railways all the senior administrative and higher posts, such as those of Divisional Superintendents, General Managers and Members and Additional Members of the Railway Board, are open to and are freely held by engineering officers. Similarly, in the Posts & Telegraphs Department engineering officers are eligible for, and are in fact appointed to, senior administrative and higher posts outside the engineering branch. We do not consider any change necessary in the existing scale of pay for the superintending or the junior administrative grade in these Departments. On the other hand, in Departments like the Central Public Works Department, Military Engineer Service etc., there are no regular prospects of promotion—apart from promotion to one or two higher engineering posts—for officers in this grade. We consider that in their case an improvement in the scale of pay is justified; and we accordingly recommend for them the scale, Rs. 1300—60—1600—100—1800. We recommend the same scale also for the technical posts of Directors in the Civil Aviation Department, and the post of Chief Engineer in the Overseas Communication Service.

13. The highest posts in the engineering branch are mostly on three scales of pay.—(i) Rs. 2000—125—2250; (ii) Rs. 1800—100—2000—125—2250, and (iii) Rs. 1800—100—2000. The idea of having more than one rate of pay for these posts is sound. All the engineering organisations are not of the same size and the work entrusted

to each may not be of the same magnitude and importance. We recommend four rates of pay for these posts:—

	Rs.
(i) Heads of major organisations	{ 2250 2000—125—2250
(ii) Additional heads of major organisations	2000
(iii) Heads of small organisations	1800—100—2000

We consider that the heads of major engineering organisations who have normally no further outlet of promotion, for instance Chief Engineers in the Central Public Works and Posts & Telegraphs Departments, should have the same pay as a Joint Secretary to the Government of India, *viz.*, Rs. 2250. But where they have regular avenues of promotion to higher administrative posts, as is the case in the Railways, a scale of Rs. 2000—125—2250 will be appropriate.

14. It was represented to us on behalf of officers of the Military Engineer Service that they should be eligible for appointment to posts above the rank of Superintending Engineer. It is a matter which lies outside our terms of reference. We, however, recommend that the posts of Chief Surveyor of Works and Chief Technical Examiner, if held by civil officers, should carry a scale of Rs. 1800—100—2000.

15. The rates of pay we have recommended in the preceding paragraph should be taken as the standard remuneration. But it is not our idea that no post in the engineering line should carry a salary of more than Rs. 2250. On the contrary, we are of the view that if an engineer is required to direct and co-ordinate the work of officers of the rank of Chief Engineer, or if his duties and responsibilities are otherwise considered to be of a higher level than those of a Chief Engineer in charge of one of the existing major organisations, his post should carry a pay of Rs. 2500, Rs. 2750, or Rs. 3000 depending on the nature of the responsibilities. We have noted that in some cases this is already being done. The pay of the Chairman and Members of the Central Water & Power Commission is Rs. 3000, and Rs. 2500 respectively. For certain other posts also, required for highly specialised work, the Central Government have, in recent years, appointed engineers on a pay of Rs. 2875 or Rs. 2750.

16. There are 86 posts on the standard scale of Rs. 1000—50—1400. Of these, 23 are in the Indian Ordnance Factory Service, and the remaining are isolated posts under the various Ministries. We have gone into the qualifications, duties, etc., of these posts, and we recommend for them a scale of Rs. 1100—50—1400. We recommend the same scale for the following posts also:

Post	Ministry	Number	Existing Scale
			Rs.
Deputy Director (Training)	Labour	4	1000—50—1350
Civilian Workshop Superintendent	Defence	1	800—40—1000—50—1400
Technical Director	Commerce and Industry	1	800—40—1000—50—1400

III. Class II

17. We have already expressed ourselves against the proposal to merge Class II services generally with the junior grade of Class I; and we do not consider that there are any special conditions in the engineering branch which require a different treatment. The Class II posts are mostly on the standard scale of Rs. 275—800. We recommend this may be replaced by the scale of Rs. 350—25—500—30—590—EB—30—800—EB—30—830—35—900 which we are substituting for the standard Class II scale generally. In the case of 2 posts of Driller and Survey Officer under the Ministry of Steel, Mines and Fuel and 1 post of Instructor, Life Boat Training School for Seamen under the Ministry of Transport, the maximum of the scale is Rs. 650. Their qualifications, duties and responsibilities, etc., are comparable to those of other Class II engineering officers; and there are no regular avenues of promotion for the holders of these posts. We recommend that as in the case of other Class II posts the maximum of the scales for these posts should be Rs. 900.

18. Under the Director General, Supplies & Disposals, there are some posts of Assistant Directors Grade II, Assistant Inspecting Officers, etc., on a scale of Rs. 325—25—500—30—590. Their duties relate to purchase and inspection of Government stores. Qualifications for recruitment are an engineering degree and about 3 years' experience in dealing with stores. They are eligible for promotion to Class I posts—there being no posts on the standard Class II scale in their line; but the number of such promotion posts is very small. We do not see any justification for denying them the standard Class II scale, and we accordingly recommend for them the scale of Rs. 350—25—500—30—590—EB—30—800—EB—30—830—35—900.

On the basis of their qualifications and duties we recommend the same scale for Assistant Inspectors of Mines under the Ministry of Labour and Assistant Development Officers under the Ministry of Commerce & Industry.

19. There are 52 posts of Junior Field Officers in the Development Wing of the Ministry of Commerce & Industry on a scale of Rs. 250—10—300—15—450—25/2—500. These posts are held mostly by persons possessing an engineering degree, though for some posts science graduates are required. Their main duty is to inspect and report on the correctness of various returns submitted by manufacturing establishments. The duties of these officers do not appear to us to justify equating them with the Class II engineering officers and we consider a scale of Rs. 325—15—475—EB—20—575, which we have recommended for Scientific Assistants, Technical Assistants, etc., appropriate for them. We do not think that the mere possession of an engineering, or any other degree should be considered as entitling a person to a particular pay, irrespective of the duties of the appointment which he holds.

20. In the Overseas Communication Service, while the posts of Engineers-in-charge, Deputy Engineers-in-charge and Assistant Engineers are on the standard Class I and II scales, there are 144 Class II posts on a scale of Rs. 250—15—340—20—400—25—500. These posts are held by Technical Assistants who work directly under Assistant Engineers and attend to routine and simple work. Qualifications for recruitment are a degree in tele-communication or electrical communication engineering and one year's practical experience, or a degree in physics and about 3 years' practical experience in tele-communication engineering. Earlier, when the scale of pay for these posts was Rs. 160—250 or Rs. 200—400 the Department was experiencing difficulties in recruitment. We have been informed by the Ministry of Transport & Communications that the position has improved considerably since

the scale of pay was revised in June 1957. We recommend for them the scale of Rs. 325—15—475—EB—20—575.

21. We conclude our examination of Class II services and posts generally, with the suggestion that a "special merit promotion" scheme may be instituted for young Class II officers. As indicated earlier, a certain proportion of posts in Class I services is filled by promotion from the related Class II services. If this proportion is increased, the result would be a curtailment of the opportunities which fresh engineering graduates have now of entering a Class I service; and we do not consider that this would be desirable. We think, however, that young engineers in a Class II service, who show themselves as possessing outstanding abilities, should be enabled to enter the related Class I service; and with this object a suitable provision may be made for filling of some Class I posts by such promotion, although in the normal course these would be filled by direct recruitment.

IV. Central Water & Power Commission

22. The numbers and rates of pay of engineering officers in the Central Water & Power Commission are as follows:—

	Total Strength	Existing Scale
		Rs.
Chairman	1	3000
Member	4	2500
Director (Selection Grade)	3	1800—2000
Director (Ordinary Grade)	16	1300—1800
Superintending Engineer, Deputy Director (Selection Grade), Senior Deputy Director	} 9	1300—1600
Deputy Director (Ordinary Grade), Executive Engineer, Chief Research Officer, Liaison Officer, Officer on Special Duty (Deputy Director's rank),	} 77	600—1150
Assistant Director, Assistant Executive Engineer, Research Officer,	} 100	350—850
Extra Assistant Director, Assistant Engineer, Assistant Research Officer.	} 178	275—800
Total	388	

Recruitment to junior scale posts is made through the Public Service Commission, and the higher posts are generally filled by promotion. There is direct recruitment to Class II posts also. Sometimes, officers from the States services are also appointed to these posts.

23. It will be seen that the pay structure follows the standard pattern, except that, as mentioned earlier, the post of Director (Ordinary Grade) goes upto Rs. 1800. We understand that posts of Director and Superintending Engineer, are, in practice, interchangeable. In accordance with our recommendations for the engineering

services generally, the scales of pay for the various grades in this organisation may be as follows:—

	Scale Rs.
Director (Selection Grade)	1800—100—2000
Director (Ordinary Grade), Superintending Engineers	} 1300—60—1600—100—1800
Deputy Directors, Executive Engineers, etc.	} 700—40—1100—50/2—1250
Assistant Directors, Assistant Executive Engineers, etc.	} 400—400—450—30—600—35—670—EB—35—950
Extra Assistant Directors, Assistant Engineers, etc.	} 350—25—500—30—590—EB—30—800—EB—30— 830—35—900

Candidates for some junior scale posts are required to possess practical experience. Our recommendation to grant advance increments will apply in their case. The posts of Chairman and Members, to which a reference has already been made, may continue to carry a pay of Rs. 3000 and Rs. 2500 respectively.

24. Engineers in the Central Water & Power Commission are also employed on research work. There is, however, no separate cadre for them, and the posts at the research station and in the main Commission are interchangeable. We were told that so far it had not been necessary to shift research officers to other work, as when their turn for promotion came they were given a higher post at the research station itself, but that this might not always be possible and that in future when their turn for promotion came research workers might have to be transferred to other fields. As this would be injurious to the interests of research we have been asked to recommend that in such cases the officers concerned should be upgraded in the research line itself. We suggest that whenever such a situation arises the Government should consider, on merits, the question of creating supernumerary posts in a higher grade for outstanding research workers whose retention on the research side is in public interest.

25. Our recommendations in respect of the scientific services will apply to scientific officers employed on research work in this organisation.

V. Marine Engineers

26. There are 33 posts of marine engineer in the Directorate General of Shipping and the Department of Mercantile Marine under the Ministry of Transport and Communications. The numbers and scales of pay are as follows:—

	Number (Directorate General of Shipping)	Number (Mercantile Marine Department)	Scale of pay Rs.
Nautical Adviser to the Govern- ment of India	1	..	1800—100—2000
Chief Surveyor with the Govern- ment of India	1	..	1800—100—2000
Principal Officer (Bombay and Calcutta) . . . . .	..	2	1600—100—1800
Deputy Nautical Adviser, Deputy Chief Surveyor, Principal Officer, Madras Nautical Surveyor, Engineer and Ship Surveyor, and Ship Surveyor. }	2	1	1300—60—1600
	3	23	800—40—1000—50/2— 1150—50—1300
	7	26	

27. Direct recruitment, which is made through the Public Service Commission, is confined to the posts of Nautical Surveyor, Engineer & Ship Surveyor, and Ship Surveyor; the higher posts are filled by promotion. An Extra Master's Certificate of Competency and experience in the command of a foreign-going ship are essential qualifications for the posts of Nautical Surveyor, an Extra First-Class Engineer's Certificate and experience of working as Chief or Second Engineer on a foreign-going ship for the post of Engineer and Ship Surveyor, and a degree in Naval Architecture with 5 years' theoretical and 3 years' practical experience in ship-building for the post of Ship Surveyor. We have been informed by the Ministry of Transport that the above qualifications are attained after a very arduous training of 13-14 years after matriculation and passing a number of difficult examinations.

28. It appears from the annual reports of the Public Service Commission that difficulties are being experienced in the recruitment of marine engineers in adequate numbers. The Secretary, Ministry of Transport, told us that in spite of expansion of facilities for training in this branch of engineering the demand was likely to be more than the supply for the next ten years or so, and that the difficulties had been aggravated by a considerable demand for marine engineers in the private sector. The representatives of the Marine Surveyors' Association said that the scale of pay of marine engineers in outside employment were much better than those under the Government; and this was supported by the Secretary, Ministry of Transport, who placed before us considerable evidence on this point. We have also noted that Nautical Surveyors, etc., have not adequate prospects of promotion.

29. Thus, there is a clear case for a substantial improvement in the rates of remuneration for the various grades of marine engineers. We propose the following revised rates:—

	Scale of pay Rs.
Nautical Adviser to the Government of India .	2250
Chief Surveyor with the Government of India .	2250
Principal Officers (Calcutta and Bombay) .	1800—100—2000
Principal Officer (Madras), Deputy Chief Surveyor, Deputy Nautical Adviser }	1300—60—1600—100—1800
Nautical Surveyor, Engineer and Ship Surveyor, and Ship Surveyor }	900—40—1100—50—1400—50/2—1500

VI. All India Radio Engineers

30. The All India Radio employs a large number of engineering staff. The numbers and rates of pay are as follows:—

	Number	Scale of pay Rs.
<i>Class I :</i>		
Chief Engineer	1	1600—100—2000
Deputy Chief Engineers	2	1300—60—1600
Senior Engineers, Grade I	13	1000—50—1400
Senior Engineers Grade II	10	800—40—1000—50—1400
Station Engineers	48	600—40—1000—1050

	Numbers	Scale of pay Rs.
<i>Class II :</i>		
Assistant Station Engineers	68	450—25—500—30—710
Assistant Engineers (non-gazetted)	276	350—25—450—25—650
Technical Assistants (non-gazetted)	289	{ 250—15—340—20—400 400—20—500 (Selection Grade)
<i>Class III :</i>		
Shift Assistants	130	160—10—330—15—390
Total	837	

31. The Chief Engineer is the head of the engineering side and works under the general control of the Director General, All India Radio. He is assisted by two Deputy Chief Engineers, one of whom is responsible for development programmes and the other for the normal maintenance work. Senior Engineers Grade I and Grade II are mostly employed on research and development projects. As the name denotes, a Station Engineer is in charge of the engineering side of a broadcasting station, though at some stations an Assistant Station Engineer is in such charge. A Station Engineer is assisted by Assistant Station Engineers, Assistant Engineers and Technical Assistants. As regards Assistant Engineers and Technical Assistants, the Director General, All India Radio, has informed us that "the nature of duties and assignments attached to these two posts is essentially similar. The difference exists in the level of responsibilities and the details of the work entrusted to the respective incumbents".

32. Direct recruitment is confined to the grades of Assistant Engineer and Technical Assistant. All higher posts, including those in Class I, are filled by promotion. All posts of Technical Assistant and 90 per cent of those of Assistant Engineer are filled through the Public Service Commission. The remaining posts of Assistant Engineer are filled by promotion of Technical Assistants. Qualifications for posts of Technical Assistant are a degree in tele-communication, electrical communication, or electrical engineering, and one year's practical experience in a tele-communication organisation; or a degree in physics with about 2 years' practical experience. Qualifications for the post of Assistant Engineer are also the same, except that greater practical experience is required. In his evidence the Director General said that a proposal to introduce some amount of direct recruitment to the grade of Assistant Station Engineer was under consideration, and that the object was to get into the Service young engineers who after 5-6 years' experience could be appointed as Station Engineers. In other words, an arrangement similar to that already existing in most of the Engineering Departments, where there is direct recruitment to a Class I service, was envisaged. He also referred to a proposal to merge the existing grades of Assistant Engineer and Technical Assistant.

33. We have already referred to the shortage of engineers in the tele-communication branch. The Public Service Commission were not able to recommend names to fill 25 and 103 posts of Assistant Engineer in 1955-56 and 1957-58, respectively, and 45 and 81 posts of Technical Assistant in 1954-55 and 1955-56, respectively. The figures produced before us on behalf of the All India Radio Engineers' Association indicated that on July 1, 1958, 32 per cent. of posts in these two grades combined were lying unfilled for want of suitable candidates. The official witnesses also accepted that recruitment was not very satisfactory. We have examined if the present difficulties are due to inadequacy of the rates of remuneration, as stated by the A.I.R. Engineers' Association. The Public Service Commission ascribed these difficulties to the general shortage in this field; and our enquiries from the Ministry of Education confirm this. Another reason mentioned by the Commission

is the lack of proper assessment and planning of their requirements by the Departments. In these circumstances, a mere raising of the rates of remuneration will not improve the situation unless facilities for training are also expanded. We think that the All India Radio, being one of the biggest tele-communication organisations in the country, is particularly well-placed to undertake a programme of training. We understand that it has already started a training programme, but on a small scale. We suggest expansion of this programme on the lines of a regular apprenticeship scheme related to the requirements of the All India Radio.

34. The A.I.R. Engineers' Association has proposed a reorganisation of the engineering side of the All India Radio. According to its proposals, Assistant Engineers and Technical Assistants should form a single grade on the standard Class II scale, but with a higher start; and Station Engineers and Assistant Station Engineers should belong to another grade in the Class I senior scale. For other posts the Association has proposed the following rates of pay:—

Post	Scale of pay Rs.
Chief Engineer	2250
Deputy Chief Engineer	1600—100—2000
Senior Engineers Grade I	1300—60—1600
Senior Engineers Grade II	1000—50—1400

The views of the Director General, All India Radio, on the question of reorganisation are different. While, as indicated earlier, he is considering the advisability of having a single grade of Assistant Engineers and Technical Assistants, he wishes to retain separate grades of Station Engineer and Assistant Station Engineer. Above the Station Engineer's level he does not see the need for two grades of Senior Engineer.

35. Reorganisation of the services is not within our purview, and we therefore make our recommendations on the basis of the existing organisation, except when there is a differentiation of grade only for the purpose of pay and the duties are identical, as in the case of the two grades of Senior Engineer. Having regard to our recommendations for the engineering services generally, we propose the following rates of pay for the staff in the All India Radio:—

Post	Scale of pay Rs.
Chief Engineer	1800—100—2000
Deputy Chief Engineers	1300—60—1600—100—1800
Senior Engineers, Grade I	} 1100—50—1400
Senior Engineers, Grade II	
Station Engineers	700—40—1100—50/2—1250
Assistant Station Engineers	400—40—450—30—600—35—670—EB—35—950
Assistant Engineers	350—25—500—30—590—EB—30—800—EB—30— 830—35—900
Technical Assistants	325—15—475—EB—20—575

36. Our recommendations do not require much elaboration. We do not find any justification for, and accordingly have done away with, the differentiation that has been made between the scales of pay of All India Radio engineers and those of engineering services generally. We have proposed separate scales of pay for Assistant Engineers and Technical Assistants on the basis of the existing structure. If the Government ultimately decide to replace these grades by a single grade, the scale of Rs. 350—25—500—30—590—EB—30—800—EB—30—830—35—900 will be appropriate for that grade. Our scale for Assistant Station Engineers will meet the requirements of both direct recruitment and promotion. We have already referred to the identity of the duties of the two grades of Senior Engineer. We are accordingly recommending for them a single scale of Rs. 1100—50—1400.

37. We discuss subordinate engineers, in Class III, in the following section. But we think it will be convenient to deal with Shift Assistants in the All India Radio, here. Their number is 130 and they are on a scale of Rs. 160—10—330—15—390. They attend to minor work under the supervision and guidance of higher officers. 95 per cent of their posts are filled by direct recruitment which is made by a departmental committee, and the rest by promotion of Senior Mechanics. Qualification for recruitment is a degree in electrical or tele-communication engineering; or a first-class degree with physics as a subject; or a degree with physics and a diploma in radio engineering; or a master's degree in physics or mathematics, provided the candidate had physics as one of the subjects for his degree examination. Selected candidates are trained by the Department for a period of six months. Shift Assistants have no regular avenue of promotion. They may, however, take their chance for higher posts along with outsiders. We recommend for them a scale of Rs. 210—10—290—15—320—EB—15—425—EB—15—470. Having regard to the nature of their duties the qualifications prescribed for posts of Shift Assistant appear to be too high; and we are inclined to think that the recruitment difficulties are mainly attributable to this.

VII. Class III—General

38. Including those employed in supervisory capacities in workshops there are 36,065 Class III staffs in the engineering branch. Of those employed on supervisory duties in workshops, 7,372 under the Ministry of Defence are dealt with in a later section of this chapter, and 110 in Government of India Presses and 72 in the India Government Mints in chapters relating to those organisations. We are not dealing with the supervisory staffs in the Railway workshops separately from the other engineering staffs under the Railways because apart from some amount of interchangeability between the workshop and the line staff, the pay and grade structure of the two follows a common pattern.

Of the rest, 1,477 are made up of small numbers distributed in a typical scales. We do not propose to examine the cases of these, and would suggest that they may be placed on one or another of the standard scales we are recommending.

The distribution of the balance 27,034 of the Class III engineering staffs, including Draftsmen and Tracers, among the various Ministries, and pay scales, is shown in the table below:

TABLE IV

	Def.	Rlys.	P. & T.	I.&P.	W.H.&S.	T. & C.	A.I.R.	Others	Total	Pay Scales
	..	653	..	..	..	..	..	..	653	Rs. 360—500
	..	638	..	..	..	..	..	67	705	300—400
	1063	..	..	..	..	7	..	154	1224	250—400
	119	1569	..	12	..	..	130	30	130*	160—390
	..	..	..	158	..	..	..	151	1730	260—350
	22	2027	..	1	..	3	..	10	309	160—330
	..	..	1344	..	..	..	..	..	2063	200—500
	1489	..	..	606	1810	..	..	..	1344	124—300
	558	6278	3	94	137	18	..	168	4073	100—300
	1009	2977	82	186	360	25	..	5	7093	150—225
	..	..	56	..	..	..	..	224	4863	100—185
	465	1344	131	208	434	38	24	..	56	80—170
	..	..	..	..	..	..	..	147	2791†	60—150
Total	4725	15486	1616	1265	2741	91	154	956	27034	

*Shift Assistants in the All India Radio already discussed in the previous section.

†Draftsmen and Tracers only.

39. The precise duties of the various groups of these staffs depend on the nature of the work of the establishment where they serve; but the duties are in all cases technical, and are performed under the supervision of senior engineering officers. The higher grades of the Class III staffs supervise, in some cases, the work of lower grades in the same Class.

40. Excluding Draftsmen and Tracers on the scale Rs. 60—150, and those promoted from lower ranks in the Railways and in the Posts & Telegraphs Department, the staff under consideration have an engineering diploma, or training provided by the Department (before or immediately after recruitment) which may be equated with a diploma, and which, in the case of certain categories under the Railways, is of a longer duration than the three years after matriculation necessary for a diploma. In some cases, persons with engineering diploma have to undergo departmental training for 1-2 years before they are offered regular appointments. Some further details, where necessary, will be mentioned while discussing the more important groups.

41. The grade structure too is not uniform. In the Railways, there are five grades and, in one case, six. At the other end, there is a single grade each in the Central Public Works and the Posts & Telegraphs Departments. In between is the Military Engineer Service where there are three grades. The promotion outlets to a higher service also differ, depending on the nature of work in an establishment, and the organization of the higher service.

42. The main demand of the Railway employees is for raising the existing scales of pay. Engineering staff in other Departments have generally asked for the standard Class II scale; but if that is not possible some of them would be content with the scales of pay allowed to the Railway staffs. It has been represented by them that their qualifications and duties are comparable to those of the subordinate engineers in the Railways.

43. The diploma-level engineer who has to undergo three years' training after matriculation provides the central point from which we have viewed the pay scales of Class III engineers. Our general approach has been that all engineering staff who have at least three years' training and/or education after matriculation, should start at Rs. 180 which in terms of the pay scales now in force will, exclusive of the dearness allowance, mean Rs. 130. In coming to this conclusion we have been influenced by the evidence of some of the official witnesses, including the Secretary, Ministry of Works, Housing & Supply, and the Chief Engineer, Central Public Works Department, who thought that the existing start of Rs. 100 is too low, and by the fact that in 7 out of the 14 States in the country persons with a diploma in engineering start in Government service at a salary of more than Rs. 100 per mensem; in 5 of these cases the starting salary is Rs. 120 per mensem; and in two even higher.

If the period of training is longer, the starting salary may be higher, unless either because of the nature of training or of the duties of the post in question a higher start does not appear to be called for. In determining the maxima of the scales, we have taken into account, apart from the duties and responsibilities, the grade structure of the service, the strength of the different grades, and the extent of promotion outlets to a higher service.

Central Public Works Department

44. We now examine the scales of pay for the main categories in the various Departments in the light of the general approach explained above. In the Central

Public Works Department, there is only one grade, viz., that of Section Officers on the scale of Rs. 100—8—140—10—300. Their number is 1,810—1,523 in the Buildings & Roads branch, and 287 in the Electrical branch. Their promotion outlet is to 25 per cent of permanent and 50 per cent of temporary posts in the Class II Service of Assistant Engineers. In all, Section Officers can look forward to 175 promotion posts in Class II. We recommend for them the scale of Rs. 180—10—290—EB—15—380. We further recommend that in view of their relatively inadequate prospects of promotion a selection grade in the scale of Rs. 335—15—485 should be created for them. 10 per cent of the posts of Section Officer may be in the selection grade.

45. There are isolated posts of engineering overseers on the scale of Rs. 100—300 in the various Ministries of the Central Government. The scale we propose for Section Officers will apply to these posts also.

Military Engineer Service

46. In the Military Engineer Service, there are virtually three grades for subordinate engineers. There are 1,478 Superintendents Grade II in the three branches—Building & Roads, Electrical & Mechanical, and Survey—of that Service. Above them, there are 1,063 Superintendents Grade I on a scale of Rs. 250—15—400. Of these, 135 are Superintendents Grade I in charge of sub divisions in the Buildings & Roads and the Electrical & Mechanical branches. Their scale of pay is the same, but they get, in addition, a special pay of Rs. 50. This arrangement is necessitated by the fact that there are no Class II posts, in this Service. Otherwise, Superintendents Grade I assist higher officers in various kinds of duties. Normally, posts of Superintendent Grade I are filled by promotion from Grade II, though direct recruitment can also be made if suitable candidates are not available within the Service.

47. In qualifications, duties, etc., a Superintendent Grade II is comparable to a Section Officer in the Central Public Works Department. The scale of Rs. 180—10—290—EB—15—380, which we have recommended for Section Officers, will, therefore, be appropriate for a Superintendent Grade II also. For Superintendents Grade I we recommend the scale of Rs. 335—15—485. We do not consider the present arrangement of remunerating the additional responsibilities of a Superintendent Grade I in charge of a sub-division by means of special pay as satisfactory, and recommend for him the scale of Rs. 450—25—575.

Posts & Telegraphs Department

48. In the Posts & Telegraphs Department, 1,344 Engineering Supervisors on the scale of Rs. 124—8—140—10—300 form the main grade in Class III. Half the vacancies in this cadre are filled by direct recruitment of persons who have passed the Intermediate examination with mathematics and physics, and the rest by promotion of certain categories of departmental employees on the result of an examination. Selected candidates are trained by the Department for a period of one year before they are appointed Engineering Supervisors. These officers are eligible for promotion to all the posts in the Telegraph Engineering Service Class II, which has a strength of 372. We recommend for them the scale of Rs. 180—10—290—EB—15—380 with a selection grade in the scale of Rs. 335—15—485 for 10 per cent of the posts.

49. There are 56 posts of Building Overseers also in the Posts & Telegraphs Department on the scale of Rs. 80—4—120—5—170. Their duties and qualifications

are comparable to those of Section Officers in the Central Public Works Department. We were informed by the Department that it has not been possible to recruit Building Overseers on the existing scale of pay, and that this has contributed to delay in the execution of the departmental building programmes. The Posts & Telegraphs Federation has proposed that the scale of pay of Building Overseers should be the same as that of Engineering Supervisors. We consider that these Building Overseers should have the same scale of pay as other Civil Engineering Overseers, and accordingly recommend for them the scale of Rs. 180—10—290—EB—15—380, with 10 per cent of the posts in a selection grade on Rs. 335—15—485.

Railways

50. As indicated earlier, subordinate engineering staff in the Railways are distributed in five, or in one Department six, grades. The pay-structure is identical except that of Train Examiners in the Mechanical Engineering Department, whose case is discussed later. Persons who have passed the matriculation examination are taken as Apprentices and given departmental training for 3 to 5 years in different branches of engineering, and on successful completion of the training are appointed to posts of Assistant Inspector, Assistant Chargeman, etc., on the scale of Rs. 150—225. A certain proportion, varying from 20 to 33 per cent, of posts in the various branches is also filled by promotion of qualified mistries, mechanics, etc. Above the grade of Assistant Inspector, etc., there are four grades of supervisory staff, which are normally filled by promotion. The table below shows, besides the qualifications for recruitment and the period of apprenticeship, the distribution of posts in the various grades in different Departments of the Railways:

TABLE V

Post	Inspectors of Works	Permanent Way Inspectors	Bridge Inspectors	Inspectors,* Signal and Tele-Communication	Foremen,* Chargemen, etc., in Mechanical Engineering Department	Electrical* Engineering Department
Qualification for recruitment	Diploma in Engineering	Matriculation	Diploma in Engineering	Diploma in Electrical/Mechanical Engineering	Matriculation	Matriculation
Period of apprenticeship	1 year	3 years	2 years	2 years	5 years	5 years
Number of posts in Rs.						
360—500	11	52	8	56		301
300—400	31	79	7	88		401
260—350	90	186	15	152	464 Foremen 366 Chargemen	
200—300	272	413	34	408		900
150—225	486	1182	45	648		1987
Total	890	1912	109	1352		4419
Percentage of posts in the three higher scales to the total number of posts in all scales.	14.8	16.6	27.5	21.1		34.6

*The number includes supervisory staffs in the workshops. There is some amount of interchangeability between the workshop and line staff.

51. We questioned the representatives of the National Federation of Indian Railwaymen about the need for so many grades; and they said that on the basis of the nature of duties, responsibilities, etc., there might not be justification for more than two grades. In a written memorandum received from the Federation, following the oral evidence, however, no reduction in the number of grades was suggested. We also asked for the views of the Railway Board on this question, and their reply was that the nature of work required a minimum of three grades of inspectorial or supervisory staff, and one grade of Assistant Supervisors, etc. We are in agreement with this view and have framed our proposals accordingly.

52. Having regard to our recommendations for the Class III engineering staffs generally, we propose the following rates of pay for the Railway categories:—

Post	Existing scale Rs.	Proposed scale ¹ Rs.
Inspectors, Foremen, etc.	360—20—500	450—25—575
Inspectors, Foremen	300—20—400	335—15—485
Chargemen, etc.	260—15—350	
Inspectors, Chargemen, etc.	200—10—300	250—10—290—15—380
Assistant Inspectors, Assistant Charge- men, etc. (excepting Assistant Per- manent Way Inspectors).	150—7—185—8—225	205—7—240—8—280
Assistant Permanent Way Inspectors	150—7—185—8—225	180—180—205—7—240—8— 280

53. We are recommending a higher starting salary for Assistant Inspectors, except those in the Permanent Way branch, than we have recommended for diploma-level engineers in other Departments. The facts that in the Railways those with a diploma have to be given a further specialised training, and that others have to undergo apprenticeship for a longer period than that of the diploma course, suggest differences in degrees or nature of responsibilities. There is, therefore, justification, in our view, for allowing a higher start to these Railway staffs. The case of Assistant Permanent Way Inspectors, however, stands on a different footing. The period of apprenticeship for appointment to posts of Assistant Permanent Way Inspector is only three years—the same as for a regular diploma course—whereas in other Departments of the Railways it is five years. We, therefore, thought that the scale of Assistant Permanent Way Inspector should be so framed that he should draw Rs. 205, the starting salary recommended by us for the others, only after completion of two years' service. Thereafter, however, he should draw the same pay as the others.

54. These recommendations apply also to technical supervisory staff in the workshops. The maximum of the scale of the highest grade of Foreman is Rs. 575. We recommend however, that in production workshops as distinguished from repair

workshops, the maximum of the scale should be raised to Rs. 650, with a proviso, however, that there should be an efficiency bar at Rs. 575, which only those with high merit should be permitted to cross. We think that the Foreman's vital role in production workshops and the fact that there is considerable demand outside for the services of experienced and meritorious technical supervisors of this level, justify the higher maximum we are recommending. This recommendation, however, will not apply to Foremen in production workshops who are given additional remuneration in any other form such as, special pay, etc.

55. In the Carriage and Wagon branch of the Mechanical Engineering Department Apprentices are recruited for posts of Train Examiner. The minimum educational qualification is matriculation; Apprentices are given training in the Department for four years, and on its completion are appointed Train Examiners on a scale of Rs. 100-185. As in other Departments, a certain proportion of posts in this grade are also filled by promotion. The structure above this grade is the same as in other Departments of the Railways:

Number	Percentage to the total	Scale Rs.					
193	6	<table border="0"> <tr> <td rowspan="4" style="vertical-align: middle;">{</td> <td>360—20—500</td> </tr> <tr> <td>300—20—400</td> </tr> <tr> <td>260—15—350</td> </tr> <tr> <td>200—10—300</td> </tr> </table>	{	360—20—500	300—20—400	260—15—350	200—10—300
{	360—20—500						
	300—20—400						
	260—15—350						
	200—10—300						
1098	30	150—7—185—8—225					
1937	64	100—5—125—6—155—EB—6—185					

The demand of Train Examiners is that they should get the same scales of pay in each grade as the other engineering categories in the Railways; the reason advanced is that their qualifications and duties are comparable to those of the others. The Railway Board have not supported this claim, and have stated: "The basic reason for the difference in pay as between Train Examiners and Chargemen in Running Sheds and Mechanical Workshops is the difference in the nature and quality of the work expected of them. Except in Mechanical Workshops where the overhauling of passenger coaches is involved work on rolling stock used for the transport of goods is largely elementary, particularly in comparison with work on repairs to a locomotive which is a very much more complicated mechanism and calls for higher skill and precision." The duties of Train Examiners consist of certifying vehicles as fit for running and of detecting wagons and coaches due for overhauling, etc. These are responsible duties but are not such as to justify fully equating the posts with those of Chargemen and other subordinate engineers in the Railways. We, therefore, recommend a scale of Rs. 180—6—240 for the entry grade of Train Examiners. The structure above this grade will be the same as that recommended for other categories. We are, however not sure, considering the duration of the training which is considered necessary and the nature of the duties, that the distribution of posts of Train Examiners between the two lowest grades reflects a correct division of the charges, according to their responsibilities; and we suggest that the Government may have the distribution re-examined.

VIII. Draftsmen and Tracers

56. The distribution of Draftsmen and Tracers, in the typical Class III scales, among the various Ministries of the Central Government is as follows:

TABLE VI.

Railways	Ministry of W. H. & S.		Ministry of Defence	Other Ministries	Total	Scale of pay Rs.
	C.P.W.D.	Archi- tectural Branch				
32	..	..	..	..	32	360—20—500
..	..	1	42	25	68	300—20—500
24	..	..	..	..	24	300—20—400
296	..	..	119	7	422	260—15—350
..	..	..	22	2	24	200—10—300
832	..	137	557*	120	1646	150—7—185—8—225
1040	230	130	808 201†	447	2856	100—5—125—6—185
1344**	434**	..	252 213**	88*	2791	60—4—120—5—150
Total 3568	664	268	2214	1149	7863	

*Including Rate Fixers, Planners.

†Estimators, Planners, etc.

**Tracers.

272 Draftsmen and Tracers are on other scales of pay which are not common.

57. The duties of Tracers, who are mostly on the scale of Rs. 60—150, consist of making drawings of simple items. Draftsmen and Assistant Draftsmen are employed on higher type of work. Recruitment is made departmentally at various levels. For the lowest grade of Tracers, matriculation with some experience of drawing or tracing work is considered sufficient qualification; but for higher posts a diploma in engineering, or in draftsmanship, for which there is a two-year course after matriculation, is the minimum qualification. In the Architectural Division of the Central Public Works Department, a matriculate with at least '3 years' experience in an architect's office is also eligible for appointment to the post of Junior Draftsman on a scale of Rs. 100—185.

58. We have carefully considered the demand of Draftsmen for parity with engineering overseers, etc. We do not think that having regard to their qualifications, duties, etc., there is a case for allowing such parity at various levels. We recommend the scale of Rs. 110—4—150—EB—4—170—5—180—EB—5—200 for Draftsmen, Tracers, etc., who are required to do simple work, and for whom the prescribed qualifications for recruitment are matriculation and some experience of

drawing work. For the next higher grade, for which a diploma in draftsmanship is the minimum qualification, a scale of Rs. 150—5—175—6—205—EB—7—240 will be appropriate. We do not consider a higher start of Rs. 180, which we have recommended for Section Officers, Engineering Supervisors, etc., justified for persons with two years' training after matriculation. We have been informed by the Ministry of Works, Housing & Supply that the Chief Engineer, Central Public Works Department, is satisfied with the quality of Draftsmen who are being recruited to the Department. The question of allowing a higher remuneration to attract better recruits does not, therefore, arise. The three higher grades should be on the scales of Rs. 205—7—240—8—280, Rs. 335—15—425 and Rs. 450—25—575.

59. We further recommend that in those Departments where there are no further outlets of promotion for Draftsmen on the scale of Rs. 150—240—about 10 per cent of posts should be put on a selection grade on the scale of Rs. 205—7—240—8—280.

IX. Supervisory staffs in Defence Workshops

60. In various workshops under the Ministry of Defence there are 7,372 Class III supervisory staffs on 15 different scales of pay, of whom 7,328 are on 9 scales, and the remaining 44 on 6 scales. The numbers and scales of pay of the main categories, *viz.* Foremen; Assistant Foremen, Chargemen, Supervisors and Leading Hands, totalling 7,165, in different establishments, are given below:—

TABLE VII

Designation	D.G.O.F.	C.G.D.P.	E.M.E.	A.O.C.	Navy	I.A.F.	Others	Total	Scale of pay Rs.
Foremen	232	83	..	..	..	..	..	315	360—20—500
	..	..	..	1	1	3	..	5	300—20—500
	..	..	..	..	8	..	..	8	300—20—460
	..	..	..	..	82	2	1	85	260—15—350
	..	..	..	..	..	..	3	3	200—10—300
Assistant Foremen.	436	156	..	..	..	..	..	592	300—20—400
	..	..	..	7	..	6	..	13	260—15—350
Chargemen, Grade I.	273	217	..	..	..	..	..	490	260—15—350
Supervisors, Grade I.	..	15	67	15	..	..	..	97	260—15—350
Chargemen, Grade II.	547	..	..	..	..	..	..	547	200—10—300
Chargemen	..	..	..	..	..	21	1	22	200—10—300
Supervisors A or Grade II/ Leadingmen.	856	585	236	42	277	6	..	2002	150—7—185—8— 225
Supervisors B or Grade III/ Supervisors M.T.	1386	585	279	87	12	..	..	2340	100—5—125—6— 185
Leading Hands	..	..	561	76	..	..	..	637	60—3—81—EB—4 —125—5—130
Total	3730	1641	1143	228	380	38	5	7165	

61. The duties of these staffs are generally the same as those of corresponding categories in other workshops. Mention need be made only of the diversity of nomenclatures; e.g., in some establishments there are Supervisors in various grades whose duties are more or less comparable to those of Chargemen or Assistant Foremen elsewhere.

62. There is wide variation in the method of recruitment in the different factories. At the lowest direct recruitment level—which, however, varies—where no degree or diploma in the “basic subject” is prescribed, matriculation followed by a long and intensive period of apprenticeship or practical experience is the minimum qualification. In the Ordnance Factories, Apprentices with Intermediate in science, or a science or technical degree, depending upon the trade, are trained for 2½ to 4 years, after which they are graded for appointment as Chargemen, Grade I, or Grade II, and Supervisors, Grade A or Grade B. In the establishments under the Controller-General of Defence Production candidates with a degree or diploma in basic subject are recruited direct to the cadre of Supervisors, Grade III. One-third of the posts in all higher grades, including that of Foremen, are filled by direct recruitment of candidates with university degree in the basic subject, and practical experience. In the Electrical and Mechanical Engineering workshops, direct recruitment is usually made only to a percentage of posts in the cadre of Supervisors, Grade III, the qualification prescribed being a degree/diploma in engineering, with 1 year’s experience, or matriculation with 3 years’ practical experience. In the Army Ordnance Service, candidates with degree in engineering are recruited direct to the cadre of Assistant Foremen.

63. Class III supervisory staffs have no further promotion outlet except in the Ordnance Factories and in the Navy; in the former 20 per cent. of the vacancies of Assistant Works Managers on Rs. 350—850, and in the latter some posts of Assistant Armament Supply Officers on Rs. 275—650, are filled by promotion of Foremen. In the Electrical and Mechanical Engineering workshops, posts of Civilian Workshop Officers are filled by direct recruitment; but we understand that the question of making some of these posts available for promotion of Supervisors is under consideration.

64. The All India Defence Employees’ Federation has proposed that there should be only two grades of Supervisors, viz., Foremen on Rs. 350—600, and other Supervisors on Rs. 225—475. Some of the other associations have suggested 3 grades, viz., Foremen, Assistant Foremen, and Chargemen. Other suggestions are that the cadres of Technical Supervisors and Leading Hands should be merged into one, and that the structure of supervisory grades in the Electrical and Mechanical Engineering workshops should be the same as in Ordnance Factories.

65. We have also received proposals from the Director General of Ordnance Factories and the Director, Mechanical Engineering, regarding pay scales of supervisory staffs in their respective establishments; the former has suggested 4 supervisory grades and the latter 3.

66. We have discussed the pay structure of technical supervisory staffs in general, including those in Railway workshops, in earlier sections. We now examine whether the scales recommended by us will be suitable, with or without modifications, for supervisory staffs in Defence workshops.

67. The Varadachariar Commission had recommended that supervisory staffs in Ordnance Factories might be on the same scales as comparable grades in Railway workshops; and this broadly is the present position. There are variations, however,

in pay scales and structure in other Defence establishments. In the Ordnance Factories supervisory staffs are in 6 grades, in the establishments under the Controller General of Defence Production and in the Navy in 5 grades, in the Indian Air Force and the Army Ordnance Corps in 4 grades, and in the Electrical and Mechanical Engineering branch in 3.

68. Having regard to the qualifications prescribed and the nature of duties, we recommend the following standard scales for technical supervisory staffs in Defence workshops:

	Rs.
Level I	450—25—575
Level II	335—15—485
Level III	250—10—290—15—380
Level IV	205—7—240—8—280/180—180—205—7—240—8—280
Level V	175—6—205—7—240/150—5—175—6—205—EB—7—240

At level I the maximum of the scale should be raised to Rs. 650 for Foremen in production workshops as recommended by us in an earlier paragraph. We are not using the current designations, which, as we have pointed out earlier, do not have identical meaning in the various establishments.

69. Supervision has two aspects—handling men and giving technical directions, etc. The former may be more or less comparable in different establishments, but the latter may vary significantly. The pay structure in different establishments can, therefore, be fixed only after a close examination of the duties and responsibilities of different posts. The evidence before us is not sufficient for such an examination, and in the circumstances, we only recommend what we consider to be standard pay scales appropriate to various supervisory levels, indicating generally how the staffs should be fitted into the recommended scales. We would leave it to the Government to decide whether in a particular workshop or organisation one or more of the grades should be left out, and if so, which. We consider that an inter-workshop or inter-departmental committee may help in ensuring uniformity of approach, and perhaps, in evolving a common nomenclature.

70. Except for minor variations at lower levels, the scales proposed by us are practically the same as those recommended for Railway workshops. Staffs who are now on the scales of Rs. 200—300 and above, can be fitted into one or the other of the three higher scales, according to the qualifications and duties. We have suggested two starting points each at levels IV and V. Whether a supervisor at level IV should start on Rs. 205 or Rs. 180 should depend on the nature of the duties and responsibilities he has to shoulder; and in some cases—but not in all—the recruitment qualifications provide a good indication of these. As explained in an earlier section, normally those who are required to have a diploma and further practical training or experience for at least a year, or apprenticeship after matriculation for a period exceeding 3 years, and can thus be equated with the former, may start on Rs. 205. Those who are required to have only a diploma, or a comparable apprenticeship (that is, whose period of training and instruction is for 3 years) may start on Rs. 180.

71. In the Defence establishments the existing scale of Rs. 100—185 is applicable not only to promoted skilled Mistries, as in the Railways, but also to direct recruits,

and to apprentices who have completed their training. We consider that this scale, or the new scale of Rs. 150—5—175—6—205—EB—7—240 corresponding to it, is not appropriate for all these different categories of persons with varying qualifications and training, and we recommend that they may be regarded on the following basis: (i) The scale of Rs. 150—240 should be confined to Mistries or skilled workmen who are required to do supervisory work but are not technically or educationally qualified for appointment as Supervisors on a higher scale. (ii) Candidates with a diploma or 3 years' training, or equivalent qualification, should be on the scale of Rs. 175—6—205—7—240. (iii) As indicated in the previous paragraph, where (a) the qualifications are matriculation, and training and/or education together of more than 3 years' duration, or (b) where theoretical or practical experience is clearly capable of being equated with the above, the pay should be Rs. 205—7—240—8—280.

72. We have examined whether the grade of Leading Hands should be retained and whether any change is required in their pay scale. We see no justification for upgrading all these posts to the level of Supervisors as has been suggested by some of the employees' organisations. Leading Hands are able tradesmen, in charge of 8—10 men, and are responsible for co-ordination of work of their batches, and for guiding junior tradesmen, etc. Leading Hands may have groups of tradesmen on different scales, depending on the nature of their trades. We consider the new scale of Rs. 110—3—131—4—155—EB—4—175—5—180 to be suitable for Leading Hands, except when they have to lead artisans on the new scale of Rs. 110—155. We recommend that Leading Hands supervising the work of such artisans may be given a special pay of Rs. 10 per mensem.

73. As mentioned earlier, 80 per cent. of the vacancies of Assistant Works Managers in the Indian Ordnance Factory Service Class I are filled by direct recruitment through the Public Service Commission and the remaining by promotion. It has been represented that Foremen, Chargemen, etc., who acquire high professional qualifications after entering service should be provided fuller opportunities for promotion. We are in sympathy with this proposal, and suggest that those who acquire the prescribed qualifications may be allowed to appear at the examination held by the Public Service Commission for recruitment to this Service, by relaxing the age limit by a period which may ordinarily be sufficient for a person who being on duty cannot devote his whole time to study. Alternatively, or in addition, a percentage of vacancies may be filled on the basis of a limited departmental competitive examination open to employees below the age of 35 or so, and possessing the necessary qualifications.

74. In conclusion, we would refer also the question of migration of technical supervisory staffs. It appears that 37 non-gazetted employees belonging to the categories of Chargemen, Assistant Foremen, and Foremen, resigned from the Ordnance Factories during 1955 and 1956; but fuller or more recent information is not available regarding the extent of depletion caused by drift of personnel. This is, however, a problem of which the solution does not lie simply or mainly in increasing the pay scales. As one of the ways of meeting the situation, we would emphasise the importance of expanding apprenticeship facilities, so that even if a certain proportion of the trained supervisory staffs leave Government service for employment outside, there may be no shortage.

CHAPTER XVII

MEDICAL AND PUBLIC HEALTH STAFFS

1. The number of medical and public health staffs, and their distribution according to Classes, is shown in the table below:—

	Railways	Defence	Health	Other Ministries	Total
Class I	71	..	132	12	215
Class II	51	18	303	97	469
Class III Doctors	1000	95	30	137	1262
Class III Others	2758	408	608	412	4186
Total	3880	521	1073	658	6132

I. Class I and II

2. The Government of India have decided to constitute a Central Health Service comprising all Class I and II medical, public health and medical research posts under their control, excluding those under the Ministries of Railways and Defence. Rules for the management of the Service have not yet been published, but we have received from the Ministry of Health information about the strength of the various grades of the Service and qualifications for recruitment etc. The Service will be organised in five grades as follows:

Grade	Post	Authorised strength	Scale of pay Rs.
I	Senior Administrative posts	14	2750 (for the post of Director General of Health Services) 2000—2250 (Selection Grade) 1600—100—2000
II	Junior Administrative posts	21	1300—60—1600
III	Senior Specialists and equivalent posts	60	600—40—1000—50/2—1150
IV	Junior Specialists and equivalent posts	101*	350—30/2—410—30—770—40—850
V	Assistant Surgeons and equivalent posts	171*	260—15—440—20—500
	Deputation Reserve	74	
		441	

*Including posts in leave reserve.

3. Normally, direct recruitment to the Service will be made only in Grades IV and V. The Service Scheme provides that 75 per cent. of posts in Grade V will be filled by direct recruitment, and the remaining 25 per cent. by promotion, on merit, of Class III officers working under the various Ministries, provided suitable officers are available for such promotion. Medical graduates within the age limits of 25—30 with 2 years' experience as a house surgeon, or in private practice, or of public health will be eligible for direct recruitment. 70 per cent. of posts in Grade IV also will be filled by direct recruitment and provided suitable officers are available, the remaining posts will be filled by promotion on merit of officers with 5 years' service in Grade V. Post-graduate qualifications and 5 years' practical experience are essential for direct recruitment; and the age limits prescribed are 25—35. Posts in the higher grades, i.e., Grades I, II and III, will be filled by promotion of suitable persons if available in the lower grades. 80 per cent. of posts in Grade III will be reserved for promotion of Grade IV officers on the basis of seniority-cum-fitness and the remaining posts will be filled by selection of Grade V officers with 12 years' service. Promotion to Grades I and II will be made on the basis of merit, as assessed by a departmental promotion committee which will include a Member of the Union Public Service Commission. Qualifications for direct recruitment to these grades, if found necessary, are a post-graduate degree and practical experience of 7 years for Grade III, 15 years for Grade II, 20 years for Grade I, and 25 years for the Selection Grade.

4. At present, medical posts outside the Railways and the Ministry of Defence are on numerous scales of pay. But, once the initial constitution of the Service is completed, all these posts will be fitted into one or the other of the grades of the Central Health Service. We have, therefore, confined our examination to scales prescribed for the various grades of that Service.

5. The Ministry of Railways is the biggest employer of medical staff under the Central Government. The number and rates of pay of medical officers in the Railways are as under:

	Number	Pay scale Rs.
Chief Medical Officer	7	1800—100—2000
Divisional/District Medical Officer	64	600—40—1000—50/2—1150—50—1300
Assistant Medical Officer	51	300—25—500—30—650—30—800
Assistant Surgeons, Grade I	900	260—15—440—20—500
Total	1022	

Assistant Surgeons, Grade I are in Class III, but it will be convenient to discuss them here as their scale of pay is the same as that of Grade V of the Central Health Service, which is in Class II. Recruitment to posts of Assistant Surgeons Grade I is made through the Railway Public Service Commissions. A medical degree is the minimum qualification. There is usually no direct recruitment to the Class II posts of Assistant Medical Officers, which are filled by promotion of Assistant Surgeons Grade I; but direct recruitment may be made if suitable candidates are not available in the Department. Qualifications prescribed for such recruitment are a post-graduate degree and 3 years' practical experience. The lowest grade in Class I is

that of District Medical Officer on the scale of Rs. 600—1,300. Recruitment is made through the Union Public Service Commission, the minimum qualifications being a post-graduate degree and about 5 years' experience in a hospital or private practice. Posts of Chief Medical Officer are filled by promotion.

6. The 18 Class II posts under the Ministry of Defence are—

	Number	Scale of pay Rs.
Lady Medical Officer, Godfrey Clinic, Bombay (Navy)	1	300—25—500—30—650
Assistant Surgeons Grade I (D.G.O.F.)	17	260—15—440—20—500

Posts of Assistant Surgeon, Grade I are filled both by direct recruitment and by promotion of Assistant Surgeons, Grade II. An M.B.B.S. degree is the minimum qualification for direct recruitment; and for promotion, 6 years' service in Grade II is essential.

7. Private practice has an obvious bearing on the rate of remuneration of medical officers. Outside the Railways, medical officers are generally debarred from private practice, and in most posts are granted a non-practising allowance. Medical officers working under the Contributory Health Service Scheme in Delhi are given a non-practising allowance of 50 per cent. of pay subject to a maximum of Rs. 400; those working in the Willingdon and Safdarjang Hospitals, New Delhi, are given this allowance at the rate of 25 per cent. of pay; and outside Delhi the rates vary from post to post. We understand that under the Central Health Service Scheme a uniform rate of 25 per cent. of pay subject to a minimum of Rs. 150 and a maximum of Rs. 400 will come into force. The allowance, however, will not be granted in all posts included in the Service; holders of purely administrative posts, such as Deputy Director General of Health Services and Assistant Director General of Health Services will not be entitled to it.

In the Railways, the Chief Medical Officers are not allowed private practice; but other doctors are permitted to undertake private practice, subject to the condition that it does not interfere with their official duties. It appears from the information furnished by the Railway Board that permission to undertake private practice is granted to medical officers in the Railways freely. In recent years, out of 133 applications received permission was given in 128 cases. We are informed that the question of debarring Railway doctors from private practice and granting them a non-practising allowance in lieu thereof has been considered on several occasions, but the decision so far has been not to make any change in the existing position.

Assistant Surgeons under the Director-General, Ordnance Factories are also debarred from private practice; and are given a non-practising allowance of 25 per cent. of pay.

8. Medical officers generally have asked for a substantial increase in their emoluments. It has been urged on their behalf that considering their qualifications and responsibilities the rates of remuneration prescribed for them are too low. The Secretary, Ministry of Health, and other official witnesses from the Directorate General of Health Services, also suggested an increase in the existing rates of

remuneration. The pay proposals made on behalf of medical officers and by the official witnesses were as follows:

Post	Proposals made on behalf of medical officers	Proposals made by the Secretary, Ministry of Health
	Rs.	Rs.
Director General of Health Services		3000*
Grade I	2000—2750	2000—2500* (Selection Grade) 1600—2000*
Grade II		1350—1600*
Grade III	1300—60—1600—100—1800 (inclusive of N.P.A.)	900—1350 plus N. P. A. at 25 per cent of pay.
Grade IV		450—850 plus N.P.A. 25 per cent of pay subject to a minimum of Rs. 150 plus special allowance of Rs. 100 per mensem for those who acquire specified post-graduate qualifications.
Grade V	350—25—550—30—850 plus N.P.A. at 50 per cent of pay.	275—800 plus N.P.A. 25 per cent of pay subject to a minimum of Rs. 150

9. There are certain special features of the qualifications etc. for the medical services which, in our view, deserve particular consideration in the framing of pay scales for those services. The basic medical course is longer and more expensive. While a period of 4 years after Intermediate is usually sufficient for recruitment to the other branches of the civil service, one has to spend 6-7 years in education and training after Intermediate to qualify for a post of Assistant Surgeon. The result is that whereas in other services the average age of entry of a graduate direct recruit is about 23 years, in the medical branch it is about 27 years. Secondly, the nature of their duties and the conditions of work involve certain uncommon deprivations. They have fewer closed holidays, and have often to work at odd hours. The prescribed hours may not be too long; but beyond those hours they have often to attend to urgent cases. Further, it has to be kept in mind that the identity of a doctor's work, whether in the public service or outside makes comparison with earnings in the medical profession generally—a relatively important factor.

10. We have also examined if the existing rates of pay are proving adequate for recruitment. It appears from the annual reports of the Public Service Commission that there have been difficulties in recruitment to posts requiring special qualifications, and for research and teaching posts. For certain posts, such as those of Research Officers in the Malaria Institute of India, and Malaria Officers etc., under the Ministry of Labour, the difficulties, according to the Public Service Commission, are due to low scales of pay. And, although no difficulties have been reported in regard to recruitment to posts of Assistant Surgeon Grade I, the official witnesses were not wholly satisfied with the quality of the recruits.

11. It does not seem to us desirable that doctors, who are in the whole-time employment of the Central Government for providing medical attendance and

N.P.A.—Non-practising allowance.

*No non-practising allowance to be given in these posts.

treatment to Government servants, should be permitted private practice; and we recommend stoppage of private practice where it is allowed at present. In cases in which the scale of pay has been fixed, making allowance for private practice—and this is usually the case—the loss of income resulting from prohibition of private practice should be compensated by a suitable non-practising allowance, or by replacing the present scale by a higher consolidated scale of pay. For each grade we accordingly propose two alternative rates of remuneration—(i) a scale of pay with a non-practising allowance attached to it, and (ii) a consolidated scale of pay. We consider the rate of non-practising allowance approved for the Central Health Service, *viz.*, 25 per cent. of pay subject to a minimum of Rs. 150 and a maximum of Rs. 400 to be suitable, and we have adopted those rates in our proposals.

12. Grade I of Assistant Surgeons provides the base for the pay structure of medical officers. On a comparison of the qualifications, duties, responsibilities etc. of an Assistant Surgeon with those of Class II officers generally, we see no justification for allowing a lower remuneration to the Assistant Surgeon, and we consider that the total value of the Assistant Surgeon's scale should be, more or less, equal to the standard Class II scale. At present, the Assistant Surgeon's scale has been fixed low on the ground that he is allowed either private practice or a non-practising allowance. The question of private practice does not arise in the case of the Central Health Service; for no member of the Service will be allowed private practice. And we have found on examination that even after taking the non-practising allowance into account, the total emoluments of an Assistant Surgeon Grade I during his service are considerably smaller than those of a Class II officer on the standard scale. This is not all. He gets a smaller pension and gratuity, for non-practising allowance is not taken into account in calculating pension or gratuity. The difference is further increased by the difference, on an average of 4 years, in the age at the time of entry into service. In the relevant chapter, we have recommended that in the case of medical officers non-practising allowance should be taken into account in calculating pension and gratuity. But we find that this alone will not be sufficient to bring the Assistant Surgeon's remuneration more or less, on par with the standard rate of remuneration for Class II; improvement in the pay scale will also be necessary. Proceeding on this basis, we recommend for Assistant Surgeons Grade I the scale of Rs. 325—25—500—30—590—EB—30—800, plus the non-practising allowance at the rate indicated earlier, or in the alternative the consolidated scale of Rs. 475—25—650—30—740—EB—30—950.

13. In the Central Health Service, posts of Junior Specialist will be on the junior scale of Class I. Doctors in the age group 25—35 years possessing post-graduate qualifications, and 5 years' practical experience will be eligible for recruitment to this grade. The average age of entry to this grade will thus be about 30 years, and rarely lower. At present, Grade IV starts at Rs. 570 (inclusive of dearness and non-practising allowances) and goes up to Rs. 1,162·50. We consider that a scale of Rs. 425—25—450—30—600—35—705—EB—35—950 with a non-practising allowance at the usual rate, or a consolidated scale of Rs. 575—25—600—30—750—40—870—EB—40—1,150 will be appropriate for this grade; and we recommend accordingly.

14. Grade III of the Service is on the standard senior scale of Class I. Posts which carry non-practising allowance start at Rs. 835 (inclusive of dearness allowance) and go upto Rs. 1,437·50. This maximum is reached in the 17th year. We consider that while the present range of emoluments for this grade does not require any modification, the scale should be somewhat shorter. We have mentioned that for direct recruitment to this grade, qualifications required are a post-graduate degree etc., and 7 years' experience. We, therefore, recommend for this

grade a 13-year scale Rs. 675—35—850—40—1,050—50—1,150, with a non-practising allowance, or a consolidated scale of Rs. 850—45—1,300—50—1,400.

15. Grade II is comprised mostly of administrative and advisory posts, to which no non-practising allowance is generally attached. The existing scale, in our view, does not call for any change; and we accordingly recommend that Grade II may continue to carry the scale of Rs. 1,300—1,600.

16. The rates of pay for posts included in Grade I are—

	Rs.
Director General, Health Services	2750
Selection Grade	2000 ^b —125—2250
Grade I	1600—100—2000

A non-practising allowance of Rs. 400 per mensem will be attached to some of these posts held by very senior specialists, and thus the pay scale of these posts will, in effect, be Rs. 2,000—100—2,400. No change in the existing rates appears to be necessary. But, if Government decide to apply the consolidated scales of pay to the Service as a whole, the scale for Grade I posts at present carrying a non-practising allowance, should be Rs. 2,000—100—2,400. We further recommend that if in the interest of work an eminent specialist is not appointed to an administrative post carrying a higher scale of pay to which he would otherwise have been appointed, and is continued in his speciality (on clinical, research or teaching side), he should be allowed the remuneration which he would have got had he been appointed to the higher paid post. This may be done by the creation, *ad hoc*, of a supernumerary post, or by some other adjustment of his emoluments.

17. The recommendations made in the preceding paragraphs do not apply to medical officers in the Railways. In the Railways, doctors are generally permitted to have private practice. We are of the view that if the present arrangement continues—and also in the case of a similar arrangement elsewhere—there is no justification for any improvement of the pay scales of the staff concerned. We, accordingly, recommend for medical officers in the Railways the following rates of pay:

	Rs.
Chief Medical Officer*	1800—100—2000
Divisional Medical Officers	700—40—1100—50/2—1300
Assistant Medical Officers	375—25—500—30—590—EB—30—800—EB—30— 830—35—900
Assistant Surgeons Grade I	340—15—475—20—575.

But, in case the Government decide to withdraw permission for private practice, the pay structure recommended for the Central Health Service should be adopted in the Railways also.

18. Assistant Surgeons Grade I (17) under the Director General, Ordnance Factories, are not allowed private practice. Our recommendation in respect of Grade V of the Central Health Service should apply to them.

*The Chief Medical Officer is not allowed private practice even at present.

19. It was represented on behalf of medical officers generally, and those employed in the Contributory Health Service Scheme in Delhi in particular, that their hours of work are excessive and that they do not get sufficient time for rest and relaxation; and the official witnesses agreed that this was so in Delhi. We suggest that the Government may have the matter looked into.

II. Research and Training Institutes

20. There are three research and/or teaching institutes under the Ministry of Health—

- (i) The All India Institute of Hygiene and Public Health, Calcutta;
- (ii) The Malaria Institute of India, Delhi; and
- (iii) The Central Research Institute, Kasauli.

Posts requiring medical qualifications in these Institutes have been included in the Central Health Service. The existing scales of pay and those proposed by medical officers and the Secretary, Ministry of Health are as follows:—

ALL INDIA INSTITUTE OF HYGIENE AND PUBLIC HEALTH

Post	Existing scale.	*Scale in the Central Health Service.	Proposals made on behalf of the staff	Proposals made by the Secretary, Ministry of Health
	Rs.	Rs.	Rs.	Rs.
Director (1)	1600—2000	1600—2000 (Grade I)	2000—2250 plus Rs. 400	2000—2500 plus Rs. 500
Dy. Director (1)	1150—1550	1300—1600 (Grade II)	1300—1800 plus Rs. 400	1800—2000
Professors (8)	1150—1550	1300—1600 (Grade II)	1300—1800 plus Rs. 400, plus Rs. 150 (to work as Head of Department).	1300—1800
Associate Professors (7)	800—1150	600—1150 (Grade III)	800—1300 plus Rs. 300	800—1300 plus Rs. 300
Assistant Professors (32)	375—800	350—850 (Grade IV)	500—800 plus Rs. 200	500—800 plus Rs. 200

CENTRAL RESEARCH INSTITUTE, KASAULI*

Director (1)	1600—2000	1600—2000 (Grade I)	..	..
Assistant Directors (6)	600—1150	600—1150 (Grade III)	..	900—1350
Deputy Assistant Directors (4)	350—850	350—850 (Grade IV)	..	450—850
Medical Assistants (4)	275—800	350—850 (Grade IV)	..	350—850 plus N.P.A 25 per cent subject to a minimum of Rs. 150

Figures in brackets show the number of posts.

*No representation was received on behalf of officers in the Central Research Institute, Kasauli.

MALARIA INSTITUTE OF INDIA, DELHI*

Post	Existing scale.	Scale in the Central Health Service	Proposals made on behalf of the staff	Proposals made by the Secretary, Ministry of Health
	Rs.	Rs.	Rs.	Rs.
Director (1)	1600—2000	1600—2000 (Grade I)	..	..†
Dy. Director (4)	1300—1600	1300—1600 (Grade II)	..	..
Assistant Directors and equivalent posts (11)	600—1300	600—1150 (Grade III)	..	..
Deputy Assistant Directors (4)	350—850	350—850 (Grade IV)	..	..
Research Officers and equivalent posts (5)	275—800	350—850 (Grade IV)	..	..

21. The evidence before us indicates that there have been recruitment difficulties in respect of posts in these Institutes generally, and in particular for teaching posts in the All India Institute of Hygiene and Public Health. The Public Service Commission have referred to these difficulties in several of their annual reports. As on February 1, 1958, 4 out of 20 posts in Class I (20 per cent.) and 12 out of 44 posts in Class II (28 per cent.) at the Hygiene Institute were lying vacant for want of suitable candidates. According to the Director of Institute these difficulties are primarily due to low scales of pay. Our attention has been drawn to a resolution concerning salaries of teachers in medical institutes passed by the Medical Education Conference, convened by the Government of India in March, 1958. The scales suggested by the Conference have the approval of the Government of India, and the State Governments have been asked to adopt those scales. The Government of India have also agreed to bear the extra cost involved in implementing those scales.

The scales proposed are—

Professors	Rs. 1000—1400 plus **N.P.A. Rs. 250
Additional or Associate Professors	Rs. 800—1250 plus N.P.A. Rs. 250
Readers/Assistant Professors	Rs. 500—30—800 plus N.P.A. Rs. 150
Junior Teachers	Rs. 250—600 plus N.P.A. Rs. 150

22. Our proposals in respect of teaching posts in the Hygiene Institute are as follows. Posts of Professor have been included in Grade II of the Central Health Service which carries the scale of Rs. 1,300—60—1,600. We consider this scale appropriate for Professors and recommend accordingly. The same scale may apply also to posts of Deputy Director. Associate Professors are at present on the scale of Rs. 800—1,150. In the Central Health Service, however, their scale will be

*No representation was received on behalf of officers in the Malaria Institute of India, Delhi.

() Figures in brackets show the number of posts.

†No specific proposals were made by the Secretary, Ministry of Health.

** (N.P.A. = Non-practising allowance).

reduced to Rs. 600—1,150. We do not consider this to be a step in the right direction. Even on the existing scale, difficulties are being experienced in recruitment to these posts; lowering of pay scale will obviously aggravate the difficulties. We recommend for Associate Professors the scale of Rs. 1,100—50—1,400, which will be in line with the recommendations of the Medical Education Conference. Assistant Professors are at present on the scale of Rs. 375—25—500—30—800. In the Central Health Service they will be in Grade IV. Since they are not given any non-practising allowance, we recommend for them the consolidated scale we have proposed for Grade IV of the Service, viz., Rs. 575—25—600—30—750—40—870—EB—40—1,150.

23. It does not appear necessary to discuss separately posts in other Institutes. Their pay may be fixed in the light of our recommendations for the various grades of the Central Health Service and teaching posts in the All India Institute of Hygiene and Public Health. As regards the highest posts in these Institutes, we consider that our recommendations in respect of heads of scientific organizations generally will be appropriate. We have proposed 4 rates of pay—Rs. 2,250, Rs. 2,000, Rs. 1,800—100—2,000 and Rs. 1,600—1,800 for these posts. We leave it to the Government to fit in the Directors of the three Institutes in these scales according to the relative importance of the duties and responsibilities attached to each of the posts.

24. The subordinate staff in these Institutes consist mostly of persons possessing qualifications in science, engineering, etc. We have discussed them in chapters dealing with such staffs generally.

III. Assistant Surgeons, Grade II

25. The numbers and scales of pay of Assistant Surgeons, Grade II in the Railways, Defence and other Ministries are given below:

Railway	Defence	Health	Other Ministries	Total	Scales of pay
100	..	..	6	6	Rs. 100—8—140—10—170—EB—10—300
..	73	..	..	73	Rs. 160—10—300
..	22	..	..	22	Rs. 160—10—250
..	..	30	104	134	Rs. 175—7½—250—EB—10—300 Rs. 120—8—160—10—300 Rs. 160—10—330 Rs. 120—5—155/5—160—210—220—10/2—250
..	..	..	27	27	Other scales.
100	95	30	137	362	

They are allowed private practice, or a non-practising allowance, as are Assistant Surgeons, Grade I.

26. Recruitment is generally made from among licentiates in medicine, but in some cases, as in the Defence Ministry, the qualification prescribed is an M.B.B.S., in which case, a higher minimum pay of Rs. 160, or Rs. 200 is given.

They are eligible for promotion as Assistant Surgeons, Grade I; in the Railways, 40 per cent. of the vacancies in Grade I are reserved for them.

27. The general demand is that Grade II should be abolished and that Assistant Surgeons should be in Grade I only. We believe this is also the policy of the Government, as the Central Health Service Scheme does not provide for the employment of medical officers on a scale lower than that of Rs. 260—500. We also understand that it is proposed to abolish the L.M.P. course. In the circumstances, we consider it necessary only to suggest a scale in which the existing incumbents can be fitted. As their duties and qualifications are both ordinarily lower than those of Assistant Surgeons, Grade I, we recommend for them the scale of Rs. 150—10—250—EB—10—290—15—335—EB—15—380, with a starting pay of Rs. 250 for those who are graduates. Where private practice is not permitted, the non-practising allowance may be 25 per cent. of pay, with a minimum of Rs. 75 for all Assistant Surgeons, Grade II.

IV. Nursing Staffs

28. Nursing staffs comprising Nursing Superintendents (Matrons), Assistant Nursing Superintendents, Nursing Sisters and Staff Nurses, totalling 1,100, are on 15 scales of pay, and all except 38 of them are employed in the Ministries of Railways, Defence, Health and Labour. The numbers on the main scales of pay, in these Ministries, are given below. The number in each of the remaining scales are too small to call for separate consideration.

	Railways	Defence	Health	Labour	Total	Scale of pay
Matrons . . .	..	..	2	2	4	Rs. 320—20—400
Matrons . . .	14	..	..	..	14	Rs. 300—20—400
Matrons and Assistant Matrons . . .	4	20	12	21	57	Rs. 200—10—300
Nursing Sisters . . .	149	14	92	..	255	Rs. 150—7—185—8—225
Staff Nurses . . .	375	82	152	54	663	Rs. 100—5—125—6—155— EB—6—185
	542	116	258	77	993	

These staffs are also paid uniform, dhobi and messing allowances at varying rates. Those who get messing allowance are granted dearness allowance at half the rate. In some cases, rent-free accommodation with free water and electricity is also provided.

29. The duties are generally indicated by the designations. The normal duties of a Matron are maintenance of equipment of wards, operation-theatre, dressing room, kitchen and stores; supervision of nurses, dressers and other subordinate staffs; supervision of diet for patients and its distribution; maintenance of accounts and office records, etc., and cleanliness of hospital. Nursing Sisters are generally responsible for the proper nursing and care of patients; rendering assistance to medical officers for the examination and treatment of patients; maintenance of equipment; hygiene of the premises; and guidance, supervision and discipline of the nursing and domestic staff under their charge, etc.

30. Direct recruitment is generally made to the grade of Nurses, for whom the basic educational qualification is matriculation with training for 4 years. Posts in higher grades are usually filled by promotion. There is no avenue of promotion beyond the grade of Nursing Superintendent.

31. The employees' organisations concerned and the Ministry itself have proposed increase in pay scales at all levels, rising up to the Class I senior scale for Nursing Superintendents. We consider improvement necessary for some of these staffs, and we recommend for Nurses the scale of Rs. 150—5—175—6—205—EB—7—240—8—256—EB—8—280, and for Nursing Sisters the scale of Rs. 210—10—290—15—320. For Assistant Nursing Superintendents we do not propose any real change, and recommend the scale of Rs. 250—10—290—15—380, in place of the existing scale.

We consider that a single scale, as at present, does not adequately reflect the range of responsibilities of Nursing Superintendents, for whom we recommend 3 scales on the following basis:—

- (a) Rs. 590—30—830—35—900 In hospitals with 400 or more beds.
- (b) Rs. 450—25—575 In larger hospitals with less than 400 beds.
- (c) Rs. 370—20—450—25—475 In medium sized hospitals.

V. Pharmacists, Compounders and Dispensers

32. The duties of these categories are indicated by their titles. The numbers and scales of pay, Ministry-wise, are given below:—

Railways	Defence	Posts & Telegraphs Department	Health	Labour	Other Ministries.	Total	Scale of pay	
950*	..	..	..	..	..	950	} Rs. 150—225 } Rs. 100—185 } Rs. 60—150
..	25	10	147†	24	92	298		Rs. 60—130
..	88	..	4	4	29	125		Six scales ranging from 60—105 to 40—60
950	113	10	151	28	121	1373		

*Posts are distributed in the scales of Rs. 150—225, Rs. 100—185 and Rs. 60—150 in the ratio of 5 : 25 : 70
 †Includes some posts on Rs. 40—60.

33. Formerly Compounders were mostly persons with limited education who received local training. On coming into force of the Pharmacy Act, 1948, pharmacists have now to undergo a rigorous test, and have to be registered under the Act. The minimum entrance qualification is matriculation, with a period of training for 3 years.

34. Posts on the basic scales of Rs. 60—130 and Rs. 60—150 are usually filled by direct recruitment, and those on higher scales by promotion. In the Railways, however, 10 per cent. of the posts on the lowest scale are filled by promotion of Attenders, Dressers, etc. possessing the required qualification.

35. There is no promotion outlet for these staffs except in the Railways where there are higher grades of Dispensers who do not, however, have higher duties. They are also eligible for appointment as Hospital Stewards, etc.

36. Having regard to the qualifications and period of training, we consider that an increase in the basic scale of pay is justified, and we accordingly recommend that fully qualified pharmacists, *viz.*, those who have passed the matriculation examination and have undergone training for three years should be on the scale of Rs. 130—5—175—EB—6—205—7—212—EB—7—240. Other qualified pharmacists who are at present employed on various scales starting at Rs. 60 and going up to Rs. 130 or 150 may be fitted in the above scale.

37. In view of the fact that they have generally no avenues of promotion, we recommend that 10 per cent. of the posts may be in a selection grade, on Rs. 205—7—240—8—280.

VI. Midwives

38. The numbers and scales of pay of this category, Ministry-wise, are given below:—

Railways	Defence	Health	Labour	Others	Total	Scale of pay
..	..	13	..	..	13	Rs. 100—185
..	..	..	36	..	36	Rs. 60—130
335	..	..	..	..	335	Rs. 60—105
..	..	1	14	..	15	Rs. 55—105
..	..	..	..	15	15	Rs. 60—100
..	..	6	..	..	6	Rs. 60—5—90
..	13	..	..	..	13	Rs. 60—5/2—75
..	..	..	4	..	4	Rs. 40—1—50—2—60*
335	13	20	54	15	437	

*Class IV.

39. The title indicates the duties. Recruitment is from candidates with basic educational qualification of 7th or 8th class, who are given theoretical training for 12 months, followed by practical training for 3 to 6 months. They have no promotional avenues unless they qualify for appointment as nurses.

40. We consider that having regard to their qualifications and duties the scale of Rs. 60—105 admissible in the Railways is adequate, and accordingly recommend for qualified midwives the new scale corresponding to it, *viz.*, Rs. 110—3—131—4—155.

VII. Dressers

41. The duties of Dressers are bandaging and dressing of wounds, rendering first aid, etc. Most of them are in Class IV, and some in Class III.

42. The numbers and scales of pay, Ministry-wise, are given below:

	Railways	Defence	Health	Total	Scale of pay
					Rs.
Dressers . . . . .	..	..	*	*	60—3—81—EB—4—125—5 130
Dressers grade I	95†	..	..	95	60—3—75
Dressers/ Dressers grade II	422†	..	*49	471*	40—1—50—2—60†
Dressers grade I . . . . .	..	66	..	66	30—1—50†
Dressers grade II . . . . .	..	102	..	102	30— $\frac{1}{2}$ —35†
	517	168	49	734	

*Includes a few posts of Compounder-cum-Dresser on Rs. 60—130.

†It has been decided that 1/3 of the total number of posts will be in grade I.

‡Class IV.

43. The recruitment qualification is generally middle standard, with some experience as Nursing Orderlies. In the Defence Ministry direct recruitment is made to the lowest grade. In the Railways all posts are filled by promotion, recruitment to grade II being made from X-ray and Laboratory Attendants etc. Dressers have no promotion outlet unless they qualify for appointment as Dispensers.

44. We consider the Railway pattern of pay scales suitable for adoption generally, except that the percentage of posts in the higher grade should be reduced to 20 per cent. We, therefore, recommend that Dressers should be on the scale of Rs. 80—1—85—2—95—EB—3—110 with 20 per cent. of the posts in a selection grade on Rs. 110—3—125.

VIII. Sanitary Inspectors and Malaria Inspectors

45. Sanitary and malaria inspectorial staffs, totalling 714, on 15 different scales of pay, are employed in the Railways, Defence and a few other Ministries. The numbers in the main scales, Ministry-wise, are given below. The numbers in each of the other scales are too small to call for separate consideration.

	Railways	Defence	Other Ministries.	Total	Scale of pay
					Rs.
	53	..	..	53	200—10—300
	..	91	..	91	125—6—185—EB—8—225—10—275— 25/2—300
	136	2	7	145	150—7—185—8—225
	..	72	47	119	100—5—125—6—155—EB—6—185
	203	..	..	203	80—5—120—8—160
	22	1	10	33	60—4—120—EB—5—150
	..	..	25	25	60—5/2—75—3—105
Total	414	166	89	669	

46. Sanitary Inspectors are in charge of sanitation, conservancy, etc., and in some cases their duties include initiation of preventive measures against the spread of infectious or contagious diseases in the premises. The main duty of Malaria Inspectors is the supervision of malaria control measures. The nature of duties of staffs in various grades are practically the same, but Inspectors on higher scales are entrusted with duties of higher responsibility.

47. Direct recruitment is usually made only to the lowest grade, the basic qualification being matriculation, with a diploma in sanitation, for which the period of training is one year. Malaria Inspectors have to undergo training in malariology. In the Railways 40 per cent. of the posts, even in the lowest grade, are filled by promotion of employees in lower ranks who possess the requisite qualifications. In some Defence Establishments science graduates are recruited as Sanitary Assistants.

48. Having regard to the qualifications and range of duties, and after taking into account the proposals of the employees' organisations for increase in pay scales, etc., we consider that it will be appropriate to have four grades for these staffs, and we recommend the scales of Rs. 210—10—290—15—320—EB—15—380, Rs. 205—7—240—8—280, Rs. 150—5—175—6—205—EB—7—240 and Rs. 130—5—175—EB—6—205—7—212. Generally, the lowest of these scales will apply to qualified candidates who are matriculates and possess a diploma in sanitation. Where candidates with higher qualifications are required, they may be started on a higher scale, depending on the qualifications. Whether in any Department or establishment there should be one or more grades above the lowest recruitment grade will depend on the nature and range of duties and responsibilities.

CHAPTER XVIII

ECONOMISTS AND STATISTICIANS

1. The Central Government have in their service 1547 persons—226 in Class I, 429 in Class II and 892 in Class III—with special qualifications in Economics or Statistics. They are employed mostly under the Ministries of Finance, Commerce and Industry, Food and Agriculture, Labour and Employment, Planning Commission, and the Cabinet Secretariat which is in administrative charge of the Central Statistical Organization and the Directorate of National Sample Survey. Economists are employed in organizations whose main function is to give expert advice on economic matters. The duties of statistical staff relate to collection, preparation and interpretation of statistics.

2. The distribution of Economists and Statisticians in the typical Class I and II scales, and among the various Ministries etc., is as follows:—

TABLE I.

Cabinet Secreta- riat.	Commerce & Industry.	Finance	Food & Agriculture	Labour and Employ- ment	Planning Commis- sion.	Others	Total	Pay Scales. Rs.
1	2	3	4	5	6	7	8	9
Class I.								
1	2	2	2	..	..	..	7	Higher posts
1	2	3	5	..	..	1	12	1000—50—1400
5	1	..	..	3	..	..	9	800—40—1000—50— 1150
..	12	9	20	..	16	14	71	600—1150
15	1	..	..	4	..	5	25	600—1000
29	22	10	6	17	..	13	97	350—850
51	40	24	33	24	16	33	221	Total
Class II.								
5	18	9	25	1	31	13	102	350—25—500—30— 800
4	..	1	6	..	..	2	13	275—25—500—30— 650—30—800
..	..	..	20	..	..	..	20	275—710
34	20	22	21	16	30	4	147	275—25—500
27	16	14	11	1	23	11	103	250—10—300—15— 450—25/2—500
70	54	46	83	18	84	30	385	Total
121	94	70	116	42	100	63	606	Grand Total

3. We are informed that the Government have taken a decision to constitute two regular Services—the Indian Economic Service and the Indian Statistical Service—for economic and statistical posts. The two Services will be organised on identical lines as follows:—

		Scale of pay
		Rs.
Grade I . . .	Directors	1300—60—1600—100—1800
Grade II . . .	Joint Directors	1000—50—1400
Grade III . . .	Deputy Directors	600—40—1000—50/2—1150
Grade IV . . .	Assistant Directors	350—30/2—410—30—770—40—850

There will be higher posts above the Director's grade. The Ministry of Home Affairs will be the controlling authority of these Services.

4. A special selection board presided over by the Chairman or a Member of the Public Service Commission will determine the suitability for appointment to the various grades of persons already working in posts to be included in the Services. In future* 75 per cent. of posts in Grade IV will be filled on the result of a competitive examination to be held by the Public Service Commission; and the remaining by promotion of officers working in certain specified posts in lower grades. Qualifications for direct recruitment will be a first or second class Bachelor's degree or an equivalent diploma for the Statistical Service, and a Master's or an Honours degree with some experience in economic investigation for the Economic Service. The age limits will be 21—30, the maximum being relaxable by upto three years in the case of candidates who have been engaged on post-graduate research. 25 per cent. of posts in Grade III (Rs. 600—1,150) and 50 per cent. in Grade II (Rs. 1,000—1,400) also will be filled by direct recruitment. The educational qualifications for such recruitment will be the same as for Grade IV, except that in addition to those, practical experience of 2-3 years for Grade III, and 6 years for Grade II will be essential. Grade I posts will normally be filled by promotion. The Government may also reserve in any grade of the Services a certain number of posts which may be filled by temporary appointments of qualified persons from non-Government organizations.

5. The proposed pay structure conforms to the general Class I pattern. Having regard to the qualifications, duties etc., we do not consider that any change is required in that position. We accordingly recommend for these Services the following scales of pay:

		Rs.
Grade I		1300—60—1600—100—1800
Grade II		1100—50—1400
Grade III		700—40—1100—50/2—1250
Grade IV		400—400—450—30—600—35—670—EB— 35—950

6. It will be seen from table I that in Class II the concentration is in 3 scales of pay—Rs. 350—800, Rs. 275—500 and Rs. 250—500. Once the initial constitution of

*Recruitment Rules of these Services have not been published. The information is based on the draft rules furnished to us by the Ministry of Home Affairs.

these Services is completed the scale of Rs. 350—800 will no longer remain in force, and Class II posts will mostly be on the lower scales of Rs. 275—500 and Rs. 250—500. These posts are held by Research Assistants, Senior Investigators, etc., and, broadly speaking, qualifications for recruitment are a second class Master's degree in Economics, Mathematics or Statistics, and practical experience for 1—3 years. For similar posts in the scientific services we have recommended a scale of Rs. 325-15-475-EB-20-575, and we consider that the same scale will be appropriate for these posts also.

II. CLASS III

7. The distribution of the Class III staff in typical scales of pay is shown in the table below:

TABLE II.

Cabinet Secretariat.	Commerce and Industry	Finance	Food & Agriculture.	Labour and Employment	Planning Commission.	Others	Total	Pay scales. Rs.
2	92	..	..	..	..	..	94	250—500
30	..	1	12	..	..	19	62	160—450
89	185	19	57	31	134	69	584	160—330
33	..	..	..	..	..	..	33	120—220
..	1	..	52	..	30	1	84	80—220
154	278	20	121	31	164	89	857	Total

The main duties of these staffs consist of assisting higher officers in investigation, compilation of data etc. In some Departments they are also engaged in collection of data in the field.

8. Qualifications for recruitment are not the same in all Departments, but a broad analysis is given below:

Grade Rs.	Qualifications
250—500	A second class Master's degree and practical experience of 1—3 years.
160—330	A second class Bachelor's degree ; preference is given to those having some post-graduate training or practical experience.
120—220	A university degree with Economics, Statistics or
80—220	Mathematics as a subject.

For posts in the highest grade in Class III, we recommend the same scale as we have proposed for Research Assistants, Senior Investigators etc., in Class II, for the qualifications, duties etc., of the two groups of posts are the same. For the next lower grade, we recommend the scale of Rs. 210-10-290-15-320-EB-15-425. The lowest grade, for which a degree is the prescribed qualification, should be in the scale of Rs. 150-5-160-8-240-EB-8-280-10-300.

CHAPTER XIX

CLASS IV STAFFS

1. The Varadachariar Commission had recommended only 7 scales for Class IV staffs; but the Government adopted 36 scales. Of these, however, only 11 have more than 100 employees each; the remaining 25 scales apply in all to only 336 employees. It will not be worthwhile for us to consider the justification for each of these 25 scales, nor is it necessary to recommend separate scales to be applied to this insignificant number of employees. There should be no difficulty in fitting them into one or the other of the scales we are recommending.

2. The total number of Class IV staffs, as on 30th June 1957, is 6,93,318.* Excluding 336 employees on odd scales, their distribution by scales of pay and Departments is shown in the table below, which also furnishes some other information relevant to the questions considered in this chapter.

TABLE I

Scale of pay Rs.	No. of years	Railways	Civil- ians in Defence	P. & T.	Other Depart- ments	Direct recruit- ment posts.	Pro- motion posts.	Total No. of posts.
20— $\frac{1}{2}$ —25 and other scales	..	..	162	5007	..	5169	..	7457
below 30— $\frac{1}{2}$ —35								
30— $\frac{1}{2}$ —35	11	344076	33274	42311	55575	475236	..	523925
35—1—40	6	6495	..	..	463	463	6495	9811
35—1—50	16	49907	4994	2317	10265	11360	56123	74240
35—1—40—2—50	11	..	32	..	991	1023	..	1285
40—1—50	11	17961	..	..	..	..	17961	18299
35—1—40—2—60	16	..	98	..	659	757	..	1277
40—1—50—2—60	16	} 40507*	2138	706	2740	2014	44077* }	48565*
40—2—60	11	J	39	..	563	563	39	J
35—1—50—2—60	21	1780	..	..	818	613	1985	7683
50—1—60	11	..	..	..	308	..	308	440
		460726	40737	50341	72382	497198	126988	692982†

It will be noticed that the bulk of the Class IV staffs are under the Railways, and that about 76 per cent., of the staffs are in a single scale, Rs. 30— $\frac{1}{2}$ —35; the other scales on which there is concentration of staff, are Rs. 35—1—40, Rs. 35—1—50, Rs. 40—1—50, Rs. 40—1—50—2—60, and Rs. 35—1—50—2—60.

*This includes 2182 Brakesmen and 7020 Firemen under the Railways, who have since been brought on to the scales Rs. 50—2—60— $\frac{5}{2}$ —80 and 50— $\frac{5}{2}$ —80 respectively, and are dealt with in the chapter relating to Railway staffs.

†The total of 'direct recruitment posts' and 'promotion posts' is less than the total number of posts because the break-up of all Class IV posts into direct recruitment and promotion posts is not available.

3. The scale of Rs. 20— $\frac{1}{2}$ —25 is meant primarily for under-age employees—mostly Boy Messengers and Peons in the Posts and Telegraphs Department. As these employees cease to be under-age after putting in 5 or, at the most, six years' service, we do not consider a 11 year scale appropriate, and recommend that the present scale may be replaced by the scale Rs. 55—60. It is not necessary to raise the total minimum remuneration (Rs. 65 including a dearness allowance of Rs. 10) in this case as apart from relatively light and simple nature of their duties, these young employees do not ordinarily have the responsibilities of an adult employee. For Task Work Messengers on piece rates, Rs. 20— $\frac{1}{2}$ —25 is the fall-back minimum rate, and we discuss the remuneration of this category in the chapter dealing with Posts and Telegraphs staffs.

4. Taking together the conclusions we have reached in the chapters dealing with minimum remuneration and dearness allowance, an adult employee in the lowest grade should have a minimum basic pay of Rs. 70 and a dearness allowance of Rs 10 per mensem. And for the reasons explained in the chapter dealing with general questions concerning pay scales, he should have in place of the present 11 year scale of Rs. 30— $\frac{1}{2}$ —35, a 16 year scale of Rs. 70-1-85. Thus, an employee will, according to our recommendation, start on a total remuneration of Rs. 80 as compared with Rs. 75 at present, and with Rs. 70 if the interim increase in dearness allowance granted on our recommendation is excluded. He will go up to Rs. 95 as compared with the present Rs. 80. The average monthly value of the present scale together with the dearness allowance is Rs. 78·33; the average value of the proposed scale and dearness allowance together is Rs. 88·75—a difference of Rs. 10·42 per mensem. As this scale is applicable to about 7 lakh employees—nearly 40 per cent. of the total strength of Central Government employees—the importance of the substantial improvement in the value of this scale, through the combined effect of a higher start, a doubled rate of increment, and a longer scale, is obvious. We have examined the rates of remuneration of comparable staffs in outside employments and we have found that the rate we are recommending compares favourably with those outside, with the exception of the rates in the textile industry in Bombay, Ahmedabad and Baroda, and under the Life Insurance Corporation and the Reserve Bank. The Central Government employees, however, receive certain compensatory allowances in the cities; in Bombay, for instance, the lowest grades receive a city compensatory allowance of Rs. 7·50 and a house-rent allowance of Rs. 10 per mensem (both of which will continue under our recommendations). If a comparison is made after taking these into account, the gap between the emoluments of unskilled textile workers even in that city and those of comparable Central Government employees is found to be considerably smaller than appears at first sight. Further, apart from the conditions of service under the Central Government, which generally compare favourably with conditions in outside employments we wish to emphasise that unskilled and other lower staffs in outside employments do not usually have an incremental scale. This may be of small significance so long as the relevant scale under the Central Government is Rs. 30— $\frac{1}{2}$ —35; but when the scale becomes Rs. 70-1-85, it will make a substantial difference.

5. The main categories of staff who are at present on the scale of Rs. 30— $\frac{1}{2}$ —35 are shown in the statement below. Some of the categories are common to all or many Departments, and others are peculiar to a single Department, or in some cases two or three Departments. Of the latter, all but a small number are in the Railways and in the Posts and Telegraphs Department. The common categories in respect of which we make recommendations in this chapter are shown in Part I of the statement; others in respect of whom also we make recommendations here are

shown in part II; and those which are dealt along with the other staffs of the Railways and Posts and Telegraphs Departments are shown in part III.

PART I

(Categories common to all or many Departments)

Farashes	963	Malis	1136
Chowkidars/Watchmen	11672	Sweepers	43921
Peons/Call Boys	58368	Watchmen/Water Carriers/Bhis-	9749
Khalasis	100	ties.	
Lascars/Mazdoors/Box Boys	12700	Cleaners	1318
			<hr/>
			139927

PART II

(Categories peculiar to a single Department or in some cases two or three Departments)

Ayahs	345	Bearers/Waiters	10930
Barbers	96	Cooks	2315
Flagmen	12143	Fatiguemen	516
Hammals	5334	Groundsmen	335
Laddermen	2318	Syces	230
Pumpmen	629	Followers	440
Sealers	579	Gunners	122
Sainiks/Jawans	32144	Packers	103
		Excise Peons	12925
			<hr/>
			81504

PART III

(Categories dealt along with the other staffs of the Railways and Posts and Telegraphs)

Gangmen	120906	Batterymen	149
Gatekeepers	16912	Packers	9474
Patrolmen	1219	Letter Box Peons	1109
Porters	15642	Mali Peons	2523
Trolleyman	8134	Porters and Van Peons	7275
Cleaners	18151	Runners	4903
Khalasis	45787	Telegraph Messengers	1621
			<hr/>
			253805

6. We have examined the duties etc., of the categories under consideration in this chapter, and the various proposals placed before us by service associations, and we have come to the conclusion that changes are necessary only in the following cases:—

- (i) Of the Barbers under the Ministry of Defence, 466 are on the scale of Rs. 35-1-50 and 96 on the scale of Rs. 30-½-35. We do not see the justification for this differentiation and consider that all Barbers should be

treated as semi-skilled. We, accordingly, recommend that all the Barbers may be placed on the scale of Rs. 75—95.

- (ii) Cooks in the Railways are on the scale of Rs. 35-1-50, while those under the Ministry of Defence are on the scale of Rs. 30- $\frac{1}{2}$ -35. In certain hospitals etc., outside Railways and Defence, the pay of a Cook varies from Rs. 30- $\frac{1}{2}$ -35 to Rs. 40-2-60. Head Cooks under the Ministry of Defence, whose number is small, are also on the scale of Rs. 40-2-60. We consider that a Cook and his helper should not be on the same scale as is the case at present wherever the Cook is on the scale of Rs. 30- $\frac{1}{2}$ -35, and that no Cook should be treated as less than semi-skilled. We, accordingly, recommend for all Cooks, other than Head Cooks, the scale of Rs. 75—95. Head Cooks who besides being experts in their art have usually to supervise the work of a number of other Cooks may have the scale of Rs. 85—110.
- (iii) Malis generally are on the scale of Rs. 30- $\frac{1}{2}$ -35. An average Mali functions more or less as an agricultural labourer and there is, therefore, no case for allowing him a scale above the lowest of the Class IV scales. We, accordingly, recommend for Malis a scale of Rs. 70—85. A Head Mali, i.e., one who is an expert gardener, and has to supervise the work of other Malis may, however, have the scale of Rs. 75—95.
- (iv) Ayahs in the Railways are on the scale of Rs. 30- $\frac{1}{2}$ -35, while those in the Defence are on the scale of Rs. 35-1-50. Ayahs in the Defence Services are employed mostly in hospitals where they are reported to have some auxiliary nursing duties. In the Railways, about half the Ayahs, we are informed, are employed in waiting rooms where the duties are much simpler, and less responsible. Others are employed in hospitals. We recommend that well-trained Ayahs employed in hospitals, whose duties include auxiliary nursing, should be on the scale of Rs. 75—95, but other Ayahs should be on the scale of Rs. 70—85.
- (v) The great majority of Khalasis are on the scale of Rs. 30- $\frac{1}{2}$ -35, but 1841 are on the scale of Rs. 35-1-50. The work of a Khalasi is unskilled and there is no justification for allowing him a scale higher than Rs. 70—85, except when, though his designation is Khalasi, an employee has some semi-skilled or supervisory duties. In such cases, and in these alone, the scale of Rs. 75—95 will be justified.

7. We have considered whether, apart from the changes we have recommended in the preceding paragraph, any differentiation in the remuneration of Class IV staffs at present on the scale of Rs. 30- $\frac{1}{2}$ -35 is necessary or feasible, and we have come to the conclusion that, weighing the recruitment qualifications and duties of one category against those of another, it would be desirable not to make any differentiation. The duties of some categories involve greater physical strain; those of certain categories require greater alertness; another category, for instance, Peons are required to have education up to the middle standard; some others, for instance, Chowkidars have to keep watch over their charge on public holidays as well as on other days; and the work of one or two categories, for instance, that of Sweepers, is unpleasant though physically light and not requiring any education. So, for the Class IV staffs at present on Rs. 30- $\frac{1}{2}$ -35, who are being considered in this chapter, and excepting those for whom we have recommended a change in the preceding paragraph, we consider that the scale of Rs. 70—85 will be suitable.

8. The scale Rs. 35-1-40 is applicable only to one group of directly recruited staff, namely, Sepoys in the security organisation of the Ministry of Home Affairs, and to three promotion grades under the Railways, namely, Naiks in the Railway Protection Force, a certain proportion of Bearers and Waiters, and Head-Trolley-men. On the general considerations mentioned in earlier chapter, the scale is too short for a direct recruitment grade; and for reasons which we mention presently it is not long enough even for promotion grades, such as those to which it applies. As a rule, a short time-scale is, no doubt, suitable for a promotion grade. It is only after many years' service in a lower grade that an employee is promoted; and if the scale of pay attached to the promotion grade is long, it often happens that he retires at a point well below the maximum of the scale. Therefore, as the level in the hierarchy rises, the time scales attached to the promotion grades become shorter; and at the apex, the time scale usually gives place to a fixed rate. But, at the lowest levels, it is desirable to have scales of moderate lengths, even for promotion grades, because for most Class IV staffs there is, as a rule, but one promotion, and they have, therefore, to spend many more years in the promotion grade than is usual at the higher levels of the public service. Moreover, the specific scale we are considering is meant for a direct entry grade as well as some promotion grades. We, accordingly, recommend that the present scale may be replaced by the 13 year scale, Rs. 75—89.

9. The major categories on the scale Rs. 35-1-50 are shown in the statement below, divided into three parts on the same basis as those on the scale Rs. 30-½-35.

PART I.

(Categories common to all or many Departments)

Daftaries	6556
Jamadars	3054
	<hr/>
	9610
	<hr/>

PART II.

(Categories peculiar to a single Department or in some cases two or three Departments)

Cooks	2694	Tindals Class I	289
Ayahs	475	Khalasis]	1841
Barbers	466	Policemen	237
Dhobis/Washermen	815	Stitchers	291
Fire-fighting Men	1651	Zilladars	212
Laboratory Attendants]	160	Petty officers	160
Storemen	371	Traffic Hands	174
		Naiks (promoted from Excise Peons)	211
			<hr/>
			10047
			<hr/>

PART III.

(Categories dealt along with the other staffs of the Railways and Posts and Telegraphs)

Keymen	9278
Pointsmen/Yard Porters	36735
Stamp Vendors	688
Wiremen	1125
	47826

Leaving out staff under the Railways and in the Posts and Telegraphs Department, who are dealt with in other chapters, we consider that the scale Rs. 75—95 will be suitable for all the categories shown in the statement above, except those dealt with below:—

Laboratory Attendants:—The total number of these, including 28 Laboratory Bearers under the Ministry of Defence, is 1,265, and they are distributed as follows:—

Rs. 30— $\frac{1}{2}$ —35	1 in Defence
Rs. 35—1—50	188 in Defence and some other Departments
Rs. 35—1—40—2—50	32 in Defence
Rs. 35—1—40—2—60	318 in Defence and some other Departments.
Rs. 40—1—50—2—60	704 in other Departments.
Rs. 40—2—60	22 in Defence.

There are certain duties which are common to all Laboratory Attendants. These are, cleaning and dusting of scientific apparatuses etc.; knowledge of names of common laboratory apparatuses; ability to handle apparatuses, and acids, chemicals etc., in common use; and generally to help scientists and scientific assistants in the conduct of experiments. There are certain additional duties which all Laboratory Attendants may not be capable of performing, or required to perform. These are assembling and/or dismantling apparatuses for any type of laboratory work either independently or under instructions; handling delicate equipment; and preparing common re-agents and samples etc., for test. Laboratory Attendants who have to perform these additional duties should have the scale Rs. 80—110. For the others, we recommend the scale Rs. 75—95.

10. The scale Rs. 35-1-40-2-50 (11 years) is applicable only to two direct recruitment grades, namely, those of Laboratory Attendants 'B' Grade under the Ministry of Defence (already dealt with), and Paper Examiners in the Security Press. The scale is short for a direct recruitment grade, and we recommend that it may be replaced by the 16 year scale Rs. 75—95.

11. The scale Rs. 40-1-50 is applicable to the grade of Second Firemen (Augwalas) under the Railways, who are dealt with in the chapter devoted exclusively to Railway staffs. The scale being recommended is Rs. 80—95.

12. The scale Rs. 35-1-40-2-60 is applicable to about 1300 employees. Information is available to us only about half of them, and these are Laboratory Attendants and X-ray Attendants. We have already dealt with Laboratory Attendants. Of X-ray Attendants, 439 are on this scale, and 613 on the scale Rs. 35-1-50-2-60. Some X-ray Attendants (number not known to us) are also on the scale Rs. 35-1-50. Considering that their duties require care and some degree of skill and intelligence, and also that there is some risk to health involved in X-ray work, we recommend for all X-ray Attendants the scale Rs. 80—110.

13. The major categories of staff on the scale Rs. 40-1-50-2-60 are as shown in the statement below:

PART I.

(Categories common to all or many Departments)

Gestetner Operators	756
Record Sorters	754
	<hr/>
	1510
	<hr/>

PART II.

(Categories peculiar to a single Department or in some cases two or three Departments)

Havildars, Railway Protection Force	3116
Fire-fighting Men	1921
Laboratory Attendants	704
Stereotypers	1209
Constables	101
	<hr/>
	7051
	<hr/>

PART III.

(Categories dealt along with the other staffs of the Railways and Posts and Telegraphs Department)

Permanent Way Mates	11101
Levermen	16521
Jamadars	321
Munshis	385
	<hr/>
	28328
	<hr/>

Those under the Railways and in the Posts and Telegraphs Department will be dealt with in other chapters, and we have already dealt with Laboratory Attendants. For the rest, we recommend the scale Rs. 80—110.

14. The scale Rs. 40—2—60 is applicable to the following staff:

Laboratory Attendants, Grade A, in Defence Establishments	22
Head Cooks in Defence Establishments	17
Foot constables under the Special Police Establishment	563

We have already dealt with Laboratory Attendants and Head Cooks; and for Foot Constables under the Special Police Establishment, we recommend the scale Rs. 85--110.

15. There are about 8,000 Class IV employees on the scale Rs. 35-1-50-2-60. The only categories on this scale about which we have information are those shown below:

Xray Attendants	613
Hammermen	1167
Warehousemen	818

Hammermen are a Railway category (both in workshops and outside); and X-ray Attendants have already been dealt with. For Warehousemen, we recommend the scale Rs. 75—110.

16. The scale Rs. 50-1-60 is applicable to about 440 employees, most of them Jamadars promoted from lower ranks. The scale may be replaced by the scale Rs. 95—110.

17. The effect of the proposals made in the foregoing paragraphs will be the replacement of the existing 11 scales by 9 scales. Leaving aside the scale for under-age employees, there will be only 8 scales. Some of the employees' organisations had suggested that at this level there should be only 4 scales; one for unskilled staffs, a second for semi-skilled staffs, and two others for those who have to supervise respectively the work of unskilled and semi-skilled staffs. In view of the diversity of requirements, we have not found it practicable, or considered it desirable, to reduce the number of scales further than we have done.

18. In the table below we furnish a comparative statement of the existing and proposed scales of pay, and of total emoluments.

TABLE II

Existing scale plus D.A.		Length of the scale (years) †	Combined emoluments.	Proposed scale.	Minimum and maximum of the proposed scale plus D.A. (Rs. 10)	Length of the proposed scale (years).
Rs.			Rs.	Rs.	Rs.	
20— $\frac{1}{2}$ —25	+ 45 .	11	65— $\frac{1}{2}$ —70	55—1—60	65—70	6
30— $\frac{1}{2}$ —35	+ 45 .	11	75— $\frac{1}{2}$ —80	70—1—80—EB—1—85	80—95	16
35—1—40	+ 45 .	6	80—1—85	75—1—85—EB—2—89	85—99	13
35—1—50	+ 45 .	16	80—1—95	75—1—85—EB—2—95	85—105	16
35—1—40—2—50	+ 45 .	11	80—1—85—2—95	75—1—85—EB—2—95	85—105	16
40—1—50	+ 45 .	11	85—1—95	80—1—85—2—95	90—105	11
35—1—50—2—60	+ 45 or 55	21	80—1—95—107—2—115	75—1—85—EB—2—95—EB—3—110	85—120	21
35—1—40—2—60	+ 45 or 55	16	80—1—85—2—95—107—2—115	80—1—85—2—95—E.B.—3—110	90—120	16
40—1—50—2—60	+ 45 or 55	16	85—1—95—107—2—115	Do.	90—120	16
40—2—60	+ 45 or 55	11	85—2—95—107—2—115	85—2—95—3—110	95—120	11
50—1—60	+ 45 or 55	11	95—1—106—1—115	95—3—110	105—120	6

CHAPTER XX

WORKSHOP STAFFS

1. For workshop staffs below the supervisory levels (Foremen, Chargemen, etc.), the Varadachariar Commission had recommended the following scales:—

Rs.	
Unskilled	30—1—35
Unskilled supervisory	35—1—50
Semi-skilled	{ 35—1—50
	{ 40—2—60
	{ 60—3/2—75
Skilled	{ 40—2—60
	{ 60—3/2—75
	{ 75—3—105
Highly skilled	{ 90—5—120 125—6—185

The present position is that while there is only one scale each for unskilled (leaving out the scale for under-age employees, on which there are only 43 persons) and “unskilled special” category, there are 12 scales for semi-skilled, 35 for skilled, and 31 for highly skilled staffs. Thus, as against 10 scales recommended by the Varadachariar Commission, 81 scales have been prescribed. If allowance is made for the fact that the Commission had recommended Rs. 35—1—50 both for unskilled supervisory and a section of semi-skilled staffs, the scales Rs. 40—2—60 and Rs. 60—3/2—75 for both semi-skilled and skilled, the number of scales recommended was only 7. Making a similar allowance now, the number of scales at present in force is 80. Only one scale Rs. 40—2—60 is common to both skilled and semi-skilled categories.

2. The total strength of workshop staffs with their distribution among categories and Departments, and the distribution of scales, is shown in the table below:—

TABLE I

	Unskilled		Unskilled special category		Semi-skilled and unskilled Supervisory		Skilled		Highly skilled		Total strength
	Strength	No. of scales	Strength	No. of scales	Strength	No. of scales.	Strength	No. of scales.	Strength	No. of scales.	
Posts and Telegraphs	1885	1	..	..	2039	2	2097	4	438	5	6459
Civilians in Defence	69586	1	13601	1	28512	7	42597	26	1923	8	156219
Railways .	97979	1	..	..	60635	5	122277	1	7717	3	288608
All other Ministries	2999	1	..	..	3416	8	5892	13	3542	24	15849
	172449		13601		94602		172863		13620		467135

3. Excluding 43 boy employees, the entire unskilled staff—1,72,406—is on a single scale, Rs. 30— $\frac{1}{2}$ —35; 13,601 employees, all in Defence workshops and described as “unskilled special” category, are also on a single scale, viz., Rs. 32— $\frac{1}{2}$ —35—1—40.

4. The distribution of the semi-skilled and unskilled supervisory staffs is as follows:—

TABLE II

Existing scale. Rs.	Period (years)	Number of posts				Total
		Posts & Tele- graphs.	Civilians in Defence	Railways	Other Deptts.	
35—1—40	6	..	..	220	..	220
30— $\frac{1}{2}$ —50	41	..	..	..	225	225
35—1—50	16	..	8,959	1,632	100	10,691
35—1—40—2—50	11	..	16,991	..	1,242	18,233
40—1—50	11	..	..	2,961	..	2,961
35—1—50—2—54	18	..	..	..	70	70
30—1—50—2—60	26	..	1	..	..	1
35—1—50—EB—2—60	21	2,019	391	52,819	1,177	56,406
37—1—50—2—60	19	..	..	..	97	97
40—1—50—EB—2—60	16	..	792	3,003	..	3,795
40—2—60	11	20	..	..	501	521
50—2—60	6	..	1,378	..	4	1,382
Total		2,039	28,512	60,635	3,416	94,602

It will be noticed that the concentration is on the scales Rs. 35—1—50—EB—2—60, Rs. 35—1—40—2—50, and Rs. 35—1—50, on which there are, respectively, 56,406, 18,233 and 10,691 employees, adding up to 85,330 out of a total of 94,602. Six of the twelve scales have less than 1,000 employees each.

5. Though there are 35 scales applicable to the skilled category, only 28 of the scales have 100 or more employees each; and even of these the concentration is on the following 12 scales:—

TABLE III

Existing scale. Rs.	Period (years)	Number of posts.				Total
		Posts and Tele- graphs	Civilians in Defence	Railways	Other Ministries	
40—2—60	11		8,222*			8,222
40—2—60—EB—3/2—75	21		6,641			6,641
46—2—60—3—75	16		3,373*			3,373
50—2—60—3/2—75	16		3,482			3,482
50—2—60—5/2—75	12		50		1,009	1,059
60—3—90	11		3,135			3,135
60—3/2—75—EB—3—105	21	1,830				1,830
60—5/2—75—EB—3—105	17		9,256		191	9,447
75—3—90—5—105	9		1,416			1,416
60—5/2—75—3—90—EB—3—105—5—130	22		4,046			4,046
60—3—81—4—125—5—130	20			1,22,277		1,22,277
90—5—130	9		1,059			1,059
Total		1,830	40,680	1,22,277	1,200	1,65,987

*These categories have in fact been considered as semi-skilled though not formally classified as such.

The last-mentioned of these 12 scales, Rs. 90—5—130, is really a scale meant for highly skilled staff, but has been included here on the basis of the classification made by the Department concerned.

6. The total strength of highly skilled staff is only 13,620, but it is distributed in 31 scales. However, only 13 of the scales shown in the table below have more than 100 employees each:—

TABLE IV

Existing scale. Rs.	Period (years)	Number of posts.				Total
		Posts and Tele- graphs.	Civilians in Defence.	Railways	Other Minis- tries.	
54—2—60—EB—5/2—75—3—90—3—105 —5—120.	23				1,547	1,547
60—4—120	16				157	157
75—3—105—5—120	14				255	255
90—5—120	7	139			10	149
64—3—85—4—125—5—130	19				688	688
105—5—125—6—149	9				270	270
90—5—120—6—150	12	232			75	307
80—5—120—8—160	14			4,656		4,656
90—5—125—EB—6—155—6—185	18		1,752			1,752
100—5—125—6—155—E.B.—6—185	16		3	2,431	67	2,501
125—6—155—EB—6—185	12		7	630		637
135—5—155—6—185	10		151			151
120—8—200—10/2—220	15				134	134
Total		471	1,913	7,717	3,203	13,204

It will be observed that the following four scales, viz., Rs. 54—2—60—EB—5/2—75—3—105—5—120, Rs. 80—5—120—8—160, Rs. 90—5—125—EB—6—155—6—185, and Rs. 100—5—125—6—155—EB—6—185 account for 77 per cent. of the total strength of the highly skilled staffs. The first of these scales is of no greater value than many of the scales applicable to skilled staffs; but here again, the scale has been included in the list of scales for highly skilled staffs following the classification made by the Departments concerned.

7. There have been extensive departures from the recommendations of the Varadachariar Commission, the most important being the prescription of 80 scales against 7 recommended by that Commission. It is, however, notable that the scale for unskilled staffs is as recommended by that Commission; and that the highest of the scales for highly skilled staff on which there is any considerable number of employees ends at Rs. 185, the upper limit of the highest scale recommended by the Commission. With the exception of a few scales for highly skilled staffs on which there are in all a little over 300 employees, all the numerous scales for

workshop staffs now in force are within the limits of the Varadachariar Commission's recommendations, viz., the lower limit of Rs. 30 and the upper limit of Rs. 185.

Further, though the total number of scales prescribed is 80, the scales on which there is concentration of employees are only 20: unskilled—1, semi-skilled—3, skilled—12, and highly skilled—4. And it is not that each of these 20 scales is found in each of the Departments with large industrial staffs, or is applicable to a considerable number of employees in each of such Departments. For instance, in Posts & Telegraphs Department only one of the semi-skilled scales is important; and the bulk of the semi-skilled staffs in the Railways also are on a single scale. Similarly, only one skilled scale is important in the Posts & Telegraphs Department; and in the Railways the entire skilled staff of 1,22,277 are on but one scale. In the case of scales for highly skilled staffs also, the position is not very dissimilar. It is true that a considerable number of skilled scales are in force under the Defence Ministry; but if the Defence establishments are divided according to the work they are engaged on, such as Ordnance factories, Electrical & Mechanical Engineering Workshops, etc., it is found that the number of scales which are of real importance in each group is much smaller.

8. Many of the employees' organisations concerned have criticised the pay structure of workshop staffs, and their classification and complements; and some of them have asked for radical changes. The Posts and Telegraphs Industrial Workers' Union, for instance, has suggested seven scales instead of twelve, one each for unskilled and semi-skilled, two for skilled, and three for highly skilled. The All-India Defence Employees' Federation have complained that there is no uniformity in the classification of trades and tradesmen, with the result that different pay scales have been prescribed for the same trade in different Directorates, etc., under the Ministry of Defence; and this, it is said, operates particularly harshly where, under the agreed system of adjustment of surpluses, a workman is transferred from one Directorate to another. The Federation have further asked for the replacement of the present 43 scales in the Defence workshops by just three scales, one for unskilled, the second for semi-skilled and unskilled supervisory, and the third for skilled. They do not want any scales for the highly skilled, on the ground that "every trade requires skill and as the workman gains experience, his skill increases", and also because "no trade is universally accepted as highly skilled, e.g., a tool maker, a radio mechanic and an instrument mechanic are included in the highly skilled group of trades that carry the scale Rs. 90—185 under the Directorate of Mechanical Electrical Engineering, whereas the very same trades are in the skilled category in the scale Rs. 40—130 in the Directorate General of Ordnance Factories". The Federation are opposed to short, graded, scales, and want three long scales (16, 21 and 21 years) on the ground that "the yearly increments serve as an incentive from time immemorial to the Indian labour" and that "it is an accepted fact that only a long scale can serve this purpose". Overlapping scales have been deprecated, but are considered tolerable, provided that on promotion pay is fixed at a higher stage of the new grade according to a prescribed formula, and without the necessity of individual orders. Some of the most important organisations of Railway employees have also complained of diversity in nomenclature, and in pay scales applied to the same trade or tradesman in different Railways, and have asked for standardization of nomenclature and uniformity of pay scales. The number of scales suggested vary (the two Federations have made somewhat different suggestions on this point), but broadly stated a single scale has been suggested for unskilled, one to three for semi-skilled, one to three for skilled, two or three for highly skilled, and three for Mistries who are supervisory staffs at this level.

As regards the views expressed by other employees' organizations on the wider questions relating to the pay structure, it is sufficient to mention that there is a general preference for a small number of long scales, and that emphasis has been laid on the need for uniformity in classification, and rationalization of pay scales, not only within each Department, but also as between one Department and another.

9. On the last-mentioned point there can be no difference of opinion except that special care would be necessary to ensure that in the attempt to secure uniformity of nomenclature, significant differences in the level of skill even within a trade are not ignored; for instance, that all tool setters are not taken to be alike and lumped together, without any sub-classification, irrespective of the nature of the machine (such as automatic, precision-grinding, etc.), they have to set up and operate. In other words, the content of the job should not be lost sight of because of pre-occupation with nomenclature, or its over-simplification. However, subject to this precaution, rationalization of nomenclature is, obviously, necessary, and the only question to be considered is as to what should be the procedure and mechanics of bringing it about. We shall revert to this, and consider certain suggestions that have been made in this regard. But, we first consider the other issues that have been raised concerning the pay structure in the workshops.

10. It is, obviously, wrong that there should be more pay scales than differences in the levels and nature of skills, knowledge, duties and responsibilities can justify; and there is no doubt that, judged by this criterion, the total number of scales at present in force is excessive, the number at some levels and in some Departments being far in excess of any reasonable requirements. But, while considering reduction of scales, the opposite danger of blurring clearly differentiated levels of skills and responsibilities must also be avoided. If the number of scales is so small that employees possessing degrees of skill, or performing duties and responsibilities which are clearly distinguishable, are put on the same scale, there would be discontent and a feeling of injustice, and also a weakening of the incentives necessary for good performance. It is, in fact, generally recognised that not only are differentials in remuneration necessary, but that they must not be very narrow if they are to serve as an effective instrument for increasing productivity; and this recognition is reflected in a widening of differentials in many countries during the last few years. A very small number of scales may mean complete obliteration of differentials at certain levels.

The premises—implicit or stated—of the proposals for reduction of the number of scales are that different trades are on par with one another and that, therefore, a skilled workman in one trade is necessarily as good as a skilled workman in another; that within the same trade there is no need to grade workmen once they are qualified for inclusion in the skilled category; and that there are no jobs which require highly skilled craftsman, as distinguished from skilled craftsmen: every skilled craftsman becomes highly skilled by efflux of time. The line of thinking leads to, and in the case of one of the largest employees' organizations has led to, the formulation of the proposal that there should be a single long scale applicable to the entire skilled category, with no separate scales for the highly skilled. The same approach finds a less extreme expression in the proposal for a very small number of scales for the skilled and the highly skilled categories. As against this, some officers with high technical qualifications and a great deal of experience of workshop management have given evidence to the effect that the degree of skill required in different trades varies considerably; that even within the same trade, the level of skill required for different jobs may differ according to the precise nature of the duties to be performed; and that keeping these distinctions in view, a single long scale applicable to all the skilled craftsmen, or even a very small number of

scales, would make for inflexibility and abolish the incentives essential for promoting productivity, which a graded structure, made up of short scales, provides. We have mentioned in paragraph 9 above some instances of differences in levels of skill within the same trade. Some more examples of such differences or of those between one trade and another follow. It has been pointed out that a general blacksmith working in the gun carriage factory is not normally as skilled as a blacksmith operating a 2000-ton forging press, or a tool setter employed on tool setting of small arms and ammunition presses as skilled as an automatic machine setter; and yet all the four come under the broad classification "skilled". To take another example; precision instrument makers and tool makers as well as blacksmiths and forgers are skilled craftsmen, and yet, the combination of skill, knowledge and judgment required in precision instrument makers and tool makers cannot be compared with what is required in blacksmiths and forgers. Similarly, a buildings electrician, though a skilled craftsman, is not required to have the same degree of skill and knowledge as an electrician required to fit, assemble and maintain a complex electronic equipment. And it is not every trade that admits of such requirement of skill; nor is every tradesman capable by mere experience of becoming highly skilled. Thus, there is reason for grading both, trades and tradesmen within a trade; and a pay structure which does not provide for recognition of these gradings and their different combinations, would not make for efficiency or contentment in the workshops. The experience of the last twelve years also points to the same conclusion. The seven scales recommended by the Varadachariar Commission could not meet the reasonable requirements of the Departments concerned. And once the process of devising new scales was started, it went on, resulting ultimately in the prescription of 80 scales. This number is clearly excessive, and can be considerably reduced. But, we are convinced that it would not be desirable to make such drastic reduction as has been proposed by some of the employees' organizations; and that the distinction between skilled and highly skilled should be continued whether these designations are formally prescribed or not. Further, a number of not very long scales for skilled staffs, and separate scales of higher value for highly skilled staffs would be preferable to one or two long scales covering the whole range of workshop staffs, starting from the just skilled and going on to the most highly skilled craftsman. Long scales, as a rule, weaken incentives and make recognition of superior ability difficult. They are, therefore, not common in industrial employment either in this country or in other industrialized countries; the usual practice, on the contrary, is to provide short scales, or even fixed rates of remuneration. As to the number of scales in force, information available regarding some major industrial undertakings in the private sector shows that the total number of scales for skilled and highly skilled workers varies from 4 to 17, and that in no case is a single, or even two scales, considered sufficient.

Mention has already been made of the objection of some of the employees' organizations to overlapping scales. Overlapping can be completely avoided only by providing a number of very short scales which the employees' organizations generally dislike even more than overlapping scales. And with very long scales, which they prefer, considerable overlapping is unavoidable. With scales even of medium length, some degree of overlapping may occur in many cases. But, such limited overlapping should not be harmful in any way, particularly if it is provided that on promotion from one grade to another an employee would have a guaranteed minimum increase in remuneration.

11. A question has been raised whether there are any precise principles with reference to which trades and tradesmen can be graded, and whether there is a clear line of demarcation between the semi-skilled and the skilled, and between

the latter and the highly skilled. This question was considered by the Varadachariar Commission, and their conclusions are recorded in paragraphs 221—224 of their Report. They did not accept the proposal that there should be no separate category designated as "semi-skilled", but observed that it might not be easy to say when exactly a worker crosses the dividing line between semi-skilled and skilled. As regards classification into skilled and highly skilled, after discussing the various criteria suggested for adoption (such as some theoretical knowledge as well as practical skill, nature of preparatory training, a certificate from a recognized technical institute, etc.), the Commission concluded as follows:—

"We are inclined to think that the basis of differentiation must vary from industry to industry. In some, theoretical training may be more essential; in the rest, apprenticeship or practical experience may be more essential. The classification must, in the last resort, be based upon trade tests. The semi-skilled was generally recognized to be a person who had risen from the ranks of unskilled labour, after he had improved by experience. Some workers' representatives suggested that particular occupations must be classed as semi-skilled and other occupations classified as skilled. We do not think that this will be a safe method of demarcation. In one and the same line of work, there may be different degrees of skill. It is on this confusion that the workers complained that an occupation classified as skilled in one locality or workshop was classified as semi-skilled in another workshop or locality. The assignment of a particular worker to one category or another must largely be a matter of opinion based on standards recognized in industry....In a matter of this kind, no differentiation can be made between the industrial employees of the Government and those employed in private industry. The differentiation between the skilled and the highly skilled is again a matter of degree, depending to a certain extent also upon experience and purposeful training. The extent to which a man can be trusted to work by himself or required direction or guidance is also a material ingredient.It seems to us that it will be convenient if each important industrial establishment will constitute a Board, say of three of its officers, to determine the class in which every worker in that establishment is to be based. The classification will of course be reviewed from time to time."

In substance, these conclusions continue to be valid, and the methods of recruitment and promotion followed in the Central Government's industrial establishments with which we are concerned are generally in accord with these conclusions. Selections for the various grades are usually made on the result of trade tests appropriate to the respective grades; and for promotion from a skilled to a highly skilled grade, passing a trade test is ordinarily a condition of eligibility even though seniority may thereafter influence the selection. Specifications of the tests vary according to the nature of an industry, or even according to the nature of operations in different shops within the same industry; and this is as it should be.

12. Some employees' organizations have complained that there has been no systematic job evaluation, and that this has led to many groups of workers being classified lower than the contents of their jobs would justify. This has also been mentioned among causes making for lack of uniformity in classification as between one establishment and another. Much of the criticism of the present system of grading of jobs seems to arise from the belief that all job evaluation must follow,

what is called, the "points rating" system, or the analogous "factor comparison" system. The "points rating" system involves breaking each job into its component factors and allotting points to each factor according to a pre-determined scale, and then converting the total number of points into money, again according to a pre-determined scale. In the "factor comparison" method also, each job is broken down into its component factors, usually the following: mental requirements, physical requirements, skill requirements, responsibility and working conditions. After job descriptions have been prepared, key jobs, which represent various wage levels judged to be correct and fairly related to one another and in line with rates prevailing in the district for similar jobs, are selected and analyzed factor by factor. The jobs are considered one by one and a decision made as to how much of the current wage rate for the job is being paid for each factor. A scale is prepared for each factor on which the key jobs are placed in order of their value assessed for that factor. The remaining jobs are then compared factor by factor with the key job factor scales and placed in position at their correct point on each scale, a comparative money value thus being established for each factor in each individual job. The total of the factor values so determined for each job represents its evaluated cash rate. Both these systems, it will be observed, are very elaborate, and yet, neither provides for what may be considered an absolutely objective evaluation of jobs; in both cases, the subjective element comes in. These are systematic, and not scientific processes.

There are two other, simpler, methods of job evaluation—one known as the "ranking system", and the other as the "classification system". Under the former, each job is judged as a whole and jobs are then ranked in groups in order of difficulty or value, and an attempt is made to equate or compare jobs at different levels among the group. When all jobs under review have been finally ranked, grade levels are defined and wage levels allocated. The classification system differs from the ranking system in that grade and wage levels are determined before jobs are ranked, and descriptions are written defining the type of job which should fall into each group. The "points rating" system has been followed in determining the pay structure of one or two groups of Central Government employees. For instance, the present structure of remuneration in the Posts and Telegraphs workshops is based on a "points rating" job evaluation made some years ago. But, ordinarily, the methods followed are what, in essence, are the ranking and the classification systems. Even in industrially developed countries, there is considerable difference of opinion about the advantages of the more elaborate systems of job evaluation. And, while it may well be that a more careful and systematic analysis and assessment of jobs in most of the Central Government's industrial establishments than has been made so far is called for, we do not feel competent to commend any particular system of evaluation in preference to others.

13. Along with that of classification, some employees' organisations have raised the question of complements of highly skilled staff. They consider the present proportion of highly skilled posts to be too low; they attribute this partly to what they believe to be the management's desire to keep down costs by remunerating highly skilled work at rates prescribed for lower grades; and they would prefer to have the present arrangement replaced by one under which prescribed percentages of the strength of the skilled grades carry higher scales of pay. In other words, they would like the number of higher paid posts to be fixed without direct reference to the amount of highly skilled work to be performed in particular units. Such an arrangement might well prove unfair to the workers themselves, or unduly expensive, if the proportion in any undertaking is either lower or higher than the exact requirement for highly skilled work; and the arrangement would not be in keeping with the practice in industry outside. We do not, therefore, support this proposal. If there is a proper classification of jobs, it would ensure that highly skilled work is graded and paid for as such.

14. We have studied such data as are available relating to the wage structure in industrial undertakings in the private sector. The data, unfortunately, are not complete, or in many cases even up-to-date. They show, moreover, marked regional and occupational variations, and even within the same industry or region there are differences resulting, presumably, from differences in the paying capacities of the units or and the respective bargaining strength of the management and the employees.

15. There is a school of thought that would favour the remuneration of Government's industrial staff being fixed on a regional rather than an all-India basis so that the prevailing market rates in each region might be taken into account. It is said that the present system makes for rigidity, and that it may well happen that in some regions the rates prescribed are appreciably higher or lower than those being paid in comparable employment outside. This, it is added, may, and in fact does, result in uneconomic expenditure in one case and recruitment difficulties in the other. The Varadachariar Commission had observed* that it was much more necessary and important to have uniformity between private industry and Government industry in each region than to give full effect to the principle of all-India uniformity, but had ultimately decided to recommend uniform pay scales. A scheme of regional rates of remuneration has, certainly, its advantages. In the United States, for instance, the rates of remuneration for industrial staffs are determined by regional wage boards which deal with other industrial staffs as well. There are, however, certain more or less serious difficulties in introducing this kind of decentralized wage determination for the Central Government's industrial employees. For one thing, the idea of a uniform remuneration has taken too strong a root during the last decade or so to be disturbed without creating a great deal of discontent and unsettlement among the employees. For another, the system of city compensatory and house rent allowances provides for some degree of local differentiation. Further, the differences in the market rates between one region and another, and between one industry and another, are so wide that any attempt to relate rates of remuneration to the local rates is bound to result in conspicuous disparities among Central Government employees in different parts of the country or in different industries, many of them employed on the same or broadly comparable kind of work. The State-wise and industry-wise figures of average annual earnings of factory workers in 1957 (the last year for which information is available) bring out the range of variation sharply. The State-wise average figures ranged from Rs. 1,834 (Assam) to Rs. 805 (Kerala), and (leaving out certain unimportant industries) the industry-wise figures from 1,990 (products of Petroleum and Coal) to 727 (products of wood and cork). With the present disparate levels of economic development of different parts of the country and an uneven growth of the labour movement, and for the reasons mentioned above, it would be desirable to continue the existing system of uniform pay scales.

16. We now proceed to consider a suitable pay structure in some detail. As has been mentioned earlier, all the unskilled staffs in the workshops, numbering 1,72,406, are on a single scale Rs. 30-½-35. For such staffs, the scale Rs. 70-1-80-EB-1-85, which is being recommended for the lowest grades of Class IV staffs, would be suitable, and is recommended. A considerable proportion of the Class IV staffs, to whom the scale would apply, are manual workers whose duties do not require skill, and it is appropriate that these and the unskilled staffs in the workshops should be remunerated at the same rate.

*Para. 226 of their Report.

17. There is, however, a group of posts, numbering 13,601, under the Ministry of Defence, which have been in the scale of Rs. 32-½-35-1-40. The staff appointed to these posts are described as "unskilled special category", and they were given a scale intermediate between those for unskilled and semi-skilled staffs on the ground that employees whose work, though unskilled, was particularly heavy, or involved handling of dirty material or machines, or of explosives, deserve special treatment. In workshops outside the Ministry of Defence, all unskilled staffs are remunerated at the standard rate, even though the work of a small proportion of them is comparable to that of the "unskilled special category" of the Ministry of Defence. We consider, that whether employed in the Defence factories or workshops of other Government Departments, unskilled staff whose work is exceptionally heavy, or whose normal duties involves special risks, such as those of chemical process workers of employees who have to handle explosives, should have a higher remuneration. We do not, however, think that a separate scale of pay is necessary for such staff; and we recommend that while the present incumbents under the Ministry of Defence may be suitably fitted in the much longer and improved standard scale for unskilled staff—Rs. 70-1-85, the additional remuneration in future should be in the form of a special pay of Rs. 3 per mensem.

18. The number and distribution of semi-skilled and unskilled supervisory staffs are shown in table II in paragraph 4. There is, obviously, no need for a dozen scales for such staffs, and this is confirmed by the fact that about 90 per cent. of the staff are on only four scales—two of which start and end at the same figure—as also by the fact that even the largest of the Departments have only about five scales at this level.

The two lowest scales, Rs. 35-1-40 and Rs. 30-½-50, are easily disposed of. The first has about 220 unskilled supervisory staff in Railway workshops which have also got similar staffs on the scale Rs. 35-1-50; and there is, therefore, no need for a separate scale for these 220 employees. The scale Rs. 30-½-50 (a 41-year scale which is, perhaps, the longest scale in force) is meant for a certain class of labourers in the Mints. This long scale is apparently intended to accommodate a worker from the beginning of the unskilled to the end of the semi-skilled stage. A much sounder arrangement would be to divide the number into unskilled and semi-skilled, and put them on the scales applicable respectively to unskilled and semi-skilled staffs.

We have considered whether there should be one or more *separate* scales for unskilled supervisory staffs in the workshops. It is true that a supervisor at this level need possess no skill himself; but, on the other hand, he must have certain personal qualities if he is to discharge his supervisory functions efficiently—qualities which a semi-skilled workman may do without. Thus, while the work of the one is as such not comparable with that of the other, the same value can, reasonably, be put on the work of the two; and there is, therefore, no need for any separate scale for unskilled supervisory staffs who should ordinarily have the lowest scale for semi-skilled staffs.

19. In terms of levels of skill, there is no reasonable basis for classifying semi-skilled occupations in the Central Government's workshops, etc., into more than two groups—one consisting of semi-skilled workers generally, and the other of those with considerable experience or some amount of systematic training, whose abilities as craftsmen just fall short of the standard required for admission to the skilled category. There may be cases in which factors extraneous to the nature and level of skill may have to be taken into account, such as addition of some supervisory responsibilities to the duty of a craftsman, or difficult conditions under which duty has to be performed, or employment in an isolated semi-skilled position where some degree of independent judgment has to be exercised, and, on occasions,

initiative is called for. But, a separate scale is not needed for such cases; the higher of the two scales for semi-skilled workers would serve the purpose. There is, however, another kind of case for which a separate scale will have to be provided. The Railways (and also some other Departments) found it necessary to evolve for the semi-skilled staffs in their workshops a scale considerably longer than any suggested by the Varadachariar Commission; and they did so by adding to one of the scales recommended by that Commission (Rs. 35-1-50) the second half of another recommended scale (Rs. 40-2-60). The resulting scale, Rs. 35-1-50-EB-2-60, is suitable for remunerating a workman from the beginning of the semi-skilled stage to the point when he is just below the skilled level; and it is understood that the Railway administration have found the scale suitable for the nature of operations in, and the organization of, their workshops.

20. On the considerations set out above, we recommend three scales to replace all the scales, excepting one, at present applicable to semi-skilled and unskilled supervisory staffs. The scales together with the existing scales which they are expected to replace are as follows:

Present scale. Rs.	Proposed scale. Rs.
35-1-40	} 75-1-85-EB-2-95
35-1-50	
35-1-40-2-50	
40-1-50	
35-1-50-2-54	} 75-1-85-EB-2-95-3-101- EB-3-110
30-1-50-2-60	
35-1-50-EB-2-60	
37-1-50-2-60	
40-1-50-EB-2-60	} 85-2-95-3-110
40-2-60	

The three scales suggested above will replace all the existing semi-skilled scales excepting one. There are 1,382 workers classified as semi-skilled and serving on the scale of Rs. 50-2-60. Most of them are employed as viewers in the Technical Development establishment under the Controller General of Defence Production. Their duties consist of inspection of components and gauging of critical points during the course of filling and assembly of components, and are somewhat more responsible than those of other semi-skilled categories. These workers may be allowed the scale Rs. 95-3-110.

21. The principles and general considerations on which the scales of pay for skilled and highly skilled workers should be framed have been discussed in earlier paragraphs. Keeping those in view, the levels of wages in the private sector (though only in a broad way), and the requirements of the different industrial establishments of the Central Government, we propose the following scales. To facilitate comparison, the corresponding existing scales are also shown side by side. It is not, however, suggested that the allocation of employees to the proposed scales must follow the allocations to the corresponding existing scales: they may be changed wherever necessary on the result of a re-assessment of jobs.

Present scale Rs.	Proposed scale Rs.
40-2-60	} 85-2-95-3-110
40-2-60-5/2-65	
40-2-60-5/2-70	} 85-2-95-3-110-EB-3-128
40-1-50-2-60-3/2-75	
46-2-60-3-75	
46-2-60-3/2-75	
40-2-60-5/2-75-3-81	
40-2-60-EB-3/2-75	

Present scale	Proposed scale
Rs.	Rs.
45-2-55-3-85	} 100-3-130
50-2-60-5/2-75	
50-2-60-3/2-75	
54-2-60-5/2-75	
50-2-60-3/2-75-5/2-85	} 100-3-130-EB-3-142
55-3-85	
54-2-60-5/2-75-3-90	
60-3/2-75	} 110-3-131
60-5/2-75	
60-5/2-75-3-81	
60-5/2-75-3-90	} 110-3-131-4-143
60-3-90	
60-5/2-75-3-96	
55-3-85-4-105	} 110-3-131-4-143-EB-4-155
60-3/2-75-3-105	
60-5/2-75-3-105	
54-2-60-5/2-75-3-105-5-120	} 110-3-131-4-143-EB-4-171- EB-4-175-5-180
60-5/2-75-3-105-5-130	
60-4-120	
60-3-81-4-125-5-130	
64-3-85-4-125-5-130	
75-3-90-5-105	} 125-3-131-4-155
75-3-105	
75-3-105-5-120	} 125-3-131-4-163-EB-4-175- 5-180
75-3-105-5-125	
75-3-90-5-125	
75-3-105-5-130	
90-5-120	} 140-5-175
90-5-125	
90-5-130	
105-5-130	150-5-180
80-5-120-8-160	130-5-175-EB-6-205-7-212
90-5-120-6-150	} 150-5-175-6-205
105-5-125-6-149	
120-5-150	
100-5-125-6-155	
90-5-125-6-185	} 150-5-175-6-205-EB-7-240
100-5-125-6-185	
120-5-150-6-180	} 175-6-205-7-240
125-6-185	
125-5-155-6-185	
135-5-155-6-185	
150-6-180	} 205-7-240
155-6-185	

There are 464 employees, classified as skilled, on the scale Rs. 40-2-60-3/2-75-3-105. This scale is too long (31 years) and may be broken up conveniently into two scales, say, Rs. 85-2-95-3-128 and Rs. 125-3-131-4-155.

22. In the tables II, III and IV in paragraphs 4 to 6, the distribution of scales of pay into those for semi-skilled, skilled and highly skilled workers is in accordance with the classification made by the Departments; and since the classification is not uniform, there is some amount of overlapping of scales as between one category and another. The scale Rs. 40—2—60 is applicable to certain groups of semi-skilled staffs in the Posts and Telegraphs and some other Departments; but in the ordnance factories the same scale is applied to a grade of workers who are officially classified as skilled though the work involved is essentially of a semi-skilled type. Again, a number of scales ending at Rs. 120 to 130, which are usually applied to skilled categories in Railways and Defence, are applicable to highly skilled staffs of certain categories in the Posts and Telegraphs and other Departments. For the sake of uniformity, and to avoid possible misunderstandings, we suggest that of the scales proposed above, the first twelve may be regarded as those for skilled, and the remaining five as those for highly skilled workers. This should not, however, be taken to be a firm line of decision.

23. There are three hundred and odd employees in industrial establishments, most of them in the Government Presses, and a fair number in the Mints, who are described by the Departments concerned as highly skilled workers on scales of pay ranging from Rs. 120—200 to Rs. 250—500. The largest single group is that of Readers, Class I, and the next largest of technical supervisors. Both these groups, as also the majority of the other posts for which some exceptional qualifications or other are necessary, are thus distinguishable from the generality of highly skilled workers, and can be dealt with more appropriately elsewhere. We do not, therefore, deal with them in this chapter.

24. The scales proposed in the preceding paragraphs are the total number from which the requirements of all the industrial establishments of the Central Government may be met, and it is not intended that all or even most of the scales should be applied to the staff in each establishment. On the basis of a general examination of the respective requirements of, and present pay structures in, each important establishment, or groups of establishments, the scales likely to be suitable, and generally adequate, in each are indicated below:

Posts and Telegraphs Department	Meteorological Deptt.	India Security Press,
Rs.	Rs.	Rs.
70—85	70—85	70—85
75—110	75—95	75—95
85—110	85—110	85—110
85—128	110—155	100—130
110—131	150—240	110—143
110—155		125—155
125—155	Government Presses	150—205
140—175	Rs.	205—240
150—205	70—85	
175—240	75—95	Assay Department
205—240	75—110	Rs.
Railways	85—110	70—85
Rs.	100—130	75—95
70—85	110—131	85—110
75—95	100—142	85—128
75—110	110—143	110—131
85—110	125—155	125—155
110—180	110—180	140—175
130—212	125—180	205—240
150—240	140—175	
175—240	150—240	

Mints
Rs.
70—85
75—110
85—110
85—128

Mints
Rs.
100—130
110—131
110—143
125—155

Mints
Rs.
140—175
125—180
150—205
205—240

Defence Establishments employing considerable industrial staffs

Naval Establishments

Rs.
70—85
75—95
75—110
85—110
95—110
85—128
100—130
110—131
100—142
110—155
110—180
125—155
150—205
150—240

Corps of Electrical and Mechanical Engineers.

Rs.
70—85
75—95
75—110
85—128
100—130
110—155
150—240

Army Ordnance Corps

Rs.
70—85
75—95
75—110
85—110
95—110
85—128
100—130
100—142
110—155
150—240

Organization of the Controller General of Defence Production.

Rs.
70—85 (with a special pay of Rs. 3 for "unskilled special" category)

75—95
75—110
95—110
85—128
100—130
110—155
150—205
150—240

Military Engineer Service.

Rs.
70—85
75—95
75—110
95—110
85—128
100—130
110—131
110—143
110—155
140—175
125—180
150—205
150—240
175—240

Directorate General of Ordnance Factories.

Rs.
70—85 (with a special pay of Rs. 3 for "unskilled special" category)

75—95
85—110
85—128
110—143
125—155
140—175
150—180
175—240

Air Force Establishments.

Rs.
70—85 (with special pay of Rs. 3 for "unskilled special" category)

75—95
85—128
100—130
110—131
110—155
150—240

25. It will be noticed that departing from the common pattern, a single scale, and a very long one—Rs. 110—3—131—4—143—EB—4—171—EB—4—175—5—180— has been recommended for skilled workers in Railway workshops. This is the more significant because the number of workers involved is 1,22,277. The explanation is that a single, and an equally long scale, is applicable to those workers at present, and that neither the employees' organizations concerned nor the Railway administration have asked for a change, except that the former would like a considerable proportion of the skilled staffs to be placed on the higher scales prescribed for highly skilled staffs. It may be presumed that the nature of work in the Railway workshops is such that it does not admit of gradations within the broad skilled

category, and it may be hoped that an assured progress on a long incremental scale does not, in this exceptional cases, take off the worker's keenness.

26. The principal organisations of Railway employees are highly critical of the present system of employing "basic tradesmen" in the workshops. The system has its genesis in a recommendation of the Railway Workers Classification Tribunal (1948), which ran as follows:—

"In order to create an avenue of promotion for an unskilled labourer to a skilled tradesman, the Tribunal suggests that any labourer who has completed three years of service, and is able to pass a simple basic trade test as detailed below, should be admitted into the semi-skilled category, and designated as "Basic Tradesman" in the trade in which he has been tested."

* * * * *

"It is further suggested that the percentage of such 'Basic Tradesmen' in the semi-skilled category should be fixed in accordance with the minimum requirements of each trade."

The Railway Board, accordingly, issued orders to the effect that any labourer who has completed three years of service and is able to pass a simple basic trade test, as specified for the purpose, should be admitted into the semi-skilled category (Rs. 35—60) and designated as basic tradesman in the trade in which he has been tested. They are to be considered for promotion to the skilled grade of Rs. 60—130 on the occurrence of vacancies; and on successful completion of their apprenticeship they are to be absorbed as skilled artisans (Rs. 60—130). The question of creating a special avenue of promotion for unskilled labourers, and, therefore, of creating a grade of basic tradesman can, obviously, arise only in trades in which there is no semi-skilled grade already. Secondly, since the percentage of basic tradesmen is to be fixed in accordance with the minimum requirement of each trade, every labourer who passes the basic trade test is not entitled to be paid as a semi-skilled worker irrespective of the existence of a vacancy in that grade. Similarly, a basic tradesman being paid as such (i.e. at the rate for semi-skilled workers) cannot be promoted to the skilled grade unless there is a vacancy in that grade. A time-lag between passing the basic trade test and appointment as basic tradesman, or between passing the skilled trade test and appointment to the skilled grade, cannot be avoided, or reduced to a negligible duration, unless the number of workers permitted to take the tests is related to the expected number of vacancies, in the very near future, in the two grades. Some of the complaints made by the employees' organizations relate in effect to this time-lag, and the question here is, in essence, not one of injustice, but one possibly of faulty planning: expectations of promotion being aroused prematurely, followed by discontent and frustration when it is delayed. There is, however, another complaint which is of a different order, viz., that many basic tradesmen are being required to perform the duties of skilled workers, but are being paid at the semi-skilled rate; and this, it is said, involves keeping unfilled a corresponding number of vacancies in the skilled grade. Such an arrangement should not provide cause for grievance if the basic tradesmen concerned have not passed the skilled trade test, and are being employed as apprentices in skilled jobs in order that they may become fully skilled. But, once a basic tradesman has passed the skilled trade test, he should obviously be appointed to the skilled grade *if a vacancy exists*; and this presumably, is what usually happens. There is, however, a third possibility, namely that posts of basic tradesmen may be created not in addition to the requisite strength of the

skilled grade, but in lieu of a certain number of skilled posts, which are, in consequence, kept in abeyance. If this is happening on the Railways generally, or on any one of them, the employees have a just cause for grievance. We, therefore, recommend that the system of basic tradesmen should be worked so as to provide a channel through which, in trades where there is no semi-skilled grade, unskilled workers may advance to the skilled grade, and that posts of basic tradesmen created with this object are not set off against posts in the skilled grade.

27. Of the ten scales suggested in paragraph 24 for the ordnance factories, three are relatively short, corresponding to three such scales at present in force in those factories. Of the others, three are somewhat longer than the corresponding present scales. Thus, in the matter of length, the proposed scales do not mark any significant departure from the present position. The All-India Defence Employees' Federation would prefer longer scales, and the Director General of Ordnance Factories, appreciably shorter scales—in fact, fixed rates if possible. This divergence is largely linked up with the system of piece rate in operation in the ordnance factories, which too has been severely criticised by the Federation.

28. About 45 per cent of the total labour force, and 75 per cent of the direct labour in the ordnance factories are on piece rates. Like those on time rates, the piece workers are fixed in separate grades of trades, and earn increments in those grades. They are eligible for other allowances, such as the dearness, city compensatory, and house rent allowances, at rates appropriate to their basic pay in the time scale. The piece work rate for a job is fixed with reference to the mean of the pay scales of the relevant grade of the trade; and the actual earnings are dependent on the outturn of a worker or a group of workers, as the case may be. Any earnings in excess of the basic pay in the time scale are termed as 'piece work profit', which does not in any way affect the rates of the various allowances (instances mentioned above) that may be admissible with reference to the basic pay. The piece workers do not get their basic pay, but get a guaranteed minimum pay of Rs. 30 if they are unskilled, and Rs. 35 if they are semi-skilled or skilled, when their piece work earnings fall below those figures. The guarantee does not, however, protect the basic pay beyond Rs. 35. If, for instance, the piece rate earning of a skilled worker whose basic pay is Rs. 100, is only Rs. 35 in a particular month, he will not receive any further amount by way of pay. This possibility of a worker's actual earnings falling below his basic pay is the feature of the piece rate system in the ordnance factories which the employees' representatives consider specially objectionable. The employees' witnesses were asked whether, whatever the theoretical possibilities might be, the earnings do, in fact, frequently or even occasionally, fall below the basic pay to which the worker would be entitled if he were on time rate. The answer was that in the ordnance factory at Jubbulpore the earnings used to fall below the basic pay. Enquiries were subsequently made from the Ministry of Defence, and its reply was that no such cases had occurred. There may or may not be occasional exceptions; but it seems the actual earnings do not, as a rule, fall below the basic pay. There are, however, other reasons why the All-India Defence Employees' Federation are opposed to the particular piece rate system. The reasons furnished in their written and oral evidence are: first, that the piece rates for particular jobs have been fixed without consulting the workers' representatives who are, therefore, ignorant of the manner in which the rates have been determined; secondly, that there has been no scientific evaluation of jobs, with the result that the remuneration often does not correspond to a worker's contribution; and lastly, that the basic pay above Rs. 35 not being guaranteed, workers whose pay exceeds that amount have to strain themselves to make sure that their piece rate earnings do not fall below their basic pay.

29. The system followed in the ordnance factories—the straight piece work—is only one of the several recognized systems of payment by results. It has the merit of simplicity, and of giving the worker a feeling of ability to determine by his own efforts the amount of his total earnings. On the other hand, it is not the most refined or scientific of the systems of payment by results. A wage system sometimes combines the time and piece rates, and under such a system, whatever the earnings may be on the basis of results, the basic time wage for the period worked is guaranteed. In the Chittaranjan Locomotive Works, for instance, the basic wages of all workers are guaranteed, irrespective of their piece work results; only losses during a particular month are adjustable against the profits of the next month. In their Fifty-fifth Report, the Estimates Committee (1956-57) had, in fact, suggested that a comparative study should be made of the systems prevailing in the Chittaranjan Locomotive Works and the ordnance factories to see in what way the system in the ordnance factories could be improved to make it more scientific and modern; and the Committee had proceeded to observe that the latter system was not based on any scientific time and motion studies. It is understood that for a variety of reasons, including the more complex nature of the operations in ordnance factories and the shortage of qualified staff to make time and motion studies, no changes have yet been made in pursuance of the Estimate Committee's recommendations, but that steps are being taken to have the required staff suitably trained.

30. The All-India Defence Employees' Federation is not opposed to payment by results as such. What it, however, wants is a system of additional payments related to results, over and above the time rate; in other words, something similar to the arrangement at the Chittaranjan Locomotive Works. While we recommend strongly the extension, wherever feasible, of the principle of payment by results, both because it makes for increased productivity, and because it enables a keen worker to improve his earnings, we are in favour of a system which guarantees the basic time wage for the period worked. We would like to point out in this connection that while the piece rate must be determined after scientific studies, that alone is, by no means, enough; the fullest consultation with the workers must be recognized as an essential condition for a satisfactory working of any scheme of wage incentives.

31. Reference has been made earlier to the sharp difference of opinion regarding the length of pay scales. If the existing piece rate system is replaced by one in which the basic pay is guaranteed to all workers, long time scales would present no serious difficulty. But, if the present system continues, long scales, such as the employees want, or even scales of medium length, such as some of those we have proposed, would be open to the objection that since the piece rates are fixed with reference to the mean of the scale pay, the longer the scale the more injurious would it be to the interests of the highly skilled and more productive workers, at whose cost the less skilled workers would derive undeserved benefits. We understand, however, that what is really important is not the spread of a scale in terms of years, but in terms of the difference between the minimum and the maximum, and that if the scales are so framed that the maximum does not exceed the minimum by more than 50 per cent of the latter, there will be no difficulty in working the piece rate system. The scales we have recommended, by and large, satisfy this condition.

32. Fair allocation of jobs to the scales recommended by the Commission would be matter of utmost importance to the workers, to the employer-employee relationship, and to the efficient working of the workshops concerned. And it is important not only that the allocation should be fair, but that it should be so made as to be

accepted by the employees as fair. The employees' organizations have themselves generally suggested that the responsibility should be entrusted to wage boards or classification tribunals on which the workers' organizations should be adequately represented. It has, further, been suggested that to ensure reasonable uniformity among different Departments etc., which have industrial staffs, an interdepartmental co-ordinating board should be set up in addition to the boards or tribunals for different Departments and units within a Department.

33. There may be no serious difficulty in differentiating semi-skilled from unskilled jobs. For instance, in their written memorandum the All-India Defence Employees' Federation have suggested the transfer to the semi-skilled group of only five out of a large number of unskilled categories. But, greater difference of opinion is possible when it comes to determining whether a particular job should be classed as semi-skilled or skilled, or when the question is of grading within the skilled category, or of differentiation between the skilled and the highly skilled. Thus, the proposed bodies, by whatever name they are to be known, should consist of a technical expert conversant with the content and responsibilities of the various jobs in a workshop, a person with experience of wage problems, and a neutral chairman with experience in wage adjudication. The recommendations made by the various bodies should be co-ordinated by a common chairman, or a joint meeting of the chairman of all the bodies.

34. It will be remembered that after the Varadachariar Commission had submitted their Report, the Posts and Telegraphs, Defence and Railway Departments found it necessary to appoint certain committees etc., to fit the workshop staffs into the pay scales recommended by the Commission, and to go into certain other allied matters. The Posts and Telegraphs Department first appointed the Ash-Norfolk Committee, consisting of three officers of the Department, and then a Technical (Removal of Anomalies) Expert Committee, which included, apart from departmental officers, a technical officer each from the Railways and Ordnance Factories. This Committee made its proposal generally within the framework of the Varadachariar Commission's recommendations, and the present pay structure is largely based on those proposals. The Defence Ministry first placed an officer on special duty to work out suitable pay scales for all classes of workers in ordnance factories, based on the recommendations of the Commission, and orders were issued in the light of his proposals. The scales sanctioned did not, however, give satisfaction, and so in 1950, a Committee of Enquiry with an officer each of the Ministry of Defence and Labour as members, and Shri Kalyanvala, Chairman of the Punjab Special Tribunal, as Chairman, was set up to enquire into and report on the grievances of the employees. Shri Kalyanvala died before the Committee had completed its work, and the two surviving members expressed divergent views in regard to the pay structure. The matter was, therefore, examined by a high level departmental committee and with some changes the scales sanctioned originally were confirmed. In regard to the Railway workshops, the Commission had recommended that the artisan staff should be classified into highly skilled, skilled, semi-skilled and unskilled, and appropriate grades fixed for them by a committee to be set up for the purpose. Accordingly, the Railway Board appointed in 1948 the Railway Workers Classification Tribunal with Shri T. Waterhouse, an engineer not in Government service, as Chairman, and two members, one representing labour and the other the Railway administration. The Tribunal prepared a list of skilled and semi-skilled categories, who were thereafter placed on the appropriate scales of pay. Certain disputes concerning the pay scales of workshop staffs in the Railways were also referred to the one-man tribunal, presided over by Shri Sankar Saran, that was set up in 1955, and was functioning until a few months ago. This brief resume clearly suggests the advisability of entrusting the task of fitting the

workshop staffs in the pay scales we are recommending, to specially constituted expert bodies of the kind we have suggested, with chairman in whom both the administration and the employees can have confidence. Further, representatives of labour and the administration must, obviously, have the fullest opportunity to present their views before the proposed bodies. The scope of the bodies would be limited to allocating one or another of the proposed scales to different classes of jobs, and would thus be narrower than that of a wage board.

CHAPTER XXI

SOME OTHER COMMON CATEGORIES

I. Store-Keeping Staffs

1. In store-keeping establishments in various Departments there are 10,396 Class III employees, of whom 10,273 are in 24 scales and 123 in 19 scales of pay. The bulk of the staffs are in the Ministry of Defence; and of the rest, all except 509 are employed in the Ministries of Railways, Health (Medical Stores Depots), Food and Agriculture (Regional Directors of Food), Finance (Mints) and Works, Housing and Supply (Central Public Works Department). Of the 509 employees in other Departments, 389 are in scales common to other Departments. We propose to consider only the main categories in the Ministries mentioned above.

2. The numbers and scales of pay are as follows:

TABLE I

No. of posts							Scale of pay	
De- fence	Rail- ways	Food and Agricul- ture.	Health (Medical Stores Depots)	W. H. & S. (C.P.W.D.)	Finance (Mints)	Others	Total	Rs.
..	36	..	..	..	..	..	36	360—20—500
..	..	..	..	..	2	1	3	350—15—440—20—500
30	..	..	..	..	..	..	30	300—20—460
..	38	..	..	..	..	1	39	300—20—400
..	..	..	..	..	6	..	6	200—15—350—EB— 15—440—20—460
254	..	..	..	..	..	..	254	200—15—350—EB—15—410
119	37	..	..	..	..	..	156	260—15—350
40	..	..	..	..	..	..	40	260—15—335
..	..	102	..	..	..	..	102	250—15—325
251	308	..	..	..	..	5	564	200—10—300
..	..	..	..	..	7	3	10	160—10—250—EB—10—300
..	..	..	4	..	..	5	9	200—10—250
316	714	..	..	..	..	20	1,050	150—7—185—EB— 8—225
..	..	..	23	..	..	1	24	130—10—230
..	..	..	..	..	10	2	12	120—8—200—10/2—220
226	..	..	..	..	..	..	226	100—8—140—10— 200—EB—10—220
..	..	199	..	..	..	..	199	120—8—200
2	137	19	..	36	33	188	415	80—5—120—EB—8 200—10/2—220
332	..	..	..	..	..	..	332	100—8—140—10—200
441	..	..	..	..	..	11	452	100—5—125—6—185
240	..	..	..	..	..	..	240	80—5—120—EB—8—160
..	..	446	..	..	..	..	446	80—5—120
4,633	353	58	136	18	62	152	5,412	60—3—81—EB—4 125—5—130
216	..	..	..	..	..	..	216	55—3—85—4—105
7,100	1,623	824	163	54	120	389	10,273	

The store-keeping staffs under the Ministry of Defence are distributed among the main establishments as follows:

TABLE II

E-in-C's Branch	Number of posts.						Total	Scale of pay
	A.O.C.	E.M.E.	Air Force	D.G.O.F.	Naval Store Estt.	Others		Rs.
..	..	..	..	25	5	..	30	300—20—460
254	..	..	..	..	..	..	254	200—15—350—EB— 15—410
..	39	..	43	..	27	10	119	260—15—350
..	..	..	..	40	..	..	40	260—15—335
..	59	..	87	..	101	4	251	200—10—300
..	145	4	131	..	..	36	316	150—7—185—EB— 8—225
..	..	..	..	..	225	1	226	100—8—140—10— 200—EB—10—220
..	..	..	..	..	..	2	2	80—5—120—EB— 8—200—10/2—220
332	..	..	..	..	..	..	332	100—8—140—10— 200
..	243	11	174	..	..	13	441	100—5—125—6—185
227	..	..	..	..	..	13	240	80—5—120—EB—8— 160
552	3,216	155	..	555	27	128	4,633	60—3—81—EB—4 125—5—130
..	..	..	..	..	216	..	216	55—3—85—4—105
1,365	3,702	170	435	620	601	207	7,100	

3. We need not enumerate the duties of various categories of store-keeping staffs; these generally include receipt, storage, preservation, distribution and accounting of stores of various kinds.

4. As there is no uniformity in nomenclature, pay scales, method of recruitment etc., we explain briefly the position in each Department separately indicating also the main proposals of the employees' organisations.

5. Railways: There are Store Clerks on the clerical scales, Store Van/Delivery Clerks on Rs. 80—220, Ward Keepers on Rs. 150—225, Assistant Store Keepers and Supervisors on Rs. 200—300 and Depot Superintendents and Store Keepers on Rs. 260—350, Rs. 300—400 and Rs. 360—500. There is direct recruitment only to the lowest grade; all higher posts, including Class II posts, and one-third of the vacancies in Class I posts are filled by promotion.

The Railway Federations have proposed increases in pay scales at all levels, but no other major change.

6. Defence: There is no uniformity in designations and method of recruitment in different establishments. In the Military Engineer Service, Army Ordnance Corps, and the Corps of Electrical and Mechanical Engineers, there is no direct recruitment except to the lowest grade on Rs 60—130. In the establishments under the Controller General of Defence Production, the Armed Forces Medical Services, and the Air Force, graduates, with practical experience in some cases, are recruited to all or specified percentages of vacancies, generally in the grade of Rs. 100—185, and in one case to the grade of Rs. 150—225. In the Navy, matriculates are recruited as Storekeepers on Rs. 60—130 and Storemen on Rs. 55—105. There is no direct recruitment to higher grades, but 50 per cent of the vacancies in the grade of Foremen of Stores on Rs. 260—350 and Store-house Assistants on Rs. 100—220 are filled by promotion of graduates employed in Naval establishments; and the remaining vacancies by promotion of lower categories.

7. Class III staffs in these establishments, except the Corps of Electrical and Mechanical Engineers, are eligible for promotion to all or a percentage of posts in Class II, and in some cases also in Class I.

8. The employees' organisations generally want uniformity in pay scales and grade structure in different establishments, as also reduction in the number of scales; the All India Defence Employees' Federation wants only two scales for those staffs. Store Keepers in the Air Force, however, have asked for higher scales than those in other establishments. We also received proposals from Air and Naval Headquarters, Quarter-Master General's Branch and the Director General of Ordnance Factories for revision of pay scales of some categories of store-keeping staffs.

9. Regional Directors of Food: In these establishments there are Junior Godown Keepers, Senior Godown Keepers and Godown Superintendents on Rs. 80—120, Rs. 120—200 and Rs 250—325 respectively. Direct recruitment is made to a percentage of vacancies in all the grades, the qualifications being matriculation with one year's experience for the first, and a degree with 3 and 5 years' experience respectively, for the last two categories. Godown Superintendents are eligible for promotion as Assistant Directors.

10. Medical Stores Depots: There are Store Clerks and Store Assistants on Rs. 60—130, Assistant Store Superintendents on Rs. 130—230 and Store Superintendents on Rs. 200—250. Direct recruitment is only to the lowest grade. Store Superintendents are eligible for promotion as Office Superintendents. The main proposal is that the scales should correspond to those of office staffs.

11. Mints: In the Mints, clerical, accounts and bullion staffs are all intermingled. The bullion staffs include Assistant Bullion Keepers on lower and upper division clerical scales, Deputy Bullion Keepers on Rs. 160—300 and Bullion Keepers on Rs. 350—500. There are also Assistant Bullion Registrars on Rs. 120—230, Deputy Bullion Registrars on Rs. 200—460 and Bullion Registrars on Rs. 530—710. There are Assistant Store Keepers on lower and upper division scales and Store Keepers on Rs. 160—300. On the accounts side there are Deputy Accountants on Rs. 200—460 and Accountants on Rs. 530—710.

12. Direct recruitment is to the grade of Assistant Bullion Keepers (lower division) and to one-third of the vacancies of Assistant Bullion Keepers (upper division). Higher posts are filled by promotion.

13. Other Departments: In the Central Public Works Department, Store Clerks and Store Keepers are on the lower and upper division clerical scales respectively. We understand that it has been decided to merge these posts in the lower and upper division clerical cadres. In the Posts and Telegraphs, Civil Aviation and some other

Departments also the store-keeping staffs are on clerical scales. It has been represented on behalf of some of these employees that they should be on the same scales as store-keeping staffs in the Railways or in Defence establishments.

14. From this brief survey, the existing position would appear to be as follows. The recruitment qualifications for store-keeping staffs are generally the same as for Lower Division Clerks. There is, however, a proportion—a relatively small one—for which a university degree is an essential qualification for direct recruitment. A degree, it will be remembered, used to be a qualification for direct recruitment as Upper Division Clerks until the recent decision to lower the qualification. All appointments to supervisory grades are made by promotion, there being no direct recruitment above, what may broadly be considered, the Upper Division Clerk level.

15. Considered against the background of these facts one would expect that the grade structure would conform to that in offices; in other words, there would be staff on pay scales of Lower Division Clerks, Upper Division Clerks, and one or more supervisory levels in offices, depending on the nature of the supervisory duties. In assessing the requirement for supervisory grades, the strength of the staff to be supervised, the value of the stores involved, and the nature of the stores to be handled, would have to be taken into consideration, though the last mentioned point is rather more important in determining the ratio of staff in the upper division scale to that in the lower division scale. As it is, there are serious difficulties in working out a rational pay structure. The grade structure does not appear to be sound in all cases, in that, as far as we can see, there is no rational explanation for many of the variations that occur. A large variety of scales would be understandable if for some classes of store-keeping staffs technical qualifications of one kind or another were necessary. But it seems that it is only at one or two supervisory levels under the Director General of Ordnance Factories that technically qualified personnel are employed; the rest of the store-keeping staffs are persons without technical qualifications. We have to accept the grading as it is, and to recommend a pay structure appropriate to it, even though this would mean that the unsoundness of the grade structure would be reflected in the pay structure. We suggest that the Government may have the grade structure examined and suitably altered where necessary. This does not, however, mean that there should be a uniform structure; it only means that there should be a uniform basis for determining the structure. It might also be examined whether, at least in the same Department, there should not be greater uniformity in nomenclature.

16. At the lowest level the qualifications for recruitment, the nature of duties, and the level of responsibilities of store-keeping staffs can be fairly equated with those of Lower Division Clerks. Accordingly we recommend the lower division clerical scale for Storemen and corresponding categories. At the next higher level the qualifications etc., are broadly, but not wholly in all cases, comparable to those of Upper Division Clerks, and, therefore, the upper division scale should be suitable. There are, however, some complications because, in certain cases (a) the recruitment qualifications include practical experience, or (b) a university degree without experience, or (c) a university degree with practical experience, is required; and (d) in some cases the duties and responsibilities at this level are divided into two grades, one above the other. For (a) a higher start in the upper division scale would be justified. For (b) also a higher start will be justified, now that a university degree is not required for Upper Division Clerks; but we would suggest that the advisability of lowering the academic qualification to bring it on line with that of Upper Division Clerks should be considered, and if the qualifications are lowered

the scale also should be lowered. For (c) a still higher start may be justified. In the case of (d) a division of the upper division scale into two smaller scales will be appropriate. There is, however, a complicating factor in cases in which the duties of store-keeping staffs are not entirely or even mainly clerical, but are comparable to those of field staffs. The standard upper division scale, even if broken into different segments, may not be suitable in such cases, and pay scales corresponding to those of the field staffs with whom they have to work may be more appropriate.

17. The number of supervisory levels required depends upon the nature and range of responsibilities of store-keeping staffs in any particular establishment. On the evidence before us we are unable to express a definite opinion in the matter. Except in the case of Railways, in which we have suggested the amalgamation of two scales at supervisory levels, we have based our recommendations on the assumption that the existing number of supervisory grades corresponds to the actual requirements.

18. We proceed to examine what changes, if any, are required in the pay scales of store-keeping staffs in various Ministries on the basis of the existing grade structure and on the broad principles mentioned above.

19. In the Railways the only change we consider necessary is the amalgamation of two of the supervisory grades, viz. Rs. 260—350 and Rs. 300—400 into one single grade.

20. Store Van/Delivery Clerks who were on the scales of Rs. 80—160 and Rs. 55—130 were upgraded to the scale of Rs. 80—220 in 1957, when it was decided that they should be drawn from Clerks on that scale. For Upper Division Clerks in non-Secretariat offices we have recommended an improved scale of Rs. 130-5-160-8-200-EB-8-256-EB-8-280-10-300 for the reason mentioned in the relevant chapter. We see no justification for a corresponding improvement in the scale of pay of Store Van/Delivery Clerks as their duties are not comparable to those of Upper Division Clerks, and as the promotional prospects are better in the stores department than in the ministerial line.

21. Similarly, Ward Keepers for whom originally the scales of Rs. 100—185 and Rs. 55—130 were prescribed, have since been upgraded to the scale of Rs. 150—225. We see no reason for further improvement in their scale also.

22. In the Medical Stores Depots we suggest improvement in the scales of Stores Superintendents and Assistant Superintendents.

23. In the Mints we recommend that Bullion Registrars and Accountants should be on the standard scale of Rs. 590-30-830-35-900 corresponding to the existing scale of Rs. 500—800. The existing arrangement under which promotion is made from the grade of Rs. 80—220 to the grade of Rs. 100—220 is obviously faulty and we suggest a higher scale in place of the latter. For Bullion Keepers we recommend the scale of Rs. 450-25-575.

24. For Junior Godown Keepers under the Food and Agriculture Ministry we suggest the standard lower division scale; but when candidates with experience are recruited they may be granted advance increments, related to the length of experience required.

25. In the Defence establishments we propose the following changes:

- (a) adjustments in the scales of Rs. 80—160, Rs. 100—185, Rs. 100—200 and Rs. 150—225 in order that these may, in new terms, correspond

more or less to the lower, middle, and top sectors of the upper division scale. But in Military Farms we propose the standard upper division scale for Store Keepers who are now on Rs. 80—160 as there is no higher grade.

- (b) We recommend for Store Keepers, Grade III, in the Corps of Electrical and Mechanical Engineers a scale going beyond the maximum of the upper division scale, in view of the fact that they have no promotion outlet.
- (c) In the Air Force we suggest the standard upper division scale for Store Keepers, Grade IV, as recruitment is of university graduates; and slight adjustments in the scales of the next two higher grades.
- (d) In the Corps of Electrical and Mechanical Engineers and the Army Ordnance Corps we suggest that 10 per cent of the posts of Storemen should be in the selection grade of Rs. 130-5-160-8-200 as the avenues of promotion are comparatively small in their case.

26. We do not propose any change in the case of store-keeping staffs who are at present on clerical scales.

27. Our recommendations regarding scales of pay of store-keeping staffs in various Departments are summarised below:—

Designation	Scales recommended
	Rs.
	<i>Railways</i>
Depot Superintendents	450—25—575
Store Keepers	335—15—485
Assistant Store Keepers & Store Supervisors	270—10—290—15—380
Ward Keepers	205—7—240—8—280
Store Van /Delivery Clerks	130—5—160—8—200—EB—8—256—EB—8—280
Store Clerks	110—3—131—4—155—EB—4—175—5—180
	<i>Food and Agriculture</i>
Godown Superintendents	335—15—425
Senior Godown Keepers	168—8—256—EB—8—280—10—300
Junior Godown Keepers	110—3—131—4—155—EB—4—175—5—180
	<i>Mints</i>
Bullion Registrars/Accountants	590—30—830—35—900
Bullion Keepers	450—25—575
Deputy Bullion Registrars/Deputy Accountants	270—15—435—EB—20—535
Deputy Bullion Keepers	210—10—290—15—320—EB—15—380
Store Keepers	168—8—256—EB—8—280—10—300—EB—10—340
Assistant Bullion Registrars	130—5—160—8—200—EB—8—256—EB—8—280—10 300
Assistant Bullion Keepers (Upper Division)	130—5—160—8—200—EB—8—256—EB—8—280 10—300
Assistant Store Keepers (Upper Division)	130—5—160—8—200—EB—8—256—EB—8—280—10 300
Assistant Bullion Keepers (Lower Division)	110—3—131—4—155—EB—4—175—5—180
Assistant Store Keepers (Lower Division)	110—3—131—4—155—EB—4—175—5—180

Designation	Scale recommended
	Rs.
<i>Ministry of Health</i>	
Superintendents Stores	270—10—290—15—380
Assistant Superintendents Stores	175—10—325
Store Assistants & Clerks	110—3—131—4—155—EB—4—175—5—180
<i>Defence</i>	
<i>Military Engineer Service</i>	
Supervisor, Grade I	270—10—290—15—410—EB—15—485
Supervisor, Grade II	200—8—280—10—300
Store Keeper, Grade I	130—5—160—8—216
Store Keeper, Grade II	110—3—131—4—155—EB—4—175—5—180
<i>Organisation of the Controller General of Defence Production</i>	
Store Keeper Grade I	335—15—425
Store Keeper Grade II	250—10—290—15—380
Store Keeper Grade III	200—8—280—10—300
Store Keeper Grade IV	150—5—160—8—240
Storemen	110—3—131—4—155—EB—4—175—5—180
<i>Armed Forces Medical Service</i>	
Store Keeper Grade I	335—15—425
Store Keeper Grade II	200—8—280—10—300
Storemen	110—3—131—4—155—EB—4—175—5—180
<i>Corps of Electrical and Mechanical Engineers</i>	
Store Keeper Grade III	200—10—290—EB—15—365
Store Keeper Grade IV	150—5—160—8—240
Storemen	110—3—131—4—155—EB—4—175—5—180 with selection grade of Rs. 130—5—160—8—200
<i>Army Ordnance Corps</i>	
Store Keeper Grade I	335—15—425
Store Keeper Grade II	250—10—290—15—380
Store Keeper Grade III	200—8—280—10—300
Store Keeper Grade IV	150—5—160—8—240
Storemen	110—3—131—4—155—EB—4—175—5—180 with selection grade of Rs. 130—5—160—8—200

Designation	Scale recommended
<i>Air Force Establishments</i>	
Store Keeper Grade I	335—15—425
Store Keeper Grade II	270—10—290—15—380
Store Keeper Grade III	210—10—290—15—335
Store Keeper Grade IV	150—5—160—8—240—EB—8—280—10—300
<i>Naval Establishments</i>	
Senior Foremen of Stores	370—20—450—25—550
Foremen of Stores	335—15—425
Store-house Men	250—10—290—15—380
Store-house Assistant	150—5—160—8—240—EB—8—280—10—300
Store Keeper and Storeman	110—3—131—4—155—EB—4—175—5—180
<i>Farms</i>	
Store Keepers (Upper Division)	130—5—160—8—200—EB—8—256—EB—8—280—10—300
Store Keepers (Lower Division)	110—3—131—4—155—EB—4—175—5—180
<i>Directorate General of Ordnance Factories</i>	
Store Holder	370—20—450—25—550
Assistant Store Holder	335—15—425
Godown Keeper	110—3—131—4—155—EB—4—175—5—180

II. Fire Service Staffs

28. Of the fire fighting staffs employed in some of the establishments under the Central Government, we propose to consider here only the Class III categories in the Defence, Railways, and Civil Aviation Departments. The number in other Departments are very small and they may be dealt with in the light of the recommendations we make about the main groups.

29. The numbers and scales of pay are as follows:—

Designation	No. of posts	Scales of pay
		Rs.
<i>Defence :</i>		
Deputy Assistant Fire Master (Navy)	1	200—10—300
Civilian Assistant Firemasters	20	150—7—185—8—225
Assistant Fire Superintendents	5	150—7—185—8—225
Station Officers	2	150—7—185—8—225
Civilian Firemasters	4	150—7—185—8—255
Supervisors Grade I	43	100—8—140—10—180
Supervisors Grade II	128	80—5—120
Leading Hands Fire	4	60—3—81—EB—4—125—5—130
„	1	55—3—85—4—125
„	12	55—3—85—4—125
„ . . . . .	..	60—5/2—75—3—105
„	682	45—2—55—3—85
TOTAL	902	
<i>Railways :</i>		
Fire Inspectors	2	300—20—400
„	6	260—15—350
„	9	200—10—300
Fire Station Officers	22	150—7—185—8—225
Sub Inspectors	9	100—5—155—6—185
„	72	80—5—120—EB—8—160
Fire Extinguishers	64	60—3—81—4—93—EB—4—125—5—130
Trailer Pump Operators	98	60—3—75
TOTAL	282	
<i>Civil Aviation :</i>		
Fire Foremen	53	60—4—120—EB—5—170
Fire Operators	125	60—3—81—EB—4—125—5—130
TOTAL	178	
GRAND TOTAL	1,362	

30. The duties of fire service staffs of various categories are evident from the titles. There are, however, some variations in duties between staffs in different Departments, which partly account for differences in pay scales. For example, fire fighting in the Civil Aviation Department being of a highly specialised nature, fire operations are directly conducted by Fire Operators who are on a higher scale than corresponding staffs in other Departments. We, therefore, propose to discuss these staffs in each Department separately.

31. In the Defence establishments, posts in all the grades are generally filled by promotion if suitable departmental candidates are available, Leading Hands in the lowest grade being promoted from Firemen, Grade I, on Rs. 40—60. The qualifications prescribed for direct recruitment, when necessary, to the posts of Fire Supervisors, Grade II, and Assistant Fire Masters are matriculation with a certificate or diploma in fire fighting (for which the period of training is one year), and a diploma or certificate from the Ministry of Defence Fire Fighting Training Centre or equivalent qualification, respectively. As Class II posts in the fire service are filled by direct recruitment, Class III employees have no promotion outlet.

32. The All India Defence Employees' Federation has proposed that the existing scales of pay should be replaced by two scales, viz., Rs. 225—475 for Leading Hands and Supervisors, and Rs. 350—600 for the higher supervisory staffs.

33. We propose no change in the existing pay structure except for slight improvement in some of the scales. An increase in the minimum pay of Leading Hands on Rs. 45—85 appears to us to be justified, as the posts are filled by promotion of Firemen on Rs. 40—60. For both grades of Supervisors we propose an increase in the maximum, that of Supervisors, Grade II, to correspond more or less to the maximum of the lower division clerical scale, and that of Supervisors, Grade I, to correspond to the maximum of the higher grade of Sub-Inspectors Fire, in the Railways.

34. In the Railways, direct recruitment is made only to the grade of Sub-Inspectors on Rs. 80—160; 50 per cent. of the posts are filled by direct recruitment (the qualification being matriculation in some Railways and Intermediate in others) and the remaining by promotion from lower ranks. Posts on higher scales, including Class II posts, are filled by promotion. No specific proposals have been made regarding pay scales of these categories and we do not consider any changes to be necessary except for some minor adjustments.

35. In the Civil Aviation Department, direct recruitment is made to the grade of Fire Operators from candidates of middle school standard who have to undergo an advanced course of training in fire fighting at the Civil Aviation Training Centre, and also to pass an examination of which the subjects include aircraft crash and fire and rescue operations. Posts of Fire Foremen are filled by promotion of Fire Operators. There is no further promotion outlet as Class II and Class I posts are filled by direct recruitment.

36. The Civil Aviation Department Employees Union has proposed that the scale of pay of Fire Foreman should be increased to correspond to that of Upper Division Clerks. We consider that as the duties and qualifications of these two categories are entirely dis-similar there is no case for equating them. However, there is justification for an improvement in the scale of Fire Foremen who should, we recommend, be on the same scale as Supervisors, Grade I, in Defence, and the higher grade of Sub-Inspectors in the Railways.

37. The scales we propose for various categories are the following:

Designation	Scale of pay	
	Rs.	
Defence:		
Deputy Assistant Firemaster (Navy)	250—10—290—15—380	
Civilian Assistant Firemaster	} 205—7—240—8—280	
Assistant Fire Superintendent		
Station Officer		
Civilian Firemaster		
Supervisor Grade I	150—5—175—6—205—EB—7—240	
Supervisor Grade II	130—5—175—6—181	
Leading Hand	105—3—135	
Railways:		
Fire Inspector	} 370—20—450—25—475 335—15—425 250—10—290—15—380	
Fire Station Officer		205—7—240—8—280
Sub-Inspector		} 150—5—175—6—205—EB—7—240 130—5—175—EB—6—205—7—212
Fire Extinguisher	110—3—131—4—155—EB—4—175—5—180	
Trailor Pump Operator	110—3—125	
Civil Aviation:		
Fire Foremen	150—5—175—6—205—EB—7—240	
Fire Operator	110—3—131—4—155—EB—4—175—5—180	

III. Teaching Staffs

38. We propose to consider here only the teachers employed in primary, middle, high and higher secondary schools maintained by the Ministries of Railways and Defence for their employees. The numbers and scales of pay are given below:

Designation	No. of posts		Total	Scale of pay
	Railways	Defence		
Rs.				
Principals of higher secondary schools	2	..	2	350—20—500—EB—30—590
Headmasters of high schools	19	3	22	250—10—300—20—400—EB— 20—500
Teachers in higher secondary schools (M.A., B.T.)	26	..	26	200—10—250—15—325—EB— 15—400
Trained graduate Teachers in high schools and higher secondary schools.	284	58	342	120—8—200—EB—10—300

Contd:

Designation	No. of posts		Total	Scale of pay
	Railways	Defence		
				Rs.
Trained graduate Teachers in middle schools and Headmasters of middle schools (on grade pay plus special pay of Rs. 25 or Rs. 40)	137	34	171	100—5—150—EB—8—190—10 250
Language Teachers, etc., who are not trained graduates.	12	251	263	80—5—120—8—200—10/2—220.
Headmasters of primary schools (on grade pay plus special pay of Rs. 15) and Teachers of primary schools (trained matrices)	989	148	1137	68—4—120—EB—5—170
School/Drill Masters (untrained matrices)	13	8	21	60—3—81—EB—4—125—5—130
	<u>1482</u>	<u>502</u>	<u>1984</u>	

39. The scales of pay are related to the qualifications and nature of duties, depending on the status of the schools, and are generally the same as those of Teachers under the Delhi Administration. In the primary schools untrained matriculate Teachers are on the scale of Rs. 60—130, and trained matriculate Teachers on Rs. 68—170. Headmasters are on the same scales as Teachers but are granted a special pay of Rs. 15 per mensem. In middle schools trained graduate Teachers are on the scale of Rs. 100—250; Headmasters get, in addition, a special pay of Rs. 25 or Rs. 40 per mensem, depending upon the number of classes in the school. In high schools trained graduate Teachers are on the scale of Rs. 120—300, and Headmasters on the scale of Rs. 250—500. In higher secondary schools trained Teachers who have Bachelor's or Master's degree are on the scale of Rs. 120—300; but those with a Master's degree who are required to teach in the XI class are on the scale of Rs. 200—400. Principals of these schools are on the scale of Rs. 350—590. For teaching subjects other than Indian languages only trained graduates or persons with a Master's degree are employed. But for language Teachers, "Shastri" or equivalent qualification is considered sufficient, and such of them as do not have a Bachelor's or Master's degree and Teacher's training get only the lower scale of Rs. 80—220.

40. The employees' organisations generally want higher rates of pay for Teachers as also greater uniformity in pay scales. It has been suggested that Headmasters of primary and middle schools should be on separate scales of pay instead of being on the same scale as Teachers, with a special pay. Another proposal is that in all there should be 4 scales of pay for Teachers and 4 for Headmasters; and all Teachers in a particular school, irrespective of the subject taught by them, should be on the same scale, the Headmaster being on a higher scale in each case. An extreme demand—made by the All India Defence Employees' Federation—is that there should be only two scales for all teaching staffs, one for Teachers and another for Headmasters.

41. The existing pattern of pay scales is generally satisfactory, and we recommend changes only in the case of Headmasters of primary and middle schools, and graduate Teachers in middle schools. Headmasters of these schools should be on

scales separate from and higher than those of ordinary Teachers. We propose two starting points for Headmasters of middle schools depending on the number of classes. We do not consider it necessary to equalise the scales of pay of trained graduate Teachers in middle schools and high schools, but propose that in middle schools they should start at a higher point than at present.

42. We see no anomaly in the scale of Rs. 200—400 being admissible only to such trained Teachers with Master's degree as teach the XI class. So long as the qualification prescribed for Teachers of the IX class and X class is only a B.A., B.T., there is no justification for giving those possessing a Master's degree, and teaching the IX and X classes, a scale higher than that prescribed for trained graduates. The qualification of the incumbent of a post is only one factor to be considered in determining his remuneration; his duties are equally and sometimes even more important.

43. There is no discrimination against language Teachers as such, as has been sought to be made out, except in the sense that a "Shastri" or equivalent qualification is equated with a degree for the purpose of recruitment, but not for the purpose of admission to post-graduate training courses. The discrimination thus starts at an earlier stage, and is apparently based on the theory that they are not equipped for the training courses. A lower scale of pay for one who is considered suitable for teaching a language, but who has no qualification which can be equated with a B.T. is obviously justified. We expect, however, that training facilities will be provided in future for those with a "Shastri" or equivalent qualification, so that they may be on the same footing as other trained graduates.

44. Our proposals regarding scales of pay for teaching staffs of various categories are as follows:—

Designation	Scales of pay
	Rs.
<i>Primary Schools :</i>	
Headmasters	150—5—160—8—240
Trained Teachers	118—4—170—EB—5—200—EB—5—225
Untrained Teachers	110—3—131—4—155—EB—4—175—5—180
<i>Middle schools :</i>	
Headmasters	190 (210)—10—290—EB—15—395
Trained graduates	160—8—256—EB—8—280—10—300
<i>High Schools :</i>	
Headmasters	325—15—475—EB—20—575
Trained graduates	170—10—290—EB—15—380
<i>Higher secondary schools :</i>	
Headmasters	425—25—500—30—680
Trained M.As. who are required to teach XI class.	250—10—290—15—380—EB—15—470
Other trained M.As. and graduates	170—10—290—EB—15—380
Language Teachers who are not trained graduates	130—5—160—8—200—EB—8—256—EB—8—280—10—300

IV. Drivers of Motor Vehicles

45. The Central Government employs about 8,300 Drivers of motor vehicles of various kinds including motor cars, jeeps, and lorries. They are on 25 different scales of pay; but the concentration is in four scales as indicated in the table below:—

Defence	Number of posts			Total	Scale of pay Rs.
	P. & T.	Civil Aviation	Other Depart- ments		
..	279	..	271	550	60—3—81—EB—4—125—5—130
..	..	..	108	108	60—2½—100
278	..	..	..	278	45—2—55—3—85
5,239	14	267	1,761	7,281	60—5/2—2—75
15	5	..	89	109	On scales ranging from Rs. 35—1—50 to Rs. 125—10—185
TOTAL	5,532	298	2,229	8,326	

Differences in the rates of remuneration are in a few cases, but not generally, based on the nature of duties. In the P. & T. Department, staff cars Drivers are on the scale of Rs. 60—75, while Drivers of lorries and mail motor vans are on Rs. 60—130. In some cases, Drivers on Rs. 60—130 are required to do all running repairs; and the duties of a few include maintenance and cleaning of the vehicles. In the Defence Ministry, civilian Drivers of armoured fighting vehicles and lorry Drivers in the Army Service Corps are granted a special pay of Rs. 10 per mensem or Rs. 5 per mensem.

46. Drivers are generally recruited from among candidates (including suitable departmental employees) who possess a driving license and have driving experience. No minimum educational qualification has been prescribed. Generally they have no promotion outlet; but in certain Defence establishments they are eligible for promotion as Motor Transport Supervisors, Chargemen of Fitters, and Foremen of Transport; and in the P. & T. Department there is a selection grade carrying a pay scale of Rs. 125—10—185.

47. Having regard to the nature and range of duties, it is not necessary to have more than two pay scales for Drivers. We also consider the existing scale of Rs. 60—75 applicable to the majority of Drivers to be too short (7 years), and on the low side. We recommend the scale of Rs. 110—3—131—4—139 for Drivers of light motor vehicles, such as motor cars and jeeps, and of medium transport and goods vehicles; and Rs. 110—3—131—4—155—EB—4—175—5—180 for Drivers of heavy vehicles. Where the duties involve very long hours, regularly, or are exceptionally arduous, the higher scale recommended for Drivers of heavy vehicles may be allowed to Drivers of light or medium vehicles.

48. Neither outside practice, nor the nature of duties justifies a selection grade for Drivers of motor vehicles. However, in a Department or establishment, where there is a substantial number of motor vehicles, and it is considered necessary to have some skilled and experienced Drivers to function as Drivers-cum-Supervisors,

a higher scale for these would be justified. The scale of pay of such posts may be determined by the Government having regard to the scale of pay recommended for Drivers of light and heavy vehicles, respectively.

V—Telephone Operators

49. Though Telephone Operators are employed mainly in the Posts and Telegraphs Department, a few are employed in other Departments, such as the Railways, Defence, Civil Aviation, etc., for operating their internal telephone systems. Those employed in the Posts and Telegraphs Department and the Railways have been considered in separate chapters. In other Departments, generally, they are either on the lower division clerical scale of Rs. 60—3—81—EB—4—125—5—130, or on the same scale as Telephone Operators in the P. & T. Department, *viz.* Rs. 60—4—120—EB—5—170. We recommend that Telephone Operators whose responsibilities and load of work are comparable to those in the P. & T. Department should be on the scale proposed by us for the later, *viz.* Rs. 110—4—150—EB—4—170—5—180—EB—5—225; and others should be on the scale of Rs. 110—3—131—4—155—EB—4—175—5—180 recommended by us for Lower Division Clerks.

CHAPTER XXII

RAILWAYS

I. Introductory

1. The working of the Indian Government Railways is controlled by the Railway Board, which functions as a Ministry of the Government and exercises all the powers of the Central Government in respect of regulation, construction, maintenance and operation of the Railways.

2. The Railway Board, as at present constituted, consists of the Chairman, Financial Commissioner and three Members, and work is divided subject-wise. The Chairman is the administrative head of the organisation, and has the status of a Principal Secretary to the Government. The Financial Commissioner is vested with powers of the Government to sanction Railway expenditure, and is, *ex-officio* Secretary to the Government in the Ministry of Railways, in financial matters. The Members are assisted by Additional Members, who are of the rank of General Managers (Railways), and by a number of technical officers designated as Directors, each placed in charge of a Directorate. Under the Directors, there are Joint Directors, and below them Deputy and Assistant Directors for each department or division, separately. The establishment of the Railway Board conforms, more or less, to the pattern of the Civil Secretariat. Most appointments, especially in higher ranks, are filled from the respective Railway services. There is also a Railway Board Secretariat Service, which is organised on the lines of the Central Secretariat Service, to fill ministerial posts. Some members of this Service are also eligible for promotion to posts of Assistant Director/Assistant Secretary and Deputy Director/Deputy Secretary.

3. For administrative purposes, the Indian Government Railways are geographically divided into eight zones, each under a General Manager who exercises supervisory control over all the departments and also coordinates their working. In his administrative functions, the General Manager is assisted by Deputy General Managers. The work in each Railway zone is divided functionally by subjects at headquarters, and geographically by districts or divisions. Each functional unit is under a head of a department, who is directly responsible to the General Manager. The main departments in a Railway administration are:—

- (i) Civil Engineering
- (ii) Mechanical Engineering
- (iii) Electrical Engineering
- (iv) Signal & Telecommunications
- (v) Transportation:—
 - Commercial Department
 - Operating Department

- (vi) Finance and Accounts.
- (vii) Medical
- (viii) Stores
- (ix) Security
- (x) Personnel.

4. The total number of employees under the Ministry of Railways is 9,97,262. The break-up is as follows:—

Classification	Numbers		
	Railway Board	Others	Total
Class I	155	2,423	2,578
Class II	80	676	756
Class III	1,064	2,23,358	2,24,422
Class IV]	437	4,80,445	4,80,882
Workshop staffs . . . . .	..	2,88,608	2,88,608
Unclassified].	16	..	16
TOTAL	1,752	9,95,510	9,97,262

II. Class I and Class II Services

5. The Class I and Class II Railway services are organised on the same pattern as in other Departments of the Government, and they are as follows:—

- (a) Indian Railway Service of Engineers
- (b) Indian Railway Accounts Service
- (c) Superior Revenue Establishment of Indian Railways:—
 - (i) Transportation (Traffic) & Commercial
 - (ii) Transportation (Power) & Mechanical Engineering
 - (iii) Electrical Engineering
 - (iv) Signal Engineering
 - (v) Stores
 - (vi) Medical
 - (vii) Such specialist and miscellaneous posts as have been included in Class I
 - (viii) Railway Protection Force.

66 2/3 per cent of vacancies in the junior scale of a Class I Service other than those in groups (vi), (vii) and (viii) are filled through the Union Public Service Commission, on the basis of the result of a competitive examination, as in the case of other Class I Services. The remaining vacancies are filled by promotion of suitable Class II officers, on the basis of selection, and in consultation with the Union

Public Service Commission. Promotion to the senior scale is made on the basis of seniority, subject to fitness, and to the various administrative grades by selection. Posts outside the organised services are also filled through the Union Public Service Commission, but no written examination is held for the purpose.

6. The pay structure of the Railway Class I and Class II Services conforms to the pattern obtaining in other Departments of the Government, except that the senior administrative grade has two scales of pay, namely, (i) Rs. 1800—100—2000 and (ii) Rs. 1800—100—2000—125—2250, and General Managers are on the scale of Rs. 2750 as for Additional Secretaries to the Government of India. The position is indicated in the following table:

	Numbers	Scale of pay Rs.
General Managers	7	2750
Senior administrative grade	45	1800—100—2000—125—2250 for Heads of major Departments.
	29	1800—100—2000 for Heads of smaller Departments.
Intermediate administrative grade	19	1600—100—1800
Junior administrative grade	168	1300—60—1600
Senior scale	64	600—40—1000—1000—1050—1050—1100—1100— 50—1300— for District Medical Officers and specialist categories.
	828	600—40—1000—1000—1050—1050—1100—1100— 1150 for other than the specialist categories.
Junior scale	1,153	350—350—380—380—30—590—EB—30—770— 40—850.

7. Unlike other Departments, there is no direct recruitment to Class II Services, and all appointments to Class II posts are made by promotion of suitable Class III officers, on the basis of selection. Class II posts are generally on the standard scale of Rs. 275—25—500—EB—30—650—EB—30—800, and their total number is 625. In addition, there are 51 posts of Assistant Medical Officer on the scale of Rs. 300—25—500—EB—30—650—EB—30—800.

8. We start with administrative posts, which are not allotted to a specific Department. These are posts of General Managers, Deputy General Managers and Divisional Superintendents. The existing rates of pay are as follows:—

General Managers	Rs. 2750
Senior Deputy General Managers	1800—100—2000—125—2250
Deputy General Managers	1300—60—1600
Divisional Superintendents	1600—100—1800
Divisional Superintendents (in charge of smaller divisions)	1300—60—1600

We recommend no change.

9. *Engineering Services*: We have dealt with the officers of the various Engineering Departments in chapter XVI. On the basis of our recommendations in that chapter, the pay scales for the various grades of engineering officers will be as follows:—

	Rs.
Chief Engineers of major Departments	2000—125—2250.
Chief Engineers of other Departments	1800—100—2000.
Deputy Chief Engineers	1300—60—1600.
Divisional/District Engineers (Class I, senior scale)	700—40—1100—50/2—1250.
Assistant Engineers (Class I, junior scale)	400—400—450—30—600—35—670—EB—35—950.
Assistant Engineers (Class II)	350—25—500—30—590—EB—30—800—EB—830—35—900.

10. *Stores Department*: Recruitment to Class I Service in the Department is made as in other engineering services, described in chapter XVI, and Class II posts are filled entirely by promotion of suitable Class III officers, on the basis of selection. In accordance with our recommendations in chapter XVI in respect of engineering staffs, the pay scales for the various grades of officers in the Stores Department will be as follows:—

	Rs.
Controller of Stores	1800—100—2000.
Deputy Controller of Stores	1300—60—1600.
District Controller of Stores (Class I, senior scale)	700—40—1100—50/2—1250.
Assistant Controller of Stores (Class I, junior scale)	400—400—450—30—600—35—670—EB—35—950.
Assistant Controller of Stores (Class II)	350—25—500—30—590—EB—30—800—EB—830—35—900.

11. *Accounts Department*: The case of officers of the Accounts Department has been examined in chapters XIII and XXVI. In accordance with our recommendation in those chapters, the pay scales of various grades of officers of this Department will be as follows:—

	Rs.
Financial Adviser and Chief Accounts Officers	1800—100—2000—125—2250.
Deputy Chief Accounts Officers	1300—60—1600.
Senior Accounts Officers (Class I, senior scale)	} 400—400—450—30—510—EB—700—40—1100—50/2
Junior Accounts Officers (Class I, junior scale)		1250.
Assistant Accounts Officers (Class II)	350—25—500—30—590—EB—30—800—EB—830—35—900.

We recommend for the Indian Railway Accounts Service the integrated scale we have proposed for other Class I Accounts Services. If, however, for administrative reasons the Railway Board considers it desirable to retain the existing structure, the scales we have proposed for the Transportation (Traffic) and Commercial Service may apply to the Railway Accounts Service also.

12. *Medical Department*: We have dealt with Medical Officers of the Railway Department in chapter XVII. In accordance with our recommendations in that chapter, the pay scales for various grades of Medical Officers will be as follows:—

	Rs.
Chief Medical Officer	1800—100—2000.
District Medical Officers	700—40—1100—50/2—1300.
Assistant Medical Officers	375—25—500—30—590—EB—30—800—EB—30—830—35—900.
Assistant Surgeons Grade I	340—15—475—20—575.

If it is decided to withdraw permission for private practice by Railway doctors, the pay structure recommended for the Central Health Service should be adopted in the Railways also.

13. *Transportation (Traffic) and Commercial Service*: Officers belonging to this Service are posted either to the Operating Department or the Commercial Department, but they are interchangeable. The Chief Operating Superintendent is the head of the Operating Department which is responsible for all arrangements in connection with the movement of trains, coaches and wagons, on the entire Railway system. The Commercial Department which is responsible for arrangements relating to the rating and booking of passengers, parcels and goods traffic, disposal of claims and refunds, as also for relations with the Railway customers, is under the Chief Commercial Superintendent. The designations of officers belonging to the Transportation (Traffic) and Commercial Service, their numbers and scales of pay are as follows:—

Designation	Number	Scales of pay Rs.
CLASS I		
Chief Operating/Commercial Superintendents	14	1800—100—2000—125—2250.
Deputy Chief Operating/Commercial Superintendents	33	1300—60—1600.
Divisional Operating/Commercial Superintendents	182	600—40—1000—1000—1050—1050—1100—1100—1150
Assistant Operating/Commercial Superintendents	279	350—350—380—380—30—590—EB—30—770—40—850.
CLASS II		
Assistant Operating/Commercial Superintendents	138	275—25—500—EB—30—650—EB—30—800.

14. We have not received separate demands from the officers of the Transportation (Traffic) and Commercial Service, but the Railway Officers' associations, which include officers of this Service, have, in common with other Class I officers, claimed parity in pay with officers of the Indian Administrative Service. The main demand of the associations representing Class II officers is the abolition of Class II, and its merger in Class I. We have examined these general demands in chapters XIII and XIV.

15. For certain non-technical Class I Services we have proposed a continuous scale in place of the existing senior and junior scales. We do not consider that this will be a satisfactory arrangement for the Railway services. Most of these services in the Railways are engineering services, for which we have recommended the retention of the existing system of a junior and a senior scale, and considering that the engineering and non-engineering officers in the Railways have to work in close association and that they share the higher administrative appointments from the level of Divisional Superintendent, it will be desirable to continue the existing system for the non-technical Class I Services, such as the Transportation (Traffic) and Commercial Service.

16. In accordance with the general pattern of the revised pay structure recommended by us, the pay scales of various grades of officers of the Transportation (Traffic) and Commercial Department will be as follows:—

CLASS I

	Rs.
Chief Operating/Commercial Superintendents .	1800—100—2000—125—2250.
Deputy Chief Operating/Commercial Superintendents	1300—60—1600.
Divisional Operating/Commercial Superintendents	700—40—1100—50/2—1250.
Assistant Operating/Commercial Superintendents.	400—400—450—30—600—35—670—EB—35—950.

CLASS II

Assistant Operating/Commercial Superintendents.	350—25—500—30—590—EB—30—800—EB—830—35—900.
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17. *Railway Protection Force*: There is no regularly constituted service in this Department at present. We understand that all the Class I and Class II posts are filled by officers borrowed from the police cadres of the States. No question has been raised regarding the rate of remuneration of these officers, and we have no recommendation to make.

III. Class III Staffs—General

18. There are about 700 designations for approximately 9,94,000 Class III and Class IV posts, distributed in 75 scales of pay. In many cases, the duties and responsibilities of the posts are identical or comparable, but they are designated differently on different Railways. This diversity has come down from the time when the Railways were under different (including company) managements, and to begin with there were more than 1,000 designations in use. Even apart from the difficulty arising from the use of different designations for the same functionary, we had to consider whether it would be feasible for us to recommend a pay scale for each of the numerous categories of Railway staff. We invited the views of the representatives of Railway employees, and we had also an opportunity of discussing the matter with the Chairman and Members of the Railway Board. The repre-

representatives of the employees suggested that the Commission might only recommend a number of pay scales for the Class III and Class IV services, and that the fitting of the various categories of staff in the pay scales should be left to a wage board consisting of representatives of the Railway administration and organised Railway labour, with an independent chairman. An alternative suggestion was that the allocation of staff to pay scales might be left to be settled by negotiation between the representatives of the Railway Board and the employees with the understanding, however, that points which remained unsettled, would be referred to arbitration. The officials of the Railway Board were of the view that while it would not be practicable for us to recommend pay scales for all categories or posts on the Railways, we should do so in respect of the important categories. We obtained from the Board and the two Railway Federations lists of categories which they considered to be important. After taking all the relevant factors into consideration, we decided to examine, in detail, and recommend pay scales for the main categories, selected from the lists furnished to us by the Railway Board and the two Federations. Our choice of such categories was influenced by the number of employees in a category, as also by the key position of a category in the context of salary determination; and we expect that with our specific recommendations about the important categories, the allocation of the remaining categories to the new pay scales will not present any serious difficulty. In making our recommendations, we have had the benefit of the assistance of Shri B. Arora, who having served as General Manager of different Railways for many years is on leave preparatory to retirement, and whom we invited to serve as our adviser. The recommendations we are making are, however, according to our own judgment.

About the workshop staffs, however, we are not making detailed recommendations, but in the chapter dealing with workshop staffs generally, we are suggesting a machinery for fitting the staff in the proposed pay structure.

19. We may mention that since the recommendations of the Varadachariar Commission in 1947, the pay scales of some classes of Railway employees and distribution of posts in various grades have been revised from time to time, and the changes brought about have been generally to the advantage of the employees.

20. We have dealt with certain groups of staff common to the Railways and other Departments of the Government, in separate chapters. The staffs so dealt with are as mentioned below:—

Engineering Departments:

Civil

Mechanical

Electrical

Signal & Tele-Communication

Drawing Office

Stores Department

Accounts Department

Cash & Pay Department

Office Staffs

Medical Department:

Assistant Surgeons Grade I

Assistant Surgeons Grade II and other categories of medical staffs.

Telephone Operators

Teaching Staffs

Fire Service Staffs

Drivers of Motor Vehicles.

21. We now examine and suggest revised scales of pay for the main categories in the following groups of employees, which are special to the Railways:

Running Staffs

Traffic Control Staffs (Section Controllers etc.)

Power Controllers & Loco

Inspectors

Ticket Checking Staffs

Signallers

Commercial Clerks.

Station Masters' group

Inspectorial Staffs—Transportation and Commercial.

Yard Staffs

IV. Running Staffs

22. The term "Running Staffs" covers staffs in the Loco and Traffic Departments who are in direct charge of, and are responsible for, the movement of trains. The categories comprised in this group, their numbers and scales of pay are as follows:—

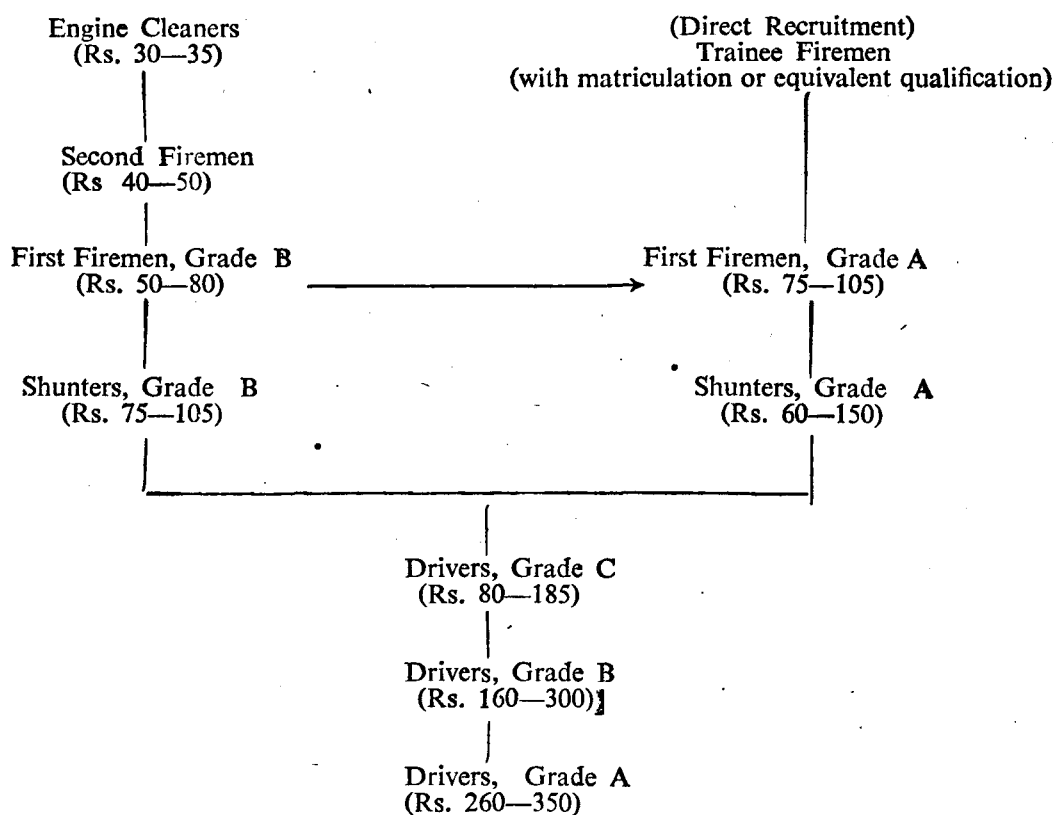
Category	Numbers	Scale of pay Rs.
<i>LOCO</i>		
Drivers, Grade A	675	260—15—350
Grade B	1,892	160—10—300
Grade C	10,130	80—5—135—10—185
Shunters Grade A	754	60—4—120—5—150
Grade B	6,861	75—3—105
First Firemen, Grade A	2,280	75—3—105
Grade B	9,320	50—5/2—80
*Second Firemen	17,961	40—1—50
	49,873	
<i>TRAFFIC</i>		
Guards, Grade A	644	150—7—185—8—225
Grade B	2,262	100—5—125—6—185
Grade C	8,363	80—4—120—5—170
Brakesmen	2,182	50—2—60—5/2—80
	13,451	

*This is a Class IV category and it has been considered separately in another section of this chapter.

23. The loco running staff are responsible for safe and efficient running of locomotives on which the efficiency of the train services depends. The main duties of Firemen are to break coal, inject water into the boiler, and to keep up the fire as well as the steam pressure. The Driver is in charge of the engine of a train which runs on the open line, and is responsible for its smooth and efficient running. Shunters are drivers of locomotives operating within the limits of a locomotive shed or traffic yard.

24. The classification of First Firemen and Shunters into Grade A and Grade B is with reference to the channel of their recruitment or promotion. First Firemen, Grade A, are recruited directly by the Railway Public Service Commission from candidates who are between 16 and 20 years of age; and the prescribed minimum educational qualification is matriculation. They are trained for a minimum period of two years before being posted as Firemen, Grade A; and after passing the prescribed examination, are promoted as Shunters, Grade A, when vacancies become available, and thereafter as Drivers, Grade C, after passing a further qualifying examination. First Firemen, Grade B are promoted from the rank of Second Firemen who are Class IV employees on the scale of Rs. 40—1—50. Second Firemen are promoted from Cleaners, on the scale of Rs. 30— $\frac{1}{2}$ —35, who are an unskilled Class IV category. Subject to their passing the prescribed departmental test, First Firemen, Grade B are promoted as Shunters, Grade B, and thereafter as Drivers, Grade C. First Firemen, Grade B are also eligible for appointment to posts of Firemen, Grade A, if they possess the prescribed minimum educational qualification, namely, matriculation; and for this purpose the age limit is relaxed. The two-way channel of promotion for Firemen, Grade A, and Firemen, Grade B ceases at the stage of Driver, Grade C; and thereafter they are all eligible for promotion as Drivers, Grade B, and Drivers, Grade A, on the basis of selection.

This is illustrated by the following chart:—



25. The division of Drivers into A, B and C Grades is with reference to the classification of trains worked by them. Drivers, Grade A are in charge of mail and express trains; Drivers, Grade B work main line passenger trains; and all other trains, including locals and shuttles, are allotted to C Grade Drivers. The avenue of promotion for Drivers is to posts of Power Controller and Loco or Fuel Inspector, whose numbers and pay scales are as follows:—

	Numbers	Scale of pay Rs.
Loco Inspectors and Fuel Inspectors	37	360—20—500
	75	300—20—400
Power Controllers	17	260—15—350
	13	300—20—400
	130	260—15—350
	272	

26. The main functions of Power Controllers are to co-ordinate the work between the control office (traffic) and loco sheds, to arrange supply of engines, and to control the supply of power for traffic purposes, so as to ensure the best utilisation of engines. Controllers on the scale of Rs. 260—350 are eligible for promotion to the higher grade on Rs. 300—400 on the basis of seniority, and as Loco Inspectors, by selection. The duties of Loco Inspectors are to inspect sheds and the work of the loco running staff and to report on the maintenance etc. of engines. When posted as Fuel Inspectors, they check the consumption of fuel and issue necessary instructions on its economic use.

27. The running staff on the traffic side are Brakesmen and Guards. Guards are responsible for the safe working of the train, and Brakesmen assist Guards in looking after parcels, luggage etc. in the brake-van, their loading and unloading. Brakesmen are selected on the basis of a test from the Class IV staff who have read up to the middle school standard. They are eligible for promotion, by selection, to 10 per cent. of vacancies of C Grade Guards. 33½ per cent. of vacancies of C Grade Guards are filled by direct recruitment from candidates between 18 and 25 years of age, who have passed the matriculation examination. The remaining vacancies are filled from Assistant Station Masters (16½ per cent.), Commercial Clerks and Ticket Collectors (20 per cent.), Train Clerks and Yard Staff (20 per cent.) and Brakesmen (10 per cent.). C Grade Guards are eligible for promotion as B Grade Guards on the basis of seniority, subject to fitness, and as A Grade Guards by selection. They also have avenues of promotion to higher posts in the Transportation Department, such as those of Station Masters, Yard Masters, Inspectors etc.

28. A substantial portion of the total emoluments of running staff is in the form of running allowance, a factor which has to be borne in mind when determining their pay scales. It is paid as an incentive for the safe and punctual movement of trains; and a small portion of it is intended to cover travelling allowance. The Varadachariar Commission felt that the system of disbursing a substantial portion of pay in the form of allowance was not a satisfactory arrangement; but it was informed that the question of rationalising the scheme of running allowance was then under consideration. The Commission suggested that, as an interim measure, a ceiling should be prescribed for the quantum of running allowance, and observed: "It may be that by changing the method of calculating the running allowance, the Railway Board may, even with reference to the new basic rates of pay that we suggest, be able to bring about an equitable level of total emoluments.

Indeed, for other reasons also, it seems desirable to adopt some independent method of calculating the running allowance without linking it with the basic pay of each employee." Accordingly, the Varadachariar Commission suggested a number of pay scales for various categories of running staff, and said that some of the scales may be adopted by the Railway Board according to the importance of the trains concerned. It also observed that it seemed necessary at the time to leave a measure of discretion to the Railway Board to bring about, in the most convenient manner possible, an equitable level of total emoluments. In 1948, the Railway Board appointed a committee known as the Running Staff Pay and Allowances Committee, to examine basic scales of pay, running allowances, classification, recruitment, training etc. of the running staff. The existing procedure regarding recruitment, channels of promotion etc., are largely based on the recommendations of that Committee. The Committee observed that among the objectives they had kept in mind was that the scheme of payment of running allowance should be such as to encourage the maximum output of work within the prescribed hours of work, and that any dilatory tendency on the part of the running staff was discouraged.

29. The rules and rates of running allowance recommended by the Committee have undergone some changes following the recommendations of the Joint Advisory Committee (1948-49), and the present scales of running allowance are as follows:—

	Scales of Pay Rs.	Running Allowance per 100 miles	
		Rs.	As.
(i) Drivers, Grade A	260—350	4	8
Grade B	160—300	4	4
Grade C	80—185	3	12
(ii) First Firemen, Grade A	75—105	2	—
Grade B	50—80	1	12
Second Firemen	40—50	1	6
(Mileage allowance is also admissible at the same rates for the movement of a detached engine between the loco shed and the platform, provided the distance covered exceeds one mile)			
(iii) Guards, Grade A	150—225	2	8
Grade B	100—185	2	4
Grade C	80—170	2	2
(iv) Brakesmen	50—80	1	4

As the shunting staffs are not running on the open line, their rates of running allowance are calculated as follows, with reference to a day of 8 working hours:—

	Running Allowance per day	
	Rs.	As.
(v) Shunters, Grade A (Rs. 60—150)	2	8
Grade B (Rs. 75—105)	2	8
First Firemen, Grade A	1	—
Grade B	—	14
Second Firemen	—	12

The rules regulating running allowance provide weightage for specially arduous running duties, slow moving trains, trains working on ghat sections, ballast trains, short trips etc.

30. Running allowance is treated as pay to the extent of 75 per cent. of pay for the purpose of retirement benefits, dearness allowance, leave salary etc. When running staffs are appointed to stationary posts for a period not exceeding 21 days, they are entitled to the pay of the running post, plus the average running allowance, subject to the total emoluments not being less than the minimum, or more than the maximum of pay of the stationary post. When the period of appointment to a stationary post exceeds 21 days, pay in that post is fixed under the normal rules by stepping up the pay in the running post by 50 per cent.

31. It has been proposed by the representatives of the Railway employees that there should be no direct recruitment of Firemen, Grade A, and such posts should be filled entirely by promotion of Firemen, Grade B. It has also been stated that there are many matriculates among Engine Cleaners and Firemen, Grade B, and so long as the required number of qualified men in the lower grades of the loco running staffs are available, there should be no direct recruitment of Firemen, Grade A. As regards Shunters, it has been stated that there was no justification for two grades with different rates of pay, when the nature of work and responsibilities are the same. Some of the representatives have suggested that there should be only two grades of Drivers viz. Grades A and B. Complaint has also been made on behalf of Guards about their division into three grades, and that the basis of classification of trains does not make it possible to have A Grade Guards in some divisions.

32. The question of different rates of pay, and separate channels of promotion for directly recruited Firemen, and those promoted from the lower grades, was considered by the Running Staff Pay and Allowances Committee. It observed that there were considerable advantages in making direct recruitment of educationally qualified Firemen. It was of the view that higher posts in the loco driving line and supervisory posts like Loco Inspectors etc., cannot be satisfactorily manned by staffs from the lower grades, who generally have hardly any educational qualification, and that it was not in the administrative interest to stop direct recruitment. Moreover, it considered it desirable that a person should be about 35 years of age when he is appointed as Driver of a passenger train, and not more than 40 to 45 years of age when he is appointed as Driver of mail or express trains. It observed that these age requirements cannot be satisfied if posts of Firemen are filled only by promotion from the lower grades and there is only one channel of promotion. The Committee also recommended a higher scale of pay for direct recruits. The Railway administration accepted the views of the Committee, and the present arrangement is based on its recommendations.

33. As stated earlier, Firemen, Grade B who possess the prescribed educational qualification, are eligible for appointment as Firemen, Grade A, and the age limit is relaxed for the purpose. We understand that pursuant to the recommendations of the Class IV Staff Promotion Committee, the Railway Board has recently issued orders that 25 per cent of vacancies of Fireman Grade A should be filled by promotion of Firemen Grade B, on a selection basis, and the age limit has been raised to 30 years. Discretion has also been allowed to the Railway administration to relax the educational qualifications, slightly, in suitable cases. We consider that this concession should substantially satisfy the demand of B Grade Firemen.

34. Having regard to the administrative necessity for recruiting Firemen, Grade A, direct, and the difference in the educational qualifications between the two categories of Firemen, we do not recommend any change in the present pattern of two channels of promotion upto the stage of Driver, Grade C.

35. As regards, the demand for reduction in, or amalgamation of the existing grades of Drivers and Guards, the number of grades is determined according to the nature or importance of train services. The grading structure of a service and the complements of each grade should be determined by the requirements of work, and the existing grading of Drivers and other categories of running staffs appears to be based on a rational differentiation of duties and responsibilities.

36. The representatives of the running staffs have complained about the differential rates of running allowance and their inadequacy, and the complaints can be summarised as follows: the Shunting Staffs and those who run on open lines should be given the same rate of running allowance. There should be no difference in the rates of running allowance between the Second and First Fireman, and the difference in the rates of the allowance between Drivers and Guards should be reduced. It has also been complained that staffs who have to work short trips or slow-moving trains earn low mileage allowance, although their hours of duty are the same as of those working on long runs. Another proposal is that a scheme should be devised which would ensure an average minimum running allowance to crew who do short trips on branch lines etc. Some have said that the present scheme of running allowance has resulted in a reduction of their total emoluments. It has also been proposed that Travelling Ticket Checking Staffs, Parcel and Store Delivery Clerks, Conductors etc. should be classified as running staffs for the purpose of the allowance.

37. We do not think that the broad principles on which the existing running allowance rules are based, are unsound; nor do we accept the suggestion that the rates of allowance should be uniform, irrespective of the nature of duties and responsibilities of the staffs concerned, which are reflected in their respective pay scales. The scheme provides weightage for specially arduous running duties, short trips, working of departmental trains, and for "waiting duty". We are unable to accept the suggestion that all categories of running staffs should be ensured of a minimum quantum of allowance, as that would, apart from other reasons, defeat the very purpose for which the allowance is intended. We have been advised by the Railway Board that the rationalisation of the running allowance scheme did not result in the reduction of total emoluments of the staffs concerned; that on the contrary, the revised scales of pay and running allowance cost the Government an additional rupees 2 crores a year. On the basis of the information made available to us by the Railway Board, the total average monthly earnings of the various categories of running staffs are as follows:—

	Rs.		Rs.
Drivers, Grade A	578	First Firemen, Grade A	221
Grade B	448	Grade B	186
Grade C	291		
		Second Firemen	142
Shunters, Grade A	237	Guards, Grade A	363
Grade B	221	Grade B	278
		Grade C	236
		Brakesmen	168

38. It has been suggested to us that as an additional incentive for punctual running of passenger trains and expeditious movement of goods trains, a bonus scheme should be introduced, in consultation with the representatives of the employees, on the following lines:—

- (a) For trains which carry passengers: A bonus at the rate of 30 per cent. of the running allowance for a month, provided that at least 90 per cent. of the trains during the period reach the destination of the crew concerned in time, and at 15 per cent. if punctuality is attained in at least 80 per cent. cases.
- (b) For goods trains: A bonus at the same rates, and subject to the same conditions, as for trains carrying passengers, for attaining the target average speeds.

It has not been possible for us to examine this proposal closely, but we would suggest that the Government may consider it on merits.

39. Running allowance is intended only for staffs for the performance of duties which are directly connected with charge of moving trains, and we do not consider that there is justification for granting the allowance to Travelling Ticket Checking Staffs, Parcel and Store Delivery Clerks etc.

40. We now consider the pay scales. The National Federation of Indian Railwaymen has suggested substantial increase in pay for the various categories. The All India Railwaymen's Federation has not suggested scales of pay specifically for the running staffs, but has stated that they should be fitted in one of the 9 scales of pay proposed by it for absorbing all categories of Class III staffs; these scales range from a minimum of Rs. 200 to a maximum of Rs. 680 per mensem.

41. There have been complaints on behalf of Brakesmen about the amalgamation of the scales Rs. 40—60 and Rs. 60—80, into a common scale of Rs. 50—80, and about the fact that, in the past, Parcel Clerks on the scale of Rs. 100—185 and Second Guards or Luggage Guards, on higher scales of pay, used to do the work which is now being done by Brakesmen. We do not see much substance in the complaint about the amalgamation of two grades into one, which appears to us to be in the interest of the administration as also of a large proportion of the employees. The other arrangement complained against was made in the interest of economy; and we agree that it would be wasteful of money and manpower to employ men on duties for which they are over-qualified, and which can be discharged efficiently by less qualified staff on lower scales of pay.

42. In recommending pay scales for running staffs, we have taken into consideration the existing relativities between their pay scales, and those of other comparable categories in stationary posts, which, at present, follow, broadly, a uniform pattern. The second important consideration is that a substantial portion of remuneration of the running staffs is in the form of running allowance, to which stationary staff are not eligible. Thirdly, at higher levels, running staffs are transferable, or are promoted to stationary appointments, when they cease to get running allowance. Having regard to all the relevant factors, we do not recommend a change in their pay scales or in the relativities of running staffs, except in the case of Shunters, and C Grade Drivers.

43. A Shunter Grade A, is promoted from the rank of Fireman, Grade A, but the scale of pay of the latter is Rs. 75—105, and of the former Rs. 60—150. It is:

obviously odd—even though it may make no practical difference in the present case—that the initial pay of a promotion grade should be lower than the initial pay of the grade from which promotions are normally made. We, accordingly, suggest that the scale of pay of Shunter Grade A should be revised from Rs. 60—150 to Rs. 80—150, in existing terms. We also consider that it is necessary to make consequential adjustments of the scale of pay of Shunter Grade B, and recommend that it may be revised from Rs. 75—105, to Rs. 80—110, in present terms.

44. A Driver Grade C now starts at Rs. 80 on the scale of Rs. 80—185. This scale is open to two criticisms. First, the differential between Shunter Grade B and Driver Grade C is too small at the start—a mere Rs. 5; and secondly, the differentials between Driver Grade C, and Driver Grade B and Driver Grade A are too wide; and they are widened further when running allowances are taken into account. About 80 per cent of Drivers are in Grade C, and though the classification of Drivers into 3 grades appears to be justified, we are doubtful whether the duties of a Driver Grade C are so much lighter, and his responsibilities so much smaller, as to justify the total earnings of Driver Grade A being about double those of a Driver Grade C, and the earnings of a B Grade Driver being about 50 per cent higher than those of a C Grade Driver. We, therefore, consider that there is a case for raising the starting point of the scale of pay of the C Grade Driver appreciably, and we, accordingly, recommend that the scale should be revised from Rs. 80—185 to Rs. 100—185, in present terms. Under the existing arrangement, when Shunters Grade A (promoted from A Grade Firemen) are promoted as Drivers Grade C, they start at Rs. 100, on the scale of Rs. 80—185. When the two channel promotion converges at the point of C Grade Drivers, we do not consider that there is justification for a higher start being allowed to Shunters Grade A on promotion as Drivers Grade C.

45. Drivers of electric locomotives have asked for an improvement of their scales of pay as they consider that the risk and responsibilities of their duties have increased; and Motormen, who are drivers of multiple unit trains on electrified suburban sections of Railways whose main line services have not been electrified, have complained that they have no avenues of promotion. The channel of recruitment and avenues of promotion of electric locomotive Drivers of the Central Railway, which has the largest electrified mileage, are similar to those of Drivers of steam locomotives. They are recruited as trainee Assistant Drivers on a fixed pay of Rs. 60, and after serving as Assistant Drivers and Shunters they are promoted as Drivers Grade C, Motormen, Drivers Grade B, and Drivers Grade A; thereafter they are eligible for promotion as Power Controllers and Electric Loco Inspectors. The pay scales of the various grades of Drivers of electric locomotives are the same as those of steam loco Drivers, and we do not consider that their duties are more arduous and responsible than those of the latter, calling for higher scales of pay.

46. Motormen on Railway systems which have only suburban train services and whose main lines are not electrified, have at present no avenues of promotion. On the Western Railway, they are recruited as apprentice Motormen on the scale of Rs. 55—57, and after a period of training, they are appointed as probationary Motormen on the scale of Rs. 60—90. Thereafter, they are promoted as Motormen on the scale of Rs. 150—225. On the Southern Railway, posts of Motormen on the scale of Rs. 150—225 are filled from lower grades, such as Shunters on the scale of Rs. 60—150, and Train Examiners (Traction) on the scale of Rs. 80—160, by selection. It is understood that the duties of Motormen are comparatively simple, and we do not consider that their present scale of Rs. 150—225 is inadequate. We would, however, suggest that their grievance in regard to the lack of promotion

avenues and the feasibility of making them eligible for suitable higher appointments may be examined by the Government.

47. The scales of pay we thus recommend, in revised terms, for running staffs are as follows:—

		Proposed scales of pay
		Rs.
<i>LOCO STAFF</i>		
Drivers, including Drivers of electric locomotives		
Grade A		335—15—425.
Grade B		210—10—290—15—320—EB—15—380.
Grade C		150—5—160—8—240.
Shunters, Grade A		
Grade B		130—4—170—EB—5—200.
Grade B		130—4—158.
First Firemen, Grade A		
Grade B		125—3—131—4—155.
		100—3—130.
Motormen		
		205—7—240—8—280.
<i>TRAFFIC</i>		
Guards, Grade A		
Grade B		205—7—240—8—280.
Grade B		150—5—175—6—205—EB—7—240.
Grade C		130—4—170—EB—5—200—EB—5—225.
Brakesmen		
		100—3—130.

48. The representatives of the running staffs, as well as of Station Masters and other related categories have complained that the alternative jobs provided for them on their being medically disqualified on the ground of poor eye sight are often much below the grades or posts held by them previously, and that they consequently suffer a substantial reduction in their emoluments. We are advised that, ordinarily, comparable posts are found for them, but difficulty is being experienced in the case of certain categories, specially C Grade Drivers. This is mainly an administrative matter, and we understand that it is receiving the consideration of Government.

49. Power Controllers: There have been no specific demands on behalf of Power Controllers, and Loco/Fuel Inspectors. Their scales of pay, which have been mentioned in an earlier paragraph, correspond to those of the higher supervisory grades in the engineering workshops and other Railway departments. Having regard to the nature of their duties and responsibilities, we do not recommend any change. The only point which requires consideration is whether it would be desirable to have only one grade of Power Controllers by amalgamating the two grades on Rs. 260—350 and Rs. 300—400, the resulting grade carrying a scale of Rs. 260—400 (in existing terms), and also whether three grades of Loco/Fuel Inspectors on Rs. 260—350, Rs. 300—400 and Rs. 360—500 should be reduced to two grades on

the scales of Rs. 260—400 and Rs. 360—500 respectively (in existing terms). In the case of higher supervisory grades in the workshops and engineering departments, we have recommended the amalgamation of the grades on Rs. 260—350 and Rs. 300—400 into a single grade. It would help in maintaining the uniformity of the pay structure in the different departments of the Railways if a similar amalgamation could be made in the case of these staffs also. On the other hand, it appears that there is a difference in the duties and responsibilities attached to the different posts of Controller and Loco/Fuel Inspectors; and it would be irrational not to attach a higher remuneration to those charges which have much heavier duties or responsibilities. This is a matter which can best be judged by the Railway administration. If it considers that it is necessary to retain the existing grade structure, the following scales of pay will be suitable:—

	Rs.	
Loco/Fuel Inspectors	}	450—25—575. 370—20—450—25—475. 335—15—425.
Power Controllers	}	370—20—450—25—475. 335—15—425.

If the Railway administration considers that there is no significant difference in the responsibilities etc. of the various grades, there may be only one grade of Power Controllers, and two Loco/Fuel Inspectors, and the scales of pay may be as follows:—

	Rs.	
Loco/Fuel Inspectors	}	450—25—575. 335—15—485.
Power Controllers		335—15—485.

V. Signallers (Traffic)

50. The numbers and scales of pay are as follows:—

	Numbers	Scale of pay Rs.
Head Signallers	9	200—10—300
	67	150—7—185—8—225
	369	100—5—125—6—185
Signallers	4,655	60—4—120—5—150
	5,100	

The Varadachariar Commission had recommended that Signallers should be on the same scale of pay as Commercial Clerks, namely, on Rs. 60—150, and that the higher grades in the line may be on rates of pay similar to those prescribed for Station Masters. On the recommendations of the Joint Advisory Committee, Head Signallers' were divided into two grades, on Rs. 100—185 and Rs. 150—225 respectively; later a third grade on Rs. 200—300 was introduced. There has also

been improvement in the distribution of posts in the various grades, and the latest position is that 55 per cent of the total number of posts are in the grade of Signallers on Rs. 60—150, 40 per cent. in the grade of Head Signallers on Rs. 100—185, and the remaining 5 per cent. are in the higher grades on Rs. 150—225 and Rs. 200—300, as follows:—

Grades	Number of posts
Rs.	
200—300 } 150—225 }	255
100—185	2,040
60—150	2,805
	<hr style="width: 20%; margin: auto;"/>
	5,100
	<hr style="width: 20%; margin: auto;"/>

51. The main duties of Signallers (Traffic are to receive and transmit messages on morse, accept and deliver messages and maintain relevant records.

52. Signallers are recruited through the Railway Service Commission from candidates who have passed the matriculation examination, and are within the age limits of 18—21 years. They are trained for a period varying from 3 to 6 months before being posted as Signallers. It is the initial entry grade for Assistant Station Master to which posts they are promoted (as vacancies arise) after passing the prescribed examination. If they are not appointed as Assistant Station Master, they are eligible for promotion to the grades of Head Signallers or Inspectors of Railway Telegraphs. Signallers are also eligible for appointment to 50 per cent. of vacancies in the grade of Wireless Operators (Rs. 80—220), and thereafter to supervisory posts in that line.

53. The main demands on behalf of Signallers are that as Signallers have to undergo a period of training and to pass a departmental test, their scale of pay should be slightly higher than that of Clerks; and that as posts of Assistant Station Masters are filled also by direct recruitment, thus narrowing the channel of promotion of Signallers, out of 45 per cent. of posts in the higher grades of Signallers, 30 per cent. should be in the grade of Rs. 100—185, and the remaining 15 per cent. should be in the next higher grades of Rs. 150—225 and Rs. 200—300. It has further been urged that their duties are comparable to those of Telegraphists in the P & T Department, and they should therefore be given the same scale of pay, which is Rs. 60—170, in present terms.

54. We do not consider that there is much substance in the complaints of the Signallers. Their scale of pay, both in respect of rates of increment and the maximum, is better than that of Lower Division Clerks. As mentioned earlier, the post of Signaller is the entry grade for Assistant Station Masters, and it is only when no qualified Signallers are available that the latter posts are filled from other sources. On the facts before us, we do not consider that their avenues of promotion are inadequate. We are also not convinced that the duties of Signallers in the Railways are wholly comparable to those of Telegraphists in the P. & T. Department; the work of the latter is more intensive, as they have to deal with public traffic, whereas Railway Signallers have to deal mainly with Railway messages.

This point was also considered by the Varadachariar Commission, who did not accept the claim for parity with the P. & T. Telegraphists. We do not in conclusion think that there is a case for a change, and we recommend the following scales:—

	Rs.
Head Signallers	250—10—290—15—380 205—7—240—8—280 150—5—175—6—205—EB—7—240
Signallers	110—4—150—EB—4—170—5—180—EB—5—200

VI. Station Masters' Group

55. The staffs in this group, and their numbers and pay scales, are as follows:—

	Numbers	Scale of pay Rs.
Station Superintendents }	35	360—20—500
Deputy Superintendents }	81	300—20—400
Station Masters . }	155	260—15—350
Station Masters . }	464	200—10—300
Assistant Station Masters }	660	150—7—185—8—225
	5,223	100—5—125—6—185
Assistant Station Masters	15,590	80—4—120—5—170
	22,208	

56. The Varadachariar Commission had recommended that the lowest grade of Assistant Station Master or Station Master should be on the scale of Rs. 60—170, starting on a minimum of Rs. 64. For higher grades, they suggested that the scales proposed for Class III might be adopted in accordance with the importance of the station and the responsibility of the charge. There has been no change in the pay scales since 1947, except that the scale prescribed for the lowest grade of Assistant Station Master and Station Master was revised in 1956, from Rs. 64—170 to Rs. 80—170. There have, however, been two important revisions since 1947, in regard to the distribution of posts in the various pay scales. Originally, 86.4 per cent of posts were on the lowest grade of Rs. 64—170. On the recommendations of the Joint Advisory Committee, it was decided in 1951 that the number of posts in the grade of Rs. 100—185 should be between 12½ and 25 per cent. of those in the lowest grade of Rs. 60—170, and the numbers in the higher grades should be determined

on the basis of the number of Class III employees supervised at different stations. With effect from 1956 the grade structure was revised, providing that 60 per cent of the posts should be in the lowest grade of Rs. 80—170; 30 per cent in the grade of Rs. 100—185; 5 per cent on Rs. 150—225, and the remaining 5 per cent in the four higher grades, which range from Rs. 200—300 to Rs. 360—500. It was further decided that the scale of Rs. 80—170 should be for Assistant Station Masters only, and that the lowest grade of Station Masters should be on the scale of Rs. 100—185. On the basis of the latest decision of the Railway Board, the distribution of posts in the various grades will be as follows:—

Grades Rs.	Numbers
360—500 } 300—400 } 260—350 } 200—300 }	1,110
150—225	1,110
100—185	6,663
80—170	13,325
	<hr/> 22,208 <hr/>

57. A Station Master is in charge of a Railway station. He is responsible for general supervision of the station, train working, yards, cabins etc., for commercial work, such as booking of parcels, goods, coaching etc., and also for telegraph work, according to local conditions. He is assisted by Assistant Station Masters to whom some of the functions are allotted. At important stations, there are separate Cabin Assistant Station Masters who work only in cabins which contain the apparatus for permitting trains to approach a Railway station, or for asking permission from the next station for trains to proceed. The apparatus is operated personally by the Cabin Assistant Station Master, or by Levermen under his direction, and he is not entrusted with other duties of an Assistant Station Master; for example, booking and other commercial work.

58. Generally speaking, Station Superintendents are in charge of stations at big junctions, and they are assisted by Deputy Station Superintendents, Station Masters etc. It appears that the designation of Station Superintendent or Deputy Station Superintendent does not exist on some Railways, but that senior Station Masters on the scales of Rs. 300—400 and Rs. 360—500 are placed in charge of important stations.

59. Posts of Assistant Station Master on the scale of Rs. 80—170 are filled by promotion of Signallers on the scale of Rs. 60—150, who have passed the prescribed departmental test. Posts in the grades of Rs. 100—185 and Rs. 150—225 are filled by promotion of Assistant Station Masters and Station Masters on the scales of Rs. 80—170 and Rs. 100—185 respectively, on the basis of seniority subject to fitness. Staffs in different sections of the Transportation Department, namely, Assistant Station Masters, Guards, Station Masters, Yard Staffs etc., are pooled when they reach the grade of Rs. 150—225, for the purpose of promotion to higher grades of Station Masters, Station Superintendents, Yard Masters, Section Controllers and Traffic Inspectors. Promotions from one higher grade to another in the respective lines are made on the basis of selection.

60. The substance of the demands of Station Masters is as follows: The importance of the duties and responsibilities of posts of Assistant Station Master and Station Master should be properly assessed, and they should be placed in a smaller

number of appropriate grades. The National Federation of Indian Railwaymen has proposed 5 grades, ranging from Rs. 240—300 for Assistant Station Masters, to Rs. 625—700 for Station Superintendents. On the ground that Station Masters on small road-side stations have to attend to all types of work, it has been suggested that they should not be in the lowest grade of Rs. 80—170. It has further been asked that as Signallers who are on the scale of Rs. 60—150, get promoted as Assistant Station Masters or Station Masters after about 10 years of service, the existing lowest scale of pay of Assistant Station Masters, namely, Rs. 80—170 is inadequate. Another proposal is that at least 50 per cent of posts in the Station Masters' group should be distributed in grades above Rs. 80—170; in other words, the percentage of posts in the lowest grade should be further reduced from 60—50 per cent. A suggestion has been made that recruitment of Transportation Apprentices and their appointment to higher grades, including those of Station Masters, should be stopped. Complaint has also been made about pooling of various posts in the Transportation Department at the stage of Rs. 150—225, for the purpose of selection to higher grades, including those of Station Masters. In this connection, two opposite kinds of demands have been made by different sections of the Railway staffs: some want more compartmentalisation of promotions; others want more extensive use of the pooling arrangement. Cabin Assistant Station Masters have urged that their duties are more strenuous than those of other Assistant Station Masters, and that their scale of pay should be increased.

61. We have been informed by the Railway Board that the number of grades of Station Masters and the distribution of posts in those grades is determined according to the importance of the stations and the responsibility of the charge i.e. according to the volume of traffic, both passenger and goods, the number of trains passing through, the size and importance of the station, as well as of the yards, and other relevant factors. This is a matter which can best be decided by the administration, and we are not in a position to express an opinion whether, on the criteria adopted by the Railway Board, there is scope for reduction in the number of existing grades or for their redistribution.

We understand, however, that the Station Superintendents of stations like Howrah, Bombay (Victoria Terminus) and Delhi Junction have exceptional responsibilities, having to make arrangements for the receipt and despatch of anything between 500 and 700 trains a day, and to supervise the work of more than a thousand employees under them. Our attention has also been drawn to the "public relations" aspect of their work. It has, therefore, been suggested that Station Superintendents of such stations should be gazetted officers on Class II scale of pay. We agree with this view, and recommend that posts of Station Superintendent of the biggest stations, such as Howrah, Bombay (Victoria Terminus) and Delhi Junction may be upgraded and placed in the scale of Rs. 590—30—830—35—900.

62. We are informed that the minimum complement of any station, including a road-side station, is one Station Master and two Assistant Station Masters. They work in shifts, and at small way-side stations the volume of work is light enough to enable one person to attend to all duties. In the circumstances, it will be waste of public funds to have the full complement of a normal station at such stations. The lowest grade of Station Master is now on the scale of Rs. 100—185, and the suggestion of the representatives of employees that they should not be on the lowest grade of Assistant Station Masters, namely Rs. 80—170, has been met.

63. As we have mentioned earlier, for all practical purposes, the initial entry grade for Assistant Station Masters is that of Signaller; and we understand that, normally, a Signaller should get promoted as Assistant Station Master within 5 years.

We do not, therefore, consider that the existing scale of Rs. 80—170 is inadequate for the lowest grade of Assistant Station Master, which is also the scale for C Grade Guards.

64. As regards the complaint about appointment of Apprentices to higher posts of Station Master etc., it is relevant to mention briefly the scheme of Traffic (Transportation) Apprentices. The scheme was introduced in 1951, as a result of one of the recommendations of the Indian Railway Enquiry Committee (1947), for the improvement of control organisation in the Railways. The Committee suggested that necessary improvement could be secured by better selection and training of Section Controllers. As the Railway administrations found that suitable employees in the lower grades were not available for selection as Section Controllers, it was decided to recruit a certain number of Apprentices and train them for appointment to higher grades of Assistant Station Master, Assistant Yard Master, Section Controller and Traffic Inspector. Another reason for introducing the scheme of Apprentices for appointment to posts at intermediate levels, is the absence in the Railways of direct recruitment to Class II, because of which it is considered necessary to recruit young graduates, and train them for assuming responsibilities of higher supervisory posts in Class III, and eventually for promotion to Class II posts. We consider this to be a sound scheme, and do not accept the complaint against it as reasonable.

65. We also approve of the existing arrangement of pooling various categories of staffs in the Transportation Department, at the stage of Rs. 150—225, for the purpose of selection to higher grades in the various sections of the Department. Efficiency of the public service should be the principal, if not the sole, criterion for deciding whether, in a particular case, more or less pooling, or compartmentalisation should be resorted to.

66. On a comparison of their duties and responsibilities with those of other Assistant Station Masters, we cannot say that the Cabin Assistant Station Masters' work is more strenuous, and that a higher scale of pay is justified for them. We understand that Cabin Assistant Station Masters can be posted as Assistant Station Masters at the main station, if they pass the prescribed departmental test in signalling etc.

67. Having regard to all the relevant factors mentioned in the preceding paragraphs, we recommend the following scales of pay:—

	Rs.
Station Superintendents (gazetted)	590—30—830—35—900.
Station Superintendents	450—25—575.
Deputy Station Superintendents	370—20—450—25—475.
Station Masters	335—15—425.
	250—10—290—15—380.
Station Masters	205—7—240—8—280.
Assistant Station Masters.	150—5—175—6—205—EB—7—240.
Assistant Station Masters	130—4—170—EB—5—200—EB—5—225.

VII. Wireless Operators

68. The numbers and scales of pay are as follows:—

	Numbers	Scale of pay Rs.
Chief Wireless Inspectors	8	260—15—350.
Wireless Inspectors	32	150—7—185—8—225.
Wireless Operators	738	80—5—120—EB—8—200—10/2—220.

69. The duties of Wireless Operators are to receive and transmit messages over wireless circuits of the various Railway systems. Wireless Inspectors supervise the work of Wireless Operators. Chief Wireless Inspectors are in overall charge of the wireless operating staff, and are responsible for the general efficiency of the unit.

70. Fifty per cent of the vacancies in the grade of Wireless Operators are filled by promotion of suitable Telegraph Signallers, who have successfully completed six months of training. The remaining fifty per cent of the vacancies are filled by direct recruitment of candidates who have passed the Intermediate or equivalent examination, and hold a certificate of competency in wireless. Posts of Wireless Inspector are filled by the promotion of Wireless Operators, and those of Chief Wireless Inspectors by promotion of Wireless Inspectors.

71. The substance of the demands of the Wireless Operators is that as their avenues of promotion are limited, there should be one grade of Assistant Wireless Inspectors, above Wireless Operators, and three grades of Wireless Inspectors, instead of one as at present, and one of Chief Wireless Inspectors. It has also been suggested that for the purpose of promotion, Telephone Operators, Signallers and Wireless Operators should be treated as one group.

72. We cannot accept the suggestion that the number of grades should be increased merely with a view to providing promotion avenues; the number of grades in a cadre should be determined according to the requirements of work. We would, however, suggest that the Railway Board may examine whether this category can be grouped with any other for purposes of promotion.

73. We are of the view that the work of Railway Wireless Operators is less intensive than that of Wireless Operators of the P. & T. Department and Radio Operators of the Civil Aviation Department, and we do not, therefore, consider that there is a case for an improvement of their existing scales. We, accordingly, suggest that they may be on the following scales:—

	Rs.
Chief Wireless Inspectors	335—15—425.
Wireless Inspectors	205—7—240—8—280.
Wireless Operators	130—5—160—8—200—EB—8—256—EB—8—280.

VII. Yard Staffs

A. Non-operating staffs (Ministerial)

74. The categories comprised in this group are Trains Clerks and Head Trains Clerks; their numbers and scales of pay are as follows:—

	Numbers	Scale of pay Rs.
Head Trains Clerks	7	200—10—300.
	43	150—7—185—8—225.
Trains Clerks	432	100—5—125—6—185.
	474	80—5—120—8—160.
	6,263	60—3—81—4—125—5—130.
	<hr/> 7,219 <hr/>	

Sometime before the end of 1957, the grade of Rs. 80—160 was absorbed in that of Rs. 100—185. In 1958, it was further decided that 70 per cent of the posts should be on the scale of Rs. 60—130; 26 per cent on Rs. 100—185, and 4 per cent in the supervisory grades of Head Trains Clerks. According to these decisions, the strengths will be as follows:—

	Number	Scale of pay Rs.
Head Trains Clerks	289	200—300. 150—225.
Trains Clerks	1,877	100—185.
	5,053	60—130.
	<u>7,219</u>	

75. Trains Clerks have to maintain a record of the serial numbers and other particulars of wagons and coaches which enter and leave the station or yard, prepare statistics and statements of coaches etc., and also maintain the relevant registers.

76. Recruitment to the lowest grade is made through the Railway Service Commission from candidates who have passed the matriculation examination, and are within the age limits of 18—25 years; and all appointments in the higher grades are made by promotion. Apart from the avenues of promotion in their own line, Trains Clerks share, with other yard staff, 20 per cent of vacancies in posts of C Grade Guard; and they are also eligible for promotion as Assistant Yard Masters or Assistant Yard Foremen, as the case may be.

77. The substance of the demands of Trains Clerks is that their duties are more arduous than those of office Clerks, and they should, therefore, be given a higher scale of pay. It has also been stated that their chances of promotion are limited.

78. We do not consider that the duties of Trains Clerks are more responsible than those of office Clerks; and the mere fact that their duties involve outdoor work, in all seasons of the year, does not, in our view, justify a higher scale of pay. Since 1957, there has been considerable improvement of their grades, and the avenues of their promotion are also satisfactory. We recommend for them the following scales of pay:—

	Rs.
Head Trains Clerks	250—10—290—15—380 205—7—240—8—280
Trains Clerks	150—5—175—6—205—EB—7—240 110—3—131—4—155—EB—4—175—5—180

B. Operating Staffs (Non-Ministerial)

79. The numbers and scales of pay of operating Yard Staffs are as follows:—

	Numbers	Scale of pay Rs.
Yard Masters	1 13 57	360—20—500 300—20—400 260—15—350
Yard Masters/Yard Foremen	229	200—10—300
Assistant Yard Foreman/ Assistant Yard Master	163 352 607	150—7—185—8—225 100—5—125—6—185 64—4—120—5—170
Shunting Jamadars	138*	75—3—105
Shunting Jamadars/Cabinmen	4,443	60—5/2—75
	<u>6,003</u>	

*It appears that Shunting Jamadars on the scale of Rs. 75—105 are a vestigial category and exist only on four Railways.

80. The Shunting Jamadar is responsible for the sorting and formation of trains in correct marshalling order under the instructions of the Station Master or Yard Master, as also for the supervision of work of Shunting Porters, Coupling Porters etc. A Cabinman operates, under the instructions of the Assistant Station Master, the signals and the points in his section for the safe reception and despatch of trains. In some Railways, Levermen on the scale of Rs. 40—1—50—2—60 are also designated as Cabinmen, but they are in Class IV, and their duties and responsibilities are relatively simple. Assistant Yard Masters or Assistant Yard Foremen supervise the work of Shunting Jamadars and other related subordinate yard staff in connection with the receipt, formation and despatch of trains, according to schedule. Yard Foremen and Yard Masters perform higher supervisory duties.

81. Shunting Jamadars and Cabinmen are promoted from the lower Class IV grades, namely, Shuntmen, Yard Porters etc. Thereafter, they are promoted as Shunting Jamadars in the grade of Rs. 75—105, where such a grade exists, and as Assistant Yard Foremen or as Assistant Yard Masters, as the case may be. Posts of Assistant Yard Foreman or Assistant Yard Master on Rs. 64—170 are also filled by promotion of Train Clerks on Rs. 60—130. Further promotion is to the grades of Rs. 100—185 and Rs. 150—225. Other categories of Transportation staff, namely, Station Masters, Guards, etc., are also eligible for posts of Yard Master on Rs. 200—300 and above.

82. The two Federations of Railway employees have complained about the confusion created by the diversity of nomenclature for posts involving the same duties and responsibilities. It has been stated that on some Railways, Cabinmen are on three scales of pay, namely, Rs. 40—60, Rs. 60—75 and Rs. 60—170; that Cabin Assistant Station Masters are in some cases designated as Cabin Masters, though on the same scale of pay; and that on one Railway, a Cabinman on the scale of Rs. 60—170 is performing the functions of an Assistant Station Master. Similarly, it has been pointed out that there is no uniformity in the designations of other Yard staff; for example, an Assistant Yard Foreman in one Railway is called a Foreman, or a Gunner in another. The suggestion of the staff is that the designations should be standardised on a rational basis, and the number of grades reduced: there should be only one scale for Yardmaster and one for Yard Foreman. Another grievance is that direct recruitment of staff at intermediate grades, and also the arrangement under which other categories such as Station Masters, Guards etc., become eligible for appointment to higher grades of Yard Masters, block the promotion of those in the lower grades.

83. Station yards differ in size and importance, and it is necessary that they should be graded on the basis of workload and size; and if yards are so graded, the posts have also to be graded accordingly. We do not, therefore, support the proposal for reduction of grades.

84. Remuneration has to be related to the duties of a post, not its designation; but it is obviously desirable that there should be uniformity in designations; and we suggest that the Railway administration may standardise the designations of the yard staff, on a rational basis, to the maximum extent possible.

85. We are not impressed with the grievance about direct recruitment at intermediate levels, and the pooling of staffs from various branches of the Transportation Department for the purpose of selection to higher grades of Yard Masters. We have made our observations on the principle involved in this matter in the section relating to Station Masters.

86. As regards the pay structure, we do not recommend a change in the existing relativities of the various categories of yard staff, except in the case of Assistant Yard Masters/Assistant Yard Foremen on the scale of Rs. 64—170. These posts are filled from Shunting Jamadars on the scales of Rs. 60—75 and Rs. 75—105, as also from Trains Clerks on the scale of Rs. 60—130. In this context, we consider that it will be reasonable to raise the minimum of the scale of Assistant Yard Masters/Assistant Yard Foremen from Rs. 64 to Rs. 80.

87. We thus suggest the following scales of pay for the various categories of the Yard operating staffs:—

Yard Masters/Yard Foremen	} Rs. 450—25—575. 370—20—450—25—475. 335—15—425.
Yard Masters/Yard Foremen	} 250—10—290—15—380. 205—7—240—8—280. 150—5—175—6—205—EB—7—240. 130—4—170—EB—5—200—EB—5—225.
Assistant Yard Masters	
Assistant Yard Foremen	
Shunting Jamadars (vestigial category, present scale Rs. 75—3—105)	125—3—131—4—155.
Shunting Jamadars/Cabinmen	110—3—125.

IX. Traffic Control Staffs (Section Controllers)

88. The staff in this group, and their numbers and pay scales are as follows:—

	Numbers	Scale of pay Rs.
Chief Controllers	48	360—20—500
Deputy Chief Controllers	240	300—20—400
Section Controllers Grade I	145	260—15—350
Section Controllers Grade II	843	200—10—300
	1,276	

The Joint Advisory Committee had recommended that the allocation of posts to the two grades of Controllers should be revised. In 1957 it was decided that the number of posts on the scale of Rs. 260—350 should be between 20 and 25 per cent of the number on the scale of Rs. 200—300.

89. A Section Controller controls the movement of trains in the section allotted to him by issuing telephonic orders to the stations, and maintains a record of their actual movement on a chart on a board. He has to regulate the crossing of trains and also their reception at stations etc., so as to ensure prompt and expeditious movement of traffic. The more important sections are assigned to Grade I Controllers on the scale of Rs. 260—350. Deputy Chief Controllers coordinate the work of different yards in regard to the supply of empties, clearance of stock, arrangement of trains etc. The Chief Controller is in overall charge of a traffic control office.

90. Posts of Section Controller, Grade II are filled by selection of Assistant Station Masters, Assistant Yard Masters and Guards in the grades of Rs. 100—185 and Rs. 150—225. Traffic Apprentices who have put in one year's service as Assistant Station Masters or Assistant Yard Masters are also considered for appointment as Section Controllers. Appointments to Grade I of Section Controller and to the higher grades of Deputy Chief Controller are made by promotion, in each case, from the next lower grade of Controllers.

91. The main demands on behalf of the Traffic Control Staffs may be summarised as follows: They claim that their duties are more arduous than those of other staffs who are on the same rates of pay. Besides, an employee has to work for 15 to 20 years as a Guard or Station Master before he is promoted as Section Controller, Grade II, and for another 10 years before he is promoted as Section Controller, Grade I. On these grounds, they have suggested that Section Controllers should have higher remuneration. They have also said that there is no justification for two grades of Controllers, as the duties and responsibilities attached to the two grades are the same. In the course of oral evidence, the Federation which made this suggestion were asked whether their point would be met by combining the two scales of Rs. 200—300. and Rs. 260—350 into one on Rs. 200—350. They replied that as promotion to the grade was made after 15 or 20 years' service in other branches of the traffic line, few would reach the maximum of the consolidated scale. Another complaint was about the limited prospects of promotion.

92. There can be a merger of the two grades of Section Controllers into one only if there is no appreciable difference in the responsibilities and the arduousness of the duties of the two grades. We are advised that a Section Controller performs very responsible duties in connection with Railway operation, and that there is a case for improving the existing scale of Rs. 200—10—300. We have also been advised that the difference in the levels of responsibility of Controllers is not so great as to justify two separate grades. This is a matter which can best be considered by the Railway Board; but on the basis of our information, we are of the view that there need be only one grade of Controller on the scale of Rs. 220—10—260—15—350, in present terms. If, for administrative reasons, it is considered necessary to retain the two grades, we think that there is justification for increasing the minimum of the scale of pay of Section Controllers Grade II by Rs. 20. We do not consider it necessary to suggest a change in respect of other grades.

93. As regards the complaint about limited prospects of promotion, it has to be remembered that there is no direct recruitment to any grade of Controller, and that persons who fill these posts have already had promotions from lower grades. Moreover, Controllers have the same avenues of promotion to Class II posts as other Transportation and Yard staff. It was stated on behalf of Controllers that the nature of their work does not give them the versatility which Station Masters or Deputy Station Superintendents, with whom they have to compete for selection for posts of Assistant Operating Superintendents (Class II), are able to acquire. Promotion to a higher grade must depend on suitability for that grade. We, however, understand that several Chief Controllers have, in fact, been promoted to Class II posts.

94. To sum up, we recommend the following scales of pay for the Traffic Control staff:—

	Rs.
Chief Controllers	450—25—575.
Deputy Chief Controllers	370—20—450—25—475.
Section Controllers :	
(a) If it is decided to retain two grades of Section Controllers :	
Grade I	335—15—425.
Grade II	270—10—290—15—380.
(b) If it is decided to have only one grade of Section Controllers	
	270—10—290—15—425.

X. Ticket Checking Staffs

95. The staffs in this group, and their numbers and scales of pay are as follows:—

	Numbers	Scale of pay Rs.
Head Ticket Collectors/Travelling Ticket Examiners	2	360—20—500
	10	300—20—400
	3	260—15—350
	321	200—10—300
	1,043	100—5—125—6—185
Travelling Ticket Examiners	2,990	80—5—120—8—160
Head Ticket Collectors	95	200—10—300
	929	100—5—125—6—185
Ticket Collectors	7,500	60—3—81—4—125—5—130
	12,893	

96. The Varadachariar Commission had recommended for this category only two scales of pay, namely, Rs. 55—3—85—4—125—5—130 and Rs. 100—5—125—6—185, and suggested that a few selection grade posts might be created on points between Rs. 200—10—300. The Government, however, prescribed the following scales of pay:—

	Rs.
Head Travelling Ticket Examiners	200—300 100—185
Travelling Ticket Examiners	60—150
Head Ticket Collectors	200—300 100—185
Ticket Collectors	80—160 55—130

The above scales of pay, and the distribution of posts in the various grades, have undergone some changes since 1947. Travelling Ticket Examiners are now on the scale of Rs. 80—160, and the scale of Ticket Collectors has been revised to Rs. 60—130. It has further been decided that 70 per cent of the posts should be in the lower scale of Rs. 60—130 in the case of Ticket Collectors, and on Rs. 80—160 in the case of Travelling Ticket Examiners; 22½ per cent posts should be in an intermediate grade, on Rs. 100—185, and 7½ per cent in the higher grades. The effect of these changes is as follows:—

	Numbers	Scale of pay Rs.
Head Travelling Ticket Examiners	328	200—300
	983	100—185
Travelling Ticket Examiners	3,058	80—160
Head Ticket Collectors	639	200—300
	1,918	100—185
Ticket Collectors	5,967	60—130
	12,893	

97. There are 15 posts on scales above Rs. 200—300, and they are designated differently in different Railways. These isolated posts have not been taken into consideration in the distribution shown above.

98. Initial recruitment is made to the grade of Ticket Collector through the Railway Service Commission, from candidates who have passed the matriculation examination, and are within the age limits of 18—25 years. Appointments to the higher grades are made by promotion. Ticket Collectors also share, with Commercial Clerks, 20 per cent of vacancies in posts of C Grade Guards.

99. In this group there are also 216 posts of Conductors on the following scales of pay. The posts are filled by promotion of Ticket Checking Staffs:—

	Numbers	Scale of pay Rs.
Conductors }	184	150—225
	32	100—185

100. Ticket Collectors are employed on platforms for collecting tickets, checking ticketless travel and other related duties. Travelling Ticket Examiners are to check tickets, luggage etc. of passengers in running trains, and also in railway premises.

101. It is the duty of Conductors to look after the comforts and amenities of passengers. They are also required to maintain a tally of the accommodation available in the train at various stations.

102. Apart from the general demand for increase in the pay scales, the Travelling Ticket Checking Staffs have asked that they should be given running allowance instead of the ordinary travelling allowance. They have also complained that their avenues of promotion are limited, and that posts of Passenger Guide on Rs. 200—300 should be reserved for them.

103. We have already dealt with their demand for running allowance in the section relating to Running Staffs, and we have not recommended grant of the allowance to staffs who are not in direct charge of, and responsible for the movement of, trains. We do not consider that the prospects of promotion of a Ticket Collector who is recruited to the basic grade of Rs. 60—130 are, on the whole, unsatisfactory. We understand that employees to be considered for posts of Passenger Guide require to have special aptitude for dealing with the public, and, therefore, selections are made from suitable employees from various sections. We do not agree with the suggestion that such posts should be exclusively reserved for the ticket checking staff.

104. We do not propose any change in the existing scales of pay or in the relativities of the various grades of Ticket Checking Staffs, and recommend for them the following scales:—

	Rs.
Conductors }	205—7—240—8—280 150—5—175—6—205—EB—7—240
Head Ticket Collectors and Head Travelling Ticket Examiners. }	450—25—575 370—20—450—25—475 335—15—425 250—10—290—15—380 150—5—175—6—205—EB—7—240
Travelling Ticket Examiners }	130—5—175—EB—6—205—7—212
Ticket Collectors }	110—3—131—4—155—EB—4—175—5—180

XI. Commercial Clerks

105. The staffs included in the category of Commercial Clerks and their numbers and scales of pay are as follows:—

	Numbers	Scale of pay Rs.
Chief or Head Booking, Goods and Luggage Clerks.	590	200—10—300 150—7—185—8—225
Booking, Goods and Luggage Clerks.;	} ₹ 6,484 ₹ 16,506	100—5—125—6—185 60—4—120—5—150
	23,580	

106. The distribution of posts in the various grades in this group has undergone several changes since 1947. As a result of the recommendation of the Joint Advisory Committee, it was decided by the Government in 1950, that 85 per cent of the total strength of this category should be on the lowest scale, namely, Rs. 60—150; and the proportion was raised to 70 per cent in 1957. The latest decision is that 62½ per cent of the total posts should be on the scale of Rs. 60—150; 32½ per cent on the scale of Rs. 100—185, and 5 per cent on the scales of Rs. 150—225 and Rs. 200—300, as indicated below:—

Scale of pay Rs.	Numbers
200—300	} ₹ 1,179
150—225	
100—185	₹ 7,664
60—150	14,737
	23,580

107. The main duties of Booking Clerks are to sell tickets to passengers, and to attend to other related work. They are responsible for the cash realised on the sale of tickets, which has to be handed over at the close of their duty hours to the Head Booking Clerk, or the Station Master. Goods Clerks accept goods for booking to various stations and deliver goods received from other stations. They have to maintain books and registers and hand over cash collected to the Head Goods Clerk, or the Station Master, at the end of the day. They have also to attend to sealing and rivetting of loaded wagons. The duties of Parcel Clerks are similar to those of Goods and Booking Clerks except that they deal with parcels traffic and luggage.

108. Recruitment is made to the lowest grade (Rs. 60—150) through the Railway Service Commission from among matriculates within the age limits of 18—25 years. They are given training for three months before being appointed as Commercial Clerks. All higher posts are filled by promotion. Commercial Clerks are eligible, along with Clerks in the office of the Chief Commercial Superintendent for appointment, by selection, to various grades of Commercial Inspector, the highest of which is on the scale of Rs. 360—500. In addition, Commercial Clerks in the lower ranges share, with Ticket Collectors, 20 per cent of vacancies in posts of Guard, Grade C.

109. Apart from the general demand for increase in pay, the main grievance of Commercial Clerks is that they have to compete with the Clerks in the office of the Chief Commercial Superintendent for selection to posts of Commercial Inspector, which they think should be reserved exclusively for them. As shown in paragraph 106, there has been considerable increase since 1947 in the proportion of posts in the higher grades, and Commercial Clerks have also reasonable outlets of promotion outside their own line, namely, as C Grade Guards, at an early stage in their career, and as Commercial Inspectors later. We understand that the nature of work of the

Clerks in the office of the Chief Commercial Superintendent equips them for the kind of work required in the Commercial Inspectorate, and we see no objection to their being allowed to compete on merit for appointments in the Inspectorate.

110. The National Federation of Indian Railwaymen has suggested five grades on the following scales of pay: (i) Rs. 225—5—275, (ii) Rs. 240—6—300, (iii) Rs. 300—8—420, (iv) Rs. 350—10—480 and (v) Rs. 420—15—540. Having regard to their duties and responsibilities, as also the other relevant factors, we do not consider any change necessary; and we recommend the following scales of pay:—

Chief or Head Booking, Goods and Luggage Clerks.	}	Rs.	250—10—290—15—380. 205—7—240—8—280.
Booking, Goods and Luggage Clerks	}		150—5—175—6—205—EB—7—240. 110—4—150—EB—4—170—5—180—EB—5—200.

XII. Inspectorial Staffs—Commercial and Transportation

A. INSPECTORIAL STAFFS—COMMERCIAL

111. The staffs in this category, and their numbers and scales of pay are as follows:—

	Numbers	Scale of pay Rs.
Inspectors	}	360—20—500 300—20—400 260—15—350 200—10—300
Assistant Inspectors	453	150—7—185—8—225
	825	

112. The duties of Inspectors are to inspect different aspects of commercial work, such as sale of tickets, booking and movement of goods, parcels, etc; investigate into claims against loss of, or damage to, goods etc; examine classification of commodities with a view to ascertaining defects, if any, in the current tariff rates, with reference to the prevailing market conditions; and also to check whether the rates are being correctly charged by the station staff.

113. Until recently, all appointments to various grades of Inspector were made by promotion of Commercial Clerks, and Clerks working in the office of the Chief Commercial Superintendent. In 1958, it was, however, decided to fill 25 per cent of vacancies in the grade of Rs. 200—300 by Traffic (Commercial) Apprentices, who will be recruited from among graduates. The Apprentices will be trained for a period of two years, and posted as Assistant Inspectors for at least one year, when they will be eligible for 25 per cent of vacancies in the grade of Inspector, on the scale of Rs. 200—10—300. The remaining vacancies in all grades of Inspectorial staff will be filled by selection of Commercial Clerks, and Clerks in the office of the Chief Commercial Superintendent.

114. The National Federation of Indian Railwaymen has proposed five grades, which is the same number as at present, on the following scales of pay: (i) Rs. 240—6—300, (ii) Rs. 300—8—420, (iii) Rs. 350—10—480, (iv) Rs. 475—15—625, and (v) Rs. 625—25—700. At the same time, the Federation has suggested that the grade of Assistant Inspector, i.e. the lowest grade, should be abolished as, in its opinion,

Assistant Inspectors function independently and perform the same duties as Inspectors in higher scales of pay.

115. There is a difference in the nature of inspection work, some of it being comparatively simple and of routine nature, and some more complex, requiring experience, and understanding of the various issues involved. For example, in the claims section, an Assistant Inspector has only to conduct spot checks and submit periodical reports regarding packing, marking, labelling, loading and unloading of goods and parcels; and to see that consignments are properly cleared, and that instructions regarding the receipt and despatch of goods and parcels are strictly observed. A Claims Inspector on Rs. 200—300, on the other hand, has to study the trend of claims received and to keep the Commercial Officer informed of the position, so that efforts can be made to reduce the claims against the Railways. He also deals with the more important cases. A Claims Inspector on Rs. 260—350 has general supervision over a section, including in some cases of the work of Junior Inspectors in a division; and he also investigates complex cases. In the circumstances, it cannot be said that the Assistant Claims Inspector has the same kind of work as Claims Inspectors in the higher grades.

116. Having regard to the different levels of responsibility, we do not consider that there is scope for reduction of the existing number of grades; and we recommend the following scales of pay:—

	Rs.
Inspectors	} 450—25—575.
	} 370—20—450—25—475.
	} 335—15—425.
	} 250—10—290—15—380.
Assistant Inspectors	205—7—240—8—280.

B. Inspectorial Staffs—Transportation

117. The staffs in this category, and their numbers and scales of pay are as follows:—

	Numbers	Scale of pay Rs.
Inspectors	} 57	360—20—500
	} 74	300—20—400
	} 112	260—15—350
	} 96	200—10—300
Assistant Inspectors	33	150—7—185—8—225
	372	

118. The functions of the Transportation Inspectorial staffs relate to various aspects of transportation work, periodical inspection of stations, and maintenance of check on the movement of traffic within their jurisdiction. In the absence of an officer, they take charge of traffic operations on the spot, in case of accidents.

119. There is no direct recruitment to the grades of Transportation Inspectors, and all appointments are made by selection from various categories of staff of the Transportation Department, namely, Guards, Assistant Yard Masters, Assistant Station Masters, Station Masters, and Traffic (Transportation) Apprentices. We have referred to the scheme of Traffic (Transportation) Apprentices in the section relating to Station Masters.

120. No specific demands have been made by or on behalf of Transportation Inspectors, except that the National Federation of Indian Railwaymen has suggested four grades on the following scales of pay: (i) Rs. 240—6—300, (ii) Rs. 350—10—480, (iii) Rs. 475—15—625, and (iv) Rs. 625—25—700. We do not think that a change is called for, and recommend the following scales of pay:—

	Rs.
Inspectors	450—25—575. 370—20—450—25—475. 335—15—425. 250—10—290—15—380.
Assistant Inspectors	205—7—240—8—280.

XIII. Marine Staffs

121. Some of the Railways maintain complete ferry units for the transport of passengers, goods, wagons, etc., across rivers; and the Southern Railway has a ferry service across the narrow straits between the Dhanushkodi pier on the Indian coast, and the Talaimannar pier on the Ceylon coast. Various grades of Marine staff are employed for these ferries. The Varadachariar Commission did not deal with this group, and the representatives of employees have urged that we should examine their case and recommend adequate scales of pay. We have not received complete information about the numbers of staffs employed in the various grades and their precise duties, etc; but from the material which we have obtained from one of the Railways, it appears that the Marine staffs can be divided into the following four broad groups: (i) engine room staff; (ii) navigation staff; (iii) pilotage or channel staff and (iv) shore staff.

122. In the first category are Engine Drivers, Tindals, Firemen, Cleaners, Khalasis, etc. Engine Drivers are required to have marine driver's licence, and first and second class engine driver's certificates, according to the horse power at which a vessel is rated. We understand that the other staffs in the engine room are not required to have any regular qualifications, and they are promoted from the initial recruitment grade of unskilled categories of various designations.

123. At the head of the navigational staff is the Serang or Master; he is the navigator of the vessel, and is in charge of the decks. He is also required to have a certificate of competency. His scale of pay varies from Rs. 55—105 to Rs. 105—225, according to the size of the vessel.

124. The pilotage or channel staffs are in charge of the channel, and the highest post in this category is on Rs. 40—60. The shore staffs are employed on work in connection with wagon ferry, goods jetty, etc.

125. It is understood that the lower grades of staff are comparable to the unskilled and semi-skilled categories in the workshops, or other operating branches of the Railways, and the lowest grade of Serang or Master in charge of a small vessel is comparable to a skilled worker. We do not make any specific recommendation in regard to these grades of Marine staff, and suggest that they may be fitted in appropriate scales of the revised pay structure we are recommending.

126. As regards Engine Drivers and higher grades of Serang, we have been informed by the Railway Board that difficulty is being experienced in recruiting qualified staff on the existing scales of pay, and one of the Railway administrations

has suggested that their scales of pay need improvement. The existing scales are as follows:—

	Rs.
Drivers (licensed)	125—6—185
Drivers (1st class certificate)	80—5—120—8—160
Drivers (2nd class certificate)	60—4—120—5—150
Steamer Serangs	100—5—125—6—185
	60—4—120—5—150

127. The existing scales are based on the recommendations of a committee known as the Mathur-Neogi Committee, which was set up in 1948, to examine and recommend scales of pay and conditions of service for various categories of staff in the marine establishments of the Railways. In the absence of full factual information, we find it difficult to assess the job content of the posts, or to judge whether the existing relativities are fair. The matter needs a comprehensive review by an *ad hoc* committee, which, we suggest, the Government may set up. However, on such material as is available to us, we recommend, as an interim measure, the following scales:—

	Rs.
Drivers (licensed)	205—7—240—8—280.
Drivers (1st class certificate)	150—5—175—6—205—EB—7—240.
Drivers (2nd class certificate)	130—4—170—EB—5—200—EB—5—225.
Serangs	205—7—240—8—280.
	175—6—205—7—240.
	130—4—170—EB—5—200—EB—5—225.

128. It is understood that the Railways have no satisfactory arrangements for training marine crew, and that that is one of the reasons why it is difficult to get Engine Drivers and Serangs. We suggest that the desirability of arranging training facilities may be considered. Even if with the construction of more railway bridges the Railways do not have to run ferries, the trained personnel would probably have no difficulty in getting employment; for, inland water transport is likely to develop in the coming years.

XIV. Class IV Categories

129. We have discussed in a separate chapter the pay structure of Class IV staffs and the scales of pay of categories, such as Sweepers, Peons, Chowkidars etc., which are common to all or many Departments. The scales of pay recommended by us for these common categories will also apply to similar categories of Railway employees.

130. The following are the main categories of Class IV staffs which are peculiar to the Railways:—

	Numbers	Scale of pay Rs.
Levermen and Cabinmen	16,521	40—1—50—2—60
Porters	15,642	30— $\frac{1}{2}$ —35
Yard Porters (including Pointmen)	36,735	40—1—50—2—60
Second Firemen	17,961	35—1—50
Engine Cleaners	18,151	40—1—50
Head Trollymen	2,234	30— $\frac{1}{2}$ —35
Trollymen	8,134	35—1—40
Gatemen	16,912	30— $\frac{1}{2}$ —35
Permanent Waymates and Gangmates.	11,101	40—1—50—2—60
Keymen	9,278	35—1—50
Gangmen and Patrolmen	1,22,125	30— $\frac{1}{2}$ —35
Khalasis	45,787	30— $\frac{1}{2}$ —35

We do not consider it necessary to discuss each of these categories separately; we shall discuss only those for which improvement has been specifically asked for, or appears necessary.

131. Gangmen and Patrolmen: Gangmen are employed to do manual work in connection with the maintenance of the railway track, proper packing of the permanent way with ballast, drainage of rain water from the track etc. It has been claimed on their behalf that their work is more arduous and responsible than that of an unskilled worker; they have to work in all weathers and walk long distances in the course of their duty; and they should, therefore, be placed on a scale of pay higher than that of an unskilled worker.

132. We have also received a suggestion, separately, that Class IV staffs who are at present on the scale of Rs. 30— $\frac{1}{2}$ —35 should be divided into three broad groups, namely, (a) those who do light work, such as Peons; (b) those who are engaged on earth work or other simple unskilled work, and (c) those who though not required to be skilled or educated can be regarded as part of the "operational or executive staff". Gangmen have been mentioned as an example of group (c), and it has been suggested that they should be given a higher pay than groups (a) and (b) who may have the same pay. We do not think that it is practicable to make such a fine distinction between various kinds of unskilled work.

133. Gangmen are generally recruited locally, and preference is given to those who have worked satisfactorily as casual labourers on the permanent way. From the information made available to us, it appears that the duties of Gangmen consist of a small number of simple repetitive operations, which are not more arduous or responsible than those of ordinary unskilled workers. They work under close and continuous supervision, and there is roughly one Gangmate for every ten Gangmen—in some sections even for six—who work in groups. Above the Gangmate is the Permanent Way Mistry; above the Permanent Way Mistry is the Permanent Way Inspector, who has to patrol a given stretch of the line frequently and regularly. Thus, the Gangman's personal responsibility is small, and the nature of his work is broadly comparable to that of an ordinary labourer. We do not, therefore, think that Gangmen should be given a higher rate of pay than that of unskilled workers generally.

134. A Patrolman is a Gangman who is sent out to patrol an allotted stretch of railway line, and report any damage noticed in his beat. Gangmen and Patrolmen should be on the standard scale of Rs. 70—1—80—EB—1—85, we are recommending for unskilled staff.

135. Gangmates: The Gangmate is a supervisor of Gangmen. His present scale of pay is Rs. 40—1—50—2—60, which is higher than the scale prescribed for many other categories of supervisors of unskilled labour. It has been claimed by one of the Federations that a Gangmate is in charge of 18 to 22 Gangmen, and that in view of his responsibilities, he should be given a higher rate of pay. It is understood that the upper limit of the number of Gangmen to be supervised may, in some cases, be as high as that claimed by the Federation; but the average, as indicated earlier, is approximately 10. Moreover, all the men work in a batch, and the supervision of the Gangmate consists, therefore, of supervising only one operation at a time. We do not think that a change in his relative position is called for, and recommend that he may be placed on the scale of Rs. 80—1—85—2—95—EB—3—110.

136. **Gatemen:** Gatemen are posted at level crossings, and their main duties are to close the gates in good time before the passage of a train, and open them thereafter. They are not required to have any educational qualifications, nor can their work be regarded as skilled or semi-skilled. The main demand on behalf of Gatemen is that there should be 3 grades, namely, Rs. 30— $\frac{1}{2}$ —35, 35—1—50 and 40—1—50 respectively, according to the responsibility and intensity of their work, as indicated by the classification of their duties into "excluded", "essentially intermittent", or "continuous". It is true that "continuous" duty is far more exacting than, for instance, duty which is "essentially intermittent"; but this is fully provided for by the shorter hours which a "continuous" worker has to put in. Thus, there can be no case for a further compensation in the shape of a higher pay. We consider that there is no justification for upgrading Gatemen, and they may be on the scale of Rs. 70—1—80—EB—1—85.

137. **Head Trolleyman:** The Head Trolleyman is the Trolleyman in charge of a trolley. He is required to have elementary knowledge of the rules of safety involved in the movement of a trolley on the line, and to be able to observe the signals, specially when the official concerned is not on the trolley. It has been claimed on their behalf that their existing scale of Rs. 35—1—40 is inadequate for the responsibility involved in their duties. The Head Trolleyman's duties are certainly of a more responsible nature than those of an unskilled worker, and this is recognized even in his present scale. But the scale is too short—a six-year scale—and we consider that the 13-year scale on Rs. 75—1—85—EB—2—89, will be suitable.

138. **Keymen:** The duties of Keymen are to examine the railway line, once a day, and attend to any apparent defects in the track, specially the fastenings on the line. Their beat covers one gang length, which is generally about 4 miles. Any defects which he cannot rectify, specially those of a serious nature, have to be brought to the notice of the appropriate authorities. It is claimed that Keymen are skilled workers, and they should be given the scale of Rs. 60—130. Another suggestion is that they should be in the grade of Rs. 40—60 or Rs. 55—85. In our view, the level of skill required of Keymen is not comparable to that of a skilled artisan, and there is no case for a change in their relative position. They may be on the scale of Rs. 75—1—85—EB—2—95, which according to our recommendations is to replace the existing scale of Rs. 35—1—50.

• 139. **Engine Cleaners:** The primary duty of Engine Cleaners is cleaning of engines. They are promoted as Second Firemen on the scale of Rs. 40—1—50. It has been stated by the employees' representatives that the difference in the starting pay of Second Firemen and Cleaners should be removed. The duties of Engine Cleaners are of an unskilled nature, and are not comparable to those of Second Firemen. We recommend that they should be on a scale of Rs. 70—1—80—EB—1—85, which corresponds to the existing scale of Rs. 30— $\frac{1}{2}$ —35.

140. **Second Firemen:** The duties of the Second Firemen are to break coal in the engine, and assist the First Fireman in maintaining the fire and steam pressure. The Second Firemen are promoted from the rank of Engine Cleaners. The main demands are that the grade of Second Fireman should be abolished and there should be only two grades of Firemen, namely, Grades A and B. The present position is that while there are three scales of pay applicable to Firemen—one applicable to Second Firemen, another to First Firemen Grade B, and the third to First Firemen Grade A—there are functionally only two levels, the duties of First Firemen, whether belonging to Grade A or to Grade B, being identical. The duties which the Second Firemen perform are too simple, in our view, to justify merger of their grade with that of First Firemen, Grade B; such an arrangement would

mean that functionally there would be only one grade of Firemen, and a large number of Firemen performing very simple duties would be remunerated at a disproportionately high rate. We have already discussed the question of direct recruitment of Grade A Firemen, and have come to the conclusion that it should continue. Thus, the present grade structure has to continue; and having regard to the nature of the duties of Second Firemen, the source of their recruitment, and their educational qualifications, as also the fact that they are entitled to a running allowance, of which an amount equal to 75 per cent of pay is treated as pay, we recommend that they may be placed on the revised scale of Rs. 80—1—85—2—95.

141. Wheel Tappers: The duties of a Wheel Tapper are to tap with a hammer the wheels of a carriage or wagon after it has come into the station, with a view to finding out any defects, and feel by the touch of his hand whether the axles are over-heated. He has only to make a superficial examination of the wheels and report his examination to the Train Examiner. The Wheel Tapper himself does not undertake the responsibility for any repairs etc., which are done by fitters. It has been represented that their work is of a responsible nature, and that they should be placed either in the category of skilled workers, on the scale of Rs. 60—130, or in the grade of Rs. 55—85. The duties of Wheel Tappers cannot be regarded as more arduous and responsible than those of the generality of the semi-skilled workers in Railway workshops, and we do not consider that there is a case for upgrading them. We accordingly recommend that they may be on the revised scale of Rs. 75—1—85—EB—2—95—EB—3—110.

142. Porters and Skid Porters: Porters are one of the common unskilled categories, and they are employed on various duties either at the station or in the yards. It has been stated that the duties of Porters vary, and that they should not all be placed on the lowest unskilled category, but graded according to their duties and responsibilities. The duties of Porters are essentially unskilled. It is not possible to make a fine distinction between different groups of Porters, or of Porters at different kinds of stations. There are usually small differences even in the simplest kinds of work, but unless the differences are significant and require recognisably different levels of skill, or involve different degrees of responsibility, or are to be performed under widely different conditions, they should, in our view, be remunerated at the same rate. We do not, therefore, propose any change, and recommend that these Porters should be on the scale of Rs. 70—1—80—EB—1—85.

143. Yard Porters (including Pointsmen): They are in two grades carrying the scales of Rs. 35—1—50 and Rs. 40—1—50—2—60, respectively. They perform various duties in yards under the direction of a Yard Foreman or an Assistant Yard Foreman. At wayside stations they are commonly known as Pointsmen, and their main duties are to see that the points are correctly set and kept clear for the movement of trains. They also manipulate levers of points under the instructions of the Station Master. The substance of their demands is that the existing two scales overlap over too long a length to allow an adequate higher remuneration for increased responsibility on promotion, and that there should be only one grade which should be on the higher scale.

144. Unlike those of Porters, the responsibilities of Pointsmen can vary significantly, depending on the number of lines they have to deal with, and the intensity of traffic. The question as to whether there should be more than one grade is a matter which can best be decided by the Railway administration. On the basis of the present position, we recommend that the two grades may be on the revised scales of Rs. 75—1—85—EB—2—95, and Rs. 80—1—85—2—95—EB—

3—110 respectively. We have discussed the general question of providing a minimum increase of pay on promotion in an earlier chapter.

145. Shuntmen/Coupling Porters/Points Jamadar etc. : It seems that employees in this group are designated by various names on various Railways, but they have more or less the same duties, and are on the same scale of pay, namely, Rs. 40—1—50—2—60. Their main duties are to guide the crew of engines and trains in the yard and ensure safe reception and despatch of trains into and from the station, under the orders of the Station Master. They have specially to ensure that the line in the yard on which a train is to be received is clear of obstruction, and points are correctly set and locked. Coupling Porters have to couple or uncouple carriages and wagons by moving between them, after formation of the train.

146. As we understand the position, the witnesses tried to convey that two difficulties arose from lack of uniformity in designations: first, that staff performing identical functions on different Railways were, in some cases, remunerated at different rates; and second, that because of identity of designations, staff performing different duties on different Railways were, in some cases, paid at the same rate. We certainly support the proposal for a rationalization of designations; but, in the meantime, the staff should be allocated to pay scales according to their duties and responsibilities, irrespective of their designations.

147. On the basis of the material before us, we do not think there is a case for a relative improvement in the pay scales of the staff in this group, except that if Coupling Porters on any Railway are on the scale of Rs. 35—1—50, as has been stated by the employees' witnesses, they should be brought on the standard scale for this group. On enquiry we find that Coupling Porters are not exposed to any greater risk than other comparable yard staff, thus calling for a higher rate of pay for them. We accordingly recommend for this group the scale of Rs. 80—1—85—2—95—EB—3—110.

148. Cabinmen and Levermen: There is a higher grade of Cabinmen on the scale of Rs. 60—75, which is in Class III, and we have considered their case in an earlier section of this chapter. Here we deal with the Class IV category only. Their main duties are to manipulate signals and points under the instructions of the Station Master, and be in charge of ground-frame cabins. Their demand is that they should be on the same scale (Rs. 60—75) as is given to the higher grade of Cabinmen (Class III). The duties of Cabinmen and Levermen on the scale of Rs. 40—1—50—2—60 are relatively simple and their responsibility is also very limited. We do not consider that there is a case for placing them in a higher grade and recommend that they may be on the scale of Rs. 80—1—85—2—95—EB—3—110.

149. Tool Keepers: These are in the Stores Department, on three scales of pay, namely, Rs. 40-1-50-2-60, Rs. 55-3-85 and Rs. 60—130, according to the nature of their duties and responsibilities. Tool Keepers keep in their custody small tools for issue on requisition. The main complaint on behalf of this category is that there is no proper classification of Tool Keepers into the three grades, with the result that there is great deal of confusion about their designations and the rates of remuneration allowed to different groups. There are also Store Issuers on the scales of Rs. 35—50, Rs. 40—60 and Rs. 55—85.

150. We have dealt with Class III Stores categories separately in another chapter, and are here concerned only with those who are on Class IV scales of pay. We recommend that Tool Keepers on the existing scale of Rs. 40-1-50-2-60

may be on the revised scale of Rs. 80-1-85-2-95-EB-3-110. We suggest that the complaint about the confusion caused by the multiplicity of designations of Tool Keepers and corresponding categories may be examined by the Railway administration, and they may be classified into such numbers of grades as real differences in their duties may warrant, and each grade suitably fitted in the new pay structure.

151. Stores Khalasis: Stores Khalasis do the loading and unloading of wagons, convey material from place to place, and accompany the Stores Delivery Clerk. It has been stated by one of the Federations that Stores Khalasis go out independently to distribute stores, which involve duties of Stores Delivery Clerks; and they should, therefore, be on the higher scale of Rs 55-3-85. According to the information furnished to us by the Railway Board, Stores Khalasis are only unskilled manual workers; and we consider that the scale of Rs. 70—1—80—EB—1—85 recommended for the lowest grade of Class IV employees is adequate for them. If particular groups of Stores Khalasis do more responsible work, as stated by the Federation, they may be placed on another appropriate scale in the new pay structure.

152. Khalasis in the Signal and Tele-communication Department: Their main duties are to move tools and material to the site of work, and make pits for signal work, foundations etc. It has been claimed by their representatives that the Khalasis in the Signal and Tele-communication Department are required to have higher qualifications, and they perform duties more responsible than those of Khalasis in other Departments, which in their view justifies a higher scale of pay. Though the work in the Signal and Tele-communication Department is of a highly technical nature, we do not consider that the duties of Khalasis can be regarded as more responsible than those of ordinary unskilled manual workers. It is understood that most of them are unable to pass the semi-skilled test. We consider that the standard unskilled scale of Rs. 70-1-80-EB-1-85 is suitable for all Khalasis.

153. Ferro-printers: There are only 124 Ferro-printers, and they are on the scale of Rs. 35-1-50-2-60. Their duties are printing of dry and wet points from paper etc., and they are promoted from Ferro-khalasis, on the basis of seniority subject to fitness. It has been suggested that Ferro-printers should be treated as a skilled category and placed on a higher scale of pay. Considering that Ferro-printers are being recruited from Ferro-khalasis—who are unskilled workers—they are obviously not persons with much education or technical training. However, having regard to the nature of their duties, we consider that there is a case for a slight improvement of their position and recommend that they should be on the higher of the semi-skilled scales, viz. Rs. 80-1-85-2-95-EB-3-110.

Workshop Staffs

154. The Railway Workshop staffs have been dealt with, along with Workshop Staffs of other Departments of the Government of India, in a separate chapter.

CHAPTER XXIII

POSTS AND TELEGRAPHS DEPARTMENT

I. Introductory

1. The Posts and Telegraphs Department is responsible for the postal, telegraph, telephone and wireless communications in the country. In addition, it performs certain agency functions on behalf of other Departments, such as the Post Office Savings Bank, National Plan Certificates, Postal Life Insurance, collection of Broadcast Receiver Licence fees and antipiracy work relating thereto. The Head of the Department is the Director General of Posts and Telegraphs who is assisted by a Posts and Telegraphs Board, of which he is the Chairman, and the other members are the Chief Engineer, Posts and Telegraphs, the Senior Deputy Director General, Posts and Telegraphs, and the Joint Secretary, Ministry of Finance (Communications Division). For the purposes of administration the country has been divided into 17 territorial units—12 P & T circles, 1 Postal circle, and 4 Telephone districts in Bombay, Calcutta, Delhi and Madras. In addition, various administrative units have also been set up on functional basis, *viz.* Workshops and Stores organisations, Accounts organisation for Workshops and Stores, Technical and Development circle, Telecommunication Research Centre, Postal Life Insurance organisation, organisation for collection and accounting of telephone revenue, etc. For the purposes of postal, railway mail service, and engineering administration, each circle is divided into units called divisions which are under Superintendents of Post Offices/R.M.S., or Divisional Engineers, as the case may be. Divisions are further sub-divided into sub-divisions, postal and railway mail service sub-divisions being under Inspectors of Posts Offices and R.M.S., and engineering sub-divisions under Assistant Engineers. The telegraph traffic branch is organised on a different pattern. The combined post and telegraph offices, which transact both postal and telegraph business, are under Postal Superintendents, and the departmental telegraph offices which deal only with telegraph traffic are directly under the heads of the circles.

2. Excluding extra-departmental agents (who are part-time employees), the department has 2,04,840 employees as at 30th June, 1957, distributed in different classes, and scales, as follows:

Class	No. of scales of pay.	Total number of employees.
Class I	5	485
Class II	4	932
Class III	48	1,46,631
Class IV	5	50,333
Workshop staffs]	12	6,459
Total		<u>2,04,840</u>

There is a small number (the figure is not available separately) of unclassified employees in workcharged establishments.

3. Workshop and workcharged staffs in general have been dealt with in separate chapters.

4. The Class I and Class II Services and posts in the P. & T. Department are generally on the standard scales applicable to all Departments. The basis on which these scales should be revised has been discussed in separate chapters. In this chapter it is only necessary to indicate briefly how the Class I and Class II Services and posts in P. & T. Department may be fitted into the standard scales.

5. The Class III and Class IV Services and posts include categories common to all or some Departments, such as clerical staffs in administrative offices, accounts staffs, Stenographers, Draughtsmen, Office Peons, Daftries, Sweepers, Malies etc. These have been discussed separately; there are no special features of these categories employed in the P. & T. Department which require separate consideration. It is, therefore, only the main departmental categories in Class III and Class IV which are discussed in this chapter.

II. Class I Services and Posts

6. There are two "Established Services", *viz.*, the Indian Postal Service Class I, and Telegraph Engineering Service Class I; and two others, *viz.*, Telegraph Traffic Service Class I and the Indian Posts and Telegraphs Traffic Service Class I. The remaining Class I posts are included in the General Central Service Class I. Their number is small.

We start with super-time scale posts which are as follows:—

Designation	No. of posts.	Scale of pay Rs.
Director General, P. & T.	1	2750 (fixed)
Senior Deputy Director General, P. & T.	1	1800—100—2000 plus special pay Rs. 250.
Chief Engineers, P. & T.	2	"
Post Masters General, Deputy Directors General, General Managers, Telephones, General Manager, Workshops, Additional Chief Engineer, and Director Telecommunication Research Centre.	16	1800—100—2000
Directors of P. & T.	5	1300—60—1600
Directors of Postal Services, Director, Foreign Post and Director, Postal Life Insurance.	20	"
Directors of Telegraphs, Deputy Chief Engineers, Superintending Engineers in Telephone Districts, Chief Controller of Telegraph Stores, District Managers, Telephones, Deputy General Manager, Telephones, and Deputy General Manager, Workshops.	41	"
Controller of Telegraph Traffic	1	"
Director of Complaints	1	"
Director of Accounts	1	"
Total	89	

There are some posts on Rs. 1,000-50-1,400 which will be considered separately.

7. The prescribed scale of pay for the Director General of Posts and Telegraphs is Rs. 2,750, which is the same as that of an Additional Secretary to the Central Government and which the associations of Postal Officers and Telegraph Engineers would like to be raised to that of a Secretary to the Government. It has been stated by the associations that the responsibilities of the Director General, Posts and Telegraphs are greater than those of a Member of the Railway Board who draws the same pay as a Secretary to the Government. We do not agree with this view. While every Member of the Railway Board is a Secretary to the Government, and as such advises the Minister finally on most matters falling within his sphere, the Director General of Posts and Telegraphs has the Secretary to the Ministry above him. We do not, therefore, recommend any change.

8. The two Chief Engineers, of whom one is in charge of planning, are the technical advisers of the Director General P. & T. on telecommunication matters. The basis on which the pay of Chief Engineers in various Departments should be fixed has been discussed in a separate chapter. Accordingly, the scale of Rs. 2,250 is recommended for the Chief Engineers in the Posts and Telegraphs Department. We do not consider the proposal made by the Telegraph Engineers' Association for equating the post of Chief Engineer with that of an Additional Secretary to the Government tenable in view of the respective responsibilities of the two posts.

9. The Senior Deputy Director General is the chief adviser of the Director General P. & T. on postal matters. In this case also, the equation of the post with that of an Additional Secretary, as proposed by the Postal Officers' Association, is not justified. The responsibilities of the Senior Deputy Director General are more or less comparable to those of a Joint Secretary, and we recommend for him the scale of Rs. 2,250.

10. As their designations indicate, officers in the senior administrative grade are either in charge of territorial or functional units in the Department, or are employed at headquarters. The associations of Postal Officers and Telegraph Engineers have proposed that Postmasters General etc., should be on the same pay as Accountants General and Collectors of Customs, and that for some of the heavier charges a higher rate of pay, or special pay, should be granted. We understand that in the past Postmasters General, Calcutta and Bombay, were granted a special pay of Rs. 250 which was abolished some years ago. We do not consider that any of the charges should be differentiated from the others by the grant of a higher pay or special pay; nor does it appear to us to be necessary to equate senior administrative charges in the P. & T. Department with those in the Audit and Accounts, and Revenue Departments. We do not, therefore, recommend any change in the existing pay scale.

11. Officers in the junior administrative grade also are either in charge of minor circles or administrative units, or are employed in the offices of heads of circles and the Director General P. & T. With a few exceptions, such as posts of Controller of Telegraph Traffic, Director of Accounts and Director of Complaints in the P. & T. Directorate (which are filled respectively by officers of the telegraph traffic branch, Accounts Officers, and suitable officers drawn from any of the services), all these posts are held by officers of the postal and engineering services. The general demand is that these posts should be on the scale of Rs. 1,300—1,800 and that a special pay should be granted to officers in independent charge of minor circles and other units, as also to those holding tenure posts in the office of the Director General P. & T. We are generally recommending the scale of Rs. 1,300—1,800 for Superintending Engineers and other engineering officers of

corresponding status where they have no regular prospects of promotion to higher administrative posts. As engineering officers in the P. & T. Department and postal officers, have adequate avenues of promotion to posts in the senior administrative grade, no change is necessary in the rate of remuneration for the junior administrative grade in this Department. Nor do we consider it necessary to attach a special pay to any of the posts in this grade; for it does not appear that there is a significant difference between the responsibilities of one post and another.

III. Indian Postal Service Class I

12. This is an "Established Service" which provides officers of the rank of Superintendent of Post Offices/Railway Mail Service, and above. Most of the officers in the junior and senior time-scales work in the field as Superintendents in charge of the larger postal and railway mail service divisions, and are responsible for the efficient running of the postal and railway mail services within their territorial jurisdiction. They are also employed as Assistant Postmasters General or Deputy Directors in the offices of the heads of circles, and as Assistant Directors General in the P. & T. Directorate.

The numbers and scales of pay are as follows:—

Designation	No. of posts.	Scale of pay Rs.
Senior Superintendents of Post Offices and Railway Mail Service	25	600—40—1000/2—1050/2—1100/2—1150
Assistant Directors General, Deputy Directors, etc.	14	"
Superintendents of Post Offices and Railway Mail Service	49	350/2—380/2—30—590—EB—30—770—40—850
Assistant Postmasters General	25	"
Training reserve	14	"
	127	

75 per cent. of the vacancies in this Service are filled by direct recruitment on the result of the combined competitive examination held by the Union Public Service Commission for recruitment to the all-India and Central Services, and the remaining by promotion from the members of the Postal Superintendents' Service Class II.

Officers on the senior time-scale are eligible for promotion to posts in the junior administrative grade in this Service, as also for further promotion to higher administrative posts in the Department.

The proposals of the Postal Officers' Association concerning revision of scales of pay of this Service have been discussed in a separate chapter, as part of the general question of revision of Class I pay scales. For the reasons explained therein a continuous running scale of Rs. 400—400—450—30—510—EB—700—40—1,100—50/2—1,250, is recommended for this Service in place of the existing junior and senior time scales.

*Some of these posts carry a special pay of Rs. 100 per mensem.

IV. Telegraph Engineering Service Class I

13. This also is an "Established Service". Officers in the junior time-scale are employed as Assistant Divisional Engineers, Sub-divisional Officers etc., but do not hold divisional charge. Most of the officers in the senior time scale are employed as Divisional Engineers who are responsible for the efficient working of the telecommunication system in their jurisdiction, but some are employed as Assistant Chief Engineers in the P. & T. Directorate, in the Stores organisation, and on a variety of other duties.

The numbers and scales of pay are as follows:—

Designation	No. of posts.	Scale of pay Rs.
Divisional Engineers in Circles and Telephone Districts	102	600—1150
Assistant Chief Engineers.	11	600—1150+ Special pay of Rs. 100
Controller of Telegraphs Stores and equivalent charges in the Stores organisation	10	600—1150
Other posts	22	"
Assistant Divisional Engineers	29	350—850
Sub-divisional Officers	13	"
Other posts	31	"
	218	

Half the vacancies in this Service are filled on the result of the combined competitive examination conducted by the Union Public Service Commission for recruitment to various engineering services, and the remaining vacancies are filled by promotion of members of the Telegraph Engineering and Wireless Service Class II.

Officers on the senior time scale are eligible for promotion to posts in the junior administrative grade and for further promotion to higher administrative posts in this Service, as also to some other posts in the Department.

The proposals of the Telegraph Engineers' Association in regard to revision of scales of pay have been discussed in a separate chapter along with the general question of remuneration of the engineering services. The scales recommended therein, viz., Rs. 400—400—450—30—600—35—670—EB—35—950 and Rs. 700—40—1,100—50/2—1,250 should apply to this Service also.

V. Telegraph Traffic Service Class I

14. Officers of this Service either hold charge of the larger Central Telegraph Offices or are employed in the circle offices as advisers to the heads of the circles on telegraph traffic matters. There are 9 posts in this Service, and the posts are filled by promotion from Telegraph Traffic Service Class II.

The numbers and scales of pay are as follows:—

Designation	No. of posts.	Scale of pay Rs.
Chief Superintendents of Calcutta and Bombay Central Telegraph Offices . . .	2	1000—50—1400
Deputy Directors, Telegraphs, Calcutta and Bombay . . .	2	"
Chief Superintendents in charge of other Telegraph Offices . . .	3	600—1150
Deputy Directors of Telegraphs in other Circles	2	"
	9	

No proposal has been made for any change in the scales of pay of these posts and we recommend none, except that the present scales should be replaced by the corresponding new scales, *viz.*, Rs. 1,100—50—1,400 and Rs. 700—40—1,100—50/2—1,250.

VI. Indian Posts and Telegraphs Traffic Service Class I

15. This Service consists of a collection of miscellaneous posts, all of which, except the following, are included in the categories already discussed. There are 3 posts of Presidency Postmasters *viz.*, Presidency Postmaster, Madras General Post Office on Rs. 600—1,150, and Presidency Postmasters, Calcutta and Bombay General Post Offices on Rs. 1,000—1,400. These posts are filled by promotion of Postmasters, Class II. One post of Director of Postal Services is reserved for promotion of Presidency Postmasters.

It has been represented that these officers should be on the same scale of pay, and have the same status as Directors of Postal Services. The duties and responsibilities of Presidency Postmasters are comparable to those of Chief Superintendents in charge of Central Telegraph Offices in the same cities, and not to those of Directors of Postal Services. Therefore, no change in the existing scales of pay is recommended, except that these should be replaced by corresponding new scales of Rs. 1,100—50—1,400 and Rs. 700—40—1,100—50/2—1,250.

VII. General Central Service Class I

16. There are a few miscellaneous posts on Rs. 1,000—1,400, Rs. 600—1,150 and Rs. 350—850 in the General Central Service Class I. Of these, the bulk (2 on Rs. 1,000—1,400, 7 on Rs. 600—1,150, and 5 on Rs. 350—850) are in the Telecommunication Research Centre. Recruitment rules for these posts have not yet been formally framed and the posts are now held by officers of the engineering services. On the model of the scales we are recommending for scientific or engineering categories, with comparable qualifications, suitable scales may be fixed for these posts after the recruitment rules have been made. For the remaining posts (*viz.* Controller Mail Motor Service, Deputy Director Welfare, Complaints Officers, etc.) on the scales of Rs. 1,000—1,400, Rs. 600—1,150, and Rs. 350—850, we do not make any specific recommendation, except that, unless there are special reasons which justify a change in the existing relativities, these posts should continue to be on the corresponding new scales, *viz.* Rs. 1,100—50—1,400, Rs. 700—40—1,100—50/2—1,250, and Rs. 400—400—450—30—600—35—670—EB—35—950.

VIII. Class I Posts on Class II Scales Plus Special Pay

17. There are some Class I posts of Assistant Deputy Directors General in the P. and T. Directorate which are filled on tenure basis by Class II officers or by Class I officers in the junior scale. While holding these posts the officers draw pay in their respective scales, and a special pay. It does not appear to us that any change in the system of remuneration of the posts of Assistant Deputy Directors General is called for. The proposal of Accounts Officers relating to these posts has been discussed in the chapter dealing with the Audit and Accounts Services generally.

IX. Class II Services and Posts

18. There are four regular Class II Services in this Department and outside these Services there are various posts in the General Central Service Class II. The numbers and scales of pay of these Services and posts are as follows:—

Designation	No. of posts.	Scale of pay Rs.
Telegraph Engineering and Wireless Service Class II.	538	275—25—500—EB—30—650— EB—30—800
Telegraph Traffic Service, Class II	88	..
Postal Superintendents' Service, Class II	145	..
Postmasters' Service, Class II	39	..
General Central Service, Class II		
Labour Officers ; Assistant Engineers ; Managers, Mail Motor Service, etc.	60	500—30—650—EB—30—800
Accounts Officers	50	250—25—500
Scientific and Technical Officers, Grade II	5	275—25—500
Managers, Mail Motor Service.	3	
Other posts on different scales	4	
Total	932	

19. Officers of the Telegraph Engineering and Wireless Service Class II generally hold charge of sub-divisions, and of the larger telephone exchanges, wireless stations and repeater stations; and they are also employed on various technical duties. All the posts in this Service are filled by promotion of Engineering and Wireless Supervisors. Officers of this Service are eligible for promotion to 50 per cent. of the vacancies in the Telegraph Engineering Service Class I, and two posts of Directors of Telegraphs are reserved for them.

Officers of the Telegraph Traffic Service Class II either hold charge of the larger telegraph offices or work as Assistant Chief Superintendents, in Central Telegraph Offices. There is no direct recruitment in this Service. We understand that a few years ago it was decided to make such recruitment to 25 per cent. of the vacancies in this Service, but that this decision has been held in abeyance. Members of this Service are eligible for promotion to posts in the Telegraph Traffic Service Class I, to which also there is no direct recruitment.

Members of the Postal Superintendents' Service Class II hold charge of the smaller postal and R.M.S. divisions. Recruitment to this Service is made by promotion of Assistant Superintendents and Inspectors of Post Offices and R.M.S. They are eligible for promotion to 25 per cent. of the vacancies in the Indian Postal Service Class I.

Officers of the Postmasters' Service Class II hold charge of the larger post offices and are also employed as Deputy Presidency Postmasters. There is no direct recruitment to this Service and its members are eligible for promotion to the posts of Presidency Postmasters in the Indian Posts and Telegraphs Traffic Service Class I. One post of Director of Postal Services is also reserved for them.

Some of the officers of these Services (excluding Postmasters' Service Class II) are also employed in the Circle Offices and in the P. & T. Directorate when they draw pay in their respective scales and a special pay.

20. The general demand of the Class II officers is that the minimum of their scale of pay should be raised to Rs. 500. The Telecommunication Engineers Association (India) has also proposed the amalgamation of the Class I and Class II Services in the Engineering branch. These proposals raise general questions which have been discussed in separate chapters.

The scale of Rs. 350—25—500—30—590—EB—30—800—EB—30—830—35—900 recommended for the Class II Services generally should be applicable to the Class II Services in the P. & T. Department also.

Similarly, in the case of Accounts Officers in the P. & T. Department, the scale of Rs. 590—30—830—35—900 recommended for Accounts Officers generally should apply.

21. Outside the Services mentioned above, and excluding Accounts Officers, there are various posts in the General Central Service Class II on the standard scale of Rs. 275—800. These include posts of Labour Officers, Assistant Engineers (Buildings), Assistant Engineers (Air-Conditioning), etc. For all these posts also the standard scale of Rs. 350—900 recommended by us will be suitable.

22. There are a few other Class II posts on lower scales viz. Rs. 275—500 and Rs. 250—500. The posts in the latter scale are those of Scientific and Technical Officers, Grade II, in the Telecommunication Research Centre. We understand that recruitment rules for these posts have not been framed and that these are now held by Engineering Supervisors. After the rules have been framed, suitable scales may be fixed for these posts on the basis of the scales recommended by us for posts in the scientific and engineering categories with comparable qualifications and duties. The few remaining posts do not call for separate consideration.

X. Class III Services

23. The main categories of Class III employees in the postal, railway mail service, telegraph traffic and engineering branches of the Department are as follows:

Designation	Number of posts.	Scale of pay
		Rs.
Clerical Staff in operating and other P. & T. Offices.		
Postal Branch :		
Post Masters, Deputy Post Masters, Assistant Presidency Post Masters, Assistant Post Masters, Sub Post Masters, Head Clerks, Managers of Dead Letter Offices, etc.	192	250—15—325
do and Supervisors	3,016	160—10—250
Sub Post Masters and Clerks	42,722	60—4—120—EB—5—170

Designation	Number of posts.	Scale of pay Rs.
Railway Mail Service :		
Head/Sub Record Clerks, Head Sorters	75	250—15—325
Head Sorters, Supervisors and Sub Record Clerks, etc.	631	160—10—250
Sub Record Clerks, Sorters and Clerks	10,825	60—4—120—EB—5—170
Telegraph Traffic :		
Head Clerks	7	250—15—325
Head Clerks	172	160—10—250
Clerks	2,585	60—4—120—EB—5—170
Telegraph Engineering Branch :		
Head Clerks	16	250—15—325
Head Clerks	299	160—10—250
Clerks	2,978	60—4—120—EB—5—170
Town Inspectors of Post Offices	346	60—4—220—EB—5—170 plus special pay of Rs. 30 or 20 p.m.
Wireless Licence Inspectors	192	60—170 plus special pay Rs. 30.
Wireless Investigating Inspectors	20	160—10—250
Assistant Superintendents of Post Offices	41	250—15—325
Inspectors of Post Offices	711	160—10—250
Assistant Superintendents of R.M.S.	43	250—15—325
Inspectors of R.M.S.	145	160—10—250
Head Postmen, Sorting Postmen, Reader Postmen, Cash Overseers, Mail-Overseers and Branch Postmasters	4,098	55—3—85
Postmen and Village Postmen	35,843	35—1—50
Mail Guards	624	35—1—50
Telegraph Masters	427	160—10—300
Telegraphists	4,124	72—4—120—EB—5—170
Telephone Monitors	619	160—10—250
Telephone Operators	10,114	60—4—120—EB—5—170
Wireless Supervisors	147	124—8—140—10—300
Wireless Operators	233	80—5—120—EB—8—200—10/2—220
Repeater Station Assistants	679	—do.—
Telephone Inspectors	778	—do.—
Line Inspectors	150	100—8—140—10—160
Sub-Inspectors, Telegraphs	1,798	55—3—73—EB—3—85—4—105
Line-men	9,890	35—1—50
Mechanics	4,426	60—3—81—EB—4—125—5—130
„ (Selection Grade)	179	125—10—185
Cable Jointers	297	60—3—81—EB—4—125—5—130
„ „ (Selection Grade)	22	125—10—185
Miscellaneous minor categories.	544	
Total	1,38,008	

24. The categories common to all or many Departments, viz. Clerks in administrative offices, accounts staffs, Stenographers, Draughtsmen, Motor Vehicle Drivers,

medical staffs, Engineering Supervisors, etc., totalling about 8,600, are not included in the table above and have been discussed in other chapters. We propose to consider the departmental categories in each branch separately, except that we deal with the clerical staffs (in operating offices) in all branches together.

XI. Clerical Staffs

25. For the purpose of pay structure of clerical staffs, offices in the P. and T. Department can broadly be divided into two categories on a functional basis, *viz.*, administrative offices which include offices of heads of circles, etc., and others, mostly those engaged in operating work, such as post offices and telegraph offices. The main difference between administrative offices and operating offices in this regard is that while in the former there are Upper and Lower Division Clerks, there is only one grade of Clerks in the latter on the scale of Rs. 60—4—120—5—170, which extends to a higher point than the standard lower division scale. Above this grade there are non-gazetted supervisory posts in two scales, *viz.*, the lower selection grade on the scale of Rs. 160—10—250, and the higher selection grade on Rs. 250—15—325. In administrative offices there are, in addition, two more supervisory grades, one on the scale of Rs. 280—15—370 and another on Rs. 300—20—400. In this category of offices the clerical scales should be the same as those recommended for administrative offices outside the Secretariat. It is only the clerical staff in the operating offices whose pay scales we shall consider in this chapter.

26. We should explain at the outset that though the existing distinction between administrative and operating offices in the P. & T. Department is based broadly on the differences in the nature of work and also the qualifications for, and method of recruitment to the clerical grades, we have not examined whether the inclusion of any particular office or group of offices in either category is correct. It was represented by the National Federation of P. & T. Employees that Telephone Revenue Accounts Offices, and Stock Depots, should not be grouped with operating offices for the purpose of pay scales, as has been recommended by a departmental committee (Establishment Standards Committee) but should continue in the group of administrative offices. There may be other cases too in which the employees concerned are not satisfied with the classification of their offices. This is, however, a matter for Government to decide, and we have, for our purposes, proceeded on the basis of the existing classification.

27. The following are the main groups of offices, in different branches of the Department, which are treated as, or grouped with, operating offices.

(i) Postal Branch:

Post Offices; Offices of Superintendent of Post Offices, the Principal P. & T. Training Centre, and the Superintendents Postal Forms and Stationery; Dead Letter Offices.

(ii) Railway Mail Service Branch:

Railway Mail Service offices and sections; offices of the Superintendents of Railway Mail Service.

(iii) Telegraph Traffic Branch:

Telegraph Offices.

(iv) Engineering Branch:

Offices of Divisional Engineers and Assistant Engineers; Managers of Workshops; Controllers of Telegraph Stores; and Accounts Officers, Telegraph Stores and Workshops.

28. In the postal, railway mail service, and telegraph traffic branches, generally, the duties of the majority of Clerks are of operating nature, consisting of work at the counters in post offices, sorting in the railway mail service, and work at the

counters and in the instrument rooms in telegraph offices. There is, however, some amount of correspondence work in all the offices, and the usual clerical work connected with establishment, accounts etc., in the larger offices. In the engineering branch, however, the Clerks have no operating work at all; even the ancillary clerical work in Telephone Exchanges is done by Telephone Operators.

29. In post offices, supervisory staffs comprise Postmasters and Sub-Postmasters who are in charge of these offices, and Deputy/Assistant Postmasters/Sub-Postmasters, Supervisors, and Head Clerks who supervise the work of a group of Clerks at the counters or in the administration and accounts branches etc. In railway mail service offices and sections there are Head Sorters or Head/Sub-Record Clerks in charge, and Supervisors who supervise the work of a group of Sorters or Clerks. Both in post offices and railway mail service, supervisory staffs may be in the lower or higher selection grades, generally according to the size of the offices or sections, and according to prescribed standards. In telegraph offices Head Clerks supervise the work of Clerks at the counters, in the instrument room or in the administration and accounts sections. In the engineering branch also Head Clerks are in charge of various sections of the offices. Generally these Head Clerks are in the lower selection grade but there are a few in the higher selection grade also.

30. Half of the vacancies in the clerical cadre in all the branches are filled by direct recruitment on the basis of marks obtained by the candidate at the matriculation examination and the remaining vacancies are filled by promotion of departmental employees, either on the result of departmental tests, or on their passing the matriculation examination while in service.

31. The lower selection grade posts in the telegraph traffic and engineering branches are filled by promotion of Clerks on the basis of seniority-cum-fitness; and so are two-thirds of the vacancies in the postal and railway mail service branches, the remaining one-third being filled by selection from Clerks with 10 years' service. Posts of Head Clerks in the offices of Superintendents of Post Offices and R.M.S. are, however, filled by Inspectors of Post Offices/Railway Mail Service. Posts in the higher selection grade are filled by promotion of staffs in the lower selection grade on the basis of seniority-cum-fitness, except in the postal branch where 50 per cent. of the posts in this grade are filled by Inspectors of Post Offices. Clerks have no avenues of promotion in their own line beyond the higher selection grade, except in the postal branch where posts in the Postmasters' Service Class II and Class I posts of Presidency Postmasters are filled by promotion.

In the postal and railway mail service branches the clerical staffs have an additional avenue of promotion to the rank of Inspectors of Post Offices/Railway Mail Service on the basis of departmental competitive tests. The Inspectors in turn are eligible for promotion as Assistant Superintendents of Post Offices/Railway Mail Service and also to posts in the Postal Superintendents' Service Class II. Inspectors of Post Offices are eligible for 50 per cent. of posts in the higher selection grade in the general line in the postal branch.

. In the telegraph traffic and engineering branches, Clerks, along with other eligible categories of departmental employees, are eligible to appear at the departmental competitive examinations held for filling the promotion quota of posts in the cadre of Engineering Supervisors, Wireless Operators, etc.

25 per cent. of the vacancies in the upper division clerical cadre in circle offices are filled by appointment of suitable Clerks of subordinate offices.

Two diagrams showing the promotional avenues of Clerks in the postal and railway mail service, and telegraph traffic and engineering branches of the Department are given below:

DIAGRAM SHOWING PROMOTIONAL AVENUES OF CLERICAL STAFFS IN POSTAL AND R. M. S. BRANCHES

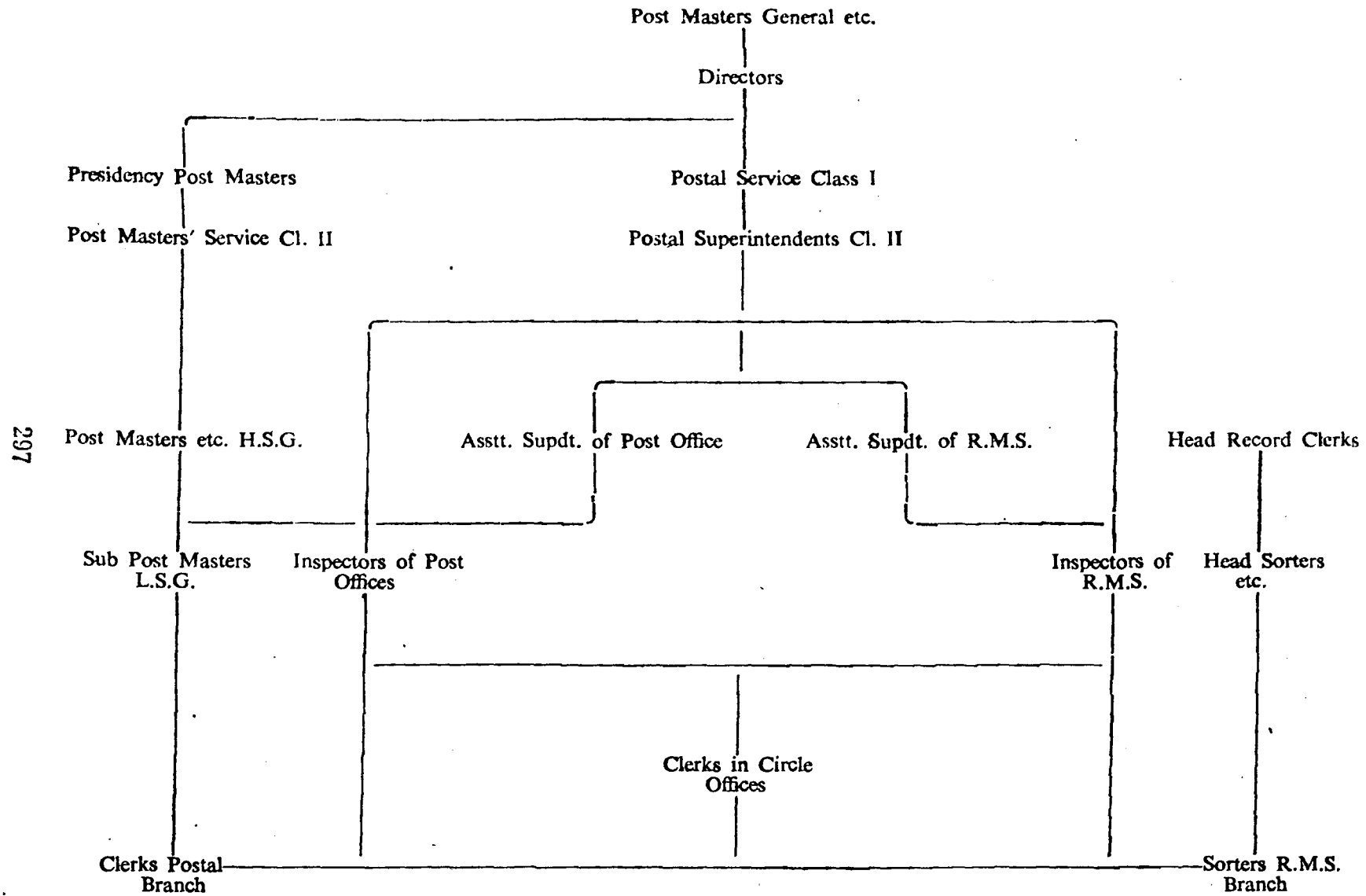
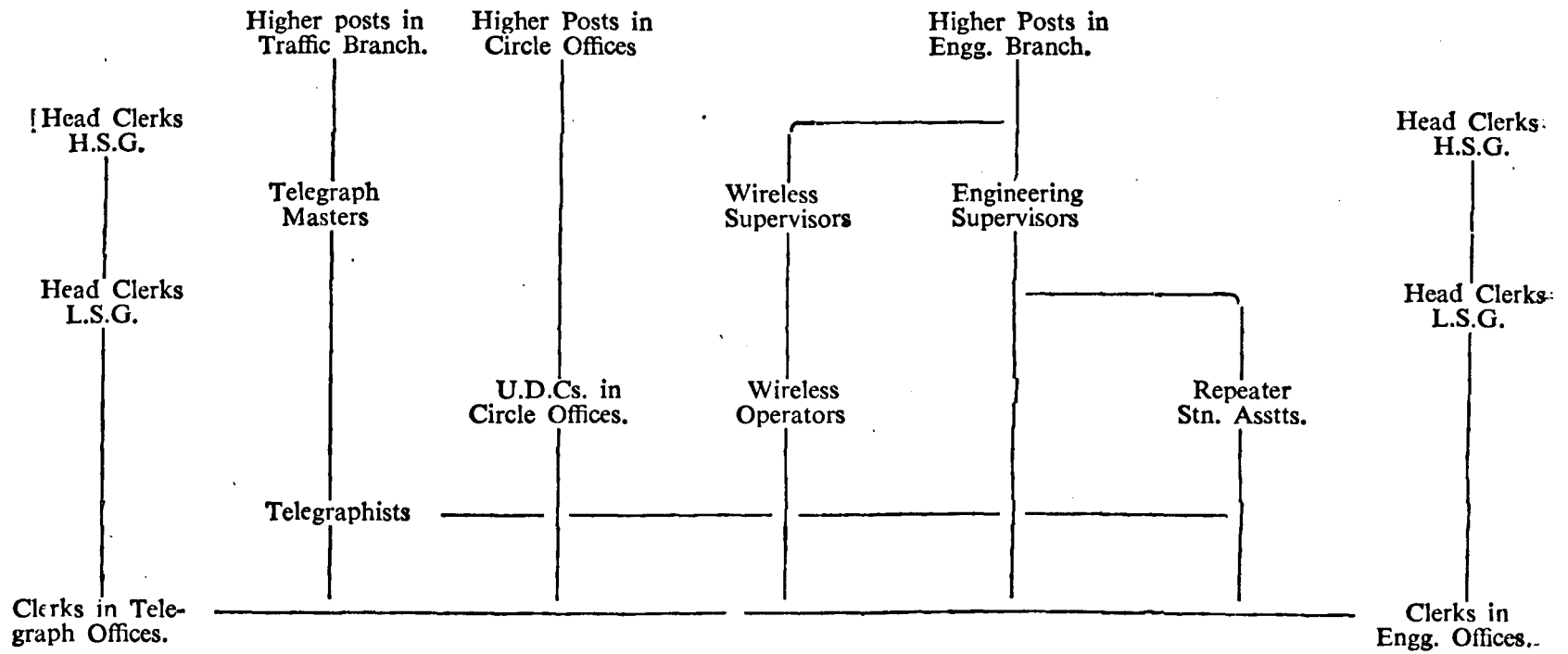


DIAGRAM SHOWING THE PROMOTION AVENUES OF CLERICAL STAFFS IN TELEGRAPH TRAFFIC AND TELEGRAPH ENGINEERING BRANCHES



32. The National Federation of P. & T. Employees has proposed that the scale of pay of Clerks in the P. & T. offices should correspond approximately to that of Upper Division Clerks in administrative offices, the scales proposed by it for the two being Rs. 225—445 and Rs. 250—475, respectively. In addition, the Federation wants a special pay to be granted to Sorters in the railway mail service, Clerks in engineering branch, and Clerks employed on certain specified duties in post offices. The grant of special pay has been sought to be justified on various considerations, *viz.*, arduous nature of the work in the railway mail service, monetary responsibilities or special conditions of work in the post offices, and technical nature of the work in the engineering branch. It has also been argued that in the absence of scientific methods of job evaluation for fixing scales of pay with reference to the conditions and nature of work in each branch of the Department, the grant of special pay for particular categories, in addition to a common scale of pay, is the only possible arrangement for making the necessary differentiation in remuneration.

For the supervisory posts, various units of the Federation have proposed different scales of pay in different branches, but it has been explained that the variations in these scales do not indicate the views of the unions about the relative importance of the duties and responsibilities of posts in different branches, but only reflect independent assessments.

33. We have carefully considered the relativity between the clerical scales of pay in the P. & T. offices and those in the administrative offices. The basic clerical scale in the former goes to a higher point than the lower division scale, but it is considerably lower than the upper division scale in the administrative offices. The lower and higher selection grades scales for supervisory posts are, however, identical, in the two classes of offices. The duties of Clerks in the post and telegraph offices are different from those of Lower Division Clerks in the administrative offices, and, on the whole, of somewhat greater responsibility. This, together with the more restricted promotion outlets, justifies a higher remuneration than is allowed to Lower Division Clerks in administrative offices; but a difference of the order of Rs. 40 in the maxima of the two scales appears to us to be more or less adequate, requiring only a slight increase. We accordingly recommend for Clerks in P. & T. offices the scale of Rs. 110—4—150—EB—4—170—5—180—EB—5—225.

34. We see no justification for differentiating between various kinds of operating and clerical work in P. & T. offices by attaching special pay to all or certain categories of posts in any branch, as proposed by the Federation. The justification for special pay should be established in each case in accordance with the general principles governing its grant; and the evidence adduced before us does not establish this in any case.

35. As regards supervisory posts, we do not consider that at the lowest supervisory level the existing identity of scales between administrative offices and P. and T. offices can be justified, having regard not only to the difference in the matter of the basic scales (*viz.*, upper division and lower division scales in administrative offices, and a single scale in others), but also to the nature of the supervisory duties which are different in the two classes of offices. We have recommended a higher scale of pay for head clerks in administrative offices for reasons explained in the relevant chapter. Those considerations do not apply to supervisory staffs, in the lower selection grade, in P. & T. offices whose work is more stereotyped. Therefore, we do not consider that any major change is necessary in their case, and we recommend the scale of Rs. 210—10—290—15—320 in place of the existing scale of Rs. 160—250.

For higher selection grade posts, however, we recommend identical scales of pay in both categories of offices. This may appear to be inconsistent with the views expressed above regarding the lower selection grade posts. But, we consider that the improvement of the higher selection grade scale in P. & T. offices, involved in our proposal, is justified by the fact that, outside the postal branch, there are normally no promotional outlets for Clerks beyond the higher selection grade. So, we recommend the scale of Rs. 335—15—425 for higher selection grade posts in the operating offices also.

36. The National Federation of P. & T. Employees has represented that the existing promotional avenues for clerical staff are inadequate. It has proposed that the number of selection grade posts should be about 20—25 per cent. of the time scale posts, and with this object in view it has suggested not only revision of the standards for fixing the number of supervisory posts, but also the creation of additional posts in higher grades, and the upgrading of certain categories of posts.

The strength of clerical supervisory posts in P. & T. offices is fixed on the basis of 'time tests' or other standards. We are not in a position to comment on the adequacy or otherwise of these standards: it is essentially a matter for the Department to consider. We cannot recommend liberalisation of the standards, or creation of additional posts in higher grades, merely to provide promotion outlets. Specific proposals made by the Federation for upgrading two categories of posts, viz., those of Town Inspectors of Post Offices, and Wireless License Inspectors, have been discussed separately.

37. In an earlier chapter we have explained our line of approach to the general question of promotional avenues, and the creation of a selection grade where these are lacking, or are too small. We consider that having regard to the existing grade structure, and promotional avenues, the creation of a selection grade for Clerks in P. & T. offices would be justified. The official witnesses were inclined to be critical of the idea of a selection grade when it was put to them. They anticipated administrative and other difficulties partly perhaps under the impression, created by the nomenclature, that selection grade necessarily involves functional differentiation. The selection grade we are proposing should not be confused with the lower and higher selection grade supervisory posts. The selection grade we have in view implies no difference in duties or creation of posts in addition to those already in existence. Our recommendation is that 10 per cent. of the total number of posts in the basic clerical scale should be in a higher (that is selection) grade of Rs. 150—5—175—6—205—EB—7—240.

38. It has been proposed by the Federation that the lower selection grade (supervisory) posts should all be filled on the basis of seniority-cum-fitness instead of one-third of these posts in the postal and railway mail service branches being filled by selection, that is on merit, as at present. The Telegraph Traffic (Class III) Employees' Union which is one of the units of the Federation, is, however, of the opposite view, but is agreeable, by way of a compromise, to the posts being filled on the basis of merit, and seniority-cum-fitness, in equal proportion. It would like merit to be tested by an examination. We can only recommend general principles and procedures that appear to us to be appropriate in making promotions at different levels of the public services, and we have done so in a separate chapter.

XII. Postal and R.M.S. Supervisory Categories

39. We consider next the rest of the main categories in the postal and railway mail service branches. These may broadly be divided into two groups, viz., (i) various grades of inspecting and supervisory staffs and (ii) manipulative rank and file grades, such as Postmen, Mail Guards etc., who are employed on a variety of duties connected with the collection, conveyance and distribution of postal articles.

Town Inspectors of Post Offices and Wireless License Inspectors referred to in paragraph 36 will be considered first, as they are drawn from the clerical category which we have just discussed.

40. Town Inspectors of Post Offices: They are employed in the larger post offices to supervise the work of out-door staffs such as Postmen, Letter Box Peons, Delivery Messengers, etc., to inspect the smaller post offices, and to make enquiries into public complaints about non-delivery of letters, money orders, parcels, etc. Appointments to these posts are made for a period of 3 years at a time, from among Postal Clerks who have put in at least 5 years of service and are not over 45 years of age, on the basis of a written test.

41. The National Federation of P. & T. Employees desires these posts to be upgraded to the lower selection grade, and the tenure system of filling them to be discontinued. The official view is that the duties and responsibilities of the posts do not justify their upgrading, and we are in agreement with this view. The posts should remain on the clerical scale, with a special pay. Whether a post should be filled for a limited tenure, involving rotation of staff among different posts, or on a permanent basis, are matters to be decided on a consideration of administrative advantages. We ourselves consider a planned diversification of experience desirable.

42. Wireless License Inspectors and Wireless Investigating Inspectors: Wireless License Inspectors are employed in circle offices and divisional offices on work connected with the renewal, checking etc., of wireless broadcast receiver and other licences and antipiracy work connected therewith. They are selected from among suitable postal Clerks who have put in at least 5 years of service and are not over 45 years of age, and are appointed for four years at a time.

Wireless Investigating Inspectors are employed in circle offices and are mainly concerned with the prosecution of cases when action is taken against offenders, and with any special enquiries which may be entrusted to them. They are appointed from among suitable Inspectors of Post Offices.

43. The units of the National Federation of P. & T. Employees, representing respectively, the postal, engineering, and administrative office staffs, have made divergent proposals, particularly in regard to the method of filling these posts. There is a common proposal, however, for upgrading these posts—those of Wireless Investigating Inspectors to the higher selection grade, and those of Wireless License Inspectors to the upper division scale, or the lower selection grade.

In this case also we consider that the nature of duties and responsibilities would not justify upgrading. Wireless Investigating Inspectors should be on the scale of pay which we recommend for Inspectors of Post Offices, and Wireless License Inspectors should continue to be on the clerical scale, viz. 110—4—150—EB—4—170—5—180—EB—5—225 with a special pay.

44. Assistant Superintendents of Post Offices and Inspectors of Post Offices: These are the main categories of inspecting staff in the postal branch. Assistant Superintendents of Post Offices are employed in the larger postal divisions to assist the Superintendents in inspections and general administration. Inspectors of Post Offices (not to be confused with Town Inspectors of Post Offices referred to earlier) are employed in various capacities; but most of them are in charge of sub-divisions where they inspect the smaller post offices and mail lines, verify the cash balances of head post offices, and investigate cases relating to frauds etc. They have administrative control over Postmen and Class IV staffs, whom they

are competent to appoint. They are also employed as Head Clerks and Complaints Inspectors in divisional offices, and as Planning Inspectors and Investigating Inspectors in circle offices.

Posts of Assistant Superintendents are filled by promotion of Inspectors of Post Offices on the basis of seniority-cum-fitness. Inspectors of Post Offices are recruited from among postal Clerks and Clerks of circle offices, on the basis of a departmental competitive examination. Permanent Clerks with at least 5 years' service who are less than 35 years of age, are eligible to appear at the examination generally not more than 3 times.

Inspectors of Post Offices have two promotion outlets: First, they are eligible for promotion to the rank of Assistant Superintendents, and then, along with Inspectors of R.M.S., to Postal Superintendents' Service Class II. The selection is by merit and is normally limited to those below the age of 45. Second, they can be promoted to 50 per cent. of the higher selection grade posts in the general line in the postal branch, that is, as Postmasters, Deputy Postmasters, etc. and thereafter to Postmasters' Service Class II etc.

45. The National Federation of P. & T. Employees has proposed the amalgamation of the cadres of Inspectors and Assistant Superintendents, with a single scale, which should be a combination of the lower and higher selection grade scales proposed by it for the general line posts in the postal branch. It has also been suggested that with the amalgamation of these cadres the Inspectors should cease to be eligible for promotion to posts of Postmasters etc. in the general line. We have, however, received memoranda from Inspectors expressing disagreement with the proposals of the Federation. Whether there should be a common cadre for Assistant Superintendents and Inspectors of Post Offices, and whether the latter should or should not be eligible for promotion as Postmasters, are matters involving reorganisation of services and redistribution of functions, and we, therefore, refrain from making any recommendations.

46. We have carefully examined whether in the existing set up any change is required in the scale of pay of Inspectors. The Varadachariar Commission had recommended that they should continue to be graded with the lower selection grade in the general line, and the recommendation was accepted by Government. It seems to us, however, that having regard to the method of recruitment, and nature of duties and responsibilities, Inspectors should be on a higher and longer scale than lower selection grade staff in the general line. Inspectors are selected at a comparatively young age, on the basis of a competitive test, and their executive and administrative duties are definitely of a more arduous and responsible nature than those of other categories of lower selection grade postal staff. The minimum of the scale may remain the same in both cases, but the maximum for Inspectors should be higher, and accordingly we recommend for them the scale of Rs. 210—10—290—15—320—EB—15—380. For Assistant Superintendents of Post Offices the higher selection grade scale of Rs. 335—15—425 will be suitable.

47. We consider the upper age limit of 45 years for promotion to the Postal Superintendents' Service Class II to be too low and likely to take away from the staff concerned all incentive for improvement at a stage when they are not too old to improve. It was mentioned by the official witnesses that persons with few years left to serve may be, and generally are, unwilling to accept transfers which may be necessary, consequently on promotion. It is doubtful whether an employee at the age of 45 can be regarded as one "with a few years to serve;" and, in any case, one who chooses to refuse promotion rather than move might ordinarily be

allowed to have his choice. We accordingly recommend that qualified persons should not be denied promotion, unless they have less than 5 years of service to reach the age of superannuation.

48. Assistant Superintendents of R.M.S. and Inspectors of R.M.S.: They are employed in the railway mail service branch on duties more or less comparable to those of Assistant Superintendents and Inspectors of Post Offices in the postal branch. The methods of recruitment and promotional avenues are also similar except that, unlike Inspectors of Post Offices, Inspectors of R.M.S. are not eligible for promotion to the higher selection grade posts in the general line.

49. The National Federation of P. & T. Employees has not proposed the amalgamation of the cadres of Assistant Superintendents and Inspectors of R.M.S., as it has done in the case of corresponding categories in the postal branch, but it has suggested a longer scale, with a higher maximum, for Inspectors of R.M.S. than for lower selection grade posts in the general line in the R.M.S. branch. The All India R.M.S. Assistant Superintendents' and Inspectors Association has represented that the scales of pay of these categories should be higher than the ordinary higher and lower selection grade scales, and has also made various proposals for upgrading of posts and grant of special pay. It has asked that Assistant Superintendents should be given Class II status, and that 50 per cent. of the posts of Class I Superintendents should be reserved to be filled by promotions from the rank. Another proposal is that 50 per cent. of the posts of Directors and Postmasters General should be reserved for departmentally promoted officers. A case has not been made out for these changes, and we recommend that Assistant Superintendents and Inspectors of R.M.S. should continue to be on the same scale as the corresponding categories in the postal branch. Our recommendation that the upper age limit for promotion to the Postal Superintendents' Service Class II should be raised will apply to officers in the R.M.S. branch also.

XIII. Postmen, Head Postmen and Allied Categories

50. The categories included in this group are:—

- (i) Head Postmen—who check the work of Postmen, and convey cash between post offices and the treasury, or between the main post offices and the subordinate post offices in a town;
- (ii) Sorting and Reader Postmen—who sort, according to the beats of various Postmen, letters etc., received for delivery from an office;
- (iii) Branch Postmasters—who are in charge of branch post offices for which full time, and not Extra Departmental Branch Postmasters are required;
- (iv) Mail Overseers—who supervise the work of Runners and Extra Departmental Mail Carriers who convey mails between post offices in rural areas, and also verify the cash balances of extra-departmental branch offices;
- (v) Cash Overseers—who convey cash between post offices in rural areas and their cash offices; and
- (vi) Postmen and Village Postmen—who are employed on delivery of postal articles, and money orders.

Duties of categories (i) to (v) are interchangeable.

Posts of Head Postmen and allied categories are filled by promotion of Postmen on the basis of seniority-cum-fitness. 50 per cent. of the vacancies in the cadre of Postmen are filled by direct recruitment, on the result of a test, of candidates who have passed the middle standard examination and the remaining vacancies by promotion of departmental employees, either on the basis of a simple test or on passing the middle standard, or an equivalent examination, while in service.

There is no direct line of promotion for Postmen beyond the grade of Head Postmen etc. But these categories of staff, along with all others below the clerical grade, are eligible for promotion to 50 per cent. of the vacancies in the clerical grade in the postal branch. There is no separate quota for any of the categories, and the promotion is made either on the basis of a departmental competitive test, or on the employee passing the matriculation or an equivalent examination, while in service.

51. The Federation of P. & T. Employees has proposed that Head Postmen and the allied categories, and Postmen, should be on the same scales of pay as postal Clerks and Lower Division Clerks, respectively.

Neither the qualifications nor the duties and responsibilities of these staffs justify any such change in the present relativities. The Postmen should, however, have the improved scale of Rs. 75—1—85—EB—2—95 which we have recommended in place of the present scale of Rs. 35—1—50.

52. The Village Postmen do not at present get any travelling allowance or out-station allowance when they are away from their headquarters on duty for a day or more. The Varadachariar Commission considered the existing scale of pay to be liberal enough to have an adequate margin to cover any expenditure which Village Postmen might have to incur in the course of their duties. We have, however, recommended in the appropriate chapter that they should be entitled to an allowance when they have to spend the night away on duty.

53. We have examined in particular the proposal that the minimum pay of Head Postmen and allied categories should be the same as that of Clerks. We are of the opinion that it is wrong in principle to establish relativities of this sort between categories of employees whose qualifications and duties are different, and that in the present case no substantial change is called for on an assessment of the duties and responsibilities of Head Postmen etc. We are, however, suggesting a slight improvement of the existing scale of Rs. 55—3—85, which in new terms will be Rs. 105—3—135.

54. As the avenues of promotion for Head Postmen and the allied categories are inadequate, we recommend that 10 per cent. of these posts should be in a selection grade, carrying a scale corresponding to the upper sector of the scale recommended for Sub-Inspectors of Telegraphs, viz. Rs. 135—4—155.

55. It has been represented that the test for the selection of Postmen and other lower grade employees for promotion to the clerical grade is very stiff, and that the promotion quota of vacancies in the clerical grade should not, in any case, be filled by direct recruitment. We understand that the test is simple enough—in fact, simpler than it was a few years ago—and that the promotion quota is generally fully utilised, as shown by the fact that there have been persistent demands from the unions concerned for the absorption of qualified departmental candidates even in the quota of vacancies reserved for direct recruitment. The reservation of 50 per cent. of vacancies for the promotion of employees in the lower grades is a very liberal, and an unusual measure, which we understand, is intended to serve as an

incentive to the employees concerned to acquire the requisite qualifications. We do not recommend any change in the existing method of promotion. Any lowering of the standard of the test below the level necessary to measure the fitness of the candidates to perform the duties of the clerical grade would be detrimental to efficiency, and wholly unjustified.

XIV. Mail Guards

56. Mail Guards are employed in railway mail service offices or sections for work which is not considered important enough to be entrusted to sorters. Generally they carry closed mail bags in trains and exchange them at railway stations.

The method of recruitment is the same as in the case of Postmen, except that 75 per cent. of the vacancies are filled by promotion and the rest by direct recruitment. Mail Guards have no further avenues of promotion in their own line, but, along with other departmental employees, they are eligible for promotion to the clerical grade.

57. The P. & T. Federation has not suggested the upgrading of this category, but there is a demand for the creation of a new cadre in the R.M.S. branch, on the same scale of pay as that of Head Postmen, to provide promotional outlet for Mail Guards. We recommend that Mail Guards should continue to be on the same scale of pay as Postmen. We cannot recommend the creation of a new functional grade to provide promotional avenues; nor does it appear to us that any other arrangement to improve the position is called for, considering the relatively simple nature of their duties.

XV. Telegraph Traffic Categories

58. In telegraph offices, excluding clerical staffs already considered, the main categories are Telegraphists and Telegraph Masters, Munshis employed on certain semi-clerical duties, and delivery staff. The maintenance of equipment etc., is the responsibility of technical staff belonging to engineering categories which will be considered separately.

59. Telegraphists are generally employed on signalling, but some are employed on non-operative work, *viz.*, as Telegraphists in charge of small offices, for line testing, for technical supervision of high speed telegraph instruments, for assisting Telegraph Masters in general supervision etc. Non-operative Telegraphists are selected from Telegraphists who have been trained for appointment as Telegraph Masters, or have passed local tests or the Telegraph Masters' examination.

75 per cent. of the vacancies in the cadre of Telegraphists are filled by direct recruitment on the basis of marks obtained by the candidates in the matriculation examination, and the remaining vacancies by Clerks of telegraph offices and of the telegraph engineering branch, who are below the age of 30, after a dictation test in English to judge the speed and legibility of their handwriting. Selected candidates are given training for a period of 9 months in different systems of telegraphy, and in departmental procedure, both traffic and technical. Practical training is given for a further period of 6 weeks in a telegraph office.

The main avenue of promotion for Telegraphists is to the grade of Telegraph Masters. But, in addition, they can compete for the departmental quota of vacancies in the cadres of Engineering Supervisors, Repeater Station Assistants and Wireless Operators.

Telegraph Masters hold independent charge of medium-sized telegraph offices, or supervise the work of groups of Telegraphists in the larger offices. They are promoted from among permanent Telegraphists with at least 5 years' service in their grade, on the basis of a competitive examination. Selected candidates are given training for 3 months at the Telecommunication Training Centre, Jabalpur.

All the posts in Telegraph Traffic Service Class II are filled by promotion of Telegraph Masters; and posts in the Telegraph Traffic Service Class I are in turn filled by promotion of officers of Telegraph Traffic Service Class II. The post of Controller of Telegraph Traffic on Rs. 1,300—1,600 is filled by promotion of officers of the Telegraph Traffic Service Class I.

60. The P. & T. Federation had originally proposed that Telegraphists should be on the clerical scale in the P. & T. offices, and that in addition a technical pay of Rs. 40 should be given to them, considering the technical, exacting and arduous nature of their work, and other hardships to which they are subject, *viz.*, transfers, necessity for passing signalling tests to be eligible to draw increments, frequent crampness, incidence of night duty etc. Subsequently, the All India Telegraph Traffic Employees' Union Class III, which is affiliated to the Federation, presented a memorandum proposing a higher scale of pay for Telegraphists than for Clerks, and seeking to justify the proposed differential by criteria such as strain of work, degree of skill etc. For posts of non-operative Telegraphists, which carry a special pay, the Federation has suggested a higher scale of pay corresponding to that of the lower selection grade. For Telegraph Masters, a scale corresponding to the higher selection grade has been proposed.

61. We have considered the question of relativity between Telegraphists and Clerks. Before 1947, Telegraphists used to be on a slightly higher scale than Clerks, but that was on considerations not solely related to the nature of the duties. The Varadachariar Commission which considered the matter observed:

".....It has been claimed on the one hand that the Telegraphists, besides their minimum educational qualifications, possess an additional technical qualification and their work is specially arduous. On this ground it has been demanded that they should receive higher pay than the ordinary office Clerks. On the other hand, it has been contended on behalf of the postal employees that their work which involves split duty, contact with public and heavy financial responsibilities is of a more onerous character and they claimed that following the practice in the U.K.—where counter Clerks are graded higher than Telegraphists—postal Clerks should be allowed a higher rate of pay. We recommend that the same scale of pay should apply to both categories and the scale of Rs. 60-4-120-EB-5-170 should apply to all Telegraphists."

This recommendation was accepted, subject to the modification that the minimum pay of Telegraphists should be fixed at Rs. 72 in telegraph offices in which high speed apparatus is used. Subsequently the higher initial pay was, however, allowed to Telegraphists in all telegraph offices.

We are in agreement with the Varadachariar Commission, and see no justification for a better scale of pay for Telegraphists than for Clerks and allied categories in P. & T. offices—or even for allowing the former three advance increments in the clerical scale. We agree that considering the degree of skill required and strain of work Telegraphists should have a higher remuneration than ordinary Typists; but we are not convinced that there is justification for allowing them a scale of pay higher than that allowed to R.M.S. Sorters or Telephone Operators,

who are also on the clerical scale and whose work is probably equally strenuous. We, therefore, recommend that Telegraphists should be on the same scale of pay as clerks in the operating branches of the P. & T. Department, viz., Rs. 110-4-150-EB-4-170-5-180-EB-5-225. In view, however, of their longer period of training, they may be granted an additional increment on successful completion of the period of training.

62. Though the promotional avenues of Telegraphists are slightly better than those of Clerks, we recommend that a selection grade on the same scale of pay (Rs. 150-5-175-6-205-EB-7-240) and at the same percentage (10 per cent.) as proposed for Clerks, should be provided for Telegraphists also. In making this recommendation we have taken into consideration the fact that Telegraphists are promoted as Telegraph Masters on the basis of a departmental competitive examination, and that for those who do not succeed in the examination there is at present no promotion outlet.

We do not recommend any change in the scale of pay of non-operative Telegraphists; they may be on the scale of pay recommended for Telegraphists with a special pay as at present.

For Telegraph Masters also we recommend only minor adjustments in the existing scale of Rs. 160-10-300, after which, in new terms, the scale will be Rs. 210—10—290—15—320—EB—15—380.

63. We are making these recommendations with reference to the present set up. It has been brought to our notice that Government have under consideration a scheme for the amalgamation of Telegraphists and Clerks into a single cadre of "Teletypists" involving also consequential changes in the supervisory grades. Should the scheme materialise, and if there are changes in the qualifications prescribed for recruitment to these posts, and in the range of duties, Government may consider the question of suitably reviving or adjusting the scales of pay recommended by us.

XVI. Engineering Categories

64. In the engineering branch many categories of technical staffs with different qualifications and degrees of skill suited to the range of their duties and responsibilities are employed on a variety of work connected with the installation, maintenance and testing, and operating of tele-communication equipment at telephone exchanges, repeater stations, wireless stations and telegraph offices. The main technical supervisory grade is that of Engineering and Wireless Supervisors. Next there are Wireless Operators, Repeater Station Assistants, Telephone Inspectors, etc.; and below them various grades of manual workers such as Mechanics, line-staff and Wiremen. For operating work in telephone exchanges there are Telephone Operators whose work is supervised by Monitors. Engineering Supervisors have been discussed in another chapter along with other engineering categories common to many departments. Categories special to the P. & T. Department are considered in this chapter.

65. Wireless Operators and Wireless Supervisors: Wireless Operators have operating, watch keeping, and technical maintenance duties; that is, they send and receive messages, and are responsible for the proper functioning of the apparatus and plant, and for the maintenance of transmitters, receivers etc., involving replacement, repairs and testing.

75 per cent. of the vacancies in this cadre are filled by direct recruitment on the basis of marks obtained by the candidates in the Intermediate or equivalent examination with Mathematics and Physics as compulsory subjects, and the remaining vacancies by promotion, on the basis of a competitive examination, of departmental employees of certain categories who are matriculates and have rendered not more than 9 years' service in their grades. Selected candidates are given training at the Tele-communication Training Centre, Jabalpur, for a period of 9 months, after which they are posted to wireless stations for practical training for 3 months.

Wireless Operators who have completed one year's service are eligible to sit for the 'lower proficiency' examination, on passing which they are granted a special pay of Rs. 20 per mensem. Those who have completed 3 years' service and have passed the 'lower proficiency' examination are eligible to appear at the 'higher proficiency' examination, and if they pass they are granted an additional special pay of Rs. 20 per mensem. These special pays are treated as part of pay for all purposes.

The posts of Wireless Supervisors are filled by promotion of Wireless Operators who have passed the lower and higher proficiency examinations.

Wireless Supervisors either hold charge of the smaller wireless stations or assist the Assistant Engineers in charge of the larger stations, and are responsible for both traffic and technical maintenance work.

All the posts of Assistant Engineers (Wireless) in the Telegraph Engineering and Wireless Service Class II are filled by promotion of Wireless Supervisors; and officers of that Service are eligible for promotion to 50 per cent. of vacancies in the Telegraph Engineering Service Class I.

66. For Wireless Operators, the P. & T. Federation has proposed the scale of Rs. 250—475 (which is the scale suggested by it for Upper Division Clerks also), plus a special-cum-technical pay of Rs. 40 per mensem, with a selection grade of Rs. 300—600. For Wireless Supervisors the scale of Rs. 300—600, plus special-cum-technical pay of Rs. 40 has been proposed.

67. Wireless Operators are now on the same scale of pay as Upper Division Clerks. Official witnesses were of the view that the former should be on a higher pay than the latter. For Upper Division Clerks in offices outside the Secretariat we have recommended the scale of Rs. 130-5-160-8-200-EB-8-256-EB-8-280-10-300. In future, a university degree will not be the minimum qualification for direct recruitment as Upper Division Clerks. Having regard to the qualifications, training, and duties of Wireless Operators, we recommend for them the same scale as for Upper Division Clerks, but with a higher start, viz. Rs. 150-5-160-8-240-EB-8-280-10-300.

68. We consider that the existing system under which all Wireless Operators who pass the lower and higher proficiency examinations are granted a special pay is not a satisfactory one. We recommend that this special pay should be discontinued, and that, as in the case of Radio Operators in the Civil Aviation Department, 25 per cent. of the posts of Wireless Operators should be in a selection grade on Rs. 270-10-290-15-350.

For Wireless Supervisors, we recommend the same scales as for Engineering Supervisors, viz. Rs. 180-10-290-EB-15-380, with a selection grade of Rs. 335-15-485 for 10 per cent. of the posts.

69. Repeater Station Assistants: They are employed for the maintenance of carrier and voice frequency telegraphy equipment. They either hold charge of small repeater stations, or assist the Engineering Supervisors or Assistant Engineers in charge of the larger stations.

70. There have been various changes in the method of recruitment to this cadre. Originally all posts were filled by departmental promotion; then direct recruitment was made on the same basis as for Wireless Operators; and at present all posts are filled by promotion of certain categories of departmental employees on the basis of a competitive test. Selected employees are given theoretical training for a period of 6 months at the Tele-communication Training Centre, Jabalpur, followed by practical training for 2 months. We understand that it has been decided to revive the system of direct recruitment to this cadre; 75 per cent. of the vacancies being filled by direct recruitment, and 25 per cent. by promotion of departmental employees on the same basis as in the case of Wireless Operators.

Repeater Station Assistants are eligible for promotion as Engineering Supervisors in the quota of vacancies reserved for departmental employees of various categories. But there is no separate quota for them and they have no other promotion outlet.

71. We consider that, as at present, Repeater Station Assistants should have the same scale of Rs. 150-5-160-8-240-EB-8-280-10-300 as Wireless Operators. We also recommend that if direct recruitment to this cadre is revised, 25 per cent. of the posts, as in the case of Wireless Operators, should be in a selection grade on Rs. 270-10-290-15-350. If there is no direct recruitment and posts of Repeater Station Assistants continue to be filled entirely by promotion, there would be no justification for providing a selection grade as a compensation for lack of promotion outlets.

72. Telephone Inspectors: They either hold charge of the smaller telephone exchanges, or work in the larger exchanges under Engineering Supervisors or Assistant Engineers. Their work is essentially that of technical maintenance of equipment, including inspection of and rectification of faults in telephones in subscribers' premises; investigation of complaints; keeping watch over shifting of telephones etc. But in some cases they supervise the work of the operating staff in small exchanges.

They are recruited from among permanent Telephone Operators, Telephone Mechanics, and Linemen trained in telephony, who are below the age of 35 years and have a minimum service of 5 years in any of these grades. The selection is made on the basis of a competitive written test in English, and in technical knowledge comprising elementary electricity and telephony. Selected candidates are given training for a period of 6 months at the Tele-communication Training Centre, Jabalpur.

They are eligible for promotion as Monitors in telephone exchanges and as Investigating Inspectors Telephones, and can compete also for the promotion quota of posts of Engineering Supervisors.

73. The P. & T. Federation has proposed that the cadre of Telephone Inspectors should be amalgamated with that of Engineering Supervisors (Telephones), and that if that proposal is not accepted, Telephone Inspectors should be on the same scale as Wireless Operators.

74. The question as to whether, on merits, there is necessity for a separate cadre of Telephone Inspectors, or whether it should be merged with any other cadre, is an administrative one, on which we do not wish to make any comments.

75. Telephone Inspectors are now on the same scale as Wireless Operators and Repeater Station Assistants. Though there are differences in the method of recruitment to, and qualifications and nature of duties of these categories we consider that on a total assessment there is no need to disturb the existing identity of scales and, therefore, recommend the scale of Rs. 150—300 for Telephone Inspectors also. We do not recommend a selection grade for them as the considerations on which a selection grade has been proposed for Wireless Operators and Repeater Station Assistants (in case direct recruitment is made to the latter cadre) do not arise in this case.

76. Telephone Operators and Telephone Monitors: Telephone Monitors supervise the work of Telephone Operators; attend to complaints; maintain registers of trunk traffic and calls made from public call offices, and of interruptions on lines; prepare trunk load statements; and check trunk call tickets, etc. Telephone Operators have, in addition to operating work, ancillary duties such as daily sorting and despatching of trunk call tickets, and correspondence.

Monitors are promoted from Telephone Operators and Telephone Inspectors, two-thirds of the vacancies by seniority-cum-fitness, and one-third by selection. 80 per cent. of the vacancies of Telephone Operators are filled by direct recruitment, and 20 per cent. by promotion of departmental employees, the method being the same as in the case of Clerks, except that the candidates have to satisfy certain conditions as to minimum height etc. Selected candidates are given training for a period of 2 months.

There is no direct promotion outlet beyond the grade of Monitors, but, along with certain other categories, Telephone Operators can compete for the posts of Telephone Inspectors, and also for the promotional quota of vacancies in the cadres of Wireless Operators, Repeater Station Assistants and Engineering Supervisors.

77. The P. & T. Federation has proposed that Telephone Operators should be on the same scale of pay as Clerks in P. & T. offices, but should, in addition, be given a special pay of Rs. 40 per mensem for technical and arduous nature of their duties, liability for periodical transfers, frequent night duties, etc. For Monitors the scale of Rs. 300—600 has been suggested.

78. Telephone Operators and Clerks have the same remuneration at present, and we consider that no change is called for. We accordingly recommend for Telephone Operators the scale of Rs. 110-4-150-EB-4-170-5-180-EB-5-225, with a selection grade of Rs. 150-5-175-6-205-EB-7-240 as for Clerks. For Monitors, we recommend the same scale as proposed for the lower selection grade supervisory staff in P. & T. offices, viz., Rs. 210-10-290-15-320.

XVII. Line Inspectors, Sub-Inspectors and Linemen

79. Line staffs comprising Line Inspectors, Sub-Inspectors of Telegraphs, and Linemen, work under Engineering Supervisors in charge of construction work and maintenance of lines and cables. Line Inspectors are employed to execute works and prepare simple estimates, etc. Sub-Inspectors are responsible for the sections, or working parties, of which they hold charge. Linemen are generally employed on maintenance of telegraph and telephone lines including in some cases equipment at subscribers' premises, construction and annual maintenance work, etc.

Line Inspectors are promoted, by selection, from Sub-Inspectors who have put in at least five years' service, and are specially good in construction work. Sub-Inspectors are promoted from Linemen by seniority, in two-thirds of the

vacancies, and by selection in the remaining one-third. 95 per cent. of the vacancies in the cadre of Linemen are filled by workmen who have worked as Head Mazdoors and have at least 6 months' experience in construction parties, or by outside candidates with training in a recognised crafts school and in construction parties as Head-Mazdoors. 5 per cent. of the vacancies are filled by suitable departmental employees who are trained in construction parties. The candidates must possess a high standard of physical fitness, and must be sufficiently literate to be able to maintain a simple account of their expenditure on behalf of the Department. No minimum educational qualification has been prescribed. We understand that most of the recruits in recent years are just able to read and write.

Besides promotion in their own hierarchy, line staffs can compete for various posts outside their line—Linemen, for the posts of Clerk, Telephone Operator, Mechanic etc; and Line Inspectors, for the posts of Engineering Supervisor, Wireless Operator, etc.

80. For Linemen, Sub-Inspectors and Line Inspectors the P. & T. Federation has proposed respectively the scales of Rs. 200—400, Rs. 250—475 and Rs. 300—500, which are the scales proposed by it for Lower Division, Upper Division and lower selection grade Clerks also. But the All India Telegraph Engineering Employees' Union, Line Staff and Class IV, which is affiliated to the Federation, has presented a memorandum seeking to justify on the basis of job analysis a higher scale of pay for Linemen than for Clerks.

81. We have carefully considered the arguments advanced by the Federation, both in its written memorandum and during oral evidence, in support of the demand for a higher scale of pay for Linemen. We have also taken into account the view expressed by an official witness that Linemen are "three-fourths skilled". We are not convinced that having regard to the recruitment qualifications, training and duties, there is justification for upgrading these posts. Linemen should, however, have the improved scale of Rs. 75-1-85-EB-2-95 which we have recommended in place of the present scale of Rs. 35—50.

They are at present not entitled to travelling allowance for journeys on duty within their jurisdiction, as their pay is supposed to have a margin to cover such expenditure. We do not think it is so, and have recommended that they should be entitled to an allowance when they have to spend the night away on duty.

For Sub Inspectors and Line Inspectors also, we do not propose any change, apart from minor adjustments in the existing scales.

Our recommendations are as follows:

	Rs.
Line Inspectors	150—5—160—8—216
Sub Inspectors	105—3—135—EB—4—155
Linemen	75—1—85—EB—2—95

XVIII. Mechanics, etc.

82. Mechanics are skilled workers employed on maintenance duties and construction work under Engineering Supervisors, Wireless Operators or Repeater Station Assistants.

65 per cent. of the vacancies in the grade are filled by direct recruitment of

- (a) "qualified candidates" with a diploma or certificate from a recognised vocational or technical institute with electricity and magnetism as special subjects, or
- (b) "apprentices" for whom the minimum educational qualification was raised from VIII standard to matriculation in April 1959.

Selection is made on the basis of an examination and interview.

Remaining 35 per cent. of vacancies are filled by departmental employees, such as Linemen, Wiremen, etc., with not less than 5 years' service, on the basis of aptitude tests. "Qualified candidates" are given 6 months' practical training, and "apprentices" 6 months' theoretical and 6 months' practical training.

20 per cent. of the permanent posts of Mechanics which are in the selection grade, but do not carry higher duties, are filled by seniority-cum-fitness, and selection through a test, in equal proportions.

Mechanics can compete, along with certain other categories of employees, for the promotion quota of vacancies in the cadres of Engineering Supervisors, Wireless Operators and Repeater Station Assistants, if they are matriculates and have put in not more than 9 years' service in their grade. Telephone Mechanics can compete for the posts of Telephone Inspectors also.

83. The P. & T. Federation has proposed for Mechanics the same scales as for Clerks in P. & T. offices, viz., Rs. 225—445 plus a "special-cum-technical" pay of Rs. 40 per mensem, with a selection grade of Rs. 300—600. It has argued that the scale of pay of Mechanics was reduced from Rs. 60—150 to the existing scale of Rs. 60—130 when the minimum education qualification was lowered from matriculation to VIII standard, and that with the recent raising of the qualification, there is no justification for a lower scale of pay for them than for Clerks. We understand that before 1947 there were various scales of pay for Mechanics ranging from Rs. 35—80 to Rs. 60—150. The Varadachariar Commission did not make any recommendation regarding this category.

84. We consider that it is a wrong approach to seek to establish a relativity between Mechanics and Clerks in P. & T. offices merely because matriculation is common qualification for both. The scale of pay of the Clerks has been fixed with reference to their duties, responsibilities, and conditions of work. In the case of Mechanics, legitimate comparison would be with skilled artisans with similar qualifications and duties. In the Railways, candidates of middle school standard are taken as trade apprentices and are employed as skilled artisans after an apprenticeship of 3½ years. We have recommended for them the scale of Rs. 110-3-131-4-155-EB-4-175-5-180 in place of their existing scale of Rs. 60—130. We consider that this scale is suitable for Mechanics in the P. & T. Department also.

The selection grade for Mechanics should be Rs. 175-6-205-7-240 which is the higher of the two scales recommended by us for highly skilled artisans in the Railways.

85. Cable Jointers: They are employed on laying and maintenance of cables. The methods, etc., of recruitment are the same as in the case of Mechanics, except that there is no direct recruitment as long as suitable departmental candidates are available. Selected candidates are given training for 4 months at the Tele-communication Training Centre, Jabalpur, followed by a year's practical training with

cable-laying and maintenance gangs. Their promotional avenues are similar to those of Mechanics.

We recommend for them the same scales as for Mechanics.

XIX. Miscellaneous Minor Categories

36. The categories common to all or many departments which have been dealt with in other chapters and the main categories special to the P. & T. Department discussed in this chapter, together account for practically the entire P. & T. staff. Outside these categories there are only a small number of Class II, and about 550 Class III employees. Of these, the majority (about 400) are on scales of pay identical with those of one or other of the main categories, and include such groups as Auto-Exchange Assistants, Inspectors of Peons, Despatch Riders, Caretakers, Air-conditioning Assistants, Assistant Complaints Officers, etc. The strength of each of these groups is too small to call for separate consideration. We suggest that they may be fitted into the new pay structure, on a comparison of the duties, etc., with those of the major categories for whom we have recommended particular scales. Normally, it will not, we expect, be necessary to disturb the present relative positions.

There are over 100 employees in the mail motor service, presses, etc., such as Technical Supervisors, Charge-hands, Carpenters, Mechanics, Compositors, Plumbers, etc., who are on scales of pay commonly applicable to semi-skilled, skilled, and highly skilled workshop staffs. All of them can be fitted in one or the other of the scales recommended by us for workshop staffs.

Only a few employees on "vestigial" scales are left. The Department may consider whether they should remain on those scales, or whether they should be fitted in any of the new scales recommended by us for corresponding categories, if any, on the existing scales.

XX. Class IV Categories

37. We have already discussed the pay structure of Class IV employees and the scales of pay of categories such as Office Peons, Chowkidars, etc., which are common to all Departments. The following are the main categories peculiar to the P. & T. Department:

Designation	No. of posts.	Scale of pay
		Rs.
Jamadars	321	40—1—50—2—60
Munshis	385	"
Wiremen	1,125	35—1—50
Stamp Vendors	688	"
Runners	4,903	30— $\frac{1}{2}$ —35
Packers	9,474	"
Porters and Van Peons	7,275	"
Letter-box Peons	1,109	"
Mail Peons	2,523	"
Telegraph Messengers	1,621	"
Batterymen	149	"
Task Work Messengers	2,929	20— $\frac{1}{2}$ —25
Boy Messengers	872	"
Boy Peons	1,206	"
	34,580	

There are a few minor categories of employees totalling about 300, who are on the scales of Rs. 40-1-50-2-60, Rs. 35-1-50-2-60, Rs. 35-1-50 or Rs. 30-½-35.

88. We do not consider it necessary to discuss each of these categories separately. Having regard to the recruitment qualifications and nature of duties (which in many cases are obvious from the titles and need no enumeration), we have come to the conclusion that there should generally be no change in the relative position of these categories, and that all those who are at present on the scales of Rs. 40—60, Rs. 35—60, Rs. 35—50 or Rs. 30—35 should be brought on to the new scales which we have recommended in their place, viz., Rs. 80-1-85-2-95-EB-3-110, Rs. 75-1-85-EB-2-95-EB-3-110, Rs. 75-1-85-EB-2-95, and Rs. 70-1-80-EB-1-85 respectively. We proceed to examine the cases of the few main categories for which improvement of their relative position has been specifically asked for.

89. Jamadars: There are two kinds of functionaries with this designation: (a) those on Rs. 35—50 attached to officers as Head Orderlies (who belong to a common category already considered in a separate chapter), and (b) those on Rs. 40—60 who supervise the work of Class IV staff in P. & T. offices. They are promoted from employees on lower scales and are eligible for further promotion to the clerical grade. Different units of the P. & T. Federation have proposed that these posts should be upgraded and brought on par with those of Head Postmen, or Lower Division Clerks, or Clerks in P. & T. offices. We do not consider that their duties justify improvement in their relative position, and recommend that they should be on the scale of Rs. 80—110, corresponding to their present scale.

90. Munshis: Two categories of Munshis, viz., Lining Munshis and Munshi Markers are employed in telegraph offices on semi-clerical work. Lining Munshis arrange telegrams according to serial numbers, prepare packages of telegrams for sending them to the telegraph check office, and perform other routine duties. The duties of Munshi Markers are to indicate on the telegrams the initials of the signallers, the station of destination, time of signalling, and circuit number. It is understood that Munshi Markers are a dying cadre and that in future their work will be done by Clerks. Munshis are generally recruited from among Task Work Messengers on the basis of a qualifying test, and they have further avenue of promotion to the clerical grade.

The P. & T. Federation has proposed that the cadre of Munshi Markers should not be abolished, that the posts of Munshis should be filled by promotion of Class IV employees on the basis of seniority-cum-fitness, and that these posts should be on the clerical scale. We consider that the simple duties of Lining Munshis do not call for an upgrading, and recommend for them the scale of Rs. 80—110 which corresponds to their present scale of Rs. 40—60. Whether the cadre of Munshi Markers should be kept in existence is a matter on which we make no comment; it is essentially for the Department to consider.

91. Stamp Vendors: They are employed for sale of postage stamps and stationery. They are on the same scale of pay, and are generally recruited on the same basis as Postmen. They are eligible for promotion to the clerical grade.

The P. & T. Federation has proposed that they should be grouped with Lower Division Clerks. Their qualifications and duties do not justify the proposal, and we recommend the scale of Rs. 75—95 corresponding to the present scale of Rs. 35—50.

92. Telegraph Messengers and Task Work Messengers: Both these categories are employed for delivering telegrams, the former who are on Rs. 30—35 being

attached to the smaller offices, and the latter to the larger offices. Task Work Messengers get a subsistence allowance of Rs. 20— $\frac{1}{2}$ —25 and additional payments for the telegrams delivered by them. The Federation has proposed that both these categories should be on the same pay as Postmen. Official witnesses held divergent views on this question. We consider that the duties of a Telegraph Messenger are simpler, and, on the whole, less responsible than those of a Postman who has to handle money and maintain some records; and so parity between these two categories is not justified. We, therefore, recommend that Telegraph Messengers should continue to be on a scale, *viz.*, Rs. 70—85, which corresponds to their existing scale.

As regards Task Work Messengers, the real question is whether they should continue to be on piece rates, and if so, whether the system of piece rates applicable to them is satisfactory. Wherever feasible, a piece rate is desirable because of the incentive it provides for good performance. But, as to the suitability of the particular piece rate system, we are not in a position to express a definite opinion without knowledge of the average earnings and hours of work. On general considerations, we are, however, of the view that a piece rate under which a basic time-rate is paid for normal output, and there is additional payment for what is done over and above the normal, is usually—but not in all cases—desirable and suitable. The basic pay for Task Work Messengers should, we think, be the same as for other Telegraph Messengers *viz.*, Rs. 70—85; and a new system of additional payments, related to output above the prescribed standard, may be evolved.

93. Boy Messengers and Boy Peons: They are employed on the same kind of duties as adult Messengers and Peons, the difference being that the former are not required to work for more than six hours a day and are also not employed on night duty, overtime duty or split duty. They are recruited between the ages of 16 to 18, and on reaching the age of 18 and after passing the prescribed tests are eligible for appointment to regular Class IV posts, or as Postmen.

The P. & T. Federation has proposed that the employment of Boy Peons and Boy Messengers should be discontinued. We consider that though on principle there is no objection to this system, it is not desirable to retain Boy Peons and Boy Messengers, as such, indefinitely. We recommend that the strength of the cadre of Boy Messengers/Peons, and the qualifications for their recruitment, should be so determined as to provide for their absorption in the vacancies of Messengers/Peons as soon as possible after they have reached the normal age of recruitment to Government service. In other words, service as Boy Messengers/Peons should in effect be treated as a period of apprenticeship for appointment as Peons, etc. We also recommend for them the scale of Rs. 55—1—60 in place of the existing scale of Rs. 20— $\frac{1}{2}$ —25.

XXI. Overseas Communications Service

94. This Department has functions allied to those of the P. & T. Department. It is responsible for the working of telegraph service (both by wireless and submarine cable), radio telephones service, and radio photo service between India and foreign countries. Provision of these services involves two distinct operations, *viz.*, handling of out-bound and in-bound traffic at the central traffic offices, and transmission and reception of traffic at the associated transmitting and receiving stations. The traffic branch is concerned with the first of these operations, and the engineering branch with the second.

95. The employees in this Department may broadly be divided into the following groups: (i) categories common to many Departments, such as clerical

staffs, etc., which have been dealt with in separate chapters; (ii) engineering staffs; the main category in this group consists of Technical Assistants who are included in the engineering categories discussed in another chapter, and (iii) traffic staffs: We discuss in this chapter the main categories in this group, particularly those in Class II and Class III.

96. Class I officers in this branch are the Deputy Director General Traffic on Rs. 1,300—1,700, Station Directors on Rs. 1,000—1,400, and Deputy Directors Traffic and Senior Traffic Managers on Rs. 600—1,150. For the Chief Engineer of this Department, who is also on Rs. 1,300—1,700, we have recommended the scale of Rs. 1,300—1,800, and we recommend this scale for the Deputy Director General Traffic also. For the other Class I posts we recommend the corresponding new scales, viz. Rs. 1,100—1,400 and Rs. 700—1,250.

97. The numbers and scales of pay of Class II and Class III categories are:

Designation	No. of posts.	Scale of pay
Class II		Rs.
Traffic Managers	4	650—30—800
Supervisors	9	450—25—500—EB—25—600
Class III.		
Assistant Supervisors	34	350—15—440
Senior Telegraphists	159	150—15—270—EB—15—330—340
Junior Telegraphists	229	90—5—120—EB—8—200—10/2—220
Selection Grade Checkers	4	200—10—300/160—10—250
Senior Checkers	63	80—5—120—EB—8—200—10/2—220
Junior Checkers	266	60—3—31—EB—4—125—5—130

The Traffic Managers are responsible for the traffic operations at the Central Traffic Offices. Supervisors and Assistant Supervisors are employed on general supervision of the working of the office, opening of additional circuits when necessary, staff allocation, supervision of actual working of the circuits, etc.

Selection Grade Checkers supervise the work of Senior and Junior Checkers. Senior and Junior Telegraphists are employed on specific points on circuits depending upon their importance. Senior and Junior Checkers are employed on certain preliminary operations in the technique of message handling.

Recruitment to the grade of Junior Checkers is made from among candidates who have passed matriculation or an equivalent examination. Selected candidates are given training for a period of 3 months. Junior Telegraphists and Senior Checkers are recruited from Junior Checkers who have undergone a prescribed training. Senior Telegraphists are promoted from Junior Telegraphists. Senior Checkers are eligible for promotion as Lower and Higher Selection Grade Checkers. All higher posts in the traffic branch, including Class II and Class I posts, are filled by promotion.

98. The Overseas Communications Service Staff Association has suggested that there should be a single scale of Rs. 160—500 for Junior and Senior Telegraphists, and a single scale of Rs. 160—460 for all the Checkers.

99. On the evidence before us, we see no justification for recommending any changes in the existing pay structure, or in the relativities within this Department, and *vis-a-vis* the P. & T. Department, except that (i) there should be no difference in the starting pay of Senior Checkers and Junior Telegraphists; both should be on the upper division clerical scale; and (ii) the two scales for Selection Grade Checkers should be amalgamated into one.

The scales of pay we thus recommend are as follows:—

Designation	Scale of pay
	Rs.
Traffic Managers	740—30—830—35—900
Supervisors	530—30—710
Assistant Supervisors	430—15—475—20—535
Senior Telegraphists.	210—10—290—15—410
Junior Telegraphists	130—5—160—8—200—EB—8—256—EB—8—280— 10—300
Selection Grade Checkers	210—10—290—15—320—EB—15—380
Senior Checkers	130—5—160—8—200—EB—8—256—EB—8—280— 10—300
Junior Checkers	110—3—131—4—155—EB—4—175—5—180

100. We understand that a 'rotary duty allowance' of Rs. 15 per mensem is granted to all Checkers (but not to Telegraphists) to compensate them for the inconvenient hours of duty. As far as we are aware, no such allowance is usually given to staffs in other Departments, such as P. & T. and Civil Aviation, who are required to work round the clock. We suggest that Government may examine whether the continuance of this allowance for Checkers is justified.

CHAPTER XXIV
CIVIL AVIATION DEPARTMENT

I. General

1. This Department is responsible for the development of civil aviation activities in general, and in particular for making provision for (a) aerodromes, aeronautical communications, visual and radio aids to navigation and other facilities required by civil aircrafts, (b) inspection, registration and licensing of aircrafts and aircraft personnel, (c) training facilities in flying, aeronautical communications, etc., (d) formulation and enforcement of civil aviation regulations and (e) accident investigations. The head of the Department is the Director General of Civil Aviation who is assisted by two Deputy Directors General and a number of Directors who are in charge of various Directorates such as Administration Directorate, Air Routes and Aerodromes Directorate, Aeronautical Communications Directorate, Aeronautical Inspection Directorate, etc. Directors are generally assisted by Deputy Directors and Assistant Directors.

2. The country has been divided into four regions under Controllers for the administration of aerodromes and for providing aeronautical communication services. Under Controllers of Aerodromes there are Senior Aerodrome Officers, Aerodrome Officers, Assistant Aerodrome Officers, and Aerodrome Operators. In the Communications organisation there are, similarly, Senior Technical/Communication Officers, Technical/Communication Officers, Assistant Technical/Communication Officers, Technical/Communication Assistants, and Radio Technicians and Radio Operators. For the purpose of aeronautical inspection also the country has been divided into zones, and inspecting officers of various grades, viz. Deputy Directors of Aeronautical Inspection, Senior Aircraft Inspectors, Aircraft Inspectors, and Assistant Aircraft Inspectors are posted at zonal offices and sub-offices, depending upon the nature and quantity of work handled in each zone. The other Directorates, with generally no field organisations, have various categories of employees suited to their functions.

3. The Department has 6,056 employees, as on 30th June, 1957, distributed in different Classes and scales as follows:—

Class	Number of scales	Total number of employees
Class I	14	262
Class II	5	320
Class III	27	3,329
Class IV	3	2,145
		<u>6,056</u>

II. Class I and Class II Posts

4. There are no organised Services in this Department. The question of constituting four services, *viz.*, Civil Aviation Air Traffic Service, Aeronautical Inspection Service, Aeronautical Communication Service and General and Administrative Service is, we understand, under consideration of the Government.

5. Except for a few posts in the Administration Directorate which are filled by officers of all-India Services or the Central Secretariat Service, and some posts of Accounts Officers, Medical Officers, etc. belonging to categories common to all or many Departments, all Class I and Class II posts belong to technical and engineering groups which have been discussed in a separate chapter. Though only some of these posts have been specifically mentioned in that chapter, we do not consider it necessary to discuss separately all the other posts which are generally on the standard scales and can be fitted in the corresponding new scales recommended by us.

III. Class III categories

6. Class III employees in this Department may broadly be divided into the following groups: (i) categories common to all or many Departments, such as Clerks, motor vehicle Drivers and fire service staffs, totalling about 1,300, which have been considered in separate chapters dealing with the common categories; (ii) industrial or workshop staffs *viz.*, Foremen, Mechanics, Technicians, etc., totalling about 350, who may be suitably fitted in the scales recommended by us for workshop staffs in general; and (iii) categories special to this Department, of which we propose to consider separately only the main groups employed in the Air-Routes and Aerodromes, and the Aeronautical Communications Directorates. The strength of the remaining groups is too small to call for separate consideration. They may be fitted into the new pay structure on a comparison of their duties etc., with those of the major categories in this or other Departments for whom we have recommended particular scales.

7. Radio Operators and Radio Technicians, and Communication and Technical Assistants are the main categories in the Aeronautical Communications organisation, the main functions of which are to provide tele-communication facilities, radio and radar aids to navigation for safe, regular and efficient operation of civil air transport, and installation, maintenance and operation of equipment for this purpose.

8. We start with Radio Operators and Communication Assistants. The numbers and scales of pay are as follows:—

Designation	Number of posts.	Scale of pay
		Rs.
Communication Assistants	90	200—10—300—15—360
Radio Operators, selection grade	(25% of the posts are in the selection grade)	200—10—250
Radio Operators	570	80—5—120—EB—8—200—10/2—220

9. The main duties of Radio Operators are to receive and transmit messages, to operate direction-finding apparatus and furnish prompt and accurate bearings, courses and positions to mobile stations etc.

10. They are recruited from candidates who have passed the matriculation examination, have an elementary theoretical and practical knowledge of the basic principles of electricity and radio communication, and the necessary speed in Morse transmission and reception, and have a sound knowledge of communication procedure. All vacancies are generally filled by direct recruitment, but Teleprinter Operators who acquire the necessary qualifications are given preference over outsiders.

11. Communication Assistants are promoted from Radio Operators who have passed the prescribed departmental examination and have put in five years' service. They hold charge of small communication stations, brief Pilots and aircraft Radio Operators, provide them with necessary pre-flight information, and are also responsible for expeditious disposal of traffic.

12. Communication Assistants are promoted as Assistant Communication Officers, Class II, who in turn are eligible for further promotion as Communication Officers, Class I.

13. The Civil Aviation Department Employees Union has suggested the following scales of pay for these categories:—

Designation	Scale of pay
	Rs.
Communication Assistants	350—600
Radio Operators, selection grade	350—525
Radio Operators	250—500

14. The Union claimed that the duties of Radio Operators are of more arduous and responsible nature than those of Wireless Operators in the Posts and Telegraphs Department, but this view was not supported by official witnesses. We consider that the qualifications and duties of these categories, though different in some respects, are broadly comparable, and that there is no justification for disturbing the existing identity of scales between them. We, therefore, recommend for Radio Operators the scale of Rs. 150—5—160—8—240—EB—8—280—10—300 which we have recommended for Wireless Operators in the Posts and Telegraphs Department. In view of the improvement recommended in the basic scale, we propose a corresponding increase in the selection grade also, for which we recommend the scale of Rs. 270—10—290—15—350. For Communication Assistants, we recommend the scale of Rs. 270—10—290—15—440.

15. The numbers and scales of pay of Technical Assistants and Radio Technicians are as follows:—

Designation	Number of posts.	Scale of pay
		Rs.
Technical Assistants	59	200—10—300—15—360
Radio Technicians, selection grade.	(25% of the permanent posts are in the selection grade)	200—10—250
Radio Technicians	432	80—5—120—EB—8—200—10/2—220

16. Radio Technicians instal, maintain and service all the tele-communication and radar equipment. Recruitment is made from among candidates who have passed the matriculation examination and have a diploma in radio engineering from a recognised institute, with at least 3 years' practical experience as Radio Technician in a commercial air transport organisation, or 4 years' experience of aeronautical communications in the Defence services as Radio Technicians or Radio/Radar Mechanics.

17. Technical Assistants who are promoted from Radio Technicians hold charge of small stations, and are responsible for the maintenance and proper functioning of all radio and radar equipment.

18. They are promoted to 50 per cent. of the vacancies in the cadre of Assistant Technical Officers, Class II, who, in turn, are eligible for promotion to 50 per cent. of the vacancies in the cadre of Technical Officers, Class I.

19. The Civil Aviation Department Employees Union has proposed the same scales for these categories as for Radio Operators and Communication Assistants. It was claimed that the duties of Radio Technicians and Technical Assistants in this Department are of a more arduous and responsible nature than those of similar staffs in other Departments. There are employees in some Departments, such as All India Radio and Overseas Communications Service, with the same nomenclature, but their qualifications and duties are different, and it is, therefore, not correct to seek relativity between them and the technical staffs in the Civil Aviation Department.

20. It was also represented to us that because of the inadequacy of the existing rates of remuneration difficulty is experienced in retaining technical staffs in this Department. According to the information supplied to us, during the last 5 years, 7 Technical Assistants had left the Department on transfer to other offices on selection for higher posts, and out of 432 Radio Technicians, 49 had left the Department for various reasons.

21. We consider that with the improvement proposed by us in the existing scales for Radio Operators and Communication Assistants, these scales will be suitable for Radio Technicians and Technical Assistants also. We accordingly recommend the following scales:—

	Rs. .
Technical Assistants	270—10—290—15—440
Radio Technicians, selection grade.	270—10—290—15—350
Radio Technicians	150—5—160—8—240—EB—8—280—10—300

22. Aerodrome Operators constitute the main category in the Air Routes and Aerodromes organisation, which is responsible for flying control services, and provision, maintenance and operation of aerodrome equipment etc. They are employed mainly on air traffic control duties, and either assist the Aerodrome Officers or Assistant Aerodrome Officers, or are themselves in charge of minor aerodromes.

23. The numbers and scales of pay are as follows:—

Designation	Number of posts.	Scale of pay
		Rs.
Aerodrome Operators, selection grade .	(15% of the posts in Grade I are in selection grade)	160—10—250
Aerodrome Operators, Grade I . . .	270	80—5—120—EB—8—200—10/2—220
Aerodrome Operators, Grade II . . .	101	55—3—85—EB—4—105

24. Posts of Aerodrome Operators, Grade II, used to be filled by direct recruitment of matriculates who were given practical training at the Civil Aviation Training Centre. We understand that no further recruitment will be made to this grade. 50 per cent of the vacancies in Grade I are filled by promotion of the existing Aerodrome Operators, Grade II, and the rest by direct recruitment of candidates who have passed the Intermediate examination, preferably in science. For persons possessing other acceptable technical qualification, such as pilots A, A1, B licences or engineering diploma, the minimum educational qualification can be relaxed. Selected candidates are given initial training for a period of 9 months, and a refresher course of training for 16 weeks, about 3 or 4 years after recruitment. Continued retention in service is dependent upon a satisfactory annual eye test. Posts in the selection grade are filled on the basis of a departmental examination open to Aerodrome Operators, Grade I, who have completed 5 years' service in that grade.

25. Aerodrome Operators are promoted to 20 per cent of the vacancies in the cadre of Assistant Aerodrome Officers, Class II. All posts of Aerodrome Officers, Class I, are filled by promotion of Aerodrome Officers, Class II.

26. The main proposal of the Civil Aviation Department Employees Union is that the structure of the aerodrome cadre should be identical with that of technical staffs in the Aeronautical Communications organisation; that is, Aerodrome Operators, Grade I, and selection grade, should be on the same pay scales as Radio Operators and Technicians, and Technical and Communication Assistants, respectively.

27. We are not concerned with the question whether these cadres in the two organisations should be organised on the same pattern. But on the basis of the existing structure, we see no reason why when the basic scales are the same (Rs. 80—220), the selection grade for Aerodrome Operators (Rs. 160—250) should start at a lower point than that for Radio Operators and Technicians (Rs. 200—250). We, therefore, recommend the same scales for Aerodrome Operators, Grade I, as for the other two categories, namely Rs. 150—5—160—8—240—EB—8—280—10—300,

with the selection grade carrying the scale of Rs. 270—10—290—15—350. For Aerodrome Operators, Grade II, we recommend the scale of Rs. 110—3—131—4—155—EB—4—175—5—180.

IV. Class IV Posts

28. The Class IV staff include categories common to all Departments, viz., Office Peons, etc., and a few categories peculiar to this Department, such as Traffic Hands. All these staff are on the standard scales of Rs. 40—1—50—2—60, 35—1—50 and 30— $\frac{1}{2}$ —35. We recommend that all the Class IV staff in this Department may be brought on to the new scales recommended by us corresponding to their existing scales.

CHAPTER XXV
CENTRAL BOARD OF REVENUE

I. General

1. The Central Board of Revenue is entrusted with the administration of the Revenue laws of the Central Government. It is also responsible for the observance of certain international obligations and administration of matters connected with opium and dangerous drugs. The Board is presided over by a Chairman who is also an ex-officio Additional Secretary to the Government of India. Besides him, there are 5 Members, each in charge of a particular branch of the Board's work. The Board is assisted by Secretaries and Under Secretaries. Since the Board has an alternative role, namely that of Department of Revenue in the Ministry of Finance, for administrative purposes, the Members, Secretaries and Under Secretaries of the Board are given ex-officio status of Joint, Deputy and Under Secretary, respectively, to the Government of India. The Board has to keep in close touch with its far-flung subordinate field organizations; for which it has set up 3 Directorates of Inspection and a Directorate of Revenue Intelligence. These Directorates are treated as 'attached' offices and are in the direct charge of the Members concerned. The administration of the Board is carried on through the Departments of Income Tax, Customs, and Central Excise and Narcotics. Each of these Departments has its own organized services, and there is very little interchangeability between them.

2. The distribution of staff in the various Departments is as follows:—

TABLE I

	Income Tax.	Customs	Central Excise and Narcotics	Central Revenue Chemical Service	Total
Class I	722	58	188	22	990
Class II	963	246	297	..	1506
Class III (Executive)	2142	891	10287	89	13409
Class III (Clerical)	9055	2087	5381	20	16543
Class IV	4386	2603	13735	18	20742
Total	17268	5885	29888	149	53190

3. The Class I officers and the scientific and clerical staffs have been dealt with in other chapters. In this chapter we deal with the Class II and III services under the Board.

II. Class II Services

4. The distribution of the Class II officers in the three Departments is as shown below:

TABLE II

Income Tax.	Central Excise.	Customs		Total	Scale.
		Appraising Branch	Preventive Branch		
					Rs.
..	..	44	..	44	500—800
963	297	..	..	1260	275—800
..	..	..	6	6	500—650
..	..	169	..	169	275—650
..	..	..	27	27	350—600
963	297	213	33	1506	

5. 963 Income Tax Officers, Grade III, and 297 Superintendents of Central Excise (Class II) constitute the only Class II category in their respective Departments. They are on the standard scale of Rs. 275—800. Their work relates to assessment and collection of taxes, duties, etc. They are, however, posted to charges where the work is of a simple nature.

6. Although the recruitment rules provide that half the vacancies in the cadre of Income Tax Officers, Grade III, shall be filled by direct recruitment, the Central Board of Revenue has suspended such recruitment for the time being, and all Class II posts are being filled by promotion of Inspectors of Income Tax. We have been informed that a proposal to stop all direct recruitment to this grade is under consideration. In the Central Excise Department also there is no direct recruitment to Class II, and all posts of Superintendent are filled by promotion of Deputy Superintendents who belong to Class III.

7. The main proposal made on behalf of these officers is the one the principle of which we have already discussed in an earlier chapter, *viz.*, that they should be upgraded to Class I junior scale. The Secretary, Department of Revenue, and the Chairman, Central Board of Revenue, are not in favour of this proposal. During the course of oral evidence they said that in both Income Tax and Central Excise Departments there was a large volume of work which could be entrusted appropriately to Class II officers, and on which it would be wasteful to employ officers recruited for higher type of work. We have elsewhere expressed our views in favour of retaining a separate Class II grade, and we do not see any reason to make an exception in the case of these Services. Following our general scheme of remuneration for Class II posts, we recommend for Income Tax Officers, Grade III, and Superintendents of Central Excise (Class II) the scale of Rs. 350-25-500-30-590-EB-30-800-EB-830-35-900.

8. In the Customs Department, the staff below Class I level are organised in two branches—Appraising and Preventive. The Appraising branch is responsible for assessment and collection of duties according to the tariff schedule in force from time to time; and the Preventive branch, as the name denotes, is concerned with the checking of smuggling and fraudulent practices.

9. The Class II staff in the Appraising branch consist of Principal Appraisers (44), on the scale of Rs. 500-30-800, and Appraisers (169) on Rs. 275—650. They assess duties, and in doing so have to satisfy themselves that the goods are covered by proper license and have not been imported in contravention of any prohibition or restriction. The original work is generally done by Appraisers and a second check is made by Principal Appraisers. The cases of contraventions of any kind are reported to the Assistant Collector, who is a Class I officer. The associations representing Appraisers have proposed that the post of Principal Appraiser should be on the Class I senior, and that of an Appraiser on the standard Class II scale. The official witnesses suggested that both Principal Appraiser and Appraisers should be on the standard Class II scale, and the former might in addition be given some special pay. According to the Chairman, Central Board of Revenue, an increase in the pay of Appraisers is justified on the ground that their duties, qualifications, etc., are comparable to those of Income Tax Officers, Grade III, and Superintendents of Central Excise, Class II. He pointed out that until a few years ago Superintendents of Central Excise and Appraisers were on the same scale of pay (Rs. 275—650) and suggested that it would not be unreasonable to restore the old relativity.

10. In the Preventive branch there are in all 33 posts in Class II. There are 6 Chief Preventive Inspectors on the scale of Rs. 500-30-650, and 27 Preventive Inspectors on the scale of Rs. 350-25-600. There is no direct recruitment to any of these grades. Posts of Chief Preventive Inspector are filled by promotion of Preventive Inspectors, and those of the latter by promotion of Preventive Officers, Grade I, who belong to a Class III service. Chief Preventive Inspectors and Inspectors have proposed that they should be on the scales of Rs. 800—1,150 and Rs. 500—800 respectively.

11. We have compared the duties, responsibilities etc., of Income Tax Officers, Superintendents of Central Excise, Appraisers and Preventive Inspectors, and in our view no differentiation among them in regard to the rate of remuneration would, ordinarily, be justified. But, in the Customs Department, there is a long standing practice of giving overtime allowance to staff not only in the subordinate ranks, but also to those in Class II. With the exception of the Mercantile Marine Department, this practice is not in vogue in any other Department of the Central Government. In the case of certain categories the overtime earnings are, moreover, substantial. We made enquiries from the Board about its policy in regard to overtime payments; and we were told that while the aim was to reduce the earnings from overtime, as far and as early as possible, the process had to be gradual, as the practice had been in vogue for a long time, and the overtime money had come to be looked upon by the staff as part of normal emoluments. We understand that the Board has introduced shift-working in sections of Custom Houses which admit of such an arrangement, and that it has been made clear to the staff recruited from January 1, 1957, that they could not regard overtime as part of their emoluments, which they could claim as a matter of right. But, at the same time the Board considers that on account of the nature of work complete abolition of overtime is not practicable. The staff will thus continue to have overtime payments as a regular source of income. According to information furnished by the Board, the average monthly overtime earnings of staff in the various grades are

as follows: Principal Appraisers Rs. 50, Appraisers Rs. 60, Chief Preventive Inspectors Rs. 235, and Preventive Inspectors Rs. 170. We have had regard to these facts in respect of over time earnings in framing our pay proposals, which are as follows:—

	Rs.
Principal Appraiser	600—35—950
Appraisers	350—25—500—30—830—35—865
Chief Preventive Inspector	600—35—880
Preventive Inspectors	350—25—500—30—590—EB—30—800

If at any time, however, the Board decides to abolish the system of overtime payments, or to reduce substantially the rates of such payments, the scales of pay recommended above may have to be suitably adjusted.

12. Our proposals do not require much elaboration. It was suggested to us by the official witnesses that Principal Appraisers and Chief Preventive Inspectors should be given some special pay in addition to pay in the respective scales of Appraisers and Preventive Inspectors. We do not consider that this will be a satisfactory arrangement for remunerating supervisory officers; in such cases a higher scale of pay is usually more appropriate. We have, therefore, recommended separate scales of pay, as at present, for Principal Appraisers and Chief Preventive Inspectors.

13. We have recommended substantial improvement in the pay of Chief Preventive Inspectors and Preventive Inspectors mainly on considerations mentioned earlier. There is, however, another reason also. There are only 33 Class II posts in this branch which are filled by promotion from the next lower grade, which has a strength of 337. Promotion in the circumstances are few, and follow very rigorous selection. In fact, the increase in the remuneration of Class II officers in the Customs Department as a whole is justified for this reason. In this Department, there are 58 Class I posts of which only 15 are filled by promotion from Class II which has a strength of 246. The proportion of promotion posts in Class I to the total number of posts in Class II thus works out to only 6 per cent. The corresponding figures for the Income Tax and Central Excise Departments are 25 and 21 per cent, respectively.

III. Class III Services and Posts

14. The distribution of the Class III staff among the three Departments, and pay scales, is shown in the table below:

TABLE III

	Income Tax	Customs		Central* Excise.	Total	Scale. Rs.
		Appraising branch	Preventive branch			
	..	127	337	..	464	} 280—500 180—400
	862	..	..	..	862	
	..	..	..	647	647	250—500 160—330
	..	..	427	6241	6668	260—350 120—220
	..	..	..	49	49	80—170
	..	..	..	3310	3310	60—130
	1280	..	..	..	1280	35—50
Total	2142	127	764	10247	13280	

*There are 40 isolated posts in the Central Excise Department.

15. There are 862 posts of Inspectors of Income Tax. Of these, 768 are on the scale of Rs. 160—10—330 (during the period of probation Rs. 125 per mensem), and 94 in a selection grade of Rs. 250—15—400—25—500. 75 per cent of the posts are filled by direct recruitment. The minimum educational qualification is a university degree. The remaining 25 per cent posts are filled by promotion of clerks working in the Department, on the basis of an examination.

16. 1280 Notice Servers, on the scale of Rs. 35—1—50, are also in Class III in the Income Tax Department. 25 per cent of the vacancies in the grade are filled directly through the Employment Exchanges. Candidates are required to have passed the middle school examination. The remaining posts are filled by promotion of Peons on the basis of seniority-cum-fitness.

17. In the Appraising branch of the Customs, Department the Class III service consists of 127 Examiners who are on the scale of Rs. 180—10—250—15—400 (during probation Rs. 125 per mensem), with a selection grade of Rs. 280—15—400—20—500. Recruitment to 75 per cent of the posts is made directly. A university degree is the minimum qualification. The remaining posts are filled by promotion, on the basis of seniority-cum-fitness, of clerks who have put in 6 years' service in the Department.

18. In the Preventive branch there are two grades—Preventive Officers, Grade I, and Preventive Officers, Grade II. Preventive Officers, Grade I (337) are on the same scale as Examiners. 33 per cent of the posts are filled by direct recruitment for which a university degree is the prescribed qualification. The remaining posts are filled by promotion from Grade II. Preventive Officers Grade II (427) are on the scale of Rs. 120—8—200—10/2—220 (during probation Rs. 100). 80 per cent of the posts are filled directly from amongst candidates who have passed the Intermediate or an equivalent examination. (In future, however, matriculation will be the minimum qualification). The remaining posts are filled by promotion of Clerks working in the Department.

19. In the Central Excise Department there are three main grades:—

- (i) Deputy Superintendents of Central Excise (647) on the scale of Rs. 260—15—350. There is no direct recruitment to this grade and all the posts are filled by promotion of Inspectors of Central Excise;
- (ii) Inspectors of Central Excise (6241) on the scale of Rs. 120—8—200—10/2—200 (during probation Rs. 100), with a selection grade of Rs. 200—10—300. 60 per cent of the posts are filled by direct recruitment of university graduates. The remaining posts are filled by promotion in equal proportion of Supervisors and Clerks serving in the Department; and
- (iii) Supervisors (3310)—now called Sub-Inspectors—on the scale of Rs. 60—3—81—4—125—5—130. They are all directly recruited, and the minimum qualification is matriculation.

There are also 49 posts of Women Searchers on the scale of Rs. 80—4—120—5—170. These posts are filled by direct recruitment, the minimum qualification being matriculation.

20. We have mentioned the educational qualifications prescribed for recruitment to the various grades at present. But, in accordance with the decision of the

Government on the Report of the Public Services (Qualifications for Recruitment) Committee, 1956, a university degree will no longer be the minimum qualification for recruitment to posts of Income Tax Inspector, Examiner, Preventive Officer, Grade I, and Inspector of Central Excise.

21. The demands of these staffs may be summarised as follows. Inspectors of Income Tax asked for a scale of Rs. 300—650, and gazetted status, on the ground that under the Income-tax (Amendment) Act, 1952, the Inspector had become a statutory "Income Tax Authority". Their other proposal was for an increase of the proportion of posts in the selection grade. The Central Excise staff generally made a grievance of the fact that their scales of pay and prospects compared very unfavourably with those of the comparable categories in the other two Revenue Departments. Deputy Superintendents of Central Excise represented that they should be upgraded to Class II, with a scale of Rs. 350—650; Inspectors asked for a scale of Rs. 200—450, with a selection grade of Rs. 300—500; and Supervisors for a scale of Rs. 110—275. The main demand of the Customs staff was for an increase in their existing scales of pay, and the revised scales suggested were Rs. 200—500, with a selection grade of Rs. 400—650 or Rs. 300—620, for Examiners and Preventive Officers Grade I; and Rs. 160—350, with a selection grade of Rs. 300—450, for Preventive Officers, Grade II.

22. There is no uniformity in the pay structure of Class III employees in the three Departments. Whereas Income Tax Inspectors are on the scale of Rs. 160—330 with a selection grade of Rs. 250—500, comparable categories, such as Examiners and Preventive Officers Grade I in the Customs Department are on a higher scale of pay—Rs. 180—400 with a selection grade of Rs. 280—500; and Inspectors of Central Excise are on the very much lower scale of Rs. 120—220 with a selection grade of Rs. 200—300. The educational qualification for recruitment to all these grades is the same, and the duties are also broadly comparable. Again, Preventive Officers, Grade II, in the Customs Department, who are not required to be graduates are on the same scale as Inspectors of Central Excise for whom a university degree is an essential qualification. Further, the complements of the various grades in these Departments are such that there are vast disparities in career prospects. We, therefore, considered it necessary to examine whether the existing disparities are justified, and if not, what changes are called for.

23. It seems to us that the most appropriate comparison can be made at the level of Income Tax Inspectors, Customs Examiners, Preventive Officers, Grade I, and Inspectors of Central Excise. These are all grades to which there is, more or less, direct recruitment; and, so far, direct recruitment has been confined to persons possessing a university degree. In spite of differences in details, the duties of Income Tax Inspectors, Customs Examiners and Preventive Officers, Grade I, are broadly comparable. The case of Inspectors of Central Excise is slightly different, and we discuss it later. An Income Tax Inspector assist the Income Tax Officer in examining the accounts of assesseees, conducts new surveys under instruction from higher authorities, and makes local enquiries. A Customs Examiner assists the Appraiser in assessment of duties. The Preventive Officer, Grade I, is concerned mainly with the checking of smuggling. In Calcutta, where there is no separate cadre of Examiners, they are also employed on 'examining' work, and we understand that a proposal to utilise the services of Preventive Officers, Grade I, generally, for 'examining' work is under consideration. On the whole, therefore, it will be reasonable to treat these categories on the same footing. Customs Examiners and Preventive Officers, Grade I, are already on the same scale of pay. Income Tax Inspectors, however, are on a lower scale. In our view, the existing differentiation should be removed, and they should all be placed on one scale, which we recommend should be Rs. 210—10—290—15—320—

EB—15—425—EB—15—485. We further recommend the discontinuance of the present practice of giving a probationary allowance during the period of training. The new recruits may start on the regular pay scale, but should be allowed to draw the first increment only on confirmation.

24. Above this grade, there may be a selection grade in the scale of Rs. 325—15—475—EB—20—575 for Customs Examiners and Preventive Officers, Grade I. At present, the selection grades for both these categories carry 20 per cent of the permanent posts in the basic grade. While we do not propose any change in the present position in respect of Examiners, we consider that in view of the inferior prospects of promotion available to Preventive Officers, Grade I, an increase in the proportion of selection grade posts for them will be justified. In the Appraising branch the proportion of promotion posts in Class II to the total number of posts of Examiners is 83 per cent; the corresponding proportion in the Preventive branch is only about 10 per cent. We recommend that the proportion of selection grade posts for Preventive Officers, Grade I, should be raised from 20 per cent to 25 per cent.

25. As regards Income Tax Inspectors, we do not think that there is any case for increasing the proportion of selection grade posts, as proposed by the service associations. On the contrary, we are of the view that there is no need to have a selection grade for them. In the past, only 50 per cent of the posts of Income Tax Officers, Class II, were available for promotion of Inspectors. But, now all those posts are being filled by promotion, and this is likely to become the normal feature. This means exceptionally good prospects of promotion for Income Tax Inspectors, considering that the number of posts in Class II (963) is more than the number of posts of Inspectors (862). Further, we have recommended substantial improvement in their scale of pay. On all these considerations, we think that there is no case for continuing a selection grade for Income Tax Inspectors. In case, however, direct recruitment to Class II is resumed, a selection grade of Rs. 325—15—475—EB—20—575, for 20 per cent of the posts, may be allowed to Inspectors of Income Tax, as at present.

26. In our view, an Inspector of Central Excise cannot be fully equated with the categories discussed above. He is, no doubt, an assessing authority; but the assessment work done by him is not as complicated as in the Income Tax, or even in the Customs Department. His work may be physically more arduous than that of a Customs Examiner or Income Tax Inspector, but it is relatively simple in nature. At the same time, however, we have little doubt that his existing scale is too low. We consider that the most satisfactory arrangement will be that while at the start an Inspector of Central Excise should get the same emoluments as those allowed to a Customs Examiner, or an Inspector of Income Tax, the maximum of his scale should be lower, except when he holds a selection grade post. Proceeding on this basis, we recommend for Inspectors of Central Excise the scale of Rs. 210—10—290—15—320—EB—15—380, with a selection grade of Rs. 320—15—485; and we further recommend that the proportion of selection grade posts should be raised from 15 per cent to 25 per cent.

27. The proposal made on behalf of Deputy Superintendents for upgrading their posts has been supported by the Secretary, Department of Revenue, and the Chairman, Central Board of Revenue, who suggested for them a scale of Rs. 275—560. Their duties are partly supervisory and partly consist of field work. A Deputy Superintendent of Central Excise has to direct and control the work of a number of non-gazetted executive officers—on an average 10 Inspectors and 5 Supervisors—who assess and collect revenue, often operating far away from their

headquarters. He also exercises certain powers to write off revenue losses, etc. Having regard to their duties, and keeping in view our proposals in respect of the pay of Inspectors, we recommend for Deputy Superintendents the scale of Rs. 350—20—450—25—575.

28. The following categories now remain to be discussed:

- (i) Preventive Officers, Grade II, in the Customs Department;
- (ii) Supervisors (Sub Inspectors) of Central Excise,
- (iii) Women Searchers in the Central Excise, and
- (iv) Notice Servers in the Income Tax Department.

It has been represented on behalf of Supervisors of Central Excise that they should be given the same scale of pay as is allowed to Preventive Officers, Grade II, in the Customs Department. As indicated earlier, the former are on the scale of Lower Division Clerks, and the latter on that of the Upper Division Clerks, but with a higher start. If qualifications for recruitment alone were to be taken into account, the two could perhaps be given the same scale of pay. But, on a comparison of their duties, a higher rate of pay is justified for Preventive Officers Grade II. They are posted on guard duty, rummaging work, and examination of baggage. Generally, they work as a team, consisting of, besides them, one Preventive Inspector and some Preventive Officers, Grade I. While on guard duty, they patrol the docks and examine incoming and outgoing boats and catamarans. While on baggage duty they collect duties from the passengers. The main duty of a Supervisor of Central Excise, on the other hand, is to assist the Inspector in the registration of growers, checking measurements of fields, verification of annual returns, checking of licenses, etc. In case of small units producing excisable products and small tobacco warehouses, he is authorised to make assessment and allow clearance, subject to post-assessment checks by superior officers. Thus, while the work of a Supervisor of Central Excise is largely of a simple nature, that of a Preventive Officer, Grade II, is more difficult. We are satisfied that there is no case for disturbing the present relativity between the two. We do not, however, think that any substantial improvement in the scale of Preventive Officers, Grade II, is required. We recommend for them the scale of Rs. 150—5—160—8—240—EB—3—280—10—300. As regards Supervisors of Central Excise, it seems to us that their precise equation with Lower Division Clerks is not wholly right. The work of a Supervisor of Central Excise is different, and more arduous. We accordingly recommend for them the scale of Rs. 110—4—150—EB—4—170—5—180, which provides slightly better rates of increments.

There are 49 posts of Women Searchers on the scale of Rs. 80—4—120—5—170 in the Central Excise Department. We recommend for them the scale of Rs. 130—4—170—EB—5—200—EB—5—225.

29. Notice Servers are on a typical Class IV scale *viz.*, Rs. 35—1—50. It has been submitted on their behalf that they should be given the scale of a Lower Division Clerk. The official witnesses did not support this demand. They said that it was only in Bombay and Calcutta that the Department employed Notice Servers; in other places, the same work was being done by Peons. We have already mentioned that 75 per cent of the posts are filled by promotion of Peons. The educational qualification prescribed for direct recruitment is middle school examination. We consider that the scale of Rs. 75—1—85—EB—2—95, which,

according to our proposals, will replace the present scale of Rs. 35—1—50, will be adequate for them, and we recommend accordingly.

30. To sum up, our recommendations are as follows:—

Post.	Scales recommended.
	Rs.
<i>Income Tax Department</i>	
Income Tax Inspectors (Selection Grade, only if there is direct recruitment to Class II).	325—15—475—EB—20—575
Income Tax Inspectors (Ordinary Grade) .	210—10—290—15—320—EB—15—425—EB—15—485
Notice Servers.	75—1—85—EB—2—95
<i>Customs Department</i>	
Preventive Officers, Grade I/Examiners (Selection Grade)	325—15—475—EB—20—575
Preventive Officers, Grade I/Examiners	210—10—290—15—320—EB—15—425—EB—15—485
Preventive Officers, Grade II	150—5—160—8—240—EB—8—280—10—300
<i>Central Excise Department</i>	
Deputy Superintendents	350—20—450—25—575
Inspectors (Selection Grade)	320—15—485
Inspectors (Ordinary Grade)	210—10—290—15—320—EB—15—380
Supervisors	110—4—150—EB—4—170—5—180
Women Searchers	130—4—170—EB—5—200—EB—5—225

CHAPTER XXVI

AUDIT AND ACCOUNTS DEPARTMENTS

1. There are three main Accounts Departments under the Central Government:—

- (i) the Indian Audit & Accounts Department;
- (ii) the Indian Defence Accounts Department; and
- (iii) the Indian Railway Accounts Department.

The Indian Audit & Accounts Department (hereafter referred to as the Audit Department) is under the Comptroller & Auditor General, who is required to report on the accounts of the Union Government to the President and of a State Government to the Governor. He discharges this responsibility through the agency of the Audit Department. The Department is also responsible for keeping the accounts of the States and of the Union Government, except those relating to Defence Estimates and the Railways. The Defence Accounts Department, under the administrative control of the Ministry of Finance, is responsible for all matters relating to internal audit and accounting in respect of expenditure on the Defence services. The Railway Accounts Department perform identical functions in respect of railway earnings and expenditure. All the three Departments have regular services in Classes I, II and III which are organized on, more or less, the same pattern. While the responsibility for keeping the accounts of the Posts & Telegraphs Department rests with the Comptroller & Auditor General, the Department has a small organization to deal with matters relating to budget, accounts, financial transactions etc. In some other Departments also there are isolated accounts posts which are mostly filled by deputation of officers from one of the Accounts Departments. The distribution of the accounts staff in the various Departments is as shown below:

TABLE—I

Classes	Audit Depart- ment.	Defence Accounts	Railway Accounts	P. & T. Accounts	Others	Total
Class I	365	125	208	4	..	702
Class II	533	386	79	52	16	1066
Class III	3969*	1185*	17687	506	658	24005
Total	4867	1696	17974	562	674	25773

2. Class I officers in the Audit, Defence Accounts and the Railway Accounts Departments belong to organised services which have been discussed in an earlier

*Excluding the clerical staff in these Departments.

chapter. There is no regular Class I service for Accounts Officers in the Posts & Telegraphs Department. There are, however, 4 posts in Class I which are held by Class II Accounts Officers, and we discuss certain proposals about them in this chapter.

3. The distribution of 1066 Class II officers in the various Departments is as follows:—

Post.	Department	Number	Scale of pay
			Rs.
Assistant Accounts/Audit Officers.	Indian Audit and Accounts .	533	500—30—800
Assistant Accounts Officers .	Indian Defence Accounts .	386	500—30—800
Assistant Accounts Officers .	Indian Railway Accounts .	79	275—25—500—30—800
Accounts Officers	Posts and Telegraphs .	52	500—30—800
Chief Accounts Officer .	Central Excise	12	500—30—800
Accounts Officers	Defence Organizations .	} 1 } 3	350—850 275—650
	Total .	1066	

4. With the exception of 3 posts under the Ministry of Defence there is no direct recruitment to Class II posts in these Departments. They are filled by promotion of Accountants, who belong to Class III. The method of recruitment to posts of Accountants is not the same in all the Departments, and it is described in the next section which deals with Class III staff. Of the 4 posts in Defence organizations, 1 on the scale of Rs. 350—850 is filled by deputation from the Indian Defence Accounts Department, and 3 are filled directly through the Union Public Service Commission. Qualifications in accountancy are essential for these posts.

5. It has been represented on behalf of Assistant Accounts Officers in the Audit Department that they should be given the same scale of pay as is allowed to an Under Secretary to the Government of India belonging to the Central Secretariat Service; and if that is not possible, they should be given the senior scale of Class I. At present, they have been broadly equated with Section Officers, Grade II, in the Central Secretariat; but their claim is that their duties are more responsible than those of the Section Officers, Grade II.

6. We have considered if the work of Assistant Accounts Officer can be equated with that of an Under Secretary. The range of an Under Secretary's work is definitely much wider than that of an Assistant Accounts Officer. An Under Secretary has to deal with different subjects at different times; he is expected to dispose of a large number of cases on his own responsibility; his work requires capacity to interpret the policies of Government and apply them to a large variety of cases; and he has to take a hand in the preparation of cases leading to formulation of policies and decisions. An Assistant Accounts Officer is generally not called upon to perform duties of comparable range and responsibility. While the Comptroller & Auditor General has endorsed generally the claim put forward by these officers, he has suggested that their scale of pay should be somewhere intermediate between those of Section Officers, Grade II, and Under Secretaries. We are satisfied that the general level of the duties, responsibilities, etc., of Assistant Accounts Officers is the same as that of senior Section Officers in the Central Secretariat. We, therefore, consider that the scale of Rs. 590—30—830—35—900 will be appropriate for them, and recommend accordingly.

7. The officers of the Defence Accounts and Posts & Telegraphs Department have asked for higher remuneration on the ground of their transfer liabilities. These officers are liable to transfer anywhere in India, whereas Assistant Accounts Officers in the Audit Department have usually no such liability. The general question of compensation for such liability has been discussed elsewhere. Here it may be sufficient to mention that we do not think that considerations like these should usually be reflected in the basic pay scales. The duties and responsibilities of these officers are broadly the same as those of Assistant Accounts Officers in the Audit Department. We accordingly recommend for Assistant Accounts Officers in the Defence Accounts, and Accounts Officers in the Posts & Telegraphs Departments the same scale of pay as we have recommended for Class II officers in the Audit Department.

8. We have referred to 4 Class I posts in the Posts & Telegraphs Department which are held by Accounts Officers. The posts are:—

	Scale of pay
	Rs.
1. Director of Accounts	1300—1600
2. Chief Accounts Officer Telegraphs Stores and Workshops.	500—800 plus special pay Rs. 300
3. Assistant Deputy Director General (Budget) .	500—800 plus special pay Rs. 250
4. Assistant Deputy Director General (Telephone Revenues).	500—800 plus special pay Rs. 250

It will be seen that only the post of Director of Accounts is on a regular Class I scale. No submission has been made to us in respect of this post, and we consider that the existing scale of Rs. 1300—1600 is appropriate for this post.

9. Certain proposals in respect of the remaining 3 posts have, however, been made by the Posts and Telegraphs Accounts Officers' Association. It has been represented that the 2 posts of Assistant Deputy Director General mentioned above should be upgraded to those of Assistant Director General which carry pay in the senior scale of Class I, and a special pay. The posts of Assistant Deputy Director General in the Posts & Telegraphs Directorate are filled on tenure basis by Class II officers, or by Class I officers in the junior scale. While holding these posts the officers draw pay in their respective scales and a special pay. It does not appear to us that any change in the system of remuneration of these posts is called for, and there can, in any case, be no justification for treating Accounts Officers differently from the others.

10. The case of the Chief Accounts Officer, Telegraph Stores & Workshops is different. It has been represented that this post was at one time in the junior administrative grade of Rs. 1300—1600, and that it should be restored to that grade. The Chief Accounts Officer has other Accounts Officers working under him. That the duties of the post are of very responsible nature has been recognized by the grant of a special pay at a disproportionately high rate. We consider that a more satisfactory arrangement would be to sanction a higher rate of pay for this post, and we accordingly recommend the scale of Rs. 900—40—1100—50/2—1250.

11. Assistant Accounts Officers in the Railways are on the standard Class II scale of Rs. 275—800. They have asked to be upgraded to Class I junior scale. We have already discussed the general question relating to this demand and we need not repeat the reasons for not accepting it. Another proposal made on behalf of

these officers is that their scale of pay should be Rs. 500—800, the same as of Assistant Accounts Officers in other Departments. We enquired from the Railway Board as to why this differentiation had been made, and we were told that as other Class II services in the Railways were in the scale of Rs. 275—800 it would have been a source of heartburning if Assistant Accounts Officers had been allowed a higher scale of pay. Another reason mentioned by the Board was that if at any time it was decided to make direct recruitment to the cadre of Assistant Accounts Officers, Rs. 500 would be too high a starting point. The evidence we have received indicates that seniority of officers at the time of promotion to the grade of Assistant Accounts Officer is such that they do not generally start at less than Rs. 500. In the circumstances, we think it would be desirable not to disturb the present position, and we, therefore, recommend for these posts the scale of Rs. 350—25—500—30—590—EB—30—830—35—900.

12. There are 12 posts of Chief Accounts Officer in the Central Excise Department. These posts are filled either by deputation of officers from the Audit Department, or by promotion from the lower ranks in the Department itself. It has been urged on behalf of these officers that their work is of a more responsible nature than that of other Accounts Officers. The claim has been made mainly on the ground that a Chief Accounts Officer is the final authority for the audit of Central Excise receipts. They have asked for parity with Assistant Collectors of Central Excise, who are now in the senior scale of Class I, as was the case before the reorganisation of the Central Excise Department. The Secretary, Department of Revenue, and the Chairman, Central Board of Revenue, whom we questioned on these points, did not support the demand by Chief Accounts Officers. They told us that the audit to which the Chief Accounts Officers had referred in support of their case was not at all of a complicated kind; in fact, it was nothing more than accounting. They did not see any justification for treating Chief Accounts Officers in the Central Excise Department differently from Accounts Officers generally. As for parity with Assistant Collectors, the official witnesses thought that the relationships established at a time when the Department was a small one could not hold good for ever; and that as a result of the increase in the volume and complexity of the Department's work, the duties and responsibilities of Assistant Collectors had increased much more than those of Chief Accounts Officers. It does not appear to us that there is a case for upgrading the posts of Chief Accounts Officers, for which we, therefore, recommend the same scale as we have proposed for Assistant Accounts Officers, generally, viz., Rs. 590—30—830—35—900.

13. We do not make any recommendation for 3 isolated posts of Accounts Officers in Defence organizations, which are on the scale of Rs. 275—650, and would suggest that the Ministry of Defence may consider if these posts could not be filled by deputation of officers from the Defence Accounts Department.

14. Before we conclude this section, we wish to draw the Government's attention to the grievance of Assistant Accounts Officers in the Audit and Defence Accounts Departments about their inadequate prospects of promotion to Class I. We have noticed that while in most of the Departments the proportion of promotion posts in Class I to the total number of posts in Class II is about 20 per cent, in the Audit and Defence Accounts Departments it is only 14 and 8 per cent respectively. We suggest that the Ministry of Finance may examine this matter, and consider if the promotion quota in the Indian Audit & Accounts and the Indian Defence Accounts Services could be increased.

II. Class III

15. There are 24,005 Class III employees in the various Accounts Departments. They are distributed in more than 40 scales of pay of which those applicable to considerable numbers are as follows:

TABLE—II

Audit Dept.	Defence Acct.	Rly. Acct.	Posts and Telegraphs.	Others	Total	Scale of pay
						Rs.
..	..	322	..	..	322	350—500
2876	1185	..	119	24	4204	200—500
1093	..	..	94	139	1326	130—355
..	..	240	..	..	240	200—350
..	..	281	..	..	281	200—300
..	..	2141	..	..	2141	160—250
..	..	..	293	..	293	60—170 plus special pay.
..	..	5060	..	271	5331	80—220
..	..	454	..	..	454	100—185
..	..	9177	..	5	9182	60—130
Total	3969	1185	17675	506	439	23774

16. The accounts staff in Class III can be divided into 4 broad groups:—

- (i) Accountants in the Audit and Defence Accounts Departments, Senior and Junior Accountants in the Railways, and Senior Accountants in the Posts & Telegraphs Department. Those in the Audit and Defence Accounts Departments have to pass, as a condition precedent to their appointment as Accountants, an examination called the Subordinate Accounts Service Examination; and the others have to pass a similar examination held by the respective Departments.
- (ii) Divisional Accountants in the Audit Department and Junior Accountants in the Posts & Telegraphs. These too have to pass an examination in accounts, which is, however, of a standard lower than that of the Subordinate Accounts Service examinations.
- (iii) Accountants and Assistant Accountants in the Posts & Telegraphs Department who have to pass a simple examination in accounts; and
- (iv) Pay Clerks, Sub-heads, Accounts Clerks etc., in the Railways.

17. The duties of those in group (i) are broadly similar in all the Departments, and relate to supervisory functions over clerical and other staff employed on accounts work. They are on the scale of Rs. 200—500. In the Railways, however, they are distributed in two grades—Senior Accountants on Rs. 350—500 and Junior Accountants on Rs. 200—350. Both have the same kind of work except that while a Senior Accountant is in charge of a whole section, a Junior Accountant is in charge of a sub-section.

18. The method of recruitment is not the same in all the Departments. In the Audit Department there is open recruitment, periodically, from amongst graduates. Preference is given to candidates who qualify for the personality test (that is, those who obtain a certain minimum percentage of marks at the written examination) at the combined competitive examination held by the Union Public Service Commission for recruitment to the all India and Class I Central services. Departmental candidates possessing the requisite qualifications can also apply for selection as Subordinate Accounts Service Apprentices. The selected candidates are trained by the Department and on the completion of training are appointed as Accountants. Their confirmation, however, depends on passing the Subordinate Accounts Service Examination which is in two parts. Clerks and Divisional Accountants working in the Department can also become Accountants on completing both parts of the Subordinate Accounts Service Examination.

19. In the Defence Accounts Department, appointments to this grade have so far been confined to Clerks working in the Department who have passed both parts of the Subordinate Accounts Service Examination conducted by the Department, and are considered fit for such promotion by the departmental promotion committee. They are first appointed as Assistant Accountants, on the scale of Rs. 100—10—250 and are promoted as Accountants only when vacancies arise in that cadre. We are informed that the Department has now decided to recruit directly some Subordinate Accounts Service Apprentices, on the lines of the arrangement which exists in the Audit Department, and that the first examination for the purpose was held in 1958.

20. In the Posts & Telegraphs Department, recruitment is confined to persons already working in the Department. The Posts & Telegraphs Accounts Service Examination is in two parts. Those who qualify in Part I are appointed as Junior Accountants on the scale of Rs. 130—355; and posts of Senior Accountants on the scale of Rs. 200—500 are filled by promotion of Junior Accountants, who have put in two years' service as such, and have passed Part II of the Examination.

21. In the Railways also, there is no recruitment from outside. There is a departmental examination in accounts, which is of the same standard as the Subordinate Accounts Service Examination in other Departments, and Railway employees who pass this examination are taken as Accountants. The initial appointment, however, is in the grade of Junior Accountant.

22. Broadly speaking, Accountants have asked to be treated as Class II officers and the scales of pay proposed by their associations are Rs. 275—800, Rs. 275—750 and 275—650. Some of the associations representing these staffs have also suggested that there should be a common cadre of Assistant Accounts Officers and Accountants. According to them the duties and responsibilities of Assistant Accounts Officers and Accountants are identical. We do not accept this claim. Assistant Accounts Officers are employed on work of a higher order; in fact, Accountants perform their duties under the supervision and guidance of Assistant Accounts Officers. We are satisfied that the two cannot be put in one grade. We have, therefore, examined the pay proposals of Accountants independently of this suggestion.

23. The existing scale is based on the recommendation of the Varadachariar Commission, which had recommended two scales—a junior scale of Rs. 200—350 and a senior scale of Rs. 350—500—but had added that if a single grade was administratively more convenient, the scale of Rs. 200—500 could be adopted. The Railways adopted two scales as they had that arrangement even earlier. But the other

Departments, continuing the old pattern, prescribed only one scale. The Comptroller & Auditor General has suggested that Accountants should be given the same scale of pay as is given to Section Officers, Grade III, in the Central Secretariat, i.e., Rs. 275/325—500. We have compared the duties and responsibilities of these two grades. The range of a Section Officer's work is wider; he has to deal with a variety of cases including those which involve formulation of policies; and often the examination is not with reference to any set rules or orders. An Accountant, on the other hand, is mainly concerned with application of well settled rules and regulations and observance of precise and detailed instructions. A Section Officer in the Secretariat supervises the work of Assistants, Upper Division Clerks and Lower Division Clerks; on the other hand, the highest category of staff over whom an Accountant exercises supervisory control is that of Upper Division Clerk. We have also looked into the history of pay scales of Accountants, and have found that, even in the past, they have generally been treated only slightly better than the Secretariat Assistants. We see the justification for giving them a somewhat better scale than Assistants; and accordingly, keeping in view our proposal for Assistants, we recommend for Accountants the scale of Rs. 270—15—435—EB—20—575. Whether this scale should be split into two, as is the case in the Railways, we leave to be decided by the Departments concerned according to their requirements. In case two scales are considered necessary, they should be Rs. 270—15—435 and Rs. 435—575.

III. Divisional Accountants

24. There are 1093 Divisional Accountants in the Audit Department on the scale of Rs. 130—10—250—15—355. In each audit circle there is a separate cadre of Divisional Accountants to provide trained Accountants for Public Works Divisions and for certain other posts in the Works Audit Division of the office of the Accountant General. A Divisional Accountant is responsible for the maintenance of accounts of a Public Works Division in accordance with the prescribed rules and regulations. In addition, he acts as a primary auditor of those accounts and also as financial assistant to the engineering officers of the division. The Central Public Works Department Code defines the relative position of the Divisional Accountant to the Divisional Officer in respect of accounts as "analogous to that of a Sub-Divisional Officer in respect of works."

25. Recruitment to this grade is made on the basis of an all-India 'Initial Recruitment Examination' open to graduates. Employees of the Department, even if they are not graduates, are eligible to take the examination. Selected candidates are appointed as Divisional Accountants on completing one year's training, and thereafter passing an examination known as the Divisional Test. During the period of training they are paid Rs. 100 per mensem. Divisional Accountants are eligible to take the Subordinate Accountants Service Examination for promotion to the grade of Accountants.

26. The old demand of Divisional Accountants for parity with Assistant Engineers has been revived before us. It has been urged that their responsibilities require them to show some independence, and to point out irregularities committed by the engineering staff. They can do this, the argument proceeds, only if they are given the same status and pay as are allowed to Assistant Engineers with whom they are associated in day-to-day administration of a works division. The associations of Divisional Accountants have further complained that the existing scale is, in any case, not commensurate with their duties and responsibilities; and in support of this they have referred to the fact that when the cadre of Divisional Accountants was transferred to the control of the State Governments in Punjab and

Assam, those Governments found it necessary to raise their scale of pay. The scales proposed by the associations are Rs. 275—800 and Rs. 275—650; only one association has suggested the lower scale of Rs. 170—450. It has also been brought to our notice that there are no regular avenues of promotion for Divisional Accountants, unless they pass the Subordinate Accounts Service Examination.

27. The Comptroller & Auditor General has suggested a scale of Rs. 200—450 for Divisional Accountants. It seems to us that having regard to their qualifications, responsibilities and prospects of promotion, the existing scale requires some improvement. We do not, however, consider that Divisional Accountants should be on the same scale as Accountants. We recommend for them the scale of Rs. 180—10—290—EB—15—380—EB—15—440. During training they should be paid Rs. 180 per mensem, and should be allowed to draw the first increment only on appointment as Divisional Accountants after passing the Divisional Test. We further recommend that in view of the fact that they have hardly any prospects of promotion, a selection grade in the scale of Rs. 325—15—475 should be created for them. About 10 per cent of posts of Divisional Accountants may be in the selection grade. It was also represented to us on behalf of Divisional Accountants that they should be eligible for promotion to posts of Superintendent of works audit section in the offices of Accountants General. *Prima facie*, the proposal does not appear to be unreasonable and we suggest that the Government may have this examined.

IV. Accountants in the Posts & Telegraphs Department

28. There are 94 posts of Junior Accountants in the Posts & Telegraphs Department on the same scale of pay as that of Divisional Accountants. The method of their recruitment has been described earlier. There are fair opportunities for Junior Accountants to secure promotion to the rank of Senior Accountants. We recommend for them the scale of Rs. 180—10—290—EB—15—380—EB—15—440 with a starting salary of Rs. 190 per mensem, as they are not required to undergo training like Divisional Accountants.

29. In the same Department, there are 293 posts of Accountants and Assistant Accountants on a scale of Rs. 60—4—120—5—170 plus a special pay of Rs. 30 or Rs. 20 per mensem. (221 get a special pay of Rs. 30 per mensem and 72 get Rs. 20 per mensem). Appointments to these posts are made from amongst clerks working in the Department who have passed a simple examination in accounts. But, they continue to have avenues of promotion in the regular clerical line. We do not recommend any change in the system of remuneration for these posts.

V. Accounts Staff in the Railways

30. Leaving 523 Senior and Junior Accountants, included in group (i) discussed above, the accounts staff in the Railways are distributed as follows:—

Accounts Offices

	Number	Pay scales.
		Rs.
Sub Heads	241	200—10—300
Stock Verifiers	40	200—10—300
Sub Heads	1546	160—10—250
Stock Verifiers	335	160—10—250
Accounts Clerks, Grade I	5060	80—5—120—8—200—10/2—220
Accounts Clerks, Grade II	8753	60—3—81—4—125—5—130
	<u>15975</u>	

Cash and Pay Offices.

	Number	Pay scales.
		Rs.
Assistant Chief Cashiers	8*	360—500
Assistant Sub Cashiers	4*	250—15—400
Divisional Pay Master/Regional Cashier	39	200—350
Pay Clerks	260	160—10—250
Pay Clerks	454	100—185
Shroffs	424	60—3—81—4—125—5—130
	1189	

31. Sub-heads perform supervisory functions over clerical and other staff in accounts offices, and the duties of Accounts Clerks Grade I and Grade II correspond to those of Upper and Lower Division Clerks in other offices. Recruitment is made to Clerks, Grade II, for which matriculation is the minimum qualification. Posts in Grade I are filled by promotion of Clerks who have passed a simple examination in accounts. Clerks, Grade I, are eligible for promotion to posts of Sub-heads and Stock Verifiers.

32. It has been represented to us that there should be only one grade of Accounts Clerks. Elsewhere, we have expressed ourselves in favour of the retention of two grades of the clerical staff. We do not see justification for making an exception in the case of the Accounts Clerks in the Railways. The evidence before us indicates that while Clerks, Grade I, deal with cases and maintain accounts registers, Clerks, Grade II, are entrusted with routine work, such as, preparation of vouchers, preparation and checking of bills, routine correspondence, etc. We recommend for Clerks, Grade I, and Grade II the scales of Rs. 130—5—160—8—200—EB—8—256—EB—8—280—10—300 and Rs. 110—3—131—4—155—EB—4—175—5—180 respectively.

33. Sub-heads are at present on two scales of pay—Rs. 200—10—300 and Rs. 160—10—250. Unless they pass the accounts examination there is no regular avenue of promotion for them. For the lowest grade of supervisory staff in other officers we have recommended only one scale of pay. In the Railways, this grade will cover the existing scales of Rs. 200—300 and 160—250. We consider that the same arrangement for which matriculation is the minimum qualification. The remaining vacancies we recommend for Sub-heads the scale of Rs. 210—10—290—15—320—EB—15—380.

34. There are 375 Stock Verifiers in the Accounts Department—335 on the scale of Rs. 160—10—250 and 40 on Rs. 200—10—300. They are responsible for verification of stores in the depots, at site of works, sheds, etc. Appointment of Stock Verifiers on the scale of Rs. 160—10—250 is made by promotion of Accounts Clerks, Grade I, according to seniority-cum-suitability. Their further promotion to the higher grade of Stock Verifiers is made by selection, and beyond that there is no further avenue of promotion unless they pass the accounts examination for appointment as Junior Accountants. We consider that Stock Verifiers and Sub-heads should continue to be remunerated at the same rate, and we, accordingly, recommend for them the scale of Rs. 210—10—290—15—320—EB—15—380.

*Not included in the table in para. 15.

35. The Cash and Pay offices are responsible for the correct account of cash received from the various stations and offices, its remittance into the bank or treasury, and disbursements to staff, contractors etc. The pay structure in Cash & Pay offices is different from that in the accounts offices. The lowest grade, which carries the scale of Lower Division Clerks (Rs. 60—130), is that of Shroffs, who are responsible for the receipt, counting and testing of cash received from stations. There is no grade corresponding to Upper Division in these offices. Above Shroffs there are Junior Pay Clerks on the scale of Rs. 100—185, and Senior Pay Clerks on the scale of Rs. 160—250. Then, there are Divisional Pay Masters or Regional Cashiers, who supervise and control the work of Pay Clerks and other staff in a Division. Their pay scale is the same as that of a Junior Accountant viz Rs. 200—15—350. The highest grade is that of Assistant Chief Cashiers on a scale of Rs. 360—500, who exercise general supervision and control over the pay office and cash staff. On two Railways there are also 4 posts of Sub-Cashiers on the scale of Rs. 250—15—400, 80 per cent of the vacancies in the grade of Shroffs are filled by direct recruitment for which matriculation is the minimum qualification. The remaining vacancies are filled by promotion from the lower grades. There is no direct recruitment above this grade, and posts of Pay Clerks, Regional Cashiers and Assistant Chief Cashiers are filled by promotion.

36. We do not consider that any modification is required in the existing pay structure of these staff, and accordingly recommend for them the following scales of pay:—

	Scale of pay
	Rs.
Assistant Chief Cashier	450—25—575
Sub Cashiers	335—15—485
Divisional Pay Masters/Regional Cashiers.	270—15—435
Pay Clerks (Senior)	210—10—290—15—320
Pay Clerks (Junior)	150—5—175—6—205—EB—7—240
Shroffs	110—3—131—4—155—EB—4—175—5—180

CHAPTER XXVII

MINISTRY OF INFORMATION & BROADCASTING

1. The Ministry of Information & Broadcasting is responsible for publicity and broadcasting activities of the Government of India and the general conduct of Government's relations with the Press. The two important categories of employees under this Ministry, which are not covered by any of the groups discussed so far, are those of the programme staff in the All India Radio and the news staff under the various organisations of the Ministry. We discuss these in this chapter.

I. The Programme Staff—All India Radio

2. The staff of the All India Radio, besides those engaged on administration, are distributed in 4 main branches: (i) programme, (ii) news services, (iii) external services and (iv) engineering. We have discussed the engineering staff in another chapter along with the engineering staffs generally. Most of the posts in the news and external services have now been encadred in the Central Information Service which we discuss in the next section of this chapter. The numbers and rates of pay of the administrative and programme staffs are as follows:

	Number	Scale of pay
<i>Class I</i>		
Director General	1	Rs. 2250
Deputy Directors General	3	} Deputy Secretary's pay for administrative officers ; Grade Pay plus Special Pay Rs. 200 for departmental officers.
Station Directors (Selection Grade)	5	
Station Directors	17	1250—50—1500 760—40—1000—50/2—1150—1200
<i>Class II</i>		
Assistant Station Directors	58	450—25—500—30—800
Programme Executives	75	} 350—25—500—30—650 Do. 280—15—340—20—400—20—500 250—15—340—20—400 Selection Grade 400—20—500
Programme Supervisors	21	
Programme Assistants	217	
Transmission Assistants	105	
<i>Class III</i>		
Transmission Executives	32	160—10—330—15—390
Programme Secretaries	130	80—5—120—8—200—10/2—220
Total	664	

3. With effect from November 1, 1958, the grades of Programme Executives, Programme Supervisors, Programme Assistants and Transmission Assistants have

been combined to form a single cadre of Programme Executives in the scale of Rs. 250—15—400—20—500—500—20—600. A new Class III cadre of Transmission Executives in the scale of Rs. 160—10—330—15—390 has also been constituted recently.

4. The Director General is the head of the broadcasting organisation. He is assisted by 3 Deputy Directors General. Station Directors and, at some places, Assistant Station Directors are in charge of broadcasting stations. On the programme side they are assisted by Programme Executives. The duties of these officers relate to planning and production of broadcasting programmes.

5. So far, all posts in Class I and II have been filled by direct recruitment through the Union Public Service Commission. But, we have been informed that hereafter direct recruitment will be confined to the grades of Assistant Station Director and Programme Executive, all posts of Programme Executive and 40 per cent of those of Assistant Station Director being filled by such recruitment. As regards the latter, the Department is further considering the desirability of reducing the proportion of direct recruitment to 25 per cent of the posts. Qualifications for posts of Programme Executive are a university degree, an intimate knowledge of the literature of at least one Indian language, culture, and art, and experience in public relations work. Candidates for posts of Assistant Station Director are required to possess, in addition, "writing ability" and capacity for organizing cultural activities. Posts of Director General and Deputy Director General are filled either by officers of the Department or by officers drawn from other superior services.

6. The proposals regarding pay made on behalf of the staff were as follows:—

Post	Scale of pay
	Rs.
Deputy Director General	1800—100—2000
Station Directors	1000—1800
Assistant Station Directors	600—1150
Programme Executives	275—800

7. We begin our examination with the new grade of Programme Executives. It has been represented to us that considering the qualifications, duties etc., of these posts the existing scale is low. Some of the official witnesses thought that there might be difficulty in attracting fully qualified candidates on the existing scale of pay. The Director General felt that the Department should recruit to this grade candidates of the same standard as the Class II services generally were getting; and that the scale of pay should therefore be the standard Class II scale. While we agree that the starting pay should be identical, it does not appear to us, judging partly from the history of the Service that the duties and responsibilities require that the maximum, which at present is Rs. 150 lower, should also be taken to the level of the maximum of the standard Class II scale. We do, however, think that an improvement is called for, and accordingly recommend for Programme Executives the scale of Rs. 350—25—500—30—590—EB—30—800. We further recommend that as promotion prospects of Programme Executives are small, there should be a selection grade for them in the scale of Rs. 620—30—830—35—900. 10 per cent of the posts may be in this grade, and promotion to it should be made strictly on merit.

8. Forty per cent of posts of Assistant Station Director are to be filled by direct recruitment of university graduates in the age group of 21—24 years, and we recommend for them the junior time scale of Class I, viz., Rs. 400—400—450—30—600—

35—670—EB—35—950. As in the case of Assistant Station Engineers, the scale will meet the requirements of both direct recruits and promotees.

9. There are 22 posts of Station Directors. Of these, 17 are on the scale of Rs. 760—40—1000—50/2—1150—1200, and 5 are in a selection grade of Rs. 1250—50—1500. Station Directors of Delhi, Bombay, Calcutta and Madras, who are generally in the selection grade, are also given a special pay of Rs. 100. It was urged on behalf of Station Directors that their existing remuneration is not commensurate with their duties and responsibilities; and the Director General suggested that either the maximum of the scale should be raised, or the number of selection grade posts should be increased. We consider that the scale of Rs. 700—40—1100—50/2—1250, which, according to our recommendations will replace the existing Class I senior scale, will be appropriate for Station Directors and recommend accordingly. The existing scale, no doubt, provides for a higher start, but we think that as in future all appointments to the grade of Station Director will be made by promotion, reduction to the minimum may not make any practical difference. There is a case for substantial improvement in the selection grade scale; Station Directors in that grade are generally in charge of the largest stations such as Bombay, Calcutta and Delhi where the administrative duties are heavy and there are other requirements calling for varied abilities. As stated earlier, even at present it has been found necessary to attach a special pay to 4 out of 5 selection grade posts. We, therefore, recommend for the selection grade of Station Directors the scale of Rs. 1300—60—1600—100—1800. But no special pay will be attached to any of the posts.

10. If an administrative or a Secretariat Service officer is appointed to a post of Deputy Director General, he is remunerated as a Deputy Secretary to the Central Government; an officer from the Department itself is allowed a special pay of Rs. 200 in addition to his grade pay. A proposal, supported by the official witnesses, has been made that the post should carry the scale of Rs. 1800—100—2000. In some other Departments, such as, Civil Aviation, Supplies & Disposals etc., the post of a Deputy Director General is on that scale. We agree that Deputy Directors General, All India Radio, should be on the same scale and recommend for them the scale of Rs. 1800—100—2000. The post of Director General should continue to carry a fixed pay of Rs. 2250.

11. It was represented on behalf of programme officers that as All India Radio was primarily a programme organization, their emoluments should be better than those of the engineering officers. One of the official witnesses suggested that while at the level of Assistant Engineer and Programme Executive the two could be allowed the same scale of pay, at higher levels some difference should be maintained in favour of the programme officers as engineering officers had to serve the needs of the programme administration. It seems to us that engineers under the All India Radio should be compared with engineers elsewhere, possessing similar qualifications, rather with the non-technical staff in the Department itself. We, therefore, thought it right to examine the two categories independently of each other. However, we do not think that our proposals, as they have emerged, will cause any administrative difficulties.

12. Transmission Executives and Programme Secretaries constitute the Class III staff on the programme side. The grade of Transmission Executive has come into existence only recently; and its duties relate to supervision and arrangements for the presentation of programmes during broadcasts. According to the proposed method of recruitment, 75 per cent of the posts will be filled by direct recruitment of graduates possessing good cultural background, and the remaining by promotion of Programme Supervisors, and Studio Executives with 3 years' service in that

grade. We recommend for Transmission Executives the scale of Rs. 210—10—290—15—320—EB—15—425—EB—15—470.

13. Programme Secretaries attend to correspondence and clerical work and assist programme officers generally. Qualifications for recruitment, which is made through the Employment Exchanges, are Intermediate and knowledge of stenography. At present, they are on the Upper Division Clerk's scale and we do not recommend any change in that position.

II. Central Information Service

14. Posts requiring journalistic qualifications in the various organizations under the Ministry of Information and Broadcasting have been encadred in the recently constituted Central Information Service. The Service is organized as follows:—

Grade	Post	Number*	Scale of pay
			Rs.
<i>Class I</i>			
Senior Administrative Grade .	Principal Information Officer/ Director News Services (A.I.R.) and equivalent posts.	5	1600—100—1800
Junior Administrative Grade .	Deputy Principal Information Officer/Senior Deputy Direc- tor of News Services (A.I.R.) and equivalent posts.	18	1300—60—1600
Grade I	Information Officer/News Edi- tor, Editors etc.	85	600—40—1000—50/2—1150
Grade II	Assistant Information Officers/ Assistant News Editors/Assis- tant Editors, etc.	**	350—30/2—410—30—770— 40—850
<i>Class II</i>			
Grade III (Gazetted)	Assistant Information Officer/ Assistant News Editor/Assist- ant Editors etc.	185	300—25—500—30—620
Grade IV (Non-gazetted)	Information Assistants/Sub Editors etc.	215	200—10—250—15—400
		508	

15. Initial appointments to the Service shall be made by a selection committee, presided over by a Member of the Union Public Service Commission, from amongst officers already serving in posts to be included in the Service. Future vacancies in the various grades will be filled as follows: 25 per cent of posts in Grade III and all posts in Grade IV on the result of a common examination conducted by the Union Public Service Commission, and the remaining vacancies in Grade III by promotion

*The authorised strength of the various grades has not yet been fixed. The numbers shown in the statement relate to posts encadred in the Service.

**At present there is no post on this scale.

of Grade IV Officers. Qualifications prescribed for these grades are, besides a university degree, 3 years' experience in journalism for Grade III, and one year's experience for Grade IV. At Class I level, 50 per cent of posts in Grade II (Rs. 350—850)—the remaining 50 per cent being filled by promotion from Grade III—will be filled on the result of the combined competitive examination held annually for the all-India and Class I Central services. The selected candidates will be given one year's training by the Department. 25 per cent of posts in Grade I (Rs. 600—1150) will be filled by direct recruitment on the result of a competitive examination conducted by the Public Service Commission, which will be open to candidates possessing a university degree and 5 years' experience in journalism. There is provision for direct recruitment to higher posts also: 12½ per cent of posts in the junior administrative grade will be filled by such recruitment. The Government may also fill, in consultation with the Public Service Commission, in any grade a number of posts, not exceeding 10 per cent of the strength of that grade, by the appointment of officers of the State Publicity Organizations, on deputation for a specified period not exceeding 5 years.

16. It has been represented on behalf of Information Officers that while emoluments and conditions of service of working journalists have, under Government sponsorship, continued to improve during the last few years, there has been no improvement in the scales of pay of journalists employed under the Government itself. The employees' witnesses laid considerable stress on the principle of outside comparison in determining the pay of the news staff. Their proposals, which, they said, were based on that principle, were as follows:—

Post	Scale of pay Rs.
Junior Administrative posts	1300—60—1600—100—1800
Grade I	800—40—1000—50/2—1150—50—1300
Grades II and III	500—30—800
Grade IV	260—15—320—20—500

17. In an earlier chapter we have explained the limitations of the principle of outside comparison in determining the rates of remuneration of Government servants. Moreover, the comparison made by Information Officers, on their own evidence, is based on the salaries paid by only two daily newspapers of Delhi. We do not consider that the data used are sufficient for a valid comparison. In the new Service, the lowest grade in Class I is that of Assistant Information Officer, Assistant News Editor etc., which is in the standard Class I junior scale. At present there are no posts on this scale, Direct recruitment to the grade is to be made on the basis of the combined competitive examination held by the Public Service Commission for the all-India and Class I Central services. We consider the scale of Rs. 400—400 450—30—600—35—670—EB—35—950 to be appropriate for this grade, and recommend accordingly. At higher levels also, the scales should conform to the general pay structure of the Class I services. We, accordingly, make the following recommendations:

	Rs.
Senior Administrative Grade	1600—100—1800
Junior Administrative Grade	1300—60—1600 1100—50—1400
Grade I	700—40—1100—50/2—1250

18. Class II posts of Assistant Information Officer, Assistant Editor etc., are at present on the scale of Rs. 350—620. In the Central Information Service, however, the prescribed scale for these posts will be Rs. 300—620. It appears from the annual reports of the Public Service Commission* that there have been some difficulties in recruitment to these posts. We recommend for these posts the scale we have proposed for Programme Executives in the All India Radio viz., Rs. 350—25—500—30—590—EB—30—800. But as 3 years' experience in journalism is an essential qualification for these posts, Assistant Information Officers etc., may be given a higher start of Rs. 375. For Information Assistants, Sub-Editors etc., we recommend the scale of Rs. 270—10—290—15—410—EB—15—485.

19. Class III news and publicity posts under the Ministry do not belong to any regularly constituted service. In all, there are 166 such posts on 5—6 scales of pay, starting, with one exception, at Rs. 160 and going upto Rs. 300 or, in some cases, Rs. 350. Each organization makes its own recruitment for which a degree and some experience in journalism are the prescribed qualifications. We recommend that all these posts should be placed on one scale—Rs. 210—10—290—15—320—EB—15—425.

*Reports for 1954-55 and 1956-57.

CHAPTER XXVIII
MINISTRY OF DEFENCE

1. The Ministry of Defence has 2,70,425 civilian employees, as at 30th June, 1957, distributed in different classes and pay scales as follows:

TABLE I

Class	No. of scales	No. of posts
Class I	33	1,307
Class II	23	1,165
Class III	81	57,866
Class IV	13	42,767
Workshop categories	43	1,56,219
Unclassified staffs . . . . .	..	11,101
		<hr style="width: 100%; border: 0.5px solid black;"/> 2,70,425 <hr style="width: 100%; border: 0.5px solid black;"/>

Class I and Class II Services and Posts

2. There are four organised Class I Services, viz., the Defence Science Service Class I, the Military Engineer Service Class I, the Indian Ordnance Factory Service Class I and the Military Lands and Cantonments Service Class I. These have been considered along with other Services with comparable recruitment qualification etc. Outside these Services there are 310 posts in the General Central Service Class I. Of these, about 73 belong to common categories dealt with in other chapters; another 60 or so are on the standard scales, and may be brought on to the corresponding new scales. Of the rest, the only large group is that of instructional staff employed in the National Defence Academy, the King George's Schools, the Sainik School, the Military College, etc., comprising 130 posts in various grades, including 112 posts of Lecturers and Registrar in the National Defence Academy, Lecturers in the Military College and Section Masters in the Sainik School, on Rs. 400—30—700. No proposal was received by us regarding these posts, except one from the Army Headquarters suggesting increase in the scales of pay of a small number of posts, namely, those of Section Masters and Masters in the Sainik School, and Principals, Masters and Assistant Masters in the King George's Schools. We have not, in the circumstances, examined the cases of these staff, and we would suggest that consistent with their responsibilities all the instructional staff may be fitted in the general pay structure we are recommending, with such modification as may be considered essential to suit the special requirements regarding qualifications and duties.

3. There are two organized Class II Services, namely, the Defence Science Service, Class II, and the Military Lands and Cantonments Service, Class II. The

former has been dealt with in the chapter relating to the scientific classes, and the proposed standard Class II scale will apply to the latter. Outside these Services, there are 973 Class II posts in the General Central Service Class II. Of these, 186 belong to common categories (clerical, accounts and medical) dealt with in other chapters; another 262 are on the standard scale of Rs. 275—800, and may be brought on the corresponding new scale. Of the remaining 525 posts, 365 are on the scale of Rs. 275—650, and 160 are on various scales ranging from Rs. 150/200—450 to Rs. 650—30—800. Of the posts on the scale of Rs. 275—650, 231 are those of Stores Officers (who are variously designated in different establishments), and 83 of those of Administrative Officers etc., (also with different designations but similar duties), and the rest are made up of various small categories, such as Farms Officers. Except in a few establishments, posts of Administrative Officers etc., are generally filled by promotions of Class III clerical supervisory staffs, such as Head Clerks. In some of the establishments, posts of Stores Officers are filled by promotion of Store Keepers etc., on the lower grades, while in others, direct recruitment is made to a percentage of vacancies, from graduates, with experience in stores provisioning and accounting in some cases.

4. We received proposals from the Army Headquarters and the Director General of the Armed Forces Medical Services suggesting that these posts, in the establishments under them, should be brought on to the standard Class II scale of Rs. 275—800, on the ground that their duties are comparable to those of Class II posts on the standard scale in other organisations. It was stated that the Ordnance Stores Officers were originally intended to play only a subsidiary role to Commissioned Officers of Class I status, and were, by and large, employed as Assistant Group Officers, but that their duties and responsibilities have increased progressively, particularly in view of the shortage of Commissioned Officers, and that they have often to work in place of Lieutenants and Captains, and to shoulder responsibilities of Class I Officers.

5. On the evidence before us, and considering particularly the nature of the duties, we see no justification for upgrading these posts to the standard Class II scale. But, we consider that some improvement in the existing scale is called for and accordingly recommend for Stores Officers and Administrative Officers the scale of Rs. 350—25—500—30—590—EB—30—800.

6. Smaller categories of posts on various other scales may be fitted in the new pay structure on the basis of qualifications, duties etc.

Class III Categories

7. Of about 58,000 Class III employees, all the major categories totalling about 54,000 belong to groups which are common to all or some Departments, and have been discussed separately. Of the remaining groups, we consider it necessary to deal specifically only with those discussed below.

Non-Technical Supervisory Staffs

8. There is a small category of supervisory staffs consisting of Leading Hands, and Supervisors (in two grades) who are employed on non-technical duties in workshops, mostly in the Electrical and Mechanical Engineers Branch and

in the establishments under the Controller General of Defence Production. The numbers and scales of pay are as follows:

Designation	E.M.E.	C.G.D.P.	D.G.O.F.	Total	Scales of pay
					Rs.
Supervisor Gr. I (non-technical)	11	13	..	24	100—8—140—10—180
Supervisor Gr. II (non-technical)	22	15	..	37	80—5—120
Leading Hand (non-technical)	51	3	5	59	60—3—81—EB—4—125—130
TOTAL	84	31	5	120	

9. Leading Hands supervise the work of labourers. Supervisors are responsible for overall supervision of labourers and Leading Hands, general cleanliness and maintenance of workshops areas, adequate water supply at the various water booths for the workers, rendering assistance in the loading and unloading of stores, etc.

10. Leading Hands are recruited by promotion of non-technical staffs in lower grades and are themselves promoted as Supervisors Grade II, who in turn are promoted as Supervisors, Grade I. There is no promotion outlet beyond this grade.

11. The All India Defence Employees' Federation has pointed out the anomaly of having a supervisory grade on Rs. 80—120 above the grade on Rs. 60—130, with a higher maximum, and has proposed the merger of the 3 cadres of Leading Hands and Supervisors, Grade I and II, into a single grade on the same scale as suggested by it for Technical Supervisors, viz, Rs. 225—475. To remove the existing anomaly, the Director of Mechanical Engineering has suggested the scales of Rs. 80—160 and Rs. 100—220 for Supervisors (non-technical) Grades II and I respectively. We see no justification for equating non-technical supervisory staffs with technical categories, and recommend for the former the following scales:

	Rs.
Supervisors Grade I (non-technical)	150—5—175—6—205—EB—7—240
Supervisors Grade II (non-technical)	130—5—175—EB—6—205
Leading Hands (non-technical)	110—3—131—4—155—EB—4—175—5—180

Supervisory staffs in Remounts, Veterinary and Farms Corps

12. The numbers and scales of pay of various grades of Class III supervisory staffs are as follows:

Designation	No. of posts	Scales of pay
		Rs.
Farms Managers	28	160—10—250—EB—10—300—15—450
Supervisors	64	100—8—140—10—200—EB—10—230
Assistant Supervisors	91	75—3—105
Sub-Assistant Supervisors	210	60—5/2—75

13. A Farms Manager is in charge of the smaller farms (the bigger farms being under officers in Class II, with a scale of pay of Rs. 275—650), and acts as the Officer Commanding of his unit. A Supervisor controls either a Cattle-yard Section, or Dairy Section, or Cultivation Section. Assistant and Sub-Assistant Supervisors either help the Supervisors, or are in charge of sections or sub-sections, depending on the size of the farms.

14. The posts of Sub-Assistant Supervisors are filled by direct recruitment of matriculates, and those of Assistant Supervisors by promotion of Sub-Assistant Supervisors who have passed the elementary course at the Farms Training School. 75 per cent of the vacancies in the Supervisors' grade are filled by promotion of Assistant Supervisors who have passed the intermediate course at the Farms Training School, and 25 per cent by direct recruitment, for which the minimum qualification is a B.Sc. (Agriculture). The posts of Managers are filled by promotion of Supervisors who have passed an advanced course at the Farms Training School. They are eligible for promotion to half the vacancies in the grade of Farms Officers on Rs. 275—650, the remaining being filled by direct recruitment, for which the minimum qualification is a B.Sc. (Agriculture). Posts of Deputy Assistant Directors on Rs. 650—800 and Assistant Directors on Rs. 800—1200 are filled by promotion.

15. The All India Defence Employees' Federation has suggested that the 3 grades of Supervisors, Assistant Supervisors and Sub-Assistant Supervisors should be merged into one, with the scale of Rs. 225—475. For Managers (Class III) the scale of Rs. 350—600 has been suggested.

16. We have also received a proposal from the Quarter-Master General's Branch suggesting higher pay scales for these staffs, starting with Rs. 80—150 for Sub-Assistant Supervisors, and going up to Rs. 275—800 or Rs. 350—850 for Farms Managers. Higher scales of pay have been sought to be justified on the basis of comparison with the pay scales of staffs in various research institutes, such as the Indian Agricultural Research Institute, Central Rice Research Institute, Cuttack, National Dairy Research Institute, Karnal and Central Mechanised Farm, Suratgarh. The duties of Farms Superintendents, Supervisors, Agricultural Assistants etc., in these institutes, who generally have scientific qualifications and functions, are different from those of supervisory staffs in the military farms; and we see no justification for establishing parity between the two. We consider that no major changes are necessary in the pay scales of the staffs in military farms. For Farms Managers, we recommend the scale of Rs. 210—10—290—15—320—EB—15—425—EB—15—530 corresponding to the existing scale of Rs. 160—450. For Supervisors, the scale of Rs. 150—5—160—8—240—EB—280—10—300 will be suitable. In the case of Assistant Supervisors and Sub-Assistant Supervisors, we consider that some increase in the maxima of the scales is justified. For the former, we recommend the scale of Rs. 125—3—131—4—155—EB—4—175—5—180, and for the latter the scale of Rs. 110—3—131—4—155.

Checkers

17. This is a category peculiar to the Ordnance Factories. There are 714 Checkers on the scale of pay of Rs. 45—2—55—3—85, employed on non-technical and semi-clerical duties of a routine nature, such as sending reminders, acknowledging letters, maintenance of tally-books, and preparation of receipt and issue vouchers. Recruitment is generally made by promotion from lower grades with pay scales of Rs. 35—50 or Rs. 40—60. No minimum educational qualification has

been prescribed. Checkers are eligible for promotion as Godown Keepers and Lower Division Clerks. It has been suggested that they should be on the clerical scale.

18. Two grades of Checkers, viz., Grade I on Rs. 55—3—85, and Grade II on Rs. 40—1—50—2—60 were originally formed in 1949. Posts carrying duties of a clerical nature have since been upgraded to those of Clerks; and for the remaining posts the two grades have been amalgamated into the existing scale of Rs. 45—85. While we see no justification for upgrading this category to the level of Clerks, we consider that an increase in the minimum of the scale will be appropriate, and accordingly recommend for them the scale of Rs. 105—3—135.

Sub-Overseers

19. 850 Sub-Overseers on the scale of Rs. 60—3—81—4—105 are employed in the Military Engineer Service to assist Superintendents (Buildings and Roads) Grade II in supervision and execution etc, of building and road works. They are in charge of groups of workmen, prepare simple estimates, and maintain small store accounts. Recruitment is made either by promotion from lower grades or through the Employment Exchanges, and in either case it is on the basis of a trade test.

20. The All India Defence Employees' Federation has suggested the same pay scale for these Sub-Overseers as for Superintendents, Grade II, who are on Rs. 100—300. We see no justification for upgrading this category and recommend for it the scale of Rs. 110—3—131—4—155.

Meter Readers

21. 212 Meter Readers on the scale of Rs. 50—2—60—3/2—75—EB—3—105 are employed in the Military Engineer Service for reading meters, maintenance of consumers' ledgers, preparation of returns of recoveries, preparation of bills for private consumers, and verification of supply company bills. Recruitment is made by adjustment of surpluses in other establishments, or through the Employment Exchanges. No qualifications have been laid down, except that the candidates must possess a working knowledge of English and must be capable of keeping simple accounts.

22. On the ground that the duties of Meter Readers are clerical, the All India Defence Employees' Federation has proposed that they should be redesignated as Clerks and given the clerical scale of pay. We received also a proposal from the Army Headquarters suggesting that on the basis of their qualifications and duties, Meter Readers should be on the lower division scale of pay, and that in future the minimum qualification for recruitment should be matriculation.

23. Whether Meter Readers should belong to the clerical cadre, or whether the recruitment qualification should be raised, are matters for the Government to decide. With the present qualifications and with the duties consisting mainly of reading of meters and filling up ledgers, the lower division scale will not, in our opinion, be justified, and the scale of Rs. 105—3—135—EB—4—155 will be suitable. We, however, suggest that the Government may have it examined whether it would be feasible to divide this staff into two groups, employing one of the groups wholly on clerical work and remunerating it on that basis.

Class IV Posts

24. In a separate chapter we have discussed the pay structure of class IV employees and the scales of pay of categories common to all or some Departments. There are some groups which are found only or mainly in the Defence establishments, e.g., Barbers, and we have found it convenient to deal with these also along with the generality of class IV staffs.

CHAPTER XXIX

GOVERNMENT OF INDIA PRESSES

1. There are 8,074 employees in Government of India Presses, distributed in different classes as follows:

Class	Number of posts
Class I	11
Class II	62
Class III (excluding workshop categories)	1,229
Class IV (excluding workshop categories)	618
Workshop staffs	6,154
Total	8,074

2. Workshop and Class IV staffs have been dealt with in separate chapters. In Class I and Class II, besides posts on the standard scales of pay, there are small groups on other scales. The strength of these is, however, too small to call for separate consideration; and we suggest that these posts may be fitted into the new pay structure on a comparison of their qualifications, duties etc., with those of other categories for whom we have recommended particular scales.

3. The Class III staffs, excluding the clerical and other categories common to all or many Departments which have been discussed separately, are divisible into two broad groups:

- (i) manual workers and their supervisors,
- (ii) 'literary' workers and their supervisors.

Those who can be regarded as artisans have been included in the workshop staffs and dealt with, in the chapter relating to such staffs. The main supervisory staffs belonging to the first group, consisting of Foremen and Assistant Foremen, as also the group of 'literary workers' comprising Copyholders, Revisers, Readers and Head Readers are discussed here. There are in addition Artists, Etchers, Editors, Technical Assistants, Offset Machine Operators, etc., who are generally on the standard scales of Rs. 300—400, Rs. 200—300, Rs. 160—330, Rs. 250—500 etc. The number in each of these categories and scales is too small to call for separate consideration; and we suggest that the pay of these may be revised in the light of the recommendations we are making in respect of the major groups in the Presses and elsewhere.

Proof Reading Staffs

4. The numbers and scales of "proof-reading" staffs are, as at June 30, 1957, as follows:—

Designation	Number	Scales of pay Rs.
Head Readers	5	250—10—300—15—360
Readers, Class I	134	120—8—200—10/2—220

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Designation	Number	Scales of pay Rs.
Readers, Class II*	134	100—5—125—6—155—EB—6—185
Readers, Class III*	129	64—3—85—4—125—5—130
Revisers*	63	64—3—85—4—125—5—130
Copyholders*	267	60—5/2—75—3—90
Total 732		

In December, 1957, the posts of Readers, class III, were upgraded to those of Readers, class II, and the scale of pay of Revisers was increased to Rs. 100—185; thus the scale of Rs. 64—130 is no longer in force.

5. The duty of a Copyholder is to read the 'copy' or manuscript aloud to the Reader who corrects proofs. The Reviser examines whether the corrections made by the Readers have been carried out by the Compositors. The Head Reader exercises general supervision over the entire work.

6. Posts of Copyholders are filled by direct recruitment of matriculates. Revisers are promoted from Copyholders. Posts of Readers, class II, are filled by promotion of Copyholders, Revisers, and Clerks on the basis of a departmental test. Posts of Readers, class I, and Head Readers are all filled by promotion from the next lower grade. Head Readers, along with Foremen etc., are eligible for promotion to a percentage of vacancies in the cadre of Overseers on Rs. 245—500, who in turn are eligible for promotion as Assistant Managers (Technical) on Rs. 275—650.

7. Besides proposals for general increase in pay scales, it has been suggested, in particular, that Copyholders should be on a scale higher than that of Lower Division Clerks. The duties of Copyholders are very simple, and though some improvement in their scale is called for, we consider that it should stop some stages short of the maximum of the lower division scale. Except for minor adjustments, no change is called for in the scale of Revisers and Readers, class II. For Readers, class I, the top sector of the upper division scale will be appropriate. In the case of Head Readers also, only minor adjustments are proposed. With these changes and adjustments, the scales recommended for these categories are as follows:

Designation	Scales of pay Rs.
Head Readers	335—15—440
Readers, class I	168—8—256—EB—8—280—10—300.
Readers, class II & Revisers	150—5—175—6—205—EB—7—240
Copyholders	110—3—131—4—147

Technical Supervisory Staffs

8. The numbers and scales of pay of various grades of Foremen and Assistant Foremen are as follows:

*Numbers included in workshop staffs.

Designation	Number	Scales of pay Rs.
Foremen, class I (General)	11	150—10—300
Foremen, class I	70	150—10—220
Foremen, class II	22	125—5—185—8—201
Foremen, class III	7	100—5—125—6—167
Assistant Foremen, class I*	89	75—3—105—5—120
Assistant Foremen, class II*	12	60—5/2—75—3—90.

As a result of changes made after June 30, 1957, all posts of Foremen, class II, and some posts of Foremen, class I, on Rs. 150—220 and of Foremen, class III, on Rs. 100—167, have been upgraded to those of Foremen on Rs. 150—300.

9. Foremen (General) supervise the work of groups of sections under Foremen on lower grades, and other Foremen, on the scale of Rs. 150—300, supervise particular sections, such as Bindery and Machine. Assistant Foremen, class I and class II assist Foremen.

10. There is no direct recruitment to any of the grades of Foremen or Assistant Foremen; all vacancies in the lowest grade of Assistant Foremen, class II, are filled by promotion from Binders, Stereo-typers, Rotary Printers and other artisan classes. Promotions to the higher grades are not in all cases confined to the grade next below. For example, the posts of Foremen, class I, on Rs. 150—220 are filled by promotion of Foremen class III, as also of Assistant Foremen, class I and class II, Type-store-keepers, Lino-Mono Operators and Senior Compositors. Similarly, posts of Foremen, class I (General) on Rs. 150—300 are filled by promotion of those on Rs. 150—220, as also of Assistant Bindery Foremen on Rs. 75—120. Foremen (General), along with Head Readers, are eligible for promotion to a percentage of vacancies in the grade of Overseers.

11. Certain proposals were made regarding the amalgamation of the existing grades into a small numbers of grades. This is a matter for the Government to decide.

12. For skilled workers on Rs. 60—90 and Rs. 75—120, we have recommended the scales of Rs. 110—3—131—4—143 and Rs. 125—3—131—4—163—EB—4—175—5—180 respectively, and we consider these scales suitable for Assistant Foremen, class II, and class I. For Foremen, class III we recommend the scale of Rs. 150—5—175—6—205—EB—7—240, which takes their maximum to a higher point than at present. For Foremen, class I, on the scales of Rs. 150—10—220 and Rs. 150—10—300, we recommend the scales of Rs. 200—10—280 and Rs. 200—10—290—EB—15—380 respectively.

*Numbers included in workshop staffs.

CHAPTER XXX

INDIA GOVERNMENT MINTS

1. There are 5,108 employees in the three India Government Mints, distributed in different classes as follows:

Class	Number of posts
Class I	8
Class II	16
Class III	648
Class IV	309
Workshop staffs	4,127
TOTAL	5,108

2. Workshop and Class IV staffs in general have been dealt with in separate chapters, and so also the bulk of the Class III, and some of the Class II staffs in the clerical, bullion, stores and accounts branches belonging to categories common to more than one Department. Of the rest, Class I and Class II posts are too few to call for separate consideration, and the Government themselves may fit them into the new pay structure. The main categories of Class III posts are those of technical and industrial staffs who are employed, respectively, in the Engraving Department, and the Works Department comprising Mechanical and Melting Branches. Even in these groups, posts in the lower grades of the hierarchy have been included in the workshop staffs, and we discuss in this chapter posts in the higher grades only.

3. In the Engraving Department, there are three grades of Engravers whose scales of pay and numbers are given below:

Designation	Number of posts	Scales of pay
		Rs.
Engraver, Grade I	18	150—7—185—EB—8—225
Engraver, Grade II	9	90—5—125
	9	90—5—120
Engraver, Grade III	17	60—5/2—75

4. Engravers, Grade III, are skilled, and Engravers, Grades II and I highly skilled workmen. They have no supervisory duties; their work is supervised by Senior Artist Engravers who are Class II officers.

5. Engravers, Grade III, are recruited on the basis of aptitude tests from candidates with 2 years' training in engraving in a recognised institution. Posts in higher grades are filled by promotion.

Engravers Grade II and Grade III are included in the workshop staffs discussed in another chapter, and the scales recommended for them are Rs. 140—5—175 and Rs. 110—3—131. Therefore, we consider here only Engravers, Grade I, for whom we recommend the scale of Rs. 205—7—240—8—280.

6. In the Mechanical Branch, there are Chargemen, Mistries, Leading Hands, Supervisors and Machine-men etc. Leading Hands on Rs. 155—6—185 and categories on lower scales have been included in the workshop staffs. We consider here Chargemen and Mistries only whose scales of pay and numbers are given below:

Designation	Number of posts	Scales of pay
		Rs.
Chargemen	26	185—8—265
Mistries	46	150—7—185—EB—8—225

Mistries are promoted from staffs in lower grades, and Chargemen are promoted from Mistries and other highly skilled tradesmen. Chargemen have no further avenues of promotion. Mistries belong to the highly skilled category and their duties are not supervisory. We recommend for Mistries the scale of Rs. 205—7—240—8—280, and for Chargemen, who have supervisory duties, we recommend the scale of Rs. 250—10—290—15—350. There are a few posts of Engineers on Rs. 250—500 and Assistant Engineers on Rs. 160—250 in the Mechanical Branch. In the Melting Branch also the supervisory staff consist of Melters on Rs. 250—500 and Assistant Melters on Rs. 160—250. Their numbers are too small to call for separate consideration. Those staffs may be fitted in the scales recommended by us for engineering categories with comparable qualifications.

CHAPTER XXXI

UNION TERRITORIES

1. Persons appointed to public services and posts in connection with the affairs of the six Union Territories are employees of the Central Government. They are paid from the Consolidated Fund of India, and are subject to the Central Civil Services (Classification, Control and Appeal) Rules. The number of the employees (including those on deputation) and their distribution are as follows:

TABLE I

Union Territories	Class I Total	Class II Total	Class III Total	Class IV Total	Non- regular	Unclassi- fied Posts	Total
Andaman & Nicobar Islands .	15	44	1580	661	292	1551	4143
Delhi	66	431	18849	2093	1452	25	22916
Himachal Pradesh	74	262	7908	2769	347	6	11366
Manipur	25	31	3391	2476	..	..	5923
Tripura	34	284	6533	3945	755	28	11579
Laccadive etc. Islands	1	9	176	163	..	..	349
GRAND TOTAL	215	1061	38437	12107	2846	1610	56276

2. Broadly speaking, the emoluments of the employees of the Delhi Administration—except of those on deputation from Punjab and Uttar Pradesh are the same as those of other comparable Central Government staffs. The staff in Andaman and Nicobar Islands have also the same emoluments, except that those deputed from the mainland are given a special pay, and so also are the locally recruited staff—though at a much lower rate—if stationed in certain unhealthy areas. The standard Central Government rates of remuneration are applicable to the staff in the Laccadive group of islands too; but for some reason or other, the scale of pay of a Lower Division Clerk starts at Rs. 55, as compared with the standard start of Rs. 60; and in this case also those deputed from the mainland are given a special pay. The staff in the Himachal Pradesh Secretariat have the standard Central Government emoluments, having been modelled initially on those obtaining in the Delhi State Secretariat. The pay and allowances of the rest of the Himachal Pradesh staff, however, follow those under the Punjab Government. Employees of the Tripura and Manipur Administrations are, according to a decision taken in 1950, allowed the same pay and allowances as those of the comparable employees of the West Bengal and Assam Governments respectively. In practice, however, there have been, on occasions, considerable delays in sanctioning increases in pay or allowances following those allowed in Assam; and an allowance of Rs. 13.50 per mensem given to low paid employees in Assam, in lieu of a rice concession, has not been given to the employees of the Manipur Administration at all.

3. About half of those employed in connection with the administration of the Union Territories are on the standard Central Government rates of pay and allowances. The emoluments of the Class I and Class II officers among the other half are also not markedly lower. As regards Class III and Class IV staffs, however, the range of variations, in respect of certain key categories, is shown in the comparative statement below:—

TABLE II

Post	Territory	Scale of pay Rs.	Total emoluments (that is, pay plus dearness allowance)	
			Minimum Rs.	Maximum Rs.
Upper Division Clerk	Delhi*	80—5—120—EB—8—200—10/2—220	135	290
	Himachal Pradesh(a)	80—5—120—EB—8—200—10/2—220	120	270
	Tripura (£)	i) 80—5—120—EB—8—200—10/2—220.	120	275
		ii) 80—4—160—5—180	120	230
		iii) 80—5—120—8—160	120	210
		iv) 80—4—120	120	165
v) 80—4—100		120	140	
Manipur	100—5—180	121	211.50	
Lower Division Clerk	Delhi	60—3—81—EB—4—125—5—130	115	190
	Himachal Pradesh	i) 60—4—80—5—120—5—175	100	220
		ii) 60—3—81—EB—4—125—5—130	100	170
	Tripura	i) 55—130	95	175
		ii) 50—4—90—5—120	80	165
		iii) 55—1—58—2—100	95	140
Manipur	55—3—100—5—130	72	152.75	
Peon	Delhi	30—1/2—35	75	80
	Himachal Pradesh	30—1/2—35	60	65
	Tripura	20—1/4—25	50	55
	Manipur	25—1—40	46	59

*The scales of pay for Delhi are also the standard Central Government rates.

(a) The scales of pay for Himachal Pradesh are those applicable to offices other than Secretariat.

(£) Employees of Tripura Administration drawing pay up to Rs. 300 per mensem are eligible for a cash allowance of Rs. 5 in lieu of subsidised food.

The difference at the level of Upper Division Clerk, it will be noticed, is not considerable. At the level of Lower Division Clerk also, the rate of pay is the same, except that the starting point is Rs. 5 lower; but different rates of dearness allowance have resulted in significant disparities in the total emoluments. The Peon's pay in Himachal Pradesh is the same as that under the Central Government, but his dearness allowance is considerably lower. In Tripura, both the scale of pay and dearness allowance are notably lower, and in Manipur while the scale of pay is on the whole better, the dearness allowance is much smaller, with the result that

the total emoluments are very considerably lower than those of Central Government Peons. It is true, however, that this gap would be reduced to a large extent if the Assam rice allowance were paid to Manipur employees.

4. The employees of the Delhi Administration have generally asked for an increase of their remuneration, and those in the Delhi Administration Secretariat have proposed that its staff should be included in the Central Secretariat Service Schemes. This would benefit ministerial staff above the Upper Division Clerk directly, and Upper and Lower Division Clerks indirectly in the shape of improved prospects. The employees of the Andaman and Nicobar Islands Administration have asked for a higher rate of dearness allowance on the ground that the islands being dependent on the mainland for all essential supplies, the cost of living is exceptionally high. They have further asked that no distinction should be made in the matter of special pay etc., as between those deputed from the mainland and those recruited locally. With the exception of one small group, no representation has been received from employees of the Himachal Pradesh Administration. Employees of Manipur and Tripura have, however, asked to be allowed the standard Central Government rates of pay and allowances; those of Tripura have also represented that there should be a substantial special compensatory allowance in Tripura because of the exceptionally high level of prices resulting from high transport costs; and the Manipur employees feel aggrieved that they should have been denied the Assam rice allowance.

5. The Varadachariar Commission had, in effect, recommended that there should be uniform scales of pay for ministerial and lower grade employees serving in the Centrally Administered Areas, and that the scale should be the same as those applicable to other Central Government employees of those categories. As regards gazetted posts, the Commission had recommended the continuance of the then existing arrangement under which the posts were filled by officers borrowed on tenure deputation from the adjoining Provinces. The facts we have mentioned in the preceding paragraphs show the extent to which there has been departure from the Varadachariar Commission's recommendations as regards pay scales. The system of tenure deputations continues to a greater or a lesser extent; but the Government have recently decided to constitute a joint cadre of the Indian Administrative Service and Indian Police Service and of Deputy Collectors and Deputy Superintendents of Police for the Union Territories of Delhi and Himachal Pradesh. As far as we are aware, there is no proposal to constitute similar cadres for the other Union Territories.

6. We could not acquaint ourselves adequately with the conditions in the various Territories, or with the organization of the administration in each of the Territories and the distribution of duties and functions among different grades of staff, without a disproportionate expenditure of time and energy. We shall, therefore, deal mainly with the principle on which the remuneration of the staff employed on the administration of the Union Territories should be fixed. We have had the benefit of a discussion with officers of the Ministry of Home Affairs, and have also ascertained from that Ministry the considerations on which the staffs in Manipur, Tripura, and Himachal Pradesh (outside the Secretariat) are remunerated at rates different from those prescribed for the Central Government staffs generally. We have been informed that the conditions in those Union Territories approximate to those in the neighbouring States, and that so do the duties of the staffs to those of the State Governments. The fact that those staffs are technically Central Government employees does not alter, it has been stated, their essential character as employees of local administrations; and it has been suggested that their remuneration should be determined on the basis of their real, rather than, their

formal status. We consider these views to be well-based, and we also think that even though the employees in question are paid from the Consolidated Fund of India, the resources of the Administrations which they serve are a factor that should be taken into account in determining their remuneration. The question, however, arises whether certain social considerations which, as we have said earlier, should influence the determination of salaries and wages at the lowest level of Central Government employment, should weigh also in the case of the lowest grades of staff in the Union Territories. We think that they should weigh. But it does not follow that the rates of pay and dearness allowance we have recommended for the lowest grade of Central Government employees should, necessarily, be applied also to such employees of the Union Territories. In determining the rates of minimum pay and allowances applicable to Central Government staffs distributed all over the country, a standard has to be adopted that may be adequate for widely differing climatic, social and other conditions of living. The minimum for a local area may, on the other hand, be related to the local conditions. We expect that the minimum salaries and allowances fixed by the State Governments for their own employees would, normally, have taken into account all the relevant factors. But we do not suggest that a conclusive presumption should be made that the emoluments allowed by the neighbouring State Governments to their own employees would always be fair and just to corresponding classes of employees of the Union Territories; nor do we suggest that, irrespective of the circumstances, a review or revision of the emoluments of employees of a Union Territory should be made only if a review or revision is made in the neighbouring State. Should the Central Government find, on examination, that the emoluments as in the neighbouring State fall below rates that would be fair on a consideration of the totality of the relevant circumstances, they should fix a suitable, higher rate. Further, the grounds on which we have come to the conclusion that 1949 is a suitable base year for the new pay structure are of general validity; and we do not think any differentiation between employees of Union Territories and other Central Government staffs in this matter is necessary, or would be justified. We accordingly recommend that the emoluments of the former should be so adjusted, as between basic pay and dearness allowance, that they conform to the general pattern we have recommended.

7. The Union Territories of Delhi, Andaman & Nicobar, and the Laccadive group of Islands, deserve special treatment—though not all for the same reason. The Delhi Administration is concerned mainly with the administration of the capital city; its employees have to live under exactly the same conditions as those employed in the headquarters organization of the Central Government; and apart from physical proximity, the staff of the Delhi Administration have much more frequent dealings with the headquarters staffs than have the staffs of other Union Territories. In the circumstances, it is right that the Central rates of pay and allowances should continue to be applicable to the comparable staffs of the Delhi Administration; and the remuneration of the other staffs should be determined on a relative valuation of their duties and responsibilities. The nature of work in the Delhi Administration Secretariat is, however, not such as would justify bringing the staff in that Secretariat under the Central Secretariat Services Schemes. The conditions of service in the two groups of islands, and the fact that considerable proportions of the staffs have to be drawn from the mainland justify extension of the Central Government's rates of pay and allowances to employees in those Territories also. We do not, however, see any reason to recommend increase in the rates of the Andaman special pay.

8. We see no justification for the continuance of a dual arrangement in Himachal Pradesh, and we recommend that the Secretariat staffs as well as the others should, normally, be remunerated at rates fixed by the Punjab Government from time to time for their own employees.

9. Those employed under the Tripura and Manipur Administrations should continue to be remunerated at the West Bengal and Assam rates respectively. But we consider that, if this arrangement is to work without causing justified dissatisfaction among the employees concerned, any increases in pay and allowances sanctioned in West Bengal and Assam should be made available to them promptly, unless there are strong reasons for not doing so. When there are such reasons, they should be communicated to the employees. We also consider that a differentiation in pay or allowances made on the basis of a too meticulous comparison, such as appears to have been made in the case of Assam rice allowance, is not quite consistent with the arrangement of linking the remuneration of the staffs with those in the neighbouring States. We had a discussion with the representatives of the Tripura and Manipur Administrations, and from what they told us it appears to us that the Tripura staffs' claim for a special compensatory allowance, and the Manipur staffs' request to be given the benefit of the allowance sanctioned in Assam, deserve sympathetic consideration.

10. We would further suggest that to the extent feasible, and consistent with the requirements of efficiency, vacancies in Class III and Class IV posts under the Departments of the Central Government occurring in the Union Territories of Himachal Pradesh, Tripura, and Manipur, should be filled by appointment of staffs employed by the Administrations of those Territories. This would avoid a possible grievance arising among those staffs on account of the standard Central rates not being made applicable to them.

CHAPTER XXXII

SPECIAL PAY

1. Special pay is an addition, of the nature of pay, to the emoluments of a post or of a Government servant, which is granted in accordance with the provisions of Fundamental Rule 9(25) in consideration of (a) the specially arduous nature of the duties; or (b) a specific addition to the work or responsibilities; or (c) the unhealthiness of the locality in which the work is performed. We do not propose to discuss here the additional remuneration granted for service in an unhealthy locality; it has no relation to nature of the duties of a post, but serves essentially the purpose of a compensatory allowance.

2. There is a widespread belief that whatever the theoretical basis of the system of special pay may be, it is, in practice, largely a system of exercise of official favouritism. From this general belief flow other ideas about special pays: that they serve no public purpose; that they involve avoidable expenditure of public funds; and that they cause much heart-burning among Government servants themselves, etc. The higher the level at which a special pay is granted, the more suspect it is; and the more disliked. On the other hand, we have also received proposals from employees' organisations for increasing the existing rates of special pay, for attaching special pays to posts which carry none at present, and for higher basic scales in place of grade pay plus special pay, where such an arrangement exists.

3. We propose to consider only whether the system of special pay is sound in itself, and whether the actual practice generally conforms to the principles governing its grant. It is neither possible for us, nor necessary for this purpose, to go into details of various special pays.

4. The total numbers of posts in different classes, and the number of posts carrying special pay, as intimated by the Ministries concerned, are as follows:—

	No. of posts	No. of posts carrying special pay
Class I	10,391	888
Class II	19,270	721
Class III	5,53,163	12,217
Class IV	6,93,318	730

5. An analysis of the available data shows that generally special pays are granted to staff: (i) for holding posts in their own grade or class, but carrying additional responsibilities; (ii) on deputation from the States to the Centre, from the field offices to the headquarters, or from one Department to another; (iii) when staff continue to draw their grade pay while holding posts on higher pay scales, or posts outside their own line, but carrying higher responsibilities; and (iv) for technical and professional qualifications.

6. In the Central Secretariat, officers of and above the level of Joint Secretary do not get any special pay; nor do officers of the Central Secretariat Service while employed as Under Secretaries or Deputy Secretaries, as they are on scales specifically framed for Deputy and Under Secretary respectively, Indian Administrative Service officers get a special pay of Rs. 300 and Rs. 200 respectively while holding posts of Deputy and Under Secretary at the Centre. Officers of the Class I Central Services other than the Central Secretariat Service, also get the same special pay as Indian Administrative Service Deputy Secretaries and Under Secretaries, unless they exercise the option given to them to have the Central Secretariat Service Deputy and Under Secretary's scales applied to them. Thus, out of 770 officers of and above the rank of Under Secretary in the Central Secretariat, about 100 are in receipt of special pay. Outside the Secretariat hierarchy also, a certain number of appointments at the headquarters, usually held by field officers on deputation for limited tenures, carry special pay. We have not received detailed information regarding the number of such appointments; but such information as we have, shows that out of 229 Class I and Class II posts in the office of the Railway Board, 68 carry special pay, and the corresponding numbers in the Posts & Telegraphs Directorate are 112 and 37, respectively. Out of 97 Indian Police/Indian Police Service officers on deputation to the Government of India, 74 are in receipt of special pay. At lower levels, special pays are usually given to Clerks working as Cashiers or Stenotypists, and Daftries and Peons operating duplicating machines.

7. The central idea of a special pay is that it is the most satisfactory way of compensating such addition to work or responsibilities, or such greater arduousness of duties, as is recognisable enough to merit additional remuneration, but not so considerable, or, in some cases, of such a permanent nature as to justify placing the post in question in a higher grade. In other words, it is, broadly speaking, a flexible system of differentiated remuneration between two grades. In some cases, however, other factors also come in. For instance, in the case of officers of all-India Services appointed to posts of Deputy Secretary or Under Secretary, the grant of a special pay is connected partly with the system of special pays in the States (from where the officers are drawn for limited periods). By and large, however, the purpose of a special pay is as stated above. In a considerable proportion of cases in which a special pay is now allowed, its withdrawal might necessitate putting the post in question on a higher scale of pay—which may not be less expensive, but which may have the effect of putting premium on seniority at the cost of merit, or of causing heart-burning among the senior employees. In most States, a Secretary to the Government gets, in addition to his grade pay, a special pay of Rs. 250, but in some States there is a separate scale of pay for posts of Secretary; and on the average the latter system works out to be more and not less expensive. Similarly, the fact that an Under Secretary or a Deputy Secretary belonging to the Central Secretariat Service would not get a special pay as officers drawn from the other services would, has been taken into consideration in fixing the scales of Under Secretary and Deputy Secretary—which means that the scales have been fixed higher, and what might have been a special pay has, in effect, become part of the basic pay.

8. However, if a special pay is granted too freely, or the amount of the special pay is large in relation to the scale of pay of the class of employees concerned, the effect may be a distortion of the pay structure—not toning down of its rigidity. The fact that consultation with the Ministry of Finance is necessary before a special pay can be sanctioned is a safeguard against possible abuses of the system, and we recommend that this safeguard should continue, and not disappear in the process of decentralization of financial control over establishment matters. Neither the number of posts which carry a special pay, nor the present rates of special pay

indicate that the system of special pay has been abused. All the same, we would suggest that there should be a periodical review of special pays, and also that whenever it is found that a considerable proportion of employees of a particular grade have to be granted a special pay, it should be examined whether a new grade should not be introduced. In some cases we have ourselves recommended that a separate scale of pay should replace the existing arrangement of granting a special pay. But on the evidence before us it has not been possible to examine all cases with a view to determining whether one or the other arrangement would be more satisfactory, and whether the rate of special pay in some cases requires revision.

CHAPTER XXXIII

FIXATION OF PAY IN NEW SCALES

1. We now consider the formula to be adopted in fixing the initial pay of the existing employees in the new scales. In the memoranda placed before us, organizations of the employees have generally urged, as in the past, the acceptance of the principle of point-to-point fixation. They argued that under the formula adopted in 1947, the senior employees received a raw deal as a result of the limits placed on the permissible increase in salaries, and stated that in many cadres the anomaly of senior and junior employees drawing the same or almost the same pay also arose.

2. In rejecting the principle of point-to-point fixation, the Varadachariar Commission had apparently in mind the heavy cost that would be involved in accepting such a proposal in relation to the scales of pay and dearness allowance they were proposing. They recommended therefore a formula involving one increment for every three years of previous service in the grade, over and above the pay admissible at the stage next above the existing pay, subject to certain limits on the additional amounts of pay that could be allowed at various levels. The formula was in effect accepted by the Government.

3. The term "point-to-point" fixation implies comparison of the pay admissible at the present stage of an employee's service in the grade, and fixation of pay on the revised scale at the stage corresponding to the one reached on the present scale. We have carefully examined the implications of the formula in relation to the pay scales we are recommending, and have come to the conclusion that in the present case there should be no objection to accepting the principle, subject, however, to certain limiting conditions meant to safeguard, on the one hand, the interests of the employees and to ensure, on the other, that he does not derive as a result of the mechanical application of a formula benefits of a size which, considering the economic and other relevant factors, would, in our judgment, be excessive. We recommend, accordingly, that the initial pay of an employee who has been brought over to the revised scale of pay assigned to his post may be fixed on a point-to-point basis, subject to the following limiting conditions, *viz.*,

(a) that in no case should re-fixation of pay in the revised scale result in a reduction of emoluments; if, in any case, the level indicated by the present emoluments falls above the maximum of the revised scale, the difference may be allowed as personal pay;

(b) that in no case should the additional emoluments payable as a result of the re-fixation exceed:

- Rs. 5 in the case of revised scales ending at Rs. 100 or less; provided that the resulting benefit may be allowed to go upto Rs. 7.50 in respect of persons who have served for more than 10 years on the same scale;
- Rs. 10 in the case of revised scales ending at Rs. 200 or less, but above Rs. 100;
- Rs. 20 in the case of revised scales ending at Rs. 300 or less, but above Rs. 200;

Rs. 30 in the case of revised scales ending at Rs. 600 or less, but above Rs. 300;

Rs. 40 in the case of revised scales ending at Rs. 1,000 or less, but above Rs. 600;

Rs. 50 in the case of revised scales ending above Rs. 1,000; provided that in the case of an officer whose present emoluments are not less than Rs. 1,100 per mensem, no addition benefit will be allowed at the point of refixation unless the minimum of the revised scale is higher than the officer's present emoluments, in which case his initial pay may be fixed in accordance with the provisions of the Fundamental Rules;

(c) that in no case should the basic pay in a revised scale be fixed at a point above the level arrived at on the point-to-point basis; if, in any case, the present emoluments exceed the emoluments payable at the level arrived at on the point-to-point basis, the difference may be allowed as personal pay to be absorbed in future increments; and

(d) if the pay fixed in an officiating scale is equal to or lower than the pay fixed in the substantive scale, the former should be refixed at the stage next above the point indicated by the latter.

4. For purposes of the above formula, "emoluments" should be taken to mean pay, dearness pay and dearness allowance, and in the case of medical officers who are now drawing non-practising allowance, but are hereafter allowed consolidated scales of pay, the non-practising allowance at present drawn.

5. The formula would perhaps require to be suitably interpreted in the case of integrated or common scales of pay which have been recommended to replace two or more scales. If scales in the same line of promotion, are replaced by an integrated scale, (as for example in the case of the non-technical Class I Services) the starting point of the integrated scale, may be taken to correspond to the starting point of the lower scale, and the end point taken to correspond to the end of the higher scale; and the intermediate points adjusted accordingly. If the scales are not in the same line of promotion, but have been grouped for the purpose of evolving a common scale, (as in the case of workshop and some Class III supervisory grades scales) the starting point of a replaced scale may be taken to correspond to the point in the common scale indicated by the emoluments at the starting point of the present scale less the dearness allowance admissible at the relevant stage under the new scheme; and, if no such point exists in the revised scale, to the point next above.

6. We recommend further that employees affected by the revision of scales should, irrespective of the date of change-over, be allowed to draw their annual increment on the dates on which they would have drawn the increment, if there was no revision. Otherwise, some of them may be adversely affected by the revision.

7. In the process of rationalisation of a pay structure, made up of several hundred scales, it is unavoidable that even though there is a general improvement in the rates of remuneration, there would be a few cases in which the new rate would be unfavourable to small groups of staff. We have in fact noticed one or two such cases; but we do not consider it practicable or desirable to recommend separate scales to avoid loss in such odd cases. The remedy is to allow the existing employees to retain their present rates of remuneration, in accordance with the provisions of Fundamental Rule 23; and we recommend that this may be done.

CHAPTER XXXIV

ALLOWANCES

I. Rent Free Quarters and House Rent Allowance

1. The rent concessions dealt with here are of two kinds: (i) provision of rent free quarters, or grant of a house rent allowance in lieu thereof; and (ii) grant of a house rent allowance in certain classes of cities to compensate the employees concerned for the specially high rents that have to be paid in those cities. The former is allowed only to such staffs as are required to reside on the premises where they have to work, and is thus intended to be a facility necessary to enable an employee to discharge his duties. In some cases, it is a supplement to pay, or substitute for special pay etc., which would have been granted but for the existing of that concession. In either case, it is not related to the expensiveness of a locality. The latter, on the other hand, is a compensatory or a sort of a dearness allowance, intended to cover not the high cost of living as a whole but the prevailing high cost of residential accommodation; and it has no relationship to the nature of an employee's duties. Theoretically, this concession could be absorbed in a consolidated rate of dearness allowance which took care of high rents as well as the high cost of living generally. As will be explained later, there are, however, practical difficulties in such a consolidation.

2. In practice, the concession of a rent-free house, or a house rent allowance in lieu thereof, has continued to be allowed to considerable numbers of staffs who are not eligible for it in accordance with the accepted principle of their duties necessitating their residence on the premises where they work; and this calls for scrutiny. We have considered as to what extent the principle itself is a valid one, and have come to the conclusion that where for the efficient discharge of duties it is necessary that an employee should live on or near the premises where he works, it is desirable that he should be provided a Government residence. But we think that the residence should be rent-free only if the nature of his duties or conditions under which they have to be performed are such that a higher scale of pay or special pay etc., would be granted but for the concession of rent-free house.

3. From a study of the lists of staffs who are enjoying the concession it seems that the largest groups of beneficiaries are (i) Class IV staffs under all Departments who having had rent-free accommodation before 1st October, 1952 have been permitted, subject to certain conditions, to continue to enjoy the concession; (ii) the bulk of the Class IV staffs under the Railways in occupation of Government quarters, irrespective of the fact whether the particular individuals were enjoying the concession before 1st October, 1952 or not; and (iii) certain categories of employees of Posts & Telegraphs Department, some of them, for instance Postmasters, Sub-Postmasters and Branch Postmasters, comprising large numbers.

So far as (i) are concerned, it seems that apart from the usual reluctance to withdraw a long-enjoyed concession, even when it had ceased to be justified, the

Government were influenced by the following sentence in para. 77 of the Varadachariar Commission's Report:—

“We recommend that in cases of future recruits, Government may definitely restrict the grant of the concession to categories who fully satisfy the general conditions prescribed.”

The words “future recruits” seem to suggest that the Commission did not desire the concession to be withdrawn from those who were already enjoying it. However, since the cash remuneration was being substantially increased on the basis of the Commission's recommendations, the concession could have been withdrawn without causing hardship to the employees concerned or involving any inequity. We have no information as to the total number of employees benefited by this concession, but the number benefited in Delhi is of the order of 1,700.

The number under (ii) i.e. Class IV Railway staffs enjoying the concession, is of the order of 1.42 lakhs, excluding the Northern Railway for which information has not been supplied to us. A proportion of these would, undoubtedly, be eligible for the concession according to the principle that those whose duties require them to live on or near the premises where they work, should be provided with Government residences. But, according to a rough estimate we have made, only one out of three Class IV staffs on the Railways would be eligible for the concession, even on the basis of this principle which we have not accepted as sound. On the principle that exemption from rent, or a house rent allowance in lieu of it, should be allowed only if the nature of duties or the conditions under which they have to be performed, are such that compensation would otherwise be paid, in some form or other, the proportion qualified for the concession would be much smaller.

The number of (iii) i.e. Posts & Telegraphs staffs entitled to the concession, is of the order of 9,000, excluding Linemen who, when provided with Government quarters are exempted from rent, but are in other cases given a house rent allowance of only Rs. 2 per mensem, and that on condition that they live within a reasonable distance of their place of work. (In cities where city compensatory allowance is admissible they are eligible for that allowance rather than for the allowance of Rs. 2.) On the information available, the continuance of the concession to Posts & Telegraphs staffs appears to be justified except in the case of Class II Telegraph Traffic Service, and Telegraph Engineering & Wireless Service officers from whom the Department, we understand, has already decided to withdraw the concession.

4. We have considered the cases of the large groups of employees who now enjoy the concession of rent-free quarters; and subject to the general principle enunciated in paragraph 2 above, we recommend that

- (a) Class IV staffs outside the Railways, who are enjoying the concession on the ground that they were doing so before 1st October, 1952, should not be deprived of it;
- (b) Class IV Railway staffs who are in enjoyment of the concession on the date we submit our report, should also continue to enjoy it; but
- (c) an employee should not be admitted to the concession thereafter, and Railway employees who enter into occupation of Government residences in future should pay rent on the same basis as comparable classes of employees in other Departments of Government.

5. The present scheme of house rent allowance is based on the recommendations made in paragraph 78 of the Varadachariar Commission's Report; and the idea underlying those recommendations—to quote the Commission—was

“In framing our recommendations regarding basic scales, we felt that uniform scales of pay could be prescribed only on the assumption that

in the costlier cities, and special areas, the basic scale will be supplemented by the grant of suitable house rent or other allowances."

Apart from a basic pay, all employees below a certain level get a dearness allowance which is intended to neutralise fully, or in part, the average increase in the cost of living in the country as a whole—as measured by the All-India Consumer Price Index number. In addition, there are two other allowances—the City Compensatory Allowance and the House Rent Allowance—payable with certain exceptions, to Central Government employees stationed in certain cities considered to be specially expensive. These are, in fact, supplements to the dearness allowance. They cannot be amalgamated, however, with the dearness allowance, or even with each other, because apart from the fact that changes in rates of house rent are not quickly reflected in the Consumer Price Index number, a proportion of employees in the cities in question are provided Government residences, and thus become ineligible for the house rent allowance. So, if house rents in certain cities etc., continue to be abnormally high, a house rent allowance, as a separate form of compensation, would have to be continued.

6. In regard to gazetted officers posted in Bombay and Calcutta, rates in force from dates earlier than the Varadachariar Commission have continued. For purposes of the allowance, Calcutta and Bombay are classified as 'A' cities, those with populations exceeding 5 lakhs are classified as 'B', and those with populations exceeding 1 lakh as 'C'. There are, however, some exceptions. Two of the nine 'B' cities namely, Lucknow and Nagpur, have, according to the 1951 census figures, populations below 5 lakhs; and two of the 64 'C' cities, namely, Ambala and Asansol, have each a smaller population than a lakh. The former two were included initially on estimated populations and were allowed to continue as Class 'B' cities even though their actual populations were found to be lower at the 1951 census. The latter were included, and have continued to be included among 'C' cities because, due to various causes they had exceptional pressure on their housing accommodation. The rates of house rent allowance are as follows:—

	Class 'A' Cities		Class 'B' cities	Class 'C' cities
	Bombay	Calcutta		
<i>Gazetted</i>				
Upto Rs. 500 .	15 % of pay.	15 % of pay.	} 7½ % of pay	Nil
Rs. 500 to 999 .	—Do—	12½ % of pay		
Rs. 1000 to 1499 .	12½ % of pay	10 % of pay		
Rs. 1500 and above .	—Do—	—Do—		
<i>Non-gazetted.</i>				
Below Rs. 55 .	Rs. 10	Rs. 7		Rs. 5
Rs. 55 to 100 .	Rs. 15	Rs. 10		Rs. 7
Rs. 101 to 250 .	Rs. 20	Rs. 15		Above Rs. 125
Above Rs. 250 .	10 % of pay	7½ % of pay		} Equal to the amount by which pay falls short of Rs. 134.50

We have not been able to find the exact number of employees in receipt of the house rent allowance; but estimates made on the basis of such data as are available to us, suggest that the number may be of the order of 7.5 lakhs.

7. A number of criticisms have been levelled against the existing basis and rates of the house rent allowance. The assumption that rents are abnormally high only in cities with populations exceeding one lakh, or that among these population is the sole and sufficient index of the rate of rents, has been questioned. It has been contended that there are towns with populations below a lakh where, for geographical, social or economic reasons, such as the preponderance of industrial population, concentration of offices, unsatisfactory communications, or acute housing shortage, house rents are higher than in cities with much larger populations. Similarly, the argument proceeds, there are cities with populations below five lakhs, where rents are exceptionally high: Amritsar, Jamshedpur, and Coimbatore are among the instances cited. Following the same line of reasoning, criticism has also been levelled against the general policy of granting house rent allowance only within municipalities which qualify by the population criterion, and such suburban municipalities, notified areas and cantonments as are contiguous to the qualified municipalities. The soundness of the general rule that both place of duty and place of residence should be within the prescribed area in order to make an employee eligible for the allowance, has also been questioned.

8. It is true that even among cities within a particular population range there may be variation in rents, particularly if the range is wide, as in the case of 'C' cities. Similarly, rents in some towns with populations below a lakh may be exceptionally high, for instance in a new industrial town where housing lags far behind the growth of population. A survey of rents in certain working class localities, made by the Labour Bureau in 1955, showed that the rates of rent at Gauhati, with a population of about 44,000 and an even smaller town, Tinsukia, were considerably higher than in many cities with much larger populations, the average monthly rents in those two towns being Rs. 13.58 and Rs. 14.83 respectively, as compared for instance with Jabalpur's Rs. 3.12 or Ajmer's Rs. 5.49. But, unless there is a thorough enquiry periodically into rates of rents in all localities where a considerable number of Central Government employees are stationed, and a schedule of prevailing rates of rent is prepared along with something like an All-India index of house rents, the present broad classification has to be followed, as a matter of practical necessity. And though there are exceptions, population is not an unsound *general* criterion to apply. As a rule, house rents in cities with populations exceeding one lakh are high, and the rates of rent rise with significant increases in the size of the population, attaining the highest levels in cities whose populations exceed two millions. This is broadly borne out by the results of the third to seventh rounds of the National Sample Survey. For instance, the fourth round showed that the expenditure on rent per household, per mensem, increased with the size of the towns, as follows:—

Below 15,000	Rs. 0.84
From 15,000 to below 50,000	Rs. 2.30
50,000 and above (excluding the four big cities)	Rs. 4.69
Bombay, Calcutta, Delhi and Madras	Rs. 13.97

9. In the circumstances, we consider that the present classification on the basis of population is a sound general criterion, and should continue. The acceptance of population as the general criterion should not, however, exclude grant of house rent allowance in very exceptional cases where there is evidence of prevalence of

specially high rents. The existing classification has been made on the 1951 census figures; and as there has been a shift of population from the rural to urban areas since then, it is possible that some of the cities classified as 'C' have now populations of or exceeding five lakhs, and many more cities are now qualified for classification as 'C' cities. If reliable population figures could be had between one decennial census and another, it would be desirable to review the classification every five years or so; but as things stand, it would not be advisable to make a general review until 1961 when the next decennial census is due.

10. About the adequacy or otherwise of the present rates of house rent allowance, we have not before us sufficient material for expressing a confident opinion one way or the other. One of our witnesses whose opinion is entitled to great weight, stated that the house rent allowance paid in the larger cities was inadequate, and that employees who were able to get Government residences were far better off than those who had to be content with the house rent allowance. We made enquiries whether there are any data to show that when a house rent allowance is available as an alternative to the allotment of a Government residence, any significant number of employees prefer to have the allowance; and some information received from the Ministry of Works, Housing & Supply is summarized in the following lines. Compared to the total demand for Government accommodation in Delhi and New Delhi, about 5½ per cent of non-Class IV employees, and about 9 per cent of Class IV employees either did not wish to be considered for allotment, or voluntarily surrendered residences allotted to them. The comparative non-Class IV figure for Calcutta is 7 per cent., and that for Bombay practically nil. It would not, we think, be right to read too much in these percentages, and it may well be that a considerable proportion of those who did not wish to be considered for allotment of Government residences, or who surrendered their allotments, had their own houses, or had relations with whom they could stay, or had some other similar reason, rather than the attraction of the house rent allowance, for refusing the allotment. There is, in any case, a great deal of unsatisfied demand for Government residences in Delhi, Bombay and Calcutta, as we gather from the Administration Report of the Ministry of Works, Housing & Supply, for 1957-58. It can, reasonably, be inferred that at least in those three cities, there is a general preference for a Government residence over the house rent allowance, and it is likely that the position elsewhere is also broadly similar. But considering that, apart from the general dearness allowance, the employees in the 'A' and 'B' cities receive a city compensatory allowance, and that there is no evidence before us that house rents in cities have risen recently, we do not recommend an increase in the rates.

11. An examination of the present structure of the house rent allowance payable in 'A' and 'B' cities has, however, brought to light certain defects which we discuss below:—

(i) A non-gazetted officer drawing pay above Rs. 250 is entitled in Bombay and Calcutta to a house rent allowance equal to 10 per cent of his pay. A gazetted officer, on the other hand, is entitled to 15 per cent if in Calcutta his pay is below Rs. 500, and in Bombay below Rs. 1,000. Gazetted officers in higher pay brackets also get either 10 per cent. or 12½ per cent. Further, in some salary ranges, there is difference between Bombay and Calcutta in the rates of allowance admissible to gazetted officers, while there is no such difference in the case of non-gazetted officers. None of these differences appear to be justified.

(ii) In Bombay and Calcutta, the rate of house rent allowance in the case of those whose pay does not exceed Rs. 200 works out to at least 10 per cent. of pay; and from Rs. 251 again the rate is 10 per cent. But in the intermediate range, Rs. 201 to 250, the allowance works out to less than 10 per cent. This is obviously,

anomalous. The anomaly can be removed by making the 10 per cent rate applicable from the pay of Rs. 200 instead of from Rs. 251.

(iii) There is a similar anomaly in the 'B' cities also, where the ratio of the allowance to pay is lower in the pay range Rs. 201 to Rs. 250 than in the pay ranges below or above. In this case also, the anomaly can be removed by making the 7½ per cent rate applicable from the pay of Rs. 201, instead of from Rs. 251 upwards.

(iv) Keeping in view the points mentioned above, and the new rates of pay and slabs for dearness allowance we have proposed, we recommend the following structure of house rent allowances:—

	Class of cities		
	A	B	C
	Rs.	Rs.	Rs.
Rs. 200 and above	10% of pay	7½% of pay	Nil
Rs. 100 and above but below Rs. 200	20	15	7.50 for those drawing pay below Rs. 150
Rs. 75 and above but below Rs. 100	15	10	7.50
Below Rs. 75	10	7.50	5

Where the application of the proposed rates results in a reduction of the house rent allowance which some employees are at present receiving, we recommend that the reduction may be spread over three years or so.

12. There appears to be misconception among certain sections of employees regarding the purpose of the house rent allowance; and it has found expression in the demand that no rent should be realised if house rent allowance ceases on the allotment of Government quarters. This misconception was also brought out in the statement of some Class IV Railway employees during the Commission's visit to Howrah, that they were paying a heavy price for the rent-free quarters allotted to them, as they had lost the house rent allowance. That the house rent allowance admissible in certain cities is not intended to compensate an employee for his entire expenditure on house rent, but is meant to cover, within certain limits, only the expenditure which he has to incur on house rent over and above the prescribed per centage of his pay, is not always understood, and ought, therefore, to be explained and underlined.

13. The employees have made a grievance of the fact that while the city compensatory allowance is counted as pay for the purpose of recovery of house rent when an employee is provided with Government accommodation, it is excluded while calculating the house rent allowance due to him. It is argued that the city compensatory allowance should either count for both, or for neither; and that since the city compensatory allowance is essentially an addition to the dearness allowance, and that the dearness allowance (as distinguished from dearness pay) does not count for house rent chargeable from an employee, it is illogical that the city compensatory allowance should. It is also complained that since the house rent allowance is subject to income-tax, an employee to whom Government accommodation is not allotted is placed at a further disadvantage compared to one

to whom such accommodation is allotted. The income-tax law must, obviously, be applied to Government servants as to others; and the small difference which the liability of the house rent allowance to income-tax makes to the fraction of employees who both pay income-tax and receive house rent allowance, would not, in our view, justify a change in the rates of house rent allowance. As to the other grievances, the important point is that if the city compensatory allowance is not counted in calculating the house rent chargeable for a Government residence, the employees to whom Government residences are allotted would have an even greater advantage over the others than they have at present. The present system of calculating house rent chargeable for a Government residence on pay plus Compensatory Allowance should in the circumstances continue. There is already a sizeable element of subsidy in houses provided by Government to their employees, and even when there is no subsidy, provision of a Government residence is a valuable amenity. We do not, therefore, recommend a change. Nor do we think that the compensatory allowance should be added to pay in calculating the house rent allowance. Such an addition would have the effect of increasing the house rent allowance; and in our view there is no case for an increase.

14. It is sometimes suggested that in the matter of the various allowances, if not that of basic pay, there should be no disparity between the Centre and the States. There is, however, such diversity among the States in the matter of house rent allowance—diversity that cannot be explained by any common principle, or set of principles—that it precludes equation of the house rent allowance payable to Central Government employees with those, if any, given to the State Government employees in the particular cities. It is, however, worth noting that in many States the low-paid employees are either allowed rent-free quarters, or are charged specially low rents. Thus, Class IV employees in Uttar Pradesh, all employees in Bihar whose pay does not exceed Rs. 40 per mensem and those in Orissa whose pay is less than Rs. 30 per mensem, are allowed rent-free accommodation; in the latter two States those whose pay does not exceed Rs. 150 and Rs. 125 respectively, are required to pay rent at only 5 per cent of pay. In Madras, the house rent allowance is paid to employees in the lower pay brackets, not only in municipalities with populations of and above 50,000, but even at taluq headquarters. These are among the States where the emoluments (pay plus dearness allowance) of the lowest grades of employees are particularly low; and it may well be that the liberal concessions in the matter of housing and the low minimum remuneration are not entirely unlinked. In the circumstances, we feel that it would not be feasible to remove the disparities between the Centre and the States in this matter. However, if a State Government grants a house rent allowance to its employees in a particular town where there is a substantial number of Central Government employees, it should be looked into whether the Central Government employees should also not have the allowance.

15. In view of the acute shortage of housing accommodation in the localities notified for grant of house rent allowance, the condition of residence within those localities has been relaxed, but only temporarily, and for non-gazetted staffs. It is true that employees who live outside the prescribed limits have generally to pay a smaller rent; but, as a rule, they live outside and suffer deprivation of the amenities and facilities available in a city, only because they are unable to find satisfactory accommodation in the city on rent which they can afford to pay with the assistance of the admissible house rent allowance. They have, moreover, to waste a great deal of time, and to spend some money on travelling to their place of work and back. The purpose of a house rent allowance is, no doubt, the restricted one of compensating excessive expenditure on rents. But on a broad consideration of fairness to employees, and also from the wider social angle of avoiding

excessive concentration of population in cities, we feel that the conditions of residence within the limits of the qualifying city should be abrogated for both gazetted and non gazetted staffs.

16. There is also the opposite kind of case, i.e. of employees whose place of duty is outside the limits of a qualified city, but who are compelled, by lack of housing outside, to live within the city limits. In the case of Defence installations, there is a decision, dating to 1950, that where for reasons of security, such installations are located outside the limits of a qualified city, the employees should be allowed house rent allowance, provided they live within the city. A considerable number of Defence installations have been notified for the purpose of this concession, and where the concession is allowed to Defence employees, it is extended to other Central Government employees serving along with them. There are often good public reasons, even apart from those of security, for locating a Government office, installation etc., outside the city limits: availability and cheapness of land may be one such reason and proximity of a source of water-supply, such as a river, may be another. There appears to be no good reason why in such cases the employees, even if they have, of necessity, to live in the neighbouring cities, should be denied the house rent allowance which they would have received, had the installations etc., been located within those limits. Such installations are rarely beyond five miles of the municipal limits. While we do not recommend a rigid rule, or even suggest a normal distance limit, we think that employees whose place of duty, though outside, is in the proximity of a qualified city, and who, of necessity, reside within the city, may be given the house rent allowance admissible in that city. Whether a particular office or installation can be regarded as being in the proximity of a particular city, and also whether the employees concerned reside within the city of necessity, are matters for administrative judgment, rather than for determination by set formulae.

17. There are cases of yet another type, in which both, the place of duty and place of residence, are outside, but within a few miles of a qualified city. Instances are employees working at civil aerodromes, meteorological stations, wireless transmitting or receiving stations, and at some Posts and Telegraphs offices. There is a persistent demand from such employees that as their conditions of living are similar to those in the neighbouring cities and they have, in any case, to depend on those cities for their daily requirements, they should be eligible for all the compensatory allowances, including the house rent allowance, which they would get, if their place of duty and residence were situated within the cities. When boundary lines have to be drawn for the purposes of an allowance—and they have, necessarily, to be drawn in the case of a local allowance—there would usually be employees who would be just outside the boundary lines. If the benefits of the allowance were to be extended, to such employees, it would, in effect, mean extending the boundaries; and once this process was started it might not be easy to end it. It is, of course, desirable that for purposes of the house rent allowance, the limits of a city should be laid down with care. They should not, necessarily, follow the municipal limits; and in practice, the limits have, in many cases, been so defined as to include the neighbouring suburban areas. Moreover, it is well known that hardly any residences are available on rent in the country-side, or even in small towns; and so the real remedy for the housing difficulty of employees of the kind whose claims are being examined here is the construction of houses by the Government, not grant of a house rent allowance. Further, if they live in the neighbouring qualified cities, they might, in most cases, become eligible for the house rent allowance under the principle recommended in the preceding paragraph. In the circumstances, we are unable to recommend the grant of house

rent allowance, meant for cities where house rents are particularly high, to employees who both work and live outside such cities.

18. We have dealt with the problem of housing Central Government employees in another chapter.

II. Compensatory Allowances

19. The compensatory allowances considered here fall into three broad groups: (i) allowances to meet the high cost of living in certain specially costly cities and other local areas, including hill stations where special requirements such as additional warm clothing and fuel etc., add to the cost of living; (ii) those to compensate for the hardship of service in certain areas, e.g. areas which have a bad climate, or are remote and difficult of access; and (iii) allowances granted in areas, e.g. field service areas, where because of special conditions of living or service, an employee cannot, besides other disadvantages, have his family with him. There are cases in which more than one of these conditions for grant of a compensatory allowance are fulfilled.

20. The city compensatory allowance is at present the most important of these allowances benefiting as it does a considerable number of Central Government employees. Excluding staffs of the Northern Railway in respect of whom information is not available to us, about 6.37 lakhs employees, i.e. about 36 per cent. of the total staff of the Central Government, are in receipt of the city compensatory allowance. The break-up of the total is as follows: Class 'A' cities—2.70 lakhs; and Class 'B' cities—3.67 lakhs. The cities in which the allowance is paid, and its rates etc., are as follows:

		<i>Class 'A' cities</i> (Bombay and Calcutta)	
		Rs.	Rs.
<i>Gazetted</i>			<i>Non-gazetted</i>
Below Rs. 500	50	Below Rs. 35	5.00
		From Rs. 35 to 54	7.50
From Rs. 500 to 1,499	75	„ 55 to 60	7.50
		„ 61 to 80	10.00
From Rs. 1,500 and above	100	„ 81 to 100	12.50
		„ 101 to 140	12.50
		„ 141 to 200	15.00
		„ 201 to 300	17.50
		above Rs. 300	20.00

		<i>Class 'B' cities</i> (Ahmedabad, Bangalore, Delhi, Hyderabad, Kanpur, Lucknow, Madras, Nagpur and Poona)	
		Rs.	Rs.
<i>Gazetted</i>			
	Nil	<i>Non-gazetted</i>	
		Below Rs. 35	3
		From Rs. 35 to 54	3
		„ 55 to 60	5
		„ 61 to 80	5
		„ 81 to 100	5
		„ 101 to 140	7
		„ 141 to 200	10
		„ 201 to 300	10
		Above Rs. 300	10

21. There is much in common between the schemes of the house rent and the city compensatory allowances; and so also in the nature of the demands that have been made for their modification. Apart from the fact that unlike the house rent allowance, the city compensatory allowance is not payable in 'C' cities, one notable difference between the respective conditions attached to the two allowances is that while an employee's place of residence as well as his place of work should be within the qualifying city to entitle him to the house rent allowance, residence within such a city is not necessary for the grant of the city compensatory allowance. In the case, however, of employees at certain Defence installations situated outside the qualifying cities, and other civil employees working along with them, special orders have been issued allowing the city compensatory allowance, and making residence within those limits a condition of eligibility for it.

22. The assumption underlying the city compensatory allowance that population is an adequate index of the expensiveness of localities has been challenged; and among the demands made on behalf of the employees are that cities and towns should be classified for the purposes of this allowance on the basis of the cost of living index; that all the present 'B' cities, along with some smaller but particularly expensive cities such as Cochin, should be included in class 'A'; that many of the 'C' cities should be classified as 'B'; and that all municipal towns, even if the population is less than one lakh, should be classified as 'C' cities, and declared eligible for the city compensatory allowance. Another demand is that gazetted officers in 'B' cities should also be made eligible for this allowance.

23. The cost of living (consumer price) index numbers are not designed to, and do not, in fact, provide criteria for a classification of cities according to their relative expensiveness. The various cost of living series in the country have their bases at widely different points of time and, moreover, are not related to an identical basket of goods and services. The index numbers thus measure only the changes in the price-level over time at a given place; they do not indicate variations in the price-levels from place to place at a given time. If a classification of cities has to be made on the basis of their expensiveness, it would be necessary first to determine a standard basket of goods and services, and then to evaluate the basket with reference to the prices prevailing in each of the cities selected at a particular time or over a period of time. Further, since the city compensatory allowance is intended to compensate only that element of expensiveness of cities, which is not covered by the dearness allowance, or where a house rent allowance is payable, by that allowance, it would be necessary to work out an all-India norm with which the level of costs in different cities could be compared. If the Government consider all this feasible and worthwhile, we would not, probably, advise against it. But, for the present, no sounder criterion than that of population is available. As a rule, living in the largest cities is the most costly, and the smaller cities are, except in the matter of house rents, usually not significantly more expensive than smaller urban units. It may be that some of the 'C' cities—or even some smaller cities—are specially expensive. But it will not be right for us to pick out a few such cities on the basis of claims made by the employees, or on some fragmentary data, and recommend that they should be made eligible for the compensatory allowance; we trust, the Government themselves will look into such special cases where they exist. The present basis and general scheme of the city compensatory allowance themselves do not appear to us to call for any revision; and subject to some modification in the rates, etc., discussed hereafter, we recommend their continuance.

24. It has been asked on behalf of employees that the relaxation made in respect of certain Defence installations which are located outside the qualifying

cities may be extended to other Defence installation, and also to non-Defence establishments, which are similarly situated. The issue involved in this demand is identical with that in a similar demand in respect of house rent allowance, and the recommendations made in that case (vide paras 16 & 17 of this chapter) are applicable to the city compensatory allowance also.

25. There is a school of thought that as city compensatory allowance is granted in consideration of the local cost of living, the allowance may be regulated in accordance with the rules or practice followed by the respective State Governments in regard to their own employees. There are various difficulties in adopting such a course. All the State Governments do not follow a common principle in granting city compensatory allowances, and Bombay and Madras have different scales of pay for certain classes of their employees employed in the cities. Moreover, while a State Government must, obviously, consider the expensiveness of a city in relation to the average cost of living in the State itself, the Central Government have to judge the cost of living in different cities by an all-India standard, at least in respect of their employees who are liable to transfer to any part of the country. In the case of other employees also, it is not that the Central Government's jurisdictions are co-extensive with the State jurisdictions; some of the Railway zones, for instance, extend over parts of two or more States. The fact that the allowance is payable only in 11 cities distributed over the whole country makes linking it with the compensatory allowance arrangements in the States particularly unsuitable or, at any rate, not worthwhile. We, therefore, recommend that the allowance should not be regulated in accordance with the rules or practice followed by the respective State Governments in regard to their own employees.

26. It will be noticed from the table in paragraph 20 above that in 'A' cities a gazetted officer drawing pay below Rs. 500 is entitled to a compensatory allowance of Rs. 50, while a non-gazetted officer, whatever his pay, cannot get a compensatory allowance exceeding Rs. 20. Thus, for example, while a non-gazetted officer drawing pay of Rs. 250 will get a compensatory allowance of Rs. 17.50, a gazetted officer on the same pay will get an allowance of Rs. 50. Except on the view—obviously untenable—that a gazetted officer has necessarily to spend more in Calcutta and Bombay than a non-gazetted officer in the same pay bracket, and that Government should contribute towards that additional expenditure, the present differentiation cannot be justified. Nor, on the other hand, is there justification for the discrimination, unfavourable to the gazetted officers, made in the 'B' cities where, however low their pay might be, they are not eligible for the compensatory allowance. Both these distinctions should go.

27. Keeping this in view, as also the new scales of pay and changes in the dearness allowance slabs, that have been recommended, some readjustment of the slabs for the compensatory allowances are necessary. The following rates are accordingly recommended:—

	Class of cities		
	'A'	'B'	'C'
Below Rs. 150	10% of pay subject to a minimum of Rs. 7.50 and a maximum of Rs. 12.50.	5% of pay subject to a minimum of Rs. 5 and a maximum of Rs. 10 for all persons drawing pay below Rs. 500 per mensem.	Nil.
Rs. 150 and above but below Rs. 300	8% of pay subject to a minimum of Rs. 12.50 and a maximum of Rs. 17.50		
Rs. 300 and above	6% of pay subject to a maximum of Rs. 75.		

28. Application of the proposed rates would result in a reduction of the amount which some employees at present stationed in 'A' cities are drawing. In such cases, the Government may provide that the reduction will be spread over three years or so.

29. Hill compensatory allowances are at present admissible to Central Government employees at about 41 specified hill stations; and at all stations in the Jaintia and Khasi Hills. The Posts and Telegraphs and Railway staffs are entitled to the allowances at a considerable number of additional stations. The allowances are not admissible to gazetted staffs, but among non-gazetted staffs only those in Class II are excluded. At 23 of the stations for staffs generally, and at many of the additional stations where Posts and Telegraphs and Railway staffs receive the compensatory allowance, the non-gazetted staffs receive the house rent allowance also. In Simla, Mao, Shillong, and certain other hill stations in Assam, there is a third allowance, called 'winter allowance', given to certain categories of staffs. Elsewhere an element in the nature of a winter allowance is, presumably, included in the compensatory allowance itself.

30. The rate of compensatory allowance is generally the same as for 'B' cities; but in some cases, it is at the rate prescribed for 'A' cities; and in a few cases it is a modification of the 'A' city rate. The house rent allowance follows the rate for 'B' cities in some cases, and of 'C' cities in others. The rate of winter allowance ranges at Simla from Rs. 4 to Rs. 30 per mensem (for new entrants), and elsewhere from Rs. 10 to Rs. 25.

31. While the general pattern is as described above, Simla has been accorded a special treatment—may be for the reason that while it was the summer capital, there used to be a large seasonal movement of staff to that place. There are two schemes of allowances in operation at Simla: one known as the Simla Allowance Code applicable to certain categories of staff, and the other known as the *Ad hoc* All-inclusive Scheme which covers the rest. The Code provides for three separate allowances viz., compensatory, house rent, and winter. The other scheme provides for a consolidated rate of allowance from which, however, a reduction of 10 per cent. representing the element of compensation for house rent is made in the case of employees to whom Government quarters are allotted. The table below shows the results of the application of the two schemes of allowances to employees drawing certain basic salaries:

TABLE I

Pay	Simla Allowance Code : Post—1931 entrants.	<i>Ad hoc</i> Scheme : Post—1st September, 1935 entrants
Rs. (per mensem)	Rs. (per annum)	Rs. (per annum)
30	110	162
60	370	247.50
100	485	364.50
200	636	670.50

It will be noticed that while the *ad hoc* scheme is more favourable to employees in the lowest pay range, and again to those at Rs. 200, it is less favourable to employees in the intermediate pay ranges. This difference between the

benefits under the two schemes to employees in different pay ranges, presumably, explains the continuance of the two schemes side by side, even though it is obviously undesirable that it should be so. There is yet another point about the Simla allowances which deserves mention: on the whole, they are more liberal than the allowances payable at any other hill station except Shillong. There is, we understand, a greater concentration of Government offices at Simla than at any other hill station, and it is, therefore, likely that Simla is exceptionally expensive. Shillong is also known to be exceptionally expensive, because in addition to the general costliness of Assam, there are in operation there the factors peculiar to hill stations. So, it would be right to treat Simla and Shillong on a special footing. Taking into account all the relevant circumstances, we recommend for both these stations compensatory allowance as follows:

- (i) house rent allowance—at the rate for 'B' cities;
- (ii) compensatory allowance—at the rate for 'A' cities; and
- (iii) winter allowance—for five months, at half the compensatory allowance rates.

In Shillong, gazetted officers are at present entitled to house rent allowance as in 'B' cities; they are not, however, entitled either to the compensatory or the winter allowance. In Simla, gazetted officers are not entitled either to the house rent or to the compensatory allowance; but if governed by the Simla Allowance Code, such of them as draw pay not exceeding Rs. 1,000, are entitled to the winter allowance. Rents in Shillong are reported to be exceptionally high, and gazetted officers stationed there may, therefore, continue to be eligible for the house rent allowance as in 'B' cities. At other hill stations, including Simla, though rents during the summer season are high, the annual rents are not so. The benefit of the house rent allowance at Simla may, therefore, be limited to staffs whose salaries are below Rs. 500. Further, at both stations, the compensatory allowance may be restricted to staffs whose pay is below Rs. 500. We recommend that the winter allowance at Shillong be restricted to staffs whose pay is below Rs. 500, while at Simla the allowance should be allowed to staffs whose pay is below Rs. 1,000.

32. In deciding whether a particular place should be declared a hill station for the purposes of one or more allowances, the Central Government generally follow the State Governments, and this is as it should be. Some employees' organisations have, however, complained that there are hill stations which have not been declared as such by the State Governments concerned because those Governments have no employees posted at those places. Mercara, in Mysore, has been mentioned as an example. We are not in a position to go into this matter, and we suggest that the Government themselves may have such cases examined.

33. It has also been urged on behalf of some employees' organisations that the rates of allowance at hill stations should follow those fixed by the State Governments for their own employees. While those rates should be taken into consideration, it is not necessary that they should be followed; for, compensatory allowances cannot be determined without reference to the rates of pay, and to the fact whether or not part of the dearness allowance in a particular State is being treated as pay for purposes of allowances. To mention an example, the Punjab Government grant Simla allowance at the rate of 50 per cent of pay to their lowest staffs, but the allowance is computed only on the basic pay (the bottom scale is Rs. 30- $\frac{1}{2}$ -35). The all-inclusive Simla allowance for Central Government employees, on the other hand, though equal only to 30 per cent of pay, is computed on basic pay plus dearness pay.

34. Apart from the recommendations made in regard to Simla and Shillong, the existing scheme of hill station allowances does not seem to call for any basic change. It would, however, be desirable to make adjustments in rates and slabs on the pattern of those made in the compensatory and house rent allowances etc., for the cities. Further, the present distinction between gazetted and non-gazetted staffs may be replaced by distinction on the basis of pay, and the compensatory allowance limited to employees whose pay is below Rs. 500. The house rent allowance may also be similarly limited, where it is payable at 'A' or 'B' city rates. Where it is payable at 'C' city rates, it may be limited to those drawing pay below Rs. 150.

35. In determining areas and localities for the grant of the remote locality allowance or the bad climate allowance, the classification made by the State Governments concerned is, generally, followed. The rate of the allowance may, however, be different. Some employees' organisations have suggested that the Central Government should adopt the rates laid down by the State Governments. The detailed information necessary for a comparison is not available, but since the different State Governments have not fixed the rates on a common principle, and since, moreover, the adequacy or otherwise of a compensatory allowance cannot be considered without reference to the rates of basic pay, it does not appear to be necessary for the Central Government to adopt the States' rates.

The rates of both the bad climate and the remote locality allowances follow the rates of the city compensatory allowance for 'B' cities, and in a certain number of cases those for 'A' cities; and they are limited to non-gazetted staffs. The rates do not appear to be unreasonable, and we do not recommend any change, except that the adjustments in rates and slabs suggested in the case of the city compensatory allowance should be made in the case of these two allowances as well. And in this case also, there should be no differentiation as between gazetted and non-gazetted officers, but the allowances should be admissible only to those whose pay is below Rs. 500. In a few cases where the conditions are particularly unfavourable, the rates of allowance are higher than 'A' city rates. These special rates may continue.

These two allowances are granted for a limited period—usually for three to five years—after which it is considered whether the conditions for the grant of the allowance continue to exist. This is a salutary rule, for, development of communications and public health measures are rapidly changing the character of inaccessible and unhealthy areas.

36. A special compensatory allowance is granted to certain staffs in some parts of the North-Eastern Frontier Agency because of an exceptional combination of circumstances, which make the duties arduous, and the conditions of living rigorous and expensive. We do not wish to make any comment about this allowance.

37. Officers and staff employed in undeveloped, out-of-the-way places in connection with construction projects are granted a special allowance to compensate them for lack of ordinary amenities of life, and other facilities. The general rate of their allowance varies from 25 per cent. in the case of Class IV and Class III staffs, to 20 per cent. in the case of higher staffs, with a minimum of Rs. 15 and a maximum of Rs. 150. The quantum of the allowance is subject to a periodic review, and it is gradually reduced as amenities and facilities become available. About this allowance also, we have no comment to make.

38. Certain problems have been brought to our notice concerning civil employees of the Defence Department, who are liable to field service. It has been

urged that this liability is a real one, and ought to be compensated by grant of an allowance which may be at a flat rate of Rs. 30, or at 10 per cent. of pay. Civilian staffs while actually serving in field areas are allowed a variety of concessions which include free rations, and are of substantial value in the aggregate. This is sufficient, and there appears to be no good reason why an allowance in the nature of a permanent addition to pay should be given for field service liability as such, as distinguished from actual field service.

Another point raised is that those subject to field service liability are, unlike other civilian employees, exposed to the risk of premature invalidment out of service, or to loss of seniority for purposes of promotion. Further, if an employee who is subject to the Civilians in Defence Services (Field Service Liability) Rules, 1957, is found temporarily unfit for field service on two successive occasions, or is found permanently unfit for such service, he has to forfeit seniority by five years for purposes of promotion. This provision, however, does not apply to an employee who has completed 20 years of continuous service, or has attained the age of 45 years. The Government may also relax the operation of this rule in other suitable cases during peace-time conditions. Staffs of the Indian Defence Accounts Department, who are governed by separate rules, are liable to be invalided out of service if before completing 20 years' service, they are found unfit for field service. These provisions are necessary if the civilian staffs are to meet essential Defence requirements; and the exemptions, and permissible relaxations are adequate to meet cases of real hardship.

There is, however, one group of employees which seems to deserve special consideration. These are a certain number of clerks and storekeepers recruited before 1948, who were already subject to field service liability when the Civilians in Defence Services (Field Service Liability) Rules, 1957, came into force, and who have since continued to have the liability under these rules. They were not given the option to decide whether the new rules shall not apply to them, while such an option—initially exercisable within six months and subsequently extended upto March 1959—was given to employees who had entered service from 1948 till the issue of the new rules. This discrimination itself is not a matter about which the pre-1948 entrants can make a reasonable grievance; after all, they had no right to expect that the issue of new rules regarding field service liability would provide them an opportunity to have themselves freed from a liability which had been an essential condition of their service for years. They can, however, have some grievance about the fact that if they are found physically unfit for field service, they are liable to lose five years of seniority for purposes of promotion, while those who had entered service since 1948 are not exposed to any such risk. We recommend that this discrimination should end.

III. All-India Transfer Liabilities

39. On behalf of staffs liable to all-India transfers, proposals have been made for grant of compensation, in one form or another, for that liability. Before we proceed to examine those proposals, we may briefly review the extent and incidence of the liability.

40. Broadly speaking, Class I staffs are liable to transfer to any place in India, one notable exception being those belonging to the Central Secretariat Service. At the other end, the industrial staffs and, with minor exceptions, Class IV staffs, are not liable to such transfers at all. The position as regards Class II and Class III

staffs is not so simple or uniform, as the table below, compiled from information received from the Ministries, will show:

TABLE II.

Name of Ministry/ Department	Class II		Class III	
	Total Strength	Number liable to transfer all over India	Total Strength	Number liable to transfer all over India
Defence Accounts Department	386	386 (100%)	11,982	11,739 (98·81%)
Ministry of Transport & Communications	962	903 (93·87%)	4,079	2,950 (72·3%)
Ministry of Information & Broadcasting	1,383	1,110 (80·26%)	3,076	866 (28·15%)
Ministry of Defence (Civilian Staff)	1,167	950 (81·41%)	58,351	32,193 (55·17%)
Posts & Telegraphs	932	743 (79·72%)	1,46,631	819 (0·56%)
Ministry of Works, Housing & Supply	803	211 (26·28%)	7,110	323 (4·6%)
Offices of the Comptroller & Auditor-Gen- eral.	533	91 (17·07%)	29,180	335 (1·14%)
Ministry of Finance (Revenue)	1,508	..	33,386	89 (0·26%)
Ministry of Railways	756	..	2,24,422	..
Other Ministries	10,840*	2,226 (20·53%)	34,946	14,413 (41·24%)
TOTAL	19,270	6,620 (34·35%)	5,53,163	63,727 (11·5%)

*More than 8,000 of these are Grade III Section Officers, Assistants and Stenographers in the Central Secretariat. Excluding this group, the proportion of Class II staffs under "Other Ministries" liable to all-India transfers is very high. The Central Secretariat staffs referred to above are liable to transfer only to the few Branch Secretariats in Bombay, Calcutta, etc.

It would be noticed that a much larger proportion of Class II than of Class III staffs are liable to all-India transfers: 34·35 per cent. as compared with 11·5 per cent. Even among Class II and Class III staffs, *inter se*, there is a great deal of variation, the liability ranging from 100 per cent. in the case of Class II and about 99 per cent. in the case of Class III staffs of the Defence Accounts Department, to no liability for all-India transfers for either Class II or Class III staffs under the Ministry of Railways.

41. Precise information has not been available from the Ministries concerned; but the actual inter-zonal transfers (i.e. from one District, Division, Circle, etc. to another) are far fewer than the liability to all-India transfers might suggest. With reference, for instance, to the staff of the Civil Aviation Department, the Secretary, Ministry of Transport and Communications, stated, during the course of his oral evidence before us, that instructions had been issued that clerical and other non-operational staff should not, ordinarily, be transferred from one region to another, and that in regard to these staffs, the liability, for all practical purposes, was thus only theoretical. Similarly, Class II staffs of the Posts & Telegraphs Department, though selected on an all-India basis and borne on an all-India cadre, are, as far as possible, transferred only within a Circle, which is usually co-extensive with the jurisdiction of a State. Further, as a rule, inter-zonal transfers are fewer and less

frequent in the case of Class II than of Class III staffs. Consideration of the demands for compensation, made on the ground of all-India transfer liability must take into account the facts and figures set out in this and in the preceding paragraph.

42. A further point germane to the issue of compensation deserves mention. Even when recruitment is not made to an all-India cadre or on the result of a common test for the whole country, it is not confined to candidates born or residing in a particular jurisdiction (zone, circle etc.). Any such restriction is, in fact, prohibited by the provision of clause (2) of article 16 of the Constitution. Thus it may, and often does, happen that a person belonging to one part of the country is appointed to a Class II or Class III service or post in another, far away, part. If there is to be a scheme providing for payment of compensation not for the mere liability to transfer, but in the actual event of a transfer, every employee in the transferable categories, including those belonging to Class II all-India cadres, would have to be initially allotted to a particular jurisdiction, which may or may not be in his "home" State; and it is only for transfers outside that jurisdiction that he would become entitled to compensation.

43. The Varadachariar Commission had come to the conclusion that for the higher services liability to transfer anywhere in India was a common factor, taken into account in the pay scales which it was recommending (paragraph 19, pages 266—267, Part III of the Report). As regards the employees in the lower pay ranges, it only suggested that, as far as possible, such employees should not be transferred out of their "Provinces". It did not recommend payment of any additional remuneration when such transfers were actually made. In fact, while considering the pay scales for the staff in the Military Engineer Service, it observed that it did not feel there was any justification for a special addition in the pay for the mere liability to all-India service. Nevertheless, the Varadachariar Commission recommended grant of a special pay to staffs of certain Accounts establishments on the ground of their liability to all-India service; and the Government sanctioned an allowance varying from Rs. 3 to Rs. 4 for Class IV, and Rs. 5 to Rs. 40 per mensem for clerical and supervisory staffs of those establishments. When other employees, liable to all-India transfers, pressed for similar treatment, the Government achieved consistency by withdrawing the allowance with effect from August, 1954, from those to whom it had been sanctioned.

44. Revival of a system of additional remuneration throughout service, whether in the form of a higher pay, special pay, all-India transfer liability allowance, or disturbance allowance, irrespective of whether there is transfer or not, must be ruled out straightaway. Compensation sought for expenditure and inconvenience involved in transfers should obviously not be payable irrespective of whether a transfer takes place. Any such system would be the more indefensible because, as pointed out earlier, many of those liable to all-India transfers are not actually transferred; and some are transferred more or less frequently than others. In such a situation, a higher scale of pay conferring permanent benefits, extending even to pension and gratuity, would be particularly objectionable.

45. If compensation were to be paid only in the event of a transfer, it could take the form either of a recurring allowance so long as an employee was posted outside the zone to which he had been allotted on appointment, or of a lump sum grant. The former would, however, be open to the criticism that the inconvenience and expenditure associated with a transfer are incidental to the occasion, and are not continuing effects, which it would be reasonable to compensate by a recurring payment. And both a recurring payment, and a lump sum grant would be open to the criticism that it is not only transfer from one jurisdiction to another that

involves inconvenience and additional expenditure, but also a transfer within a jurisdiction. Some inter-jurisdictional transfers may involve a very short move within the same linguistic area, while there may be a transfer within a jurisdiction involving a long-distance move and change from one linguistic area to another. Thus, the logical arrangement would be to treat transfers from one station to another on the same footing, whether they are within a jurisdiction or between two jurisdictions, making a distinction, if any, only on the basis of the distances, and on whether the transfer involves moving from one linguistic area to another. It is argued that a transfer to a distant place involves certain intangible expenses, and greater inconvenience. Assuming that this is so, the answer is that the quantum of allowance for incidental expenditure in connection with a transfer increases according to the distance which the transfer involves, and there is therefore no case for a further compensation for long-distance transfers.

46. It is, perhaps, true that those who are subject to all-India service have to serve away from their home States, and outside their own linguistic areas more frequently than employees who are not liable to such service. But the Leave Travel Concession covers the former adequately; and the recommendation we are making, elsewhere, for grant of certain special educational facilities and concessions for children of employees who serve outside their linguistic areas would provide for the latter. Housing is another matter in which employees who are transferred from one station to another, and more particularly those who are transferred from one jurisdiction to another, suffer great inconvenience. We are recommending in another chapter that in framing housing programmes priority should be given to the needs of classes of employees who are transferable from one station to another, and that in allotment of houses, preference should be shown to those transferred. Among the transferable and transferred employees, some degree of preference for those subject to all-India service, and transferred from one jurisdiction to another, would be justified, and is recommended. Any further concession or compensation for such staffs does not appear to be called for.

IV. Travelling Allowance

47. For expenses which he incurs on travelling in the interest of public service, a Government servant is compensated by a permanent travelling allowance, fixed conveyance allowance, mileage allowance, daily allowance, or the actual cost of travelling. Because of certain additional items of expenditure involved, the rates of allowance for journey on transfer differ from those prescribed for other journeys, but the principle of compensation is the same.

48. The rates of travelling, daily allowances, etc., are related to pay and for this purpose, with some minor exceptions, the employees have been divided into four grades, as follows:—

First—pay exceeding Rs. 750;

Second—pay exceeding Rs. 200 but not exceeding Rs. 750;

Third—all Government servants in Class III other than those in the first and second grades; and

Fourth—all others.

The travelling allowance provisions applicable to Railway staffs are, however, different from the standard provisions in some important respects; and there are also certain other deviations from the standard arrangement, for instance, in the case of some categories of civilians in Defence Services and of Posts & Telegraphs staffs.

49. Formerly, Class IV staffs, then known as "inferior servants", were not paid additional fares for journeys on tour or transfer, which were paid to other staffs. The discrimination as regards additional fares ceased some years ago, and the daily allowance has been raised to Re. 1, which too, in our view, is inadequate.

50. The basic principles on which the rates of travelling allowances are determined are that they should not be a source of profit to the Government servant, but that they should be sufficient to protect him against loss, and for the discharge, conveniently, of his official duties. These are obviously sound principles, and whatever changes have been asked for on behalf of employees in the travelling allowance rates, etc., have, in effect, been sought to be justified on the ground that the present arrangements do not conform to the latter principle.

51. No questions have been raised regarding permanent travelling allowance, but complaints have been made on behalf of several groups of employees that the rates of conveyance allowance applicable to them are too low. While we do not wish to go into details, there are certain features of the present system of conveyance allowances on which we wish to make some comments. To begin with, there are significant differences, *inter se*, between the rates and conditions of conveyance allowances applicable to Railway staffs, civilians in Defence Services, and other staffs; and it does not appear that most of the differences are justified. Secondly, with some exceptions, the grant of a conveyance allowance is subject to the condition that the average monthly mileage on official duty within a radius of five miles of a Government servant's headquarters (excluding journeys from residence to office and back) is not below a specified figure; and the figure usually is two or three hundred miles. These figures were, presumably, fixed some decades ago when transport was inexpensive, and a Government servant could be expected to perform a considerable number of short journeys on duty at his own cost. The position has changed now, and is recognised by the provision of staff vehicles, free of charge, for use by Government servants for short journeys on duty. In the circumstances, while agreeing that a conveyance allowance may continue to be granted only to those who have, frequently, to perform short journeys on duty, for which they cannot draw mileage allowance under the normal rules, and an upper limit may be fixed to prevent wasteful expenditure, we recommend that the average monthly figure for eligibility should be reduced to a hundred miles. Further, where the rates of conveyance allowance are related to mileage slabs, the slabs should be smaller, i.e. of about a hundred miles or so, as they already are in the case of Railway staffs. Lastly, the rates of conveyance allowance should be reviewed in order that unjustified difference in the rates applicable to different classes of employees may be removed, and the rates revised so as to bring them in line with present-day transport costs. That, generally speaking, the rates do not take present conditions into account is evident from the fact that a cut (12½ to 20 per cent.) made as a part of the economy drive in 1931 continues to be expressly applied even to allowances sanctioned now.

52. The main representations made regarding mileage allowance, and railway accommodation for journeys on tour are that Grade IV staffs should have the same mileage allowance as Grade III staffs; that certain classes of officers, for instance, Engineering Supervisors and Inspectors of Post Offices, should be entitled, irrespective of their pay, to travel in the first class; and that all officers drawing a pay of or above Rs. 1,000 should be entitled to air-conditioned accommodation in trains. There appears to be no ground in support of these proposals, which we do not, therefore, accept. It is, however, possible that on adoption of new scales of pay the Government themselves would wish to make some re-adjustment of the present travelling allowance grades, and in any case, the consequence of the absorption of the whole or part of the dearness allowance in pay, or of improvement of pay scales,

or otherwise, some sections of employees would become entitled to a higher class of railway accommodation than they are at present.

53. The rate of daily allowance, which is intended to cover the ordinary daily expenses incurred by a Government servant in consequence of absence from his headquarters is related to pay, and ranges from Rs. 12·50 to Re. 1 per diem, except that for a few specially expensive places, including Bombay and Calcutta, the maximum is Rs. 15 and the minimum Re. 1·62. The rates of, and certain other provisions relating to, daily allowance applicable to Railway employees are slightly different, but the difference is not such as to call for separate comments. Outside the Railways too, there are certain categories of staffs to whom the general daily allowance rules are not applicable, and they have made representations against this differentiation. Complaints have also been made about inadequacy of the daily allowance generally.

The rates of daily allowance for Grade I and Grade II staffs were last reviewed in 1944, and those for Grade III and Grade IV at the beginning of 1954. There has been considerable increase since 1944, and some increase also since 1954, in the cost of all the items which the daily allowance is expected to cover, viz. food, accommodation, and transport (for journeys at the destination etc., for which mileage is not chargeable). A review of the rates is, therefore, called for. In making this review, however, the allowance for incidental expenses added to railway/air fare etc., should be taken into account, so that touring may not be a source of profit to a Government servant. The present scheme of daily allowance and allowance for incidental expenses probably works out to the pecuniary advantage of a Government servant who follows a long journey with a short stay away from his headquarters; and it works unfavourably when either the stay is long or the journey short. If the same Government servant undertakes these different kinds of tours on different occasions, the net result may not be unsatisfactory either from his or the Government's point of view; but the Government servant who follows a long journey with a short stay is not always the one who undertakes short journeys followed by long halts. It is, therefore, necessary that both the daily allowance rates and the rates of allowance for incidental expenses should be reviewed and revised together—one generally upwards, and the other downwards. We recommend, however, that in the case of Grade III and Grade IV staffs there should be no reduction in the allowance for incidentals while revising the existing rates of daily allowance and mileage allowance (in connection with tours).

Certain categories of Posts and Telegraphs employees—for instance, Assistant Superintendents and Inspectors of Post Offices, and R.M.S., Wireless Inspectors, Sorters, Mail Guards, Linemen and Village Postmen—have asked for modification of orders concerning travelling allowance, daily allowance, and "outstation" allowance etc., applicable to them. Most of the demands raise questions of detail which it would not be appropriate for us to consider. We, however, suggest that while staff going out regularly on their fixed beats, such, for instance, as travelling R.M.S. staff, may not be considered as on tour, which is of an occasional character, and may not, therefore, be governed by the ordinary travelling or daily allowance rules, those rules should be applied where the journeys and duties have no such distinguishing feature. Even staff who normally move about in fixed beats should, when they perform other official journeys, be governed by the general rules.

At present, Linemen and Village Postmen do not get daily allowance when they have to spend the night away from their headquarters on duty. The view was taken in the past that their pay had cushion for incidental expenses of this sort—a view that does not appear to be at all tenable in regard to a pay scale of Rs. 35—1—50,

or even the somewhat improved scale now being recommended. We, accordingly, recommend that Postmen and Linemen should be entitled to an allowance when they have to spend the night away on duty.

54. Certain changes in the provisions relating to travelling allowance on transfer appear to be necessary. One of the demands made on behalf of some sections of employees is that for purposes of travelling allowance on transfer, "family" should include parents and brothers and sisters entirely dependent on the Government servant. Any such widening of the definition of "family" would involve additional cost to the public exchequer, which cannot be justified in the interests of the public service. Another proposal is that the limit on transport of personal effects at Government cost for a Grade I officer, which is sixty maunds, should be raised to a hundred maunds. It is true that some State Governments allow transport of 120 maunds, and in one case even 150 maunds. These high limits were probably fixed during the war when to avoid excessive delay in the transport, hiring of a whole wagon was usually found necessary. In any case, the present limit is not too low, unless a Government servant has an unusually large accumulation of moveable possessions, and no increase is, therefore, recommended. But if 60 maunds are sufficient for a Grade I officer in other Departments, the present limits prescribed for Railway staffs are, obviously, excessive. Class I and Class II Railway employees are entitled to two wagons, and Class III employees to one wagon, free of charge, and the capacity of the smallest wagon is 120 maunds. Class IV employees can also transport their personal effects in a full wagon at the discretion of the controlling officer. In addition, Class I, II and III staffs can have an additional wagon for the transport of motor car, horse or cattle, and Class IV staff may transport free of charge two heads of cattle. Such liberality may have been justified in days when the Railways were not public undertakings, or when there was a great deal of unutilised wagon capacity; but, in present conditions, there can be no justification for allowing Railway staffs to transport free of cost more personal effects than is permitted in the case of other staffs of corresponding grades. But while taking away this special privilege from Railway staffs, they should be allowed incidental charges at the same rates as are admissible to other employees. At present, they are allowed only daily allowance and that too only if the journey exceeds eight hours.

Several organisations of employees have complained that apart from inconvenience of various kinds, and dislocation of the education of children, transfer from one station to another involves an employee in expenditure which is not fully reimbursed. Leaving aside Railway staffs who are governed by special rules, the allowances for incidental expenses are at the rate of 48, 32 and 16 pies per mile for Grade I, Grade II and Grade III employees, respectively; and Grade IV employees are allowed two third class passenger fares. The allowance thus increases with the distance to be covered on transfer; and when the distance is very short, the amount of the allowance is also small. There are two kinds of expenses involved in a transfer; one on the transport of personal servants, and on food etc., in the course of the journey; and the second, on setting up a household afresh, and on getting children admitted to new schools, and the like. The expenditure on the former items certainly increases with the distance of the station to which the transfer is made; but that on the latter is the same, whether the transfer is to a place a score of miles, or many hundred miles, away. The present system of allowance for incidentals does not take this into account, and this operates particularly harshly in the case of Class III, and some sections of Class II staffs, who are usually not transferred to very distant places. We recommend that the present rates of allowance for incidentals should be halved, but that in lieu of the other half an employee should be allowed half a month's pay, subject to limit of Rs. 150. The proposed scheme would be more favourable than the present scheme,

except when in the case of Grade I officers the transfer is to a place exceeding 1,200 miles; and it is only Grade I, and a relatively small number of Grade II, officers who have such long distance transfers.

55. It has been proposed that travelling allowance may be granted to employees on retirement or invalidment from service. We recommend that a retiring Government servant, and one invalided from service, may be allowed a single fare for himself and one for each member of his family, together with the cost of transport of personal effects, as on transfer, upto his home town, provided that in the case of those entitled to it, leave travel concession had not been availed of during one year preceding retirement, or commencement of leave preparatory to retirement. There may be no such condition in case of invalidment.

56. Work-charged staffs in certain establishments are not entitled to travelling allowance at the usual rates. There is no valid reason why a journey performed on duty by an employee of a work-charged establishment should be treated differently from a journey performed by any other employee; and we recommend abolition of this discrimination.

V. Transport between place of work and residence

57. The general policy of the Government so far has been not to accept responsibility to provide transport facilities to its employees for travel between place of work and residence, or to grant an allowance for such travel; such travel, and any costs it may involve, have been regarded as the responsibility of the employees themselves. There have, however, been a few exceptions, the more important of which are in the Railways and among Defence civilians. The Railways have continued the system of issuing free residential card passes to their employees on sections on which the concession was allowed before 1953; and elsewhere also they allow season tickets at one-third of the standard season ticket rates. Among Defence civilians the bulk of the beneficiaries are about 12,000 persons employed at Panagarh, Dehu Road and Avadi, with emoluments not exceeding Rs. 200 per mensem. They are given subsidies equal to the difference between the actual cost of a railway season ticket by the lowest class, and Rs. 6 per mensem in the case of those with emoluments not exceeding Rs. 100, and Rs. 10 in the case of others. The amount of subsidy is, moreover, subject to limits of Rs. 10 and Rs. 6 respectively. Apart from Railway and Defence employees, transport concession in one form or another is allowed to postal staffs employed in airport sorting offices, staffs at wireless receiving and transmitting stations and to a small number of other staffs. Outside the Railways, the total number benefited is estimated to be of the order of 20,000.

58. The Government also gives advances to its employees for the purchase of vehicles—motor car, motor cycle, or bicycle. The only grievances expressed against the present system of advances are, that they are not interest-free, and that applications are often rejected due to lack of funds in the current year's budget. The first grievance is obviously unreasonable; but as regards the second, we suggest that since the loans are secured and carry reasonable interest, they may be granted liberally.

59. The main demand for the extension of the transport concession has come from the civil employees at Defence installations situated at some distance from urban areas. According to information furnished by the Ministry of Finance, there are about 34,000 civilians with emoluments not exceeding Rs. 200 per mensem

employed at such Defence installations; and of these 12,000 are already in receipt of the concession. The remaining 22,000 are not allowed any transport concession at present, even though the distances between the places where they work and towns etc. where they mostly reside are, in all cases, more than 5 miles, and often a great deal more than that. It has been urged on behalf of the rest of the employees that they are in the same position as those to whom a transport subsidy is allowed, and that if for security reasons Defence installations have to be located away from populous areas, it is unfair that the price of this public necessity should have to be paid by low-paid employees who can ill afford it, and who throughout their service would remain at a disadvantage *vis-a-vis* other comparable staffs, unless they are granted a subsidy.

60. It may first be considered whether the general policy that travel between place of work and residence is the employee's responsibility is sound. This policy is not peculiar to the Central Government; the State Governments and other employers in the country too follow the same general policy. Also, in foreign countries of which we have some information, the general practice of employers is similar. There are exceptions, however, and the conditions most commonly found for the provision of transport by an undertaking are that the place of work is at a considerable distance from the worker's residential area, and that adequate public transport is not available, and cannot be provided. Considering the general practice in India and abroad, the fact that often the employee himself chooses his place of residence and that any extensive system of transport concessions would involve a great deal of additional expenditure, we are of the opinion that the present policy does not call for any change.

61. Exceptions may be allowed, but only if certain conditions mentioned below are fulfilled. If the distance between the place of work and the residential area where the bulk of the employees reside is less than five miles, no concession should be allowed. The employees should be able to travel the distance on bicycle, or to meet themselves the cost of travel by public conveyance. Even if the distance between the place of work and the residential area exceeds five miles but both are in the same city or urban agglomeration, the Government need not grant any transport concession. The city compensatory allowance is intended to meet additional expenditure of this sort, and public transport in the large cities is usually well-developed, and relatively cheap. When the place of work is within a city, most of the employees reside either in the city or in its suburbs; but a certain proportion may live some miles out, not usually as a matter of choice, but of necessity forced upon them by non-availability of accommodation in the urban area. Such employees get city compensatory and house rent allowances; and these should make up for any exceptional expenditure on transport. Except in cities eligible for the house rent and the city compensatory allowances, the contingency of employees having to live some miles away from the city where their place of work is situated would not ordinarily arise.

62. Thus, it is only when the place of work is some miles away—in no case less than five miles—from the limits of the nearest populous area where sufficient housing accommodation is available that the grant of transport concession, in some form or other, may be considered.

63. There are certain other conditions also which must be fulfilled before the concession is allowed: First, the cost of transport must be disproportionate to the income of an employee to make him eligible for assistance; and second, upto a prescribed limit the cost must be met by the employee himself. The Government's contribution should also be subject to certain upper limits. In fact, the concession allowed to the Defence employees at Panagarh, Dehu Road and Avadi are subject

to all these conditions. With such modifications as local conditions may require, the scheme of assistance in force at those places might well be followed wherever transport concession is allowed. Where there is no railway communication, but there is public motor transport, the subsidy may be related to the cost of a motor season ticket. Where there is neither, and it is not possible to have public road transport started, the Government itself may, if feasible, provide transport at a concessional rate.

64. The Ministry of Finance have estimated that if the concessions allowed at Panagarh, Dehu Road and Avadi are extended to other low-paid employees whose places of work are away from populous areas, the expenditure involved would be of the order of Rs. 24 lakhs. We recognise the need for caution in departing from the general policy of treating travel between place of work and residence as the employee's own responsibility; but where the circumstances are such that without Government assistance such travel would take a heavy toll of his earnings, or physical energies, a departure would be justified in the interest of the Government as well as of the employee. It would be a measure of employee welfare; but by avoiding the fatigue which employees travelling many miles on foot or by bicycle suffer, it would bring return in increased efficiency. The specific claims for a transport allowance which have been made by certain groups of employees may be decided by the Government in the light of the general principles which we have suggested.

65. We would, while on this subject, draw the attention of the Government to the extreme difficulties for transport of employees whose place of work is in big cities, and suggest that steps may be taken to ease these difficulties, on a careful survey of the position.

PART FOUR

**CONDITIONS OF SERVICE, AMENITIES AND FACILITIES, AND
ALLIED MATTERS**

CHAPTER XXXV

HOURS OF WORK; WEEKLY OFF; PUBLIC HOLIDAYS; OVERTIME ALLOWANCE; CASUAL LEAVE AND SPECIAL CASUAL LEAVE

I Hours of Work

1. In the matter of hours of work, the Central Government employees can be classified into four broad groups, viz. (i) office staffs; (ii) operating and maintenance staff (to be found almost entirely in the Railway, Posts & Telegraphs, and Civil Aviation Departments); (iii) industrial workers (not in the wider sense of those to whom the Industrial Disputes Act, 1947, applies, but mostly staff employed in workshops); and (iv) certain categories of Class IV staff, such as chowkidars, for whom there are no fixed hours of duty.

2. The net weekly hours for office staffs are usually 36, worked in 5½ days. Those for operating staff vary generally between 30 (for Railway Mail Service staff in railway trains) and 45, the majority having to work 42 to 45 hours in six days. For industrial employees also the net weekly hours generally range from 42 to 45 hours—going however upto 48 hours in a few cases—worked in six days. There is demand for reduction of working hours from each of these three broad groups; and for fixation of hours for the fourth group for which any weekly or daily hours are not prescribed at present. Some of the specific demands are that for office workers the net hours should be 33, spread over five days; that for the operating staff the net hours should be 36, and for the industrial workers 40.

3. One of the issues that arise for consideration is whether the weekly hours of work for the different groups of employees should be more or less the same. The view was expressed on behalf of certain organizations of operating and industrial staffs that, considering the conditions under which such staffs have to work and the fact that the hours of duty, particularly for the operating staffs, are often inconvenient, there was a case for discrimination in favour of the operating and the industrial staffs, and that, in any case, there was no justification whatever for the present discrimination against them. This question came up also before the last Royal Commission on the Civil Service in the United Kingdom, and similar views were expressed on behalf of some Post Office unions. To quote from the memorandum presented by one of the unions: *"The conditions under which the Post Office manipulative grades perform their work would appear to justify discrimination in their favour and not against them because of the spread-over of their hours, and the anti-social attendances which they are called upon to perform. The fact that their attendances cover 24 hours a day—six days a week—is not in itself justification for a longer working week." The Staff Side of the Civil Service National Whitley Council representing the entire non-industrial Civil Service (which includes Post Office employees) also urged the Commission to recommend that there was no case in principle, or on merits, for discrimination between office staffs and others in the matter of hours of work. It was, however, pointed out on behalf of the Government that the prescribed net hours in industry were generally about 44½; and that the gas, electricity, and water undertakings which provide a

*Page 466, para. 116 of Minutes of Evidence taken on the 11th day.

continuous public service "on demand" furnished the nearest analogy with telegraphists and telephonists, and that in these undertakings the normal hours were 44 net a week. Further, that postmen could be compared to the large body of railway workers who operate a service throughout the 24 hours of the day, not "on demand", but as determined by the administration, and whose normal hours are 44 net a week; and that, in the circumstances the existing net weekly hours for Post Office workers, which were 44, were fair and reasonable. The Commission took the view that comparison with industry, rather than with office staffs, was the correct one, and accordingly recommended no change.

4. The shorter hours for office staffs in this country have been justified in the past on the ground that those employed in offices have to do brain work which is more exacting than physical work or relatively simple repetitive work required of the operating or industrial staffs; and that the small proportion of office staffs whose duties are mechanical, and a similar proportion of the other staffs whose duties require exercise of mental powers have, a practical necessity, to observe the same hours as the rest of their colleagues. It is also sometimes said that it is reasonable to prescribe longer hours for classes of employees who are entitled to compensation for overtime work, as office staffs can be, and often are required to work overtime without any compensation. Possibly, the scarcity value and social respectability of persons with English education until about forty years ago may also have contributed to the more favourable conditions of work prescribed for them. It is significant that the net weekly hours in the Central Secretariat were only $30\frac{1}{2}$ before the Second World War, i.e. about $5\frac{1}{2}$ hours less than now. On the other hand, the weekly hours of work for Railway staff classified as 'continuous' were 60, and for those classified as "essentially intermittent" 84, as compared with 54 and 75 respectively, now. The gap between weekly hours of office staffs and those of other staffs has thus narrowed down. But the question is whether even this narrower gap is justifiable in principle or on any other ground.

5. We have no precise information regarding the weekly hours of office staffs outside Government service, but as far as known to us they are in general not significantly different from those of office staffs under the Central Government. The weekly hours fixed in various States under the laws regulating conditions of employment in shops and commercial establishments, however, are usually 48, and in some cases more. The net weekly hours for office staffs under the State Governments range from 30 to 40, the Madras Government's hours— $31\frac{1}{2}$ —being the lowest excepting those of Jammu & Kashmir. The maximum weekly hours for industrial employees in the private sector are 48, that being the upper limit laid down under Section 51 of the Factories Act, 1948, and, as far as we are aware, they are usually not less than 45. Thus if the weekly hours of work for the Central Government employees are to be more or less the same as for comparable groups of employees outside, the existing arrangements certainly do not require any downward revision.

6. The weekly working hours for office staffs in certain Commonwealth countries about which we have information, range from 36 to 39. In the United States of America, there has been a general reduction since the end of the war to a week of about 40 hours. For most United States Federal employees, in fact "a basic administrative work week" of 40 hours, to be worked in not more than six of seven consecutive days, is prescribed by law. Employees of the State Governments in the United States of America also have a 35 to 40 hours week, the most common being 40. Thus if hours of work in other countries about which we have information are to provide any guidance, then too no important change appears to be called for. The office staffs particularly have rather shorter weekly hours here than

in most other countries about which we have information. Hours of work, however, ought to be determined with reference, among other circumstances, to the climatic conditions and the general social environment; and here we have some guidance from the Bhore Committee whose recommendation was that the maximum weekly hours should be reduced to 45. It is true that the maximum weekly hours permitted by law for industrial staffs are 48. But the hours actually prescribed even for industrial staffs under the Central Government do not, as a rule, exceed 45.

7. One of the arguments advanced in support of the demand for reduction of work hours is that beyond a certain point their prolongation brings diminishing returns and leads to increased absenteeism, and thus becomes self-defeating; and that reduction would therefore result in greater—and at any rate not to a reduced productivity or efficiency. Another argument advanced is that the employee should be enabled to have increased leisure for his personal enjoyment, cultural pursuits etc. as well as for the maintenance of his health and efficiency as a worker. It is also sometimes argued that in a country like India where there is so much unemployment reduction in hours of work would lead to additional employment. That there is a limit beyond which increase in hours of work might lead to fall in output is undeniable; but, perhaps, it is equally unquestionable that reduction in working hours below a certain level would also have a similar result. So, the question really is as to what are the optimum hours of work for each of the three or four main categories of employees in India. We have no information of any factual studies having been made of the effect of different lengths of work days or weeks either in industrial or in non-industrial employees in this country; and without such studies, all that is possible is a common-sense judgement based on general observation, and, to a certain extent, on the scientifically determined standards in other, more advanced, countries.

8. After making case studies of effects of changing hours on industrial workers, some years ago, the United States Bureau of Labour Statistics came to the following conclusion: "Generally speaking, the study indicates that everything else being equal, the 8 hour day and 40-hour week are best in terms of efficiency and absenteeism, and that higher levels of hours are less satisfactory." The Bureau, however, proceeded to caution: "Workers perform differently under the same hours because of a variety of factors; the incentive to produce; the physical demands which the job makes upon them; the degree to which they control the work pace; the conditions under which they work; whether they work on day, evening, or night shifts; whether or not and how frequently shifts are rotated; and—less tangibly—whether their relations with management are cordial or otherwise." Thus, there is no uniform optimum even in the United States of America; and as has been mentioned earlier the weekly hours in the United Kingdom, for example, though shorter for office staffs, are longer for industrial staffs than in the United States of America.

9. Increased leisure becomes particularly valuable when the worker has the means to seek the more refined pleasures, and to pursue cultural activities; when the rewards of leisure become more important than fruits of additional labour. The stage of struggle for a minimum wage needed for a living just above the subsistence level is, perhaps, not the one at which provision of increased leisure, beyond the requirements of health and efficiency, should be the ground or the justification for reduction of working hours. And while in the opinion of many, limitation of staff should be considered as a possible means of providing a need-based minimum wage to the existing employees it would be illogical to think of shortening working hours in order to create additional employment.

10. Having regard to all the relevant circumstances, including climatic conditions and social environments, we have come to the conclusion that there is no case for reduction of weekly hours at present prescribed for various categories of staffs. No evidence has been produced before us to show that the prescribed hours of work are proving injurious to the health of the employees generally, or of any class of them. We have on the contrary reason to think that the weekly hours of office staffs are on the low side; that the claims usually made about heavier strain of office work are exaggerated, and that an increase of the office hours would be justified. We are, however, refraining from recommending any increase mainly because we entertain the hope that the office staffs will be required to put in more intensive efforts within the present hours, thus leading to the same result as extension of hours might. We consider it desirable that an attempt should be made to obtain better output within those hours before considering any change.

11. On the question of uniformity in weekly hours among the various groups of employees, we are of the view that it is not necessary or feasible. We are fortified in this view by practice in many other countries and in outside employment in this country.

12. We do not propose to go into details of the various demands made by different categories of employees. But there is one point on which we should like to comment. For the purpose of working hours, Railway employees are classified into four groups viz. 'intensive', 'continuous', 'essentially intermittent' and 'excluded'. Representations have been made not only against the inclusion of certain categories of employees in particular groups, but also against the very basis of the classification. We do not recommend any change in the existing system. But we suggest that the Railway administration should examine whether the basis on which certain categories, such as gatemen, have been classified, has changed on account of increased traffic etc., necessitating reclassification.

13. We have considered whether the weekly hours for office staffs in the Subordinate Offices should be longer than those for the Central Secretariat and the Attached Offices, and also whether there is any justification for prescribing somewhat shorter hours for all office staffs in the main cities because of the longer time which a considerable proportion of employees have to spend on journeys between their places of work and their homes. We do not think any differentiation is called for in either case.

14. There are certain establishments in which industrial and non-industrial staff work together, for instance, in Ordnance Factories and Railway Workshops. We have considered whether the non-industrial staff (supervisors, clerks, etc.) in such establishments should be required to work the same hours as the industrial staff and we are of the view that they should be—when the nature of their duties are such that their presence throughout is necessary for efficient working of the industrial staffs.

15. As regards weightage for night duty, there is no uniformity at present. For certain categories of P. & T. staff there is weightage of 33 1/3 per cent for such duty; and for certain customs staff the weightage is 50 per cent. There is no weightage in the Railways for the reason mentioned by the late Shri Justice Rajadhyaksha, in his Adjudication Report, 1946-47, viz. that night duty is inherent in the nature of Railway duty in many cases, and that pay should be held to cover such liability. But if this is a valid ground for refusing weightage for night duty in the Railways, it should be an equally valid ground for refusing weightage in the Pests & Telegraphs and the Customs Departments where it is allowed at present.

We do not think it is fair to deny weightage altogether and we recommend that when night duty is such as to require continuous application it should be allowed weightage of 10 minutes for every hour worked; for instance, six hours night duty should be treated as equal to seven hours of day duty. Weightage should not, however, be given to employees whose weekly working hours have been fixed taking into consideration the fact that they would not be eligible for this concession, and for whom weightage for night duty is thus in effect provided in the shape of reduced weekly working hours.

16. Certain categories of employees in the P. & T. offices, Railways, Hospitals, etc., have to perform duty in separate spells. There is no uniform system of compensation for such split duty. For the P. & T. staff on split duty, who are not provided with quarters on office premises, a time allowance of 1 hour is given; that is, the total hours of work in their case is 7 hours instead of 8. This is a great deal more liberal than what is available to Railway employees in accordance with Shri Justice Rajadhyaksha's recommendations. It may, further, be mentioned that even in the United Kingdom the Post Office manipulative grades only receive a time allowance of one minute for each four minutes by which the covering period of more than one attendance exceeds eleven hours. Thus, an employee who has to put in two attendances within 12 hours would get an allowance of only 15 minutes.

We recommend that split duty should not ordinarily be required to be put in more than 3 spells, and where the employee's residence is not close to the place of work, seven hours of split duty should be treated as equal to 8 hours of normal duty.

17. Generally, a lunch break or recess of half an hour is allowed during a period of duty. There may be practical difficulties in availing of this facility by certain categories of operating staffs where only one person is on duty. We do not recommend any change in the existing system, except that single handed post offices should be closed for half an hour every day for the mid-day meal. The hour for closure should be fixed with the sanction of higher authorities, and should be notified for public information.

18. Watchmen in the Railway, it is understood, are treated as "continuous" or "essentially intermittent" workers, depending on the nature of their charge, but, as a rule, are not treated as "excluded". In some of the Departments, however, it seems that chowkidars or watchmen are supposed to be on duty during all the hours when the office is closed; and, in some cases, when they are only in charge of some buildings etc., which are not in regular use, they are supposed to be on duty all the 24 hours. A chowkidar has certain responsibilities which he takes more or less seriously depending partly on the risk of theft etc., to which his charge is exposed. His actual work as distinguished from his responsibility is usually not exacting. We do not recommend fixation of hours of duty for chowkidars etc., as a general rule, but wherever it is feasible to limit hours of duty of an employee of these categories by a rationalised use of the existing staff the hours should be limited.

19. The actual hours of work which employees on "call duty", such as line staff of the Posts and Telegraphs Department, have to put in often depend on exigencies; occasionally they are exceptionally heavy, but on the average they are light. In the case of these also we do not recommend fixation of hours of duty except to the extent possible by adjustments which do not involve employment of additional staff.

20. The question as to how the weekly working hours should be spread will be discussed in the next section.

II. Weekly Off

21. That employees should, as a rule, have a "weekly off", and that it should be denied only for very exceptional reasons do not admit of any difference of opinion. Such a break is necessary for preventing physical and mental fatigue, for enabling the employee to attend to his domestic and social obligations, and for pursuit of his cultural interests. Thus, on human considerations as well as in its enlightened self-interest as an employer, the Government ought to allow to their employees a weekly break of adequate duration. Moreover, the Government cannot very well deny to their own employees what they advocate as essential for employees outside, and what, in many cases, they have ensured to them through legislation.

22. Briefly stated, the present position is as follows:—

- (i) Employees to whom the Factories Act, 1948, is applicable are assured of a weekly off by Section 52 of that Act; and the Act applies practically to the entire workshop staffs under the Central Government.
- (ii) Those governed by the Minimum Wages (Central) Rules, 1950, are also assured of a weekly off under Rule 23 of those Rules.
- (iii) Railway employees who are not covered by the Factories Act, or the Minimum Wages (Central) Rules are, with certain exceptions made in the law itself or permissible under rules made thereunder, entitled to an adequate weekly break under the Indian Railways (Amendment) Act, 1956 (Section 71-D).
- (iv) For the rest of the Central Government employees, a weekly off is not provided by law; but practically all office staffs and, with some exceptions, also other classes of employees who are not engaged in maintaining a 24-hour service, have a break from work on Sundays. (Office staffs, in fact, have 1½ days' break, starting Saturday afternoon).
- (v) Among those employed on providing a 24 hour service, the Telegraphs and Telephones staff get a weekly off by rotation. The Railway Mail Service running staff who work for only 30 to 36 hours per week, are assured of a sufficient number of rest days in their duty cycles; and the operating staff under the Civil Aviation Department are also allowed between shifts, or after a prescribed number of shifts, hours of rest which may broadly be equated with a weekly off.
- (vi) Employees who are on 'call duty', but whose total hours of *actual* work per week are on the average short, are not allowed any kind of weekly break. The Linemen of the Posts and Telegraphs Department numbering about 10,000 are the only large class of employees of this description.
- (vii) The only other sizeable groups of employees who do not have a weekly off are (a) Cooks, Rest House Attendants, Bearers and Waiters; (b) Chowkidars and Watchmen; and except when working in offices which close on Sundays; (c) Watermen; and (d) Sweepers.

However, in the Railways which employ about 59,000 out of the total of about 83,000 employees in these categories, Chowkidars, Watermen and Sweepers have a weekly break while Cooks, Bearers, Rest-House Attendants and Waiters have a fortnightly break. In the Defence Ministry also these employees are now entitled to weekly off.

23. We proceed to examine what changes, if any, are called for in the position described above and in what form and to what extent it would be reasonable to grant compensation in case it is found impracticable to allow an employee, or a class of employees, to have an adequate weekly break.

24. The most ambitious demand that has been made by an employees' organisation—the All India Railwaymen's Federation—is that there should be two off days in a week. A five-day week is a highly expensive arrangement, and wasteful of manpower where uninterrupted service has to be provided. For instance, in a Railway a five-day week cannot be worked without increasing the categories of the staffs concerned, by something like one-fifth. Where a six-day service has to be provided in a week, as in the Postal Department, there too a five-day week cannot be worked except at an increase in cost and wastage of manpower more or less of the same order. It is not that the employees concerned can be required to put in longer hours so that they work the same hours in five days which they are working in six days now. The employees themselves would be bitterly opposed to any such arrangement; many of them want both shorter daily hours and a shorter working week. But even apart from the attitude of the employees themselves and the fact that there is hardly any developed country in which employees work an eight-nine hour day, the climatic conditions in India, and the standard of living and health of the employees would make prolongation of the working day clearly inadvisable from the point of view of health, efficiency, or—in the case of the Railways—safety.

In industrial establishments, for instance, Ordnance Factories or Railway workshops, it may be possible to work a five-day week without either employing additional staff, or prolonging the daily hours of work, or fall in production, provided the employees are prepared to do with a much smaller number of holidays than at present, and are willing and able to work with greater efficiency. In the United States of America and in the United Kingdom, for example, a five-day week is the normal arrangement in many industries. But it is doubtful whether the average Indian worker is yet capable of working with greater intensity or at a faster pace for any length of time without losing in quality. As far as we are aware, no major industrial undertaking in the private sector has a five-day week; but even if some have, that, undoubtedly, is not the common arrangement. Thus, we have no material on the basis of which we can, with much confidence, recommend the adoption of a five-day week.

25. In the offices, however, the present standard net hours—36 a week—can, we think, be fairly conveniently worked in alternating weeks of five and six days instead of the present 5½-day week. Under the present arrangement on every Saturday a large proportion of the staff have to spend about two hours travelling in order to put in 3½ hours' work. If, instead, every alternate Saturday is made a full working day, and the other a complete holiday, the total hours of work a fortnight would remain unaffected, and the staff would be saved about four hours' travelling and, in many cases, some expense every month. Such an arrangement is likely to be particularly satisfactory in offices located in the larger towns where travel between residence and place of work takes time. We accordingly recommend that for office staffs who at present work a five-and-a-half-day week, alternate Saturdays should be full working days and full holidays. Offices which have continuous dealing with the public should, however, continue to have a five-and-a-half, or a six day week as the case may be.

We are aware that the Punjab Government have recently introduced a five-day week with 8 hours of net duty per day during the 8 cooler months. But we doubt whether it would be feasible to introduce a similar arrangement throughout

the country with differing climatic and other conditions; and an eight-hour day may be particularly unsuitable where the distances between place of work and residence are usually long. We do not in conclusion recommend a five day week for any class of employees.

26. We do not recommend any change in the present arrangements for a weekly break in the case of staffs to whom the Factories Act, 1948, or the Minimum Wages (Central) Rules, 1950, are applicable, or who are allowed a weekly break in accordance with Section 71-D of the Indian Railways (Amendment) Act, 1956. Nor does any change appear to be called for in respect of the operating staffs in the Posts and Telegraphs and other Departments, except that in their case the weekly off should be such as to allow a full night's rest, and should not, as a rule, be less than thirty hours.

27. As regards staffs on 'call duty' and, in particular, the Linemen of the Posts and Telegraphs Department, for whom there are no specified breaks, weekly or even at longer intervals, an arrangement has to be made that would be satisfactory from the point of view both of the employee and the tax-payer. It seems the bulk of the Linemen have regular duties two days in the week when they have to go out and make a systematic observation of the telegraph and telephone lines. The rest of the time they are only on call to deal with any interruption of the lines. The amount of work they have to put in a week is thus determined by the number and nature of interruptions. Giving evidence before us an official witness stated that while a Lineman had to work exceedingly hard and long, on occasions, he was without work a good part of the time. The Linemen, it appears, do have enough rest and relaxation, which is one of the main objects of a weekly break. The only question is whether an arrangement can be devised whereby they can be enabled, periodically, to attend to their social obligations, etc.; in other words, to have a day on which they can go away from the headquarters, or make any personal or social engagements without having to worry about possible, or even remotely possible, call to duty. Fire operators and certain other classes of employees are also on 'call duty', and have no regular break at a weekly, or even longer, interval. Here again we are faced with the same dilemma: continued denial of a periodic break, or additional expenditure and increased number of employees with very light average hours of actual work. After weighing all the factors involved, we consider that the staffs on 'call duty' should have at least a 'fortnightly off' and that this should generally be possible by internal adjustment of duties. Where, however, there is a single employee on 'call duty', as is the case with about 1500 Linemen, such an arrangement will not be possible. The only remedy, apart from the entertainment of considerable additional staff, which we do not recommend, is that an employee should not ordinarily be kept at a one-man station or section for more than 3 to 6 months at a time.

28. Of about 83,000 Cooks, Chowkidars, Watchmen, Sweepers, etc., under the Central Government, about 59,000 are under the Railways and these, as already mentioned, have either a weekly or a fortnightly break. Excluding them, the demand for an off-day at regular intervals concerns only about 24,000 employees, or an even smaller number, considering that a certain proportion of Sweepers and Watermen work in offices which are closed on Sundays. Of the Cooks and Waiters, all except about 200 or so, are in Defence establishments. With the recent decision of the Ministry of Defence to treat their Cooks, Waiters, Sweepers, Chowkidars, etc. on the same footing as regards conditions of service, as their other non-industrial regular staffs, the great majority of employees in these categories will now have a weekly off. We recommend that in the remaining cases also, a fortnightly, if not a weekly, break should be allowed by some suitable arrangement.

29. Chowkidars under the Railways have a weekly off. Elsewhere, they have no regular break, and the number of these is nearly 8,000. The view taken in the

past has been that though a Chowkidar is supposed to be on duty for long hours (all the twenty-four hours where any Government building, premises etc. are not in constant use, and there is only one Chowkidar, and 16 to 18 hours when he looks after an office building) he has not, in fact, to do much. He is just present on or about the premises during the hours of duty so-called. That a Chowkidar or Watchman has responsibilities, and is answerable if there is any theft from or damage to the property in his charge, is not denied, but is apt to be over-looked, or at any rate soft-pedalled. It will also be remembered that Chowkidars in the Railways are given a weekly off, even though, as far as we are aware, their duties and responsibilities are basically not different from those of Chowkidars elsewhere. The distinction is, perhaps, based only on considerations of cost. The Railways can, and in fact do, arrange to relieve their Chowkidars and other similar staff at the prescribed intervals by sending out from convenient centres what are called 'rest givers'. The transportation does not involve any expenditure to the Railways, and 'rest givers' can be maintained in pools, and fully utilised. Outside the Railways, such an arrangement is not possible except where there is a concentration of Government premises etc., and the number of Chowkidars is large enough to provide regular work for one or more 'rest givers'. Where, for instance, there is only one Chowkidar, a second man would have to be employed if the Chowkidar is to have a weekly or even a fortnightly break. We recommend that where there are Chowkidars who have active duties requiring more or less continued alertness—as is the case with some chowkidars at aerodromes in regular use—a weekly off should be allowed. Further, Chowkidars of different Departments stationed at the same place might be treated as a single group for the purposes of enabling them to have a weekly or a fortnightly off by rotation. But we do not consider it feasible to group together Sweepers and Chowkidars etc. for such purposes—though a suggestion has been made that this should be done.

30. We examine next whether an employee should be given a 'compensatory off' when he is required to work on his weekly or fortnightly off-day. Employees who are entitled to a weekly off under provisions of the Factories Act, 1948, the Minimum Wages (Central) Rules, 1950, or the Indian Railways (Amendment) Act, 1956, have to be given a compensatory off (*vide* Section 53 of the Factories Act, 1948, the first proviso to Rule 23 of the Minimum Wages (Central) Rules, 1950, and the proviso to Section 71-D of the Indian Railways (Amendment) Act, 1956).

We consider that, to office staffs and other employees for whom a compensatory holiday is not obligatory under the law, compensatory off need not be allowed for occasional work on Sundays. These staffs are normally entitled to enjoy all Sundays and other public holidays, and have relatively short working hours, and usually a five and a half day week. Care should, however, be taken that 'occasional' work does not become a more or less regular feature.

31. Besides those referred to in the preceding paragraphs, the largest number of employees who are entitled to a weekly off are to be found in the Posts and Telegraphs and the Civil Aviation Departments. Under the existing orders, many of these are entitled to a compensatory break when they are required to work during their normal off-day. We recommend that to operating staffs generally compensatory break should be allowed for work on an off day, as soon thereafter as possible, and not later than two months. If a weekly break is essential for the maintenance of an employee's health and keenness—as it certainly is—compensation in the shape of additional casual or privilege leave as proposed by some employees organisations would not serve the purpose.

32. Another question which has been raised before us is whether, when an employee is required to work on a Sunday or any other public holiday which, under the relevant, orders etc., he is normally entitled to enjoy, or during his weekly or fortnightly off period, he should have monetary compensation in lieu of, or in addition to, a compensatory break. For reasons mentioned earlier, a compensatory break is an essential need, and thus indispensable; it is not an obligation which the employer may compound by paying money. Employees to whom provisions of the Factories Act, 1948, or the Minimum Wages (Central) Rules, 1950, are applicable, have, under the laws themselves, to be given *both* a compensatory break, and extra remuneration at twice the ordinary rate for any overtime work beyond 48 hours a week, *vide* Section 59 read with Section 52-53 of the Factories Act, and Rules 23 and 25 of the Minimum Wages (Central) Rules. Similarly, Railway employees who are entitled to a weekly off have to be given a compensatory break as also extra remuneration at one and a half times the normal rate for any overtime work beyond the prescribed monthly hours, *vide* provisos to Section 71 C and 71 D of the Indian Railways (Amendment) Act, 1956. However, in none of these cases payment is required to be made for work on an authorised holiday or off-day *independently* of the hours of work put in during the week or the month, as the case may be.

33. The question arises whether once a compensatory break is allowed, it is reasonable that work on an authorised holiday or a periodic off-day should, for purposes of remuneration, be treated as work on a normal working day, or differently. The usual point of view of the employee is that a compensatory break does not give him full satisfaction; the normal rhythm of work and rest is broken, and neither physically nor mentally is a compensatory break an adequate recompense. Very often work on holidays and other off-days has to be undertaken at short notice, involving disturbance of the employee's social engagements etc., and causing him and his family some amount of inconvenience. It is claimed that for all these reasons work on authorised holidays or normal off-days should be paid for at a higher rate. Though there may be justification for putting a higher value on work done on an authorised holiday, or a normal off-day, we see none for allowing additional remuneration for such work over and above a compensatory break. We, therefore, recommend that an employee who is required to work on his off-day should, normally, have compensation in the form of another day's break. But where, in exceptional cases, monetary compensation has to be paid for such work it should be at one and a half of the time rate. In no case should both, a compensatory break and a monetary compensation, be allowed for work on weekly off-day or an authorised holiday, as such.

III. Public Holidays

34. With hardly any exception office staffs have 23 public holidays in a year. At the other end are staffs concerned with the provision of an uninterrupted, or daily service, who are not allowed any public holidays at all. The most important of these are: the executive and operating staffs on the Railways; telephone and wireless staffs under the Posts and Telegraphs Department; many categories of operating and technical staffs in the Department of Civil Aviation; and Cooks, Bearers, Waiters, Rest House Attendants, Chowkidars and Sweepers, in all numbering over 80,000. Certain other categories of staff directly employed on providing a service are allowed varying number of public holidays, considerably lower in every case, however, than the 23 days allowed to office staffs. The postal staffs, for instance, have 16 public holidays, the Telegraph staffs and the shift duty staffs of the Overseas Communications Service 12 each, and Medical staffs from

11 to 15; and in most of these cases, the enjoyment of the authorised holidays is subject to the requirement of attendance for a short time on every holiday, or by rotation for a longer period on some of the holidays. The third broad group consisting of employees working in factories, work-charged staffs, and daily-rated staffs are allowed paid public holidays which range from 2 in the case of the daily-rated staffs to 23 in the printing presses, the Bombay Mint, and certain other similar establishments. The largest number of employees in this group, however, have 14 (in the Ordnance Factories) or 15 (in the Railway workshops) public holidays.

35. The questions that arise for consideration are (i) whether any of the three main groups, or a sub-group within a group, should have more or fewer public holidays; and (ii) whether complete, or even a larger degree of uniformity than exists at present between one group and another, or within the second and the third groups, is desirable and feasible.

36. Some employees' organisations have, in effect, asked for more public holidays for the generality of the Central Government employees than are at present available to the group most favoured in this matter, *viz.* the office staffs. They have asked that the Central Government employees should have the same public holidays as employees of the State Governments; and, of the State Governments about which we have information, the least liberal, (with the exception of the Punjab Government which has recently reduced the number of holidays to 12) allows 26 public holidays, and the most liberal 38. Further, the demand that the industrial and other similar staffs should be brought on par with the office staffs in the matter of public holidays is, obviously, a demand for more public holidays for the bulk of the Central Government employees than they have at present. On the other hand, all those who have expressed any opinion on the subject have, with the exception of the employees themselves (but not ex-employees), suggested curtailment of public holidays. There is, in fact, a wide-spread feeling among those who take intelligent interest in these matters that there are far too many public holidays in this country; that these are all not now necessary for religious or traditional social observances, in many of which the educated people particularly are losing interest; and that, in short, many of the public holidays are only a pretext for idleness, which the country can ill-afford.

37. Compared with other countries about which we have information, there are, certainly, far too many public holidays in India; in none of those countries does the number of public holidays exceed 9, as against 23 for the office staffs, and 14 to 16 for the generality of factory and other similar staffs here. The public holidays available to industrial workers in the United Kingdom are, usually, only 6. It is true that in some western countries a 5-day week has been introduced in offices, and even factories; but the hours of work within the shorter week are generally not fewer than those worked by comparable employees under our Central Government, and thus, in effect, employees here continue to have more holidays.

38. We have no information regarding the number of public holidays allowed to office staffs generally in the private sector; but some of the well-known concerns, for instance the major oil (distributive) undertakings allow only about 12 or 13 public holidays. In industrial undertakings about which we have more information the public holidays vary from 2 to 21, both these figures being, however, exceptional, and the commonest numbers being 5—7. The practice in undertakings in the public sector, including the Reserve Bank, the State Bank, and the Life Insurance Corporation is, perhaps, of no great significance in the present context;

reflecting largely the practice in the Central Government, they cannot very well serve as models.

39. Mention might also be made of the public holidays allowed by the State Governments. We have information about 11 States, and as mentioned earlier, none of them, except the Punjab, allows less than 26 or more than 38 public holidays. Most allow 31 to 33. (Not all disparities, it seems, are unfavourable to the employees of the State Governments).

40. There is also another point about the number of public holidays allowed to the employees of the State Governments; in 7 cases out of 10 of which we have information, the number of public holidays has increased since 1952. This might, perhaps, be regarded as some indication of the climate of political opinion on the subject of holidays—assuming that the State Governments' decisions accord with prevalent political opinion. Indeed, in spite of all that the Varadachariar Commission had to say against excessive number of public holidays, the Central Government itself has progressively increased their number from 20 to 23. Against this background we particularly commend the initiative taken by the Punjab Government in reducing the number of public holidays to 12.

41. In the case of office staffs, and other comparable employees who enjoy 23 public holidays, there is a strong case for curtailment. Their shorter hours, and 5½-day week (or the 11-day fortnight recommended by us), taken with need for greater output of work, the decreasing interest among the educated people in festivals and festivities, and the fact that fewer or no public holidays are allowed to the many other groups of Central Government employees, suggest the need for reducing the number. We accordingly recommend that the number of public holidays for office staffs should be reduced to 16—3 National Holidays, viz. Mahatma Gandhi's Birthday, Independence Day, and Republic Day, and 13 religious etc., holidays, most widely observed by the communities concerned. In establishments, other than offices under the Central Government which have also more than 16 public holidays, the number should be reduced to 16.

42. As regards the second group, viz., staffs who have to provide a 24-hour or an unbroken daily service, such as the operating staffs in Railways and the telephone and wireless services, the employees concerned cannot be allowed enjoyment of public holidays except by prolongation of shifts to an extent incompatible with the requirements of health, and, in some cases, of the safety of the operation, or through entertainment of a vast number of additional staff, involving additional expenditure and wastage of manpower of dimensions clearly prohibitive.

43. There does not also appear to be much scope for greater uniformity *within* this group, for, the services provided differ in the matter of continuity. At one end, the Railways have to provide a 24-hour service; at the other the post offices do not, and need not, conduct full business on each public holiday. The telegraph service cannot be stopped completely, but can be, and is, greatly restricted on a certain number of public holidays through a steeply increased tariff. The only difference for which no valid explanation is available is between the Overseas Communication Service where shift duty staff have 12 public holidays, and the Wireless branch of the Posts & Telegraphs Department where the operating staff have no public holiday at all.

44. The nature of duties of chowkidars, cooks etc., and sweepers (except in offices which observe public holidays) are also not such as to permit of public holidays being allowed to them.

45. In spite of the practical difficulties involved, we consider that it is unfair to deny to the categories of employees referred to in the three preceding paragraphs all the holidays. We, therefore, recommend that the staffs, who do not at present enjoy any public holidays, should be considered *entitled* to the 3 National holidays; and since with some exception they cannot be relieved of their duties on those days, they should be compensated by payment for those days at one and a half time the normal rate.

46. Compared to industrial employees in western countries, or in the private sector in this country itself, the third group viz. the bulk of staffs employed in factories, workshops etc. under the Central Government have an excessive number of public holidays (14 to 16)—a fact, incidentally, to be borne in mind while comparing emoluments and conditions of service between private and Central Government employment. The Ministries of Railways and Defence are the two biggest employers of industrial workers in the Central Government, and they allow to such workers about the same number of public holidays (14 in one case and 15 in the other). Some establishments have two or three holidays less; but others, such as the printing presses, and the Bombay Mint, allow 23 public holidays. The only change we recommend is that the number of holidays should not in any case exceed 16.

47. Every industrial establishment has some non-industrial staff—supervisory, clerical and ancillary. It is in the public interest that such of these staffs, whose attendance is necessary in order that the industrials may maintain normal output, should attend on all days on which the industrials are required to attend. In other words, they should have the same number of public holidays as the industrials.

48. There is next the question of compensation for work on public holidays. There is an idea among certain sections of employees—which, though not usually expressed explicitly, is implicit in some of the claims made—that all the Central Government employees should be considered entitled to the same number of public holidays; and that the fact that there are large sections of employees whom it would be clearly impracticable to allow enjoyment of all or even any, of the holidays, should make no difference to that entitlement. In other words, there should be recognition of a notional right, and acceptance of certain consequences which follow from such recognition. The difference between the number of public holidays to which an employee is entitled and the number which he actually enjoys should, the reasoning runs, be compensated by extra payment as for overtime work on off duty days. This whole conception and the line of reasoning will be dealt with later in this chapter; what is being considered here is whether once the number of public holidays is determined for a particular class of employees, any occasional denial of a holiday should entitle an employee to an extra payment, or to additional leave—regular or casual—or an off-day, by way of compensation as proposed by various employees' organisations. Casual leave is provided to enable an employee to attend to casual, and usually urgent, personal business. Regular leave is intended to provide him rest and relaxation, and opportunity for looking after his personal affairs, and/or cultural activities etc. The periodic off-day is considered necessary for maintaining an employee's physical health and freshness. A public holiday is not intended to serve any of these objects, or meet any of these needs. It is given for traditional, religious or social observances, and so once an employee has to forgo a public holiday, an extra day of relief from duty in any form can, obviously, not serve the purpose of a holiday. Addition to regular leave would be the least satisfactory both from the employees' and the Government's point of view. A considerable proportion of employees are not

able even to have all the leave to which they are entitled, and compensatory additions to the leave entitlement might appear to them to be something of a mockery. On the other side, a further complication would enter into the business of maintaining leave accounts. It seems to us that a more satisfactory form of compensation would be an extra payment. For one thing, occasional work on public holidays which an employee is authorized to enjoy is overtime work, as much as is his work beyond the prescribed hours on a week day or an off-day. For another, an extra day off given to an employee as compensation would involve additional burden on one or more other employees, who would also, in some cases, perhaps, become entitled, in the process, to payment for overtime work. It would be simpler to make an extra payment to the employee who has had to forgo a public holiday.

49. Work on holidays is generally felt to be irksome, and more so than work beyond the normal hours on a working day. In consequence it, perhaps, causes somewhat greater nervous strain. It will, in the circumstances, be fair to pay for work on a public holiday to which an employee is entitled at $1\frac{1}{2}$ of the time-rate, except, of course, when he becomes entitled to a higher rate under the Factories Act, 1948, or any other law.

IV Overtime Allowance

50. We have already dealt with the question of compensation for work on public holidays and weekly off days, and as far as possible, we shall avoid going over that ground again.

51. For eligibility for payment for overtime work there is division of Central Government employees, both horizontally and vertically. A horizontal line runs across all kinds of establishments and marks the level above which no payment is made for overtime work: speaking broadly, all Class I and Class II staff, and practically the entire supervisory staff even if non-gazetted, are above this line. This statement is, however, subject to some qualifications. The Customs staff virtually stand apart: in this case, Class II, and the non-gazetted higher supervisory staff, as well as others are entitled to overtime payment. This is also the case in the Mercantile Marine Department where certain categories of officers and staff are granted overtime allowance. The line of demarcation curves upwards at a few other points also, making certain categories of supervisory staff eligible for payment.

52. The vertical divisions are broadly as follows. With a few exceptions, the office staffs are not entitled to payment for overtime work. On the other hand, all employees who are workers within the meaning of the word under clause (1) of Section 2 of the Factories Act, 1948, are entitled to such payment. In between, there are the operating and other similar staffs who, outside the Railways, are not governed by any uniform principles. In the Railways, payment for overtime work is the rule. But in the Posts & Telegraphs Department, for instance, while payment for overtime work is the rule in the case of telegraph and telephone staffs, it is the exception for postal staff.

53. We have to consider whether any change is called for in this broad pattern. Leaving aside the Customs and Mercantile Marine Departments, the Class I and Class II services have not asked for monetary compensation for overtime work, but even if they had made such demand, we would not consider it reasonable. Those who are part of the "management" or the Administration, have

functions and responsibilities with which a system of payments for overtime work cannot be reconciled. They are largely free to organize their work, and to set the pace for it. They can, if they are so inclined, spread their work over longer hours, and they are not subject to the kind of supervision which will ensure that if they work beyond the normal hours, it is only when it is necessary to do so. All this is more true of the Class I staff than of Class II; and even within Class I compensation for overtime work becomes more inappropriate as the level in the hierarchy rises. In the United Kingdom, some monetary compensation for overtime work in one form or another is payable upto the level corresponding approximately to that of Under Secretary in our Central Government. But conditions in India, and the practice so far, will justify the continuing exclusion from those to whom monetary compensation is to be paid for overtime work not only of the Class I and the Class II staff but also of the generality of the supervisory staffs.

54. Whether the existing vertical divisions should continue is a question which presents greater difficulties. The hours of work are fixed on a consideration of the nature of the duties to be performed. But, once the hours are so fixed, what can be the justification for compensating overtime work in some cases and not in others, even when the employees concerned are in the same salary range? For instance, why should workers in factories, telephonists and telegraphists get compensation for over-time work, but not postmasters, clerks, or typists? It is true that the prescribed hours for clerks and typists are fewer, but if those hours are reasonable they may not justify denial of payment for overtime work. If they are unreasonably short, the logical course might be either to increase them, or to admit claims to overtime payment only after the normal hours are exceeded by a prescribed margin, say 4, 6, or 8 hours a week. In the United Kingdom, for instance, all staff below a certain salary level are entitled to payment for overtime work, and that appears to be a logical arrangement.

55. It seems that the illogicality, on the one hand, of denying payment for overtime work to low paid office staffs, and the realisation on the other that once the principle of such payment is accepted it would be exceedingly difficult to have a specially low scale for such staffs, have led to a somewhat ingenious compromise according to which an allowance is paid to the non-gazetted staff in the Central Secretariat and certain other offices at Delhi and in the branches of the Central Secretariat in Calcutta, Bombay and Madras, when they are detained beyond 7 p.m. on working days, or required to attend office on Sundays or holidays. By declaration, this is meant to cover conveyance hire, and out-of-pocket expenses for food etc, and not to be anything in the nature of overtime pay or allowance. It was, however, known from the beginning that most of those who would be entitled to this payment do not travel to office by hired conveyance, or generally incur additional expenditure on food because they have to be in office beyond the usual hours and there is little doubt that the allowance is essentially in the nature of compensation for overtime work. We consider that, apart from this scheme being unsatisfactory, the discrimination between the staffs in the Central Secretariat (and certain other offices), and similar staffs elsewhere, is invidious. If the assumption behind discrimination, viz. that the tempo of work in other offices is slower, is correct, there would be fewer cases in which employees will become entitled to the allowance. But there appears to be no good reason why an employee in any office who fulfils certain common conditions should be denied an allowance to which employees of the same class are entitled, under similar circumstances, in the Central Secretariat and a few other offices. We also think that the requirement of 5½ hours of duty beyond the closing hour on Saturdays, before an employee becomes entitled to the allowance, is unjustified.

56. As to the Central Government employees not dealt with in the preceding paragraphs and excluding workshop staffs dealt with later, it is only in the Railways that there is a uniform rule regarding payment for overtime work. All the operating and technical staffs in the Railways receive such payment; and the operating staffs include Commercial Clerks. For the rest, there is no uniformity between one Department and another, or even within the same Department. It is not feasible for us to go into the merits of each claim that has been made for grant of compensation for overtime work; but we recommend certain principles on which employees, other than those we deal with separately, may be classified for purposes of overtime pay or allowance.

We are of the opinion that the present general principle of not paying overtime allowance above certain specified levels should be continued, and recommend that

- (i) no gazetted officer; and
- (ii) no non-gazetted officer whose pay is Rs. 500 or above; should be given an allowance for overtime work; and that
- (iii) in the case of supervisory staff who are not excluded by the above criteria, the following conditions should be satisfied before an overtime allowance is paid:
 - (a) that they are in direct and continuous contact with staffs they supervise; and
 - (b) that they work the same hours as the staff under them; and
 - (c) that they are themselves subject to the kind of supervision which would enable them ordinarily to obtain prior approval for working overtime.
- (iv) Subject to the criteria and conditions mentioned above being satisfied, office staffs, including those working in post offices, and also other categories of staffs provided they have prescribed hours of work, should be entitled to overtime.
- (v) In the case of office staffs, claim to overtime allowance should, however, arise only for duty put in in excess of 45 minutes beyond the prescribed hours on any working day. In other words, the first 45 minutes of overtime should be free. This distinction is necessary in view of the shorter hours of office staffs.
- (vi) Overtime allowance of staffs, whose prescribed hours, and nature of work are comparable to those of office staffs, should also be similarly regulated.
- (vii) The existing system (referred to earlier) of granting an allowance to non-gazetted staffs of the Central Secretariat, and certain other offices, should be abandoned on the introduction of overtime allowance for the staff concerned.

57. As regards workshop staffs, compensation for overtime work beyond certain hours, and also its rate beyond those hours, are provided by Section 59 of the Factories Act, 1948. When a worker works for more than 9 hours in any day, or for more than 48 hours in any week, he is entitled in respect of the overtime

work to wages at twice the ordinary rate. There is, thus, uniformity, once the hours of work put in a week exceed 48. But the prescribed hours in Government workshops are, usually, less than 48, and though payment is made for this "intermediate" overtime also—as probably is done in good industrial undertakings outside—the rate is not uniform. In the workshops of the Posts & Telegraphs Department and of the Railways it is the time-rate; but in Defence workshops it varies from the time-rate to one and a half of the time-rate. We see no justification for this divergence, and recommend that in the case of workshop staffs who work for less than 48 hours, the overtime allowance for work in excess of the prescribed working hours, but not in excess of 48 hours, should be determined by common criteria so that only such divergencies may be retained as have a rational basis.

58. There are some non-industrial staffs—clerical and otherwise—who work with industrial staffs. When their duties are such as to bring them within the definition of "worker" under clause (1) of Section 2 of the Factories Act, 1948, they are entitled to payment for overtime work under Section 59 of the Act. Whether they should be paid for overtime work in excess of the prescribed hours, but below those laid down under Section 59, is a matter of executive discretion; and in the Posts & Telegraphs and Defence workshops, the non-industrial staffs observe the same hours as the industrial workers, and receive the same payment for overtime work. But in the Railway workshops, it seems no general directive has been issued as to whether such clerical staffs should be governed in this matter by the Factories Act or the Hours of Employment Regulations. We have recommended that the hours of duty of non-industrial staff who have to work with industrial staff should be the same as those of the latter, when the nature of the non-industrial staffs' duties are such that their presence throughout is necessary for efficient working of the industrial staffs. As a corollary, we also recommend that non-industrial staffs in workshops whose hours of work are the same as those of industrial workers, should be governed by the same orders regarding overtime payment as are applicable to the latter.

59. There is no uniformity as to the basis on which overtime rates are calculated, or in the rates themselves. Whenever payment has to be made for overtime work under the provisions of the Factories Act, 1948, or under the Minimum Wages (Central) Rules, 1950, framed under the Minimum Wages Act, 1948, it is to be computed with reference to the 'ordinary rate of wages' which, in both cases, has been defined as the basic wage plus such allowances, including the cash equivalent of the advantage accruing through the concessional sale to workers of food-grains and other articles as the worker is for the time being entitled to, but not including a bonus. Thus, in both cases, compensatory and house rent allowances as well as the dearness allowance are to be taken into account in computing compensation for overtime work. For all other employees, including Railway employees to whom the Factories Act, 1948, or the Minimum Wages (Central) Rules, 1950, are not applicable, the overtime rates are related only to pay including dearness pay, and none of the allowances is taken into account. There appears to be no rational basis for relating the overtime rates to both pay and allowances in the case of some classes of employees, and only to pay and dearness pay in the case of others. There should be uniformity in this matter; and considering that the allowances as well as the pay are part of the remuneration of an employee at a particular place and time, there is, apparently, no reason why the allowances should be excluded in determining the payment for overtime work. It is, in fact, somewhat odd that overtime work, which involves greater strain than work during the normal hours, should be remunerated at a lower rate; and this is what happens when overtime is paid at time-rate, or in some cases, even at one and a quarter of the time-rate—basing the time-rate only on pay (including dearness pay). There

is, however, a case for excluding the house rent allowance. If that allowance is taken into account, there would be discrimination, in the matter of over-time payment, against employees who are in occupation of Government residences. We, therefore, recommend that overtime allowance should, in all cases, be calculated on the basis of pay and allowances, but excluding house rent allowance. This exclusion will in some cases require amendment of the law.

60. There is also a great deal of difference in the overtime rates themselves. In some cases, the rate is double the time-rate, and this is so even when double rate is not obligatory under the law. For Railway employees outside workshop $1\frac{1}{2}$ of the time-rate is the rule. Among Defence civilians, it varies from the time-rate to $1\frac{1}{2}$ that rate. In some cases, there is a fixed flat rate; and at least in one case it works out to less than the time-rate. We do not wish to go into details, but recommend the following general principles for determining overtime allowance:

- (a) the time-rate should be calculated with reference to the weekly hours prescribed for the particular class of employees;
- (b) overtime rate should in no case be less than the time-rate;
- (c) ordinarily the rate should increase with longer overtime hours;
- (d) these progressive rates should be determined for the different Departments by some common criteria; and
- (e) additional payment for work on public holidays which a particular class of employees is normally entitled to enjoy, or on weekly off days (when, for exceptional reasons, it is compensated with money) should be at one-and-half of the time rate.

We further recommend that an inter-departmental committee may review the present arrangements, and work out a detailed scheme in the light of these general principles.

61. There is no uniformity in the period of employment with reference to which overtime is calculated. Where weekly working hours have been prescribed, overtime work is normally computed on weekly basis. Under the Factories Act, 1948, overtime allowance has to be paid on daily or weekly basis i.e., for work in excess of 9 hours in a day or for more than 48 hours in a week. For Railway servants who are governed by the Indian Railways (Amendment) Act, 1956, overtime allowance is calculated on monthly basis, as under that Act the working hours of those whose employment is 'continuous' or 'intensive', are to be so regulated as not to exceed 54 or 45 hours a week, as the case may be, *on the average in any month*. It has been represented to us that since there is a 'free' period between the scheduled hours and the hours beyond which overtime allowance is admissible, even heavy overtime on a few days in a month gets lost in the 'free' hours. It was also complained by a witness from public life that it is an usual feature of the Railway administration to over-work running staffs, particularly Drivers, for a week or a fortnight and to give them excessive rest in the remaining period of the month so that no claim for overtime allowance may arise. We have not gone into this complaint; but it appears to us that a month is too long a period to be a proper basis for calculating overtime allowance, and we recommend that if there are practical difficulties in calculating it on weekly basis, it may be calculated on half-

monthly basis. This will require amendment of the Indian Railways (Amendment) Act, 1956.

62. The Customs and Central Excise staff have raised several points concerning payment for overtime work. We do not wish to go into those points. We shall only consider certain questions of principle which arise from them. They are (i) whether loss, or substantial reduction, of overtime earnings should necessarily be compensated by increase of pay; and (ii) whether when fees are charged from the beneficiaries (for instance, merchants) for overtime work, the rate of payment to the employees concerned should be different from the ordinary overtime rate. While it is true that overtime work is not among the rights of an employee, there may be cases in which such work is a normal feature of the routine of an establishment, and in which payment for overtime work is, therefore, a regular supplement to pay. In such cases, the pay may have been fixed lower than would be the case otherwise; and if this has happened, it is fair that complete stoppage or substantial reduction, of overtime earnings should be compensated by suitable adjustment of pay. As regards overtime work for which fees are charged from the beneficiaries, there is no reason why an arrangement between the Government and outsiders should make any difference to the rate at which Government compensate their own employees for overtime work.

63. Some employees' organisations have suggested the abolition of the system of overtime work, and there is a wide-spread feeling that in the interest both of efficiency and of the employees themselves the amount of overtime work should be greatly reduced: That with careful planning and organisation of work, the amount of overtime work can be considerably reduced is, perhaps, undeniable. But it is not feasible to eliminate overtime work from the public service, except at a cost which may well be regarded as prohibitive. There is occasional, or seasonal, increase of work for which it is not practicable to employ additional staff temporarily; and it would obviously, be exceedingly wasteful to have a large reserve of employees to cope with such increases of work. Even apart from this, where a service has to be provided throughout the twenty-four hours, as by the Railways, Telegraphs and Telephones, or where provision of a service, such as Posts, requires continuous work in some branches of the organisation concerned, for instance, the R.M.S., the alternative to overtime work would be the entertainment of a large additional staff. However, where the existing employees have to work overtime regularly additional staff ought to be appointed, even though this involves additional expenditure.

V. Casual Leave

64. Casual leave is not recognized as leave, and is not subject to any statutory rule. In fact, technically a Government servant on casual leave is not treated as absent from duty, and his pay is not intermitted. It is intended only to meet casual or uncertain needs. In practice, however, casual leave has come to be treated as a sort of normal supplement to regular leave, and is being taken, in many cases, when regular leave would be appropriate. Part of the explanation is that the authorities grant casual leave rather more readily than regular leave. Another reason, in quite a few cases, is that while leave salary (being at the rate of substantive pay or the average of the preceding 12 months) may be less than the salary which a Government servant is drawing at the time, he draws salary during casual leave as if he were on duty. In the case of gazetted officers, the formalities which have to be gone through before leave is granted necessarily take some time; and so also in the case of non-gazetted officers, whose leave account is not maintained in the

office where they are working. Casual leave, on the other hand, can be had at very short notice. And lastly, there are employees who do not find regular leave adequate for all their needs, reasonable or otherwise, and so, wish to supplement it with casual leave. In the western countries of which we have information, casual leave is allowed for much more limited and clearly defined purposes, e.g. illness of an employee, or in his family; urgent domestic affairs like bereavement, etc. In India there is no such restriction. Thus the employees of the Government of India are, obviously far better off in the matter of casual leave than those of the western countries in question.

65. This is so not only as regards the purposes for which casual leave can be had. It is also so in regard to the total amount of casual leave that can be taken in a year, and the number of days for which such leave may be taken at a time. In India, except for staffs in workshops and other similar establishments, Central Government employees are generally entitled to 15 days' casual leave, of which not more than 10 days can be taken at a time. In the other countries referred to above similar leave is admissible, if at all, for not more than 3-8 days in a year. When these are considered with the fact that the bulk of the Central Government employees have some 14 to 23 public holidays in the year, there appears to be need for curtailment of both public holidays and casual leave. It is true that while the Central Government employees have either a 5½ day, or a 6-day week, a 5-day week is the rule in the western countries with which comparison is being made. But the hours worked in India are not longer. Moreover, regular leave entitlements here are on the whole higher than in those countries; and we have not reached the stage of economic development and plenty, at which provision of increased leisure rather than increased labour is the greater necessity. On these considerations we recommend that casual leave should be curtailed to 12 days in the year, except for classes of employees who, because of the nature of their duties, cannot be allowed public holidays at all, or can be allowed only a few such holidays. For these, 15 days' casual leave would be suitable. Reduction of casual leave to 12 days would still leave the Central Government employees better off than the employees in the private sector generally, who have, it is understood, only 6 to 8 days' casual leave in the year, and only rarely more than that. We do not consider that casual leave should be allowed only for a few clearly defined purposes, for it is doubtful whether, in practice, any such restriction and definition would serve any useful purpose. It might, on the contrary, increase occasions for friction between the general run of employees and the supervisory and administrative officers.

66. There is a point of view that as regards casual leave, and other similar matters, there should be uniformity among different classes of the Central Government employees. This concern with uniformity can be, and, in fact, in some cases has been, taken too far. Until a few years ago, the operating staff of the Posts & Telegraphs Department, for instance, were allowed 20 days' casual leave in the year, on the consideration that they were allowed few or no public holidays. But, for the sake of uniformity, it was reduced to 15 days. The Posts & Telegraphs Federation have quite rightly pointed out that there is no logic in introducing uniformity as regards casual leave, when there is no uniformity as regards public holidays. Pursuit of uniformity should not become an obsession, and might, with advantage, be given up whenever objective considerations call for a departure from the standard arrangement.

67. At present 15 days' casual leave in the year is the rule, and the only exceptions are to be found in the factories, workshops, and other similar establishments. Presumably, the shorter casual leave in these cases is considered justifiable on a comparison with the practice in the private sector, and also on the consideration

that while the operating staffs in different Departments of the Central Government get few or no public holidays, the staffs in workshops, factories, etc., do get 14 to 16 such holidays. The staffs in Railway factories and workshops are, however, an exception; they are not allowed any casual leave at all. On the face of it, it looks somewhat unfair that staffs in Railway workshops and factories should have no casual leave, when staffs in Defence factories, for instance, have about 5 days' casual leave, and when both have about the same number of public holidays. The only explanation for this apparently unfavourable treatment of Railway employees seems to be that unlike other similar staffs under the Central Government, the Railway factory and workshop staffs have the same leave entitlements as the non-industrial employees; and these are much higher than those of industrial employees generally. Considering all the circumstances, we recommend 7 days' casual leave for all workshop and other industrial staffs under the Central Government, except when there are special reasons for allowing more or less than that period. For instance, the workshop staffs in the Railways who have no casual leave at present but much higher regular leave entitlements than other industrial staffs, may not have any casual leave if their leave entitlements continue to be the same as those of non-industrial staffs; or there may be a readjustment between their regular leave entitlements and casual leave allowance.

68. When the total casual leave in a year is reduced, as recommended by us, there should be a corresponding reduction in the number of days for which such leave can be taken at a time. A suitable limit for this purpose may be fixed by Government. Since a considerable proportion of employees are stationed at long distances from their homes, the authorities empowered to grant casual leave should have the discretion to exceed the normal limit in suitable cases; but that there should be a reduced normal limit, is of some practical importance. If an employee takes all the casual leave that he can, at one time, he might, in some cases, find himself in difficulty when he has to be absent from duty for a day or two. He might, also in the event of sudden illness, bereavement etc., seek special permission to absent himself from duty. When an employee wishes to absent himself for a period more or less equal to the total casual leave he can have in a year, he should be encouraged, and enabled conveniently, to have regular leave, reserving casual leave for genuinely casual needs.

69. As stated earlier, delay occurs in obtaining regular leave because leave accounts of gazetted officers are maintained at the Accounts offices, and of many classes of non-gazetted officers in offices other than those where they are working at the time. The accounts may continue to be maintained according to administrative convenience; but there seems to be no good reason why the leave sanctioning authorities should not have the power to sanction short leave, say upto 15 days, without reference to the Accounts authorities, or, in the case of non-gazetted officers, to the offices where the leave accounts are maintained. The information available in the office of the sanctioning authority and the statement of the applicant himself should be sufficient to ensure that leave is not granted unless it is due; and in any case, if in an odd case there is a mistake, the necessary adjustment can always be made subsequently. It is only when a longer leave has to be granted, for instance leave exceeding a month, that there is a real necessity for referring to the regular leave account. If employees are enabled, and encouraged, to have a few days' leave at short notice, their grievance that they do not get the leave to which they are entitled, might largely disappear. At present, they usually ask for long leave, which is often refused in what the authorities, rightly or wrongly, consider to be the public interest. We recommend that facilities should be provided to enable employees to avail of regular leave for short periods without undue formalities.

70. Under the existing orders, public holidays and weekly offs falling within a period of casual leave are included in the casual leave. There appears to be no valid reason why it should be so, and we recommend that such public holidays and weekly offs should not be treated as part of the casual leave.

71. Under the orders at present in force it is permissible in some cases, and not permissible in others, to incur expenditure on payment for overtime work necessitated by an employee being on casual leave. There appears to be no justification for this distinction, and we recommend that there should not be any restriction on incurring expenditure on payment for overtime work made necessary by the casual absence of an employee.

72. Special casual leave is granted to employees to cover periods of their absence from duty in connection with training in the Territorial Army, participation in sporting events of all India or international importance, attending annual meetings of service unions or associations, and certain other specified purposes. We consider the existing provision in this regard to be adequate both as regards the range of purposes for which it can be granted and the total period. We shall comment only on the provision for special casual leave for work connected with service associations, and for meeting heads of Departments etc., on behalf of the employees, because of the importance of such facilities to the employer-employee relationship, and the fact that many of the employees' organizations seem to regard the present provision inadequate.

73. In this matter, the staffs under the Ministries of Railways and Defence and the Department of Posts & Telegraphs are treated differently from the other staffs, apparently because those three have large numbers of industrial and other similar staffs, and well-organized trade unions. Briefly stated, the position is as follows:

(i) In the Railways representatives of recognized unions etc., can be granted special casual leave *without any limit* (a) for meeting representatives of the Administration and (b) for attending the annual general meetings of their respective unions.

(ii) In the Posts & Telegraphs Department, special casual leave may be granted for upto 20 days in a year for (a) waiting on deputation on the Minister, heads of Departments etc., (b) for attending, in a representative capacity, all-India conference and meetings of recognized associations and unions, and (c) to office-bearers and members of executive councils of all-India unions also for attending their circle conferences. General Secretaries of all-India unions may be allowed special casual leave upto 25 days.

(iii) Representatives of recognized unions under the Ministry of Defence may be given special casual leave of upto 20 days in a year (a) to attend all-India meetings, and (b) to attend other meetings to which they are invited by the Ministry of Defence or other authorities under the Ministry.

(iv) In other cases, no special casual leave is, ordinarily, granted and employees who are office-bearers of recognized unions etc., are expected to take ordinary casual leave for work connected with their union or association activities.

74. The employees' organizations have generally asked for greater facilities for activities connected with those organizations; but none of the major organizations has put forward any specific proposals.

75. The facilities allowed to recognized associations etc., of civil servants in the United Kingdom are far more restricted than those allowed to representatives of

associations etc., under the Ministries of Railways and Defence, and the Department of Posts & Telegraphs. Special leave, or time off, with pay is usually given without restriction only for attendances at joint meetings of the two Sides of the National Whitley Council or its Committees. Even for attendances at joint meetings of the Departmental Whitley Councils or of their Committees, the cost of any special arrangements that may have to be made to cover the leave or time-off given to the employee is to be borne by the employee himself, or by his organization. Similarly, where full day's special leave is given for other business of a staff association a deduction is made from the full pay. Though a special leave upto a maximum of 30 days may be granted in a year, the absent officer does not receive his normal pay, but only the difference between the normal pay and the actual or assumed expenditure on the arrangement necessary during his absence. Members of deputations are not allowed leave with pay except when it is agreed that the deputation will be regarded as taking the place of a special meeting of the Whitley Council.

76. We consider the facilities already allowed generous, and would recommend that facilities broadly modelled on those provided by the Department of Posts & Telegraphs or the Ministry of Defence to their civilian employees, may be extended to other employees representing recognized service organizations.

VI

77. In the previous sections of this chapter we have dealt with working hours, weekly off, public holidays, overtime and casual leave. We have found that between different classes and categories of employees no complete uniformity exists, or is feasible, in these matters. As a broad statement it would be correct to say that most groups of employees wish to have all the more favourable conditions of employment of other groups while retaining any specially favourable conditions which they themselves may be enjoying. For instance, the office staffs would like to retain their short working hours, their 5½ day week, and their 23 public holidays, and, at the same time, to have extra payment for overtime work. Likewise, the industrial staffs would like to have the same number of public holidays as office staffs, but to retain the right to extra payment for over time work. Again, practically all non-Railway employees desire to have extended to them certain 'special facilities' available to Railway employees, but none of them would, we imagine, entertain a proposal that like operating staffs on the Railways they should do without public holidays. In this situation, any indiscriminating pursuit of uniformity in each of the numerous conditions of employment, for different classes of employees can lead to one or the other of two obviously undesirable results; wide and unintelligent deliberalization of the conditions of employment, or equally wide and excessive liberalization.

78. Whether it is reasonable or not, it is inevitable that every group of employees will compare their conditions of employment etc. with those of other groups. We only hope that the comparison when made will be of all the conditions of the groups of employees concerned; and if this is done it might well lead to the conclusion in most cases that both some of the conspicuous privileges and the disadvantages of different classes of employees have a better justification than the mere sanction of tradition and that they often counter-balance each other.

79. There may be cases in which one or more of the conditions of employment of a particular class of employees are specially unpleasant, or hard, and there is no compensation in the shape of other exceptionally favourable conditions, with the

result that that class of employees is clearly worse off than other Central Government employees with comparable qualifications, responsibilities, etc. In such cases, a satisfactory remedy is not to attempt to achieve indentivity in conditions at any cost, but to keep the disparity in view in determining the pay and/or allowances of the employees concerned. This we have attempted to do. But we must emphasise that subject to certain important social considerations, such as the preservation of the employees' health and working efficiency, the matters dealt with in this chapter should be governed by the nature of the service which a particular class of employees has to render, and be influenced in a measure by the practice in outside employments.

CHAPTER XXXVI

LEAVE ENTITLEMENTS

1. With the insignificant exception mentioned hereafter, the non-industrial employees of the Central Government are governed by the Revised Leave Rules—introduced in 1933, but made operative from earlier dates, and liberalized from time to time—and the virtually identical provision embodied in separate rules applicable to Railway employees and civilians in the Defence Services respectively. The exceptions are those who having entered service before the different sets of revised leave rules came into force opted to be governed by one or the other of the older rules applicable to them.

2. Of the industrial staffs numbering approximately 4·67 lakhs, about 2·89 lakhs *i.e.* roughly 62 per cent., are Railway employees, and these are governed by the Revised (Railway) Leave Rules applicable to other Railway employees. The remaining 1·78 lakhs are not governed by any single or uniform set of rules. With the exception of the permanent work-charged staff under the Central Public Works Department, to whom the Revised Leave Rules are applicable in regard to earned leave, they all have leave provisions which are notably less favourable than those of “non-industrial” staffs.

3. The table below compares the main leave provisions applicable to “non-industrial” and all Railway staffs, and “industrial” staffs:—

	“ Non-industrial ” and all Railway Staffs.	“ Industrial ” staffs.
(i) Leave on full pay	1/11 of duty.	Ranging from 1/52 to about 1/18.
Limit of accumulation	180 days.	20 to 30 days.
(ii) Leave on half pay	20 days in a year without any limit of accumulation, and in case of sickness, this leave can be commuted to ‘leave on full pay’ subject to a limit of 240 days.	Available only under the Defence Department at the rate of 10 days in a calendar year for service of less than 20 years, and 30 days in a calendar year for longer service subject to maxima of 60 and 120 days respectively.
(iii) Leave not due	360 days, out of which not more than 90 days at a time, and 180 days in all, may be availed of otherwise than on medical certificate.	Nil.
(iv) Extraordinary leave	In the case of permanent staffs, no limit, except that it should not exceed 60 months at a time ; for temporary staffs upto 3 months at a time, but upto 18 months, if suffering from tuberculosis, leprosy, etc.	Ordinarily upto 3 months (and in some cases, 6 months) at a time, but extensible upto 18 months in case of staffs suffering from tuberculosis leprosy, etc.
(v) Sick leave on full pay	No separate provision, but any of the leaves mentioned above can be had for sickness.	10 days in a year, non-cumulative. In the Posts and Telegraphs Department, upto 15 days’ casual/sick leave is given.

4. That leave entitlements of "industrial" staffs should be brought on par with those of the "non-industrial" staffs is one of the main demands of the employees. Before this demand is examined, it may be mentioned that there are certain relatively minor differences in the leave entitlements of the "non-industrial" staffs themselves. For instance, the maximum leave on full pay admissible at a time is 120 days for Class III and Class IV staffs, and 180 for Class I and Class II staff, provided 60 days are spent outside India. Again, temporary staffs, during the first year of service, earn leave on full pay at the rate of 1/22 of duty as compared with 1/11 of duty in the case of other employees. Neither of these two differences, or any of the others, is of practical importance. In fact, compared to many advanced countries, the degree of uniformity in the matter of leave attained in non-industrial Central Government employment is truly remarkable. In the United Kingdom, for instance, the leave allowances increase with the length of service and rise in salary levels. The annual rates range from 16 days (for staffs upto and including the grade of Clerical Officer with upto 10 years' service) to 32 days (for staffs above the grade of Assistant Secretary). In Sweden also the annual leave allowance ranges from 20 to 35 days according to age and salary grade. The leave allowances of the manipulative grades range from 14 to 24 days. In the United States Federal Service there is no differentiation on the basis of salary levels, but while employees with 15 years or more service earn 26 days leave a year, those with 3 to 14 years earn 20 days, and those with less than 3 years, only 13 days. The view taken in the United Kingdom is that at the higher levels of the Civil Service, the pressure of work is often extremely intense, involving long irregular hours, during the week, and at the week-end. Both, in that country and the United States of America, it is, apparently, considered that with longer service, staffs require, and deserve, longer leave for rest and recuperation, and for personal affairs generally. That staffs at higher levels have to work long hours regularly, and to work at week-ends and during other holidays, is a fact, and it is also probably true that brain work at that level is more exacting than manual work. There may, rationally be a case, therefore, for a higher leave allowance* for them than, for instance, for peons and other comparable staffs. There did, in fact, exist in the Central Government Service differences based, in the ultimate analysis, on the nature of duties and responsibilities; but they were progressively narrowed down, and ultimately abolished on the ground that they were invidiously discriminatory, and inconsistent with the Government's egalitarian principles. In the circumstances, re-introduction of the differentiation has to be ruled out. On the consideration, however, that with the increase in age an employee needs more leave for rest and recuperation, and for the discharge of his family and social responsibilities, it would be appropriate, in our view, to have graduated rate of leave allowance rising with the length of service for all grades of staff.

5. We have, however, first to consider the wider question whether the leave entitlements of the Central Government employees are reasonable, inadequate, or excessive; for what the graduated rates should be will depend on the answer to that question. It is obviously desirable on humane and social considerations, and equally so in the interest of efficiency of the public service, that there should be adequate provision for leave. At the same time, the tax-payer's interest requires that a public employee should not be entitled to more leave than is necessary for rest and recuperation and for the discharge of his essential social obligations etc. What is the minimum annual leave allowance at which these various considerations would be ideally balanced is a matter of judgment, and one, therefore, admitting of difference of opinion. The practice in other advanced countries may, however, provide some guidance, and so may the practice in outside employments in this country itself. And the annual privilege leave allowance has, obviously, to be

*The words "leave allowance" throughout this chapter mean the rate or rates at which leave is earned.

considered along with other forms of leave, such as casual leave, and the public holidays, available to the Central Government employees.

6. As explained in chapter XXXV, in addition to their leave entitlements under the relevant leave rules, the Central Government employees may have authorized paid absences from work ranging from 15 to 38 days in the year on account of public holidays and casual leave. The corresponding figures for the United Kingdom are 15 days (special leave 6 days, and public holidays 9) for staffs generally, and 12 days (6 of each) for industrial and other comparable staffs. The United State Federal employees are entitled to 8 public holidays in a year, but have nothing comparable to our casual leave. Absences which would be covered here by casual leave, or in the United Kingdom by special leave, are charged to annual leave. It is true that, both in the United States of America and the United Kingdom, leave allowance is reckoned in terms of working days, and Sundays and public holidays falling in the period of absence are not counted towards leave, as they are in India: here, it is permissible only to prefix or suffix a public holiday to leave. Even so, the leave entitlements and the total period of permissible absence from duty in a year are far more generous here, particularly in the case of non-industrial staffs. As against differences in climatic and social conditions which may justify more generous leave allowances in India, there are equally or even more glaring differences in the levels of economic development, which call for greater industry. In the net result, there is, we think, a case for reduction of leave, or—what, in effect, would be the same thing—a reduction in the total permissible absence from duty in a year. Compared to the leave allowances of, and public holidays etc., available to, staffs in outside employments in this country also, the Central Government employees generally are distinctly better off, and the non-industrial staffs conspicuously so. From the information available, the annual leave allowance in the private sector ranges from 10 to 30 days, but is generally roundabout 15 days—which is also what the minimum requirements under the Factories Act, 1948, the Mines Act, 1952, and the Plantation Labour Act, 1951, approximately work out to. Public holidays allowed are also fewer and casual leave shorter than in Central Government employment.

7. Taking into consideration all these factors, including the reduction proposed by us in the maximum number of holidays and casual leave together from 38 to 28 days, we recommend that earned leave should be admissible to non-industrial staffs, at the following rates:

During the first 5 years of service—	1.75 days for each month of service.
During the next 10 years of service—	2.25 days for each month of service.
After 15 years of service—	2.5 days for each month of service.

8. The review of the leave entitlements made in the preceding paragraphs has brought out the wide disparity that exists in this matter between the non-industrial staffs and all Railway staffs on the one side, and the rest of the industrial staffs (other than those under the Railways) on the other. This, in fact, is the most serious problem concerning leave which we have to consider, and the problem has been complicated by the lack of uniformity among the industrial staffs themselves, and by the fact that more than half of the industrial staffs—those under the Railways—have the same leave allowances as the non-industrial staffs.

9. The Varadachariar Commission observed that endeavour should be made to have a common leave code for all branches of the service subject, however, to two important qualifications:—

- (i) The leave rules for industrial employees of the Government should not be such as to create serious divergencies between Government industrial establishments and private establishments; and
- (ii) the nature of work in certain services, such as the Railways and Posts and Telegraphs, might call for special treatment in certain respects.

In support of the first qualification, the Commission referred to the fact that international conventions relating to leave, rest, etc., deal with private and public industries alike. Apart from the need for differentiations on the basis of length of service, and level of responsibility, which have already been dealt with, both, the general principle enunciated by the Commission, and the qualifications attached to it are unexceptionable. It is, however, their application, and in particular the difficulties involved in curtailing existing privileges even if logically unsupportable, that present the real problems. If we were writing on a clean slate, we could probably take the view that all industrial staffs under the Central Government should have substantially the same leave terms; that these should be comparable though not necessarily identical, with the leave terms of staffs in the better industrial undertakings in the private sector; and that such non-industrial staffs as are manual workers should be treated generally on the same footing as the industrial staffs, with whom they have more in common than with the rest of the non-industrial civil servants. As it is, the entire non-industrial civil service, including the manual workers (Class IV staffs), is governed by what are, in substance, identical leave rules; and for reasons mentioned earlier, no change likely to place the Class IV staffs in a relatively unfavourable position, need be seriously considered. Similarly, the industrial staffs in the Railways—and they constitute a majority of the total industrial staffs under the Central Government—are governed by the same leave provisions as are applicable to the other Railway staffs and to non-industrial civil servants, generally. The reference here is to staffs employed in Railway workshops who share all the usual characteristics of factory workers.

10. The logical course would be to make applicable to industrial staffs under the Railways the leave terms proposed for industrial staffs generally. The present arrangement originated, presumably, from the idea that the Railway employees are an organic whole requiring uniform treatment, and that the Railway staffs of different categories are likely to attach far greater importance to relativities within the Department than to those with other Government staffs with similar functions. This view of the Railway administration, it seems, is shared by the unions of Railway employees, and is reflected also in common retirement benefits, and medical facilities for industrial and non-industrial staffs. While there is some force in the reasoning which underlies the present arrangement, there is at least equally strong, if not stronger, reason in favour of treating industrial staffs under the Railways on the same footing as other industrial staffs. Many of the Railway workshops, for instance those at Chittaranjan and Perambur, are not linked to the day-to-day operation of the Railways, and the structure of emoluments in those workshops is, and has necessarily to be, similar to that in other workshops. There would, of course, be the usual objection to deliberalization of conditions of service of the existing staff, such as would result if the leave terms of the Railway industrial staffs are replaced by those recommended for other industrial staffs.

Another factor to be taken into account is that workshop employees in the Railways are not entitled to any casual leave, while in other Departments of

Government they can at present usually have upto 5 days' casual leave and in a few cases even upto 15 days. We have recommended 7 days' casual leave for workshop staffs generally, except when there are special reasons for allowing more or less than that period. For workshop staffs in the Railways we have not recommended any casual leave so long as they continue to be governed by the same leave rules as non-industrial employees. The difference between the average amount of earned leave which would be admissible to non-industrial staffs under our recommendations, and the average amount of earned leave which we recommend for industrial staffs, is about 10 days a year. If, against this, is set off the casual leave which would be admissible to workshop staffs, excluding those in the Railways, the balance of advantage in favour of the latter, taking earned leave and casual leave together, will be only about 3 days. We consider that this is not large enough to justify a radical change in the leave entitlements of workshop employees in the Railways, who may, therefore, continue to earn leave at the rates applicable to non-industrial staffs. If, however, casual leave is to be allowed to them, there should be a proportionate reduction in the rate of earned leave.

11. We proceed to examine what the leave allowances of industrial staffs should be, and whether, barring the special case of industrials under the Railways, they should be uniform. There is no valid, or, for the matter of that, any known basis for the differences that exist to-day, and which cannot fail to cause heart-burning among those whose leave terms are relatively unfavourable. Apart from the psychological aspect, it is desirable on humane considerations and in the interest of efficiency that all staffs should have reasonable leave entitlements; and on considerations of economy, that none should have more than is reasonable—though, as it happens, this latter is not a practical issue. It is true that there are differences among the Government's industrial establishments in regard to the extent of casual leave and the number of public holidays; but we have tried to narrow these down as far as feasible (*vide* our recommendation in chapter XXXV).

12. Keeping in view the provisions regarding minimum annual leave in the Factories Act, 1948, and the other similar laws, the common practice in industrial undertakings in the private sector, the present leave allowances etc., in the Government's industrial establishments, as also the need for simplification* of leave rules, and the desirability of relating the rate of leave to length of service, we recommend that leave entitlements of industrial staffs should be regulated as follows:—

(i) Earned Leave

(a) Rate of earning	For each month of service	Annual.
During the first 5 years of service	1 day.	12 days.
From the 6th to 15th year	1½ days.	15 days.
Above 15 years	1¾ days.	21 days.

In a service of 30 years, the total leave at the proposed rates would be 525 days, as compared with 450 days under the provisions of the Factories Act, 1948, and 447 days under the rules applicable to industrial staffs under the Ministry of Defence.

(b) Maximum accumulation: 30 days; but if leave applied for in accordance with the prescribed procedure is refused, 45 days.

(ii) Leave on half pay: 10 days for each completed calendar year of service, subject to a maximum of 30 days at a time, and 180 days during the entire service. To be granted on production of medical certificate.

*The results of the deliberations of the Rules Revision Committee were made available to us, and to the extent we are in agreement with the Committee's conclusions we have made use of them.

- (iii) Extra-ordinary leave: Upto 3 months at a time, but extensible upto 18 months if suffering from a disease, such as tuberculosis or leprosy, requiring prolonged treatment. Admissible only after a year's service.
- (iv) Sick leave on full pay: 10 days in a calendar year. Non-cumulative. The suggested provisions for leave on half pay and sick leave on full pay should ordinarily be adequate to meet an employee's need for leave in case of sickness; and in the case of prolonged illness, he would have the provision for extra-ordinary leave to fall back upon.

13. A number of demands have been made by the employees' organisations for liberalization of the present leave provisions, in one form and another. Some of these demands have been made in the name of simplification for which there is, probably, some room, and which if possible without increasing the leave entitlements should certainly be effected. Some other demands have stemmed from the theory that an employee has practically an unqualified right to the leave for which he is eligible under the leave rules; and, in fact, many employees' organizations have asked for deletion of the common provision in the leave rules that leave cannot be claimed as a matter of right.

14. The primacy of public business, and the practical difficulties and risks to public safety etc.—some of them exceedingly serious—that might arise if Government servants were free to have, according to their own convenience, leave for which they are eligible, are the reasons behind the enunciation of the principle referred to above. And it is not only in India that such a principle has been enunciated. In the United Kingdom also, the leave allowances are subject to the proviso* that “no civil servant is entitled as of right to be absent on leave for the number of days for which he is eligible, or to receive any form of compensation if his annual allowance of leave is curtailed because of the demands of the work.” The dangers of abrogating this principle are too obvious to require discussion; but there can be no justification, at the same time, for so using a reserve power of the Administration as to abridge employees' leave benefits, even when this is not necessitated by requirements of the public service. This, however, is not a matter to be regulated by a formal rule or amendment of it; it is one of a fair, enlightened, and sensible approach to problems of personnel administration, and of the spirit in which the rules are administered. While it is often not possible to let all who want leave at a particular time to have it at that time, and there is a limit beyond which depletion of staff cannot be permitted without dislocating the working of an establishment, the heads of Departments, Offices etc., must plan their work to permit employees to take a certain amount of leave annually, and a longer leave after some years, or according to any special necessity. A proportion of supervisory officers, perhaps, frown upon applications for leave which, they think, can be granted usually, only at the cost of public business. We suggest that Government should make it clear that this is a short-sighted view, and that on the contrary it is in the interests of efficiency that employees should take leave annually, and return to work keen and refreshed. Attention might also be drawn to the opportunity which leave vacancies provide for putting subordinate staffs in more responsible positions, and thus testing their capabilities and promoting their growth. Apart from failure to appreciate the value of periodical leave, which, perhaps, is even more wide-spread among the higher grades of employees themselves than among those who have the authority to grant leave—one often comes across Class I and Class II officers who have not had leave for years—inadequacy

*Para. 69—Introductory Factual Memorandum on the Civil Service (submitted by H. M. Treasury to Royal Commission on the Civil Service, 1953).

of leave reserves may be a fairly common cause of refusal even of reasonable requests for leave. This question of leave reserves will be dealt with in a later paragraph.

15. Among the specific demands for liberalization that have been made by employees' organizations, the more important are: (i) that the rate of leave should be increased from 1/11 of duty to 1/8 or 1/10 of duty, and a variant is that leave should accrue on period of service, not of duty; (ii) that leave on medical certificate should be allowed without any limit, or that it should be allowed at the rate of one or two months on full pay, and one month on half pay, for each year of service; (iii) that the provisions regarding leave salary should be changed to the employees' benefit—several specific suggestions have been made in this regard—; and (iv) that there should be no restriction on the accumulation of leave, or that the limit of accumulation should be raised—the figure suggested ranging from one to three years.

As has been mentioned earlier, even the existing leave allowances are on the whole distinctly more liberal than those in far more developed countries, and they are, certainly, more liberal than in outside employment in this country itself. There is, therefore, a case for a downward rather than an upward revision of the leave allowances. The only point on which a change might be justified on the ground of simplicity is that about relating rate of leave to period of service; and this will be dealt with in a later paragraph.

As regards leave salary, one of the demands is that the whole or 80 per cent. of it should be paid in advance subject to a maximum of two months' pay. This would not involve any additional expenditure, and nor does it involve acceptance of a radically new principle; even now, an advance of salary is permissible on the eve of a transfer, or an advance of travelling allowance before an employee avails himself of the leave travel concession. And, on the other hand, it is well known that lack of money and the delays which usually occur in getting leave salary are among the factors that deter many employees from proceeding on leave. In the circumstances, we recommend that upto a month's leave salary may be allowed in advance.

The maximum leave salary admissible during half-pay leave is Rs. 750 per mensem, and during commuted leave—which can be had only in case of sickness—it is double that amount i.e. Rs. 1,500. These limits affect only the higher staffs; and the limits have continued in spite of a recommendation to the contrary made by the Varadachariar Commission, on the consideration, presumably, of economy. This is a valid enough consideration, except when an employee has to take leave because of sickness, or when he is allowed longer leave for pursuing an approved course of study for which he does not ask for, or is not given a study leave. In these cases—and these only—the limits should not operate.

The present limit of accumulation of leave on full pay for non-industrial staffs is 180 days, which is far more than is allowed in any of the developed countries about which we have information. In the United States Federal Service, for instance, the limit of accumulation is 30 days. Even under the Central Government itself, the limits of accumulation in the case of Defence Forces are far lower; the leave due to a commissioned officer and not availed of lapses at the end of the year; others can carry their leave into the next year subject, however, to a limit of 90 days, for the two years. Even now a part of the leave earned by many employees lapses, not because of refusal of leave, but because they themselves go on putting off asking for leave, until it is too late. Any increase in the limit of accumulation would, probably, result in the lapsing of even more leave than at

present; and this would not, obviously, be to the interest either of the employees or of the Government. Even apart from this, short leave taken annually is more conducive to the well-being of the employee, and to the efficiency of the public service, than long leave taken after a lapse of years; and raising the limit of accumulation is likely to encourage the latter. It is, in fact, desirable to lower the limit of accumulation, and we recommend that while the normal limits of accumulation may be reduced to 120 days, additional accumulation of upto 60 days should be permitted, at the discretion of the sanctioning authority, when leave applied for is refused in the public interest.

There is a demand that the present restriction regarding the maximum period for which leave on full pay can be taken at a time—120 days—should be removed. It follows from what has been said above that the removal of the restriction would not be desirable and we do not recommend it. What by implication amounts to the opposite view, has also been expressed, *viz.*, that employees should be compelled to take leave at short, regular, intervals; and this bears the imprimatur of the Varadachariar Commission. In spite of its paternalistic, if not authoritarian, look, the idea is by no means very novel. In the United States Federal Service, for instance, any agency might require its employees to take leave at any time. But in present conditions in India, official solicitude for the well-being of an employee may, perhaps, stop at gentle advice to an employee who has been too long on his job without break, and looks like falling on it.

16. Among other demands made on behalf of employees, the more notable are: (i) that "leave not due" should be granted on full pay, and that it should be granted to temporary employees also; and (ii) that on medical certificates, extra-ordinary leave should be granted without any limit.

"Leave not due" is in essence an advance of leave on half pay given when no other leave with pay or allowances is due to an employee. Such leave can be granted only if the authority empowered to sanction it is satisfied that there is reasonable prospect of the employee returning to duty on the expiry of the leave, and earning an equal amount of leave on half pay by subsequent duty. Considering that there is liberal provision for other forms of leave, it would be imprudent, and, therefore, objectionable from the point of view of the community, to make this advance leave more liberal. The risk of a temporary employee not returning to his post is greater, because his stakes are smaller. For instance, he has no pensionary rights.

The main purpose of extra-ordinary leave is to maintain continuity of service of an employee. Ordinarily, the period of such leave does not count for increment, or qualify for pension. It is in essence an arrangement by which an employee's continuing title to his appointment is recognized. The present provisions—upto 60 months at a time in the case of permanent staff, and 3 months in the case of temporary staffs, but extensible upto 18 months when suffering from tuberculosis etc.—are liberal enough; and any further liberalization would be extravagant. It must be remembered that a permanent arrangement cannot be made in a vacancy caused by an employee proceeding on extraordinary leave; and so, the longer the period of extraordinary leave, the longer has the consequential temporary arrangement—with all its disadvantages—to be continued.

Both, in the matter of "leave not due" and extraordinary leave, the root of the matter is not that the existing provisions are in themselves illiberal, but that an unduly large proportion of the Central Government employees having remained temporary for years, the distinctions which the relevant rules make between temporary and permanent staffs appear unfair. The remedy is the termination of

this state of affairs (which we have recommended elsewhere), and not the liberalization of provisions relating to "leave not due" and extraordinary leave.

17. A suggestion has been made that "encashment" of a portion of earned leave should be permitted. The leave allowances are not even remotely intended to serve as a means of supplementing an employee's earnings and we are of the view that encashment of any portion of earned leave should not be allowed.

18. Only certain special kinds of leave remain to be considered. The three sets of leave rules known as the Special Disability Leave Rules, the Hospital Leave Rules, and the Seamen's Sick-leave Rules, have the same broad object of authorizing to Government servants, over and above the other leave entitlements, absence from duty while under medical treatment for illness or injury caused in the performance of their official duties, or attributable to their official position or occupation. The Special Disability Leave Rules are applicable to all Central Government employees, including industrial staffs in the Railways, but excluding other industrials; the Hospital Leave Rules apply to all low-paid staffs in the Railways and, with an important restriction to be mentioned presently, to certain categories of low-paid staffs in the Posts and Telegraphs, and some other Departments; and the Seamen's Sick-leave Rules, to Government servant, serving as an officer, warrant officer or petty officer in a Government vessel. The Special Disability Leave Rules are applicable also to those to whom the two latter rules apply. The total amount of Special Disability Leave admissible may extend to 24 months in respect of any one disability, of which four months may be on full pay, and the rest on half pay; and the first four months on full pay are not debited to the leave account. The maximum amount of Hospital Leave admissible generally is three months in any period of three years, in terms of leave on full pay, or 6 months on half pay; and the leave is not debited to the leave account. In the case of Railway employees, however, Hospital Leave can be granted without limit, on full pay, or half pay, at the discretion of the competent authority. While Special Disability Leave is granted only on the certificate of a Medical Board, there is no such requirement in the case of Hospital Leave, or Seamen's Sick-leave.

19. No demand has been made for any change as regards Special Disability Leave, or Seamen's Sick-leave, and none need be considered. A demand has, however, been made by the Posts and Telegraphs Federation, and other unions, that all employees should be entitled to Hospital Leave. There appears to be no justification for restricting Hospital Leave to certain selected categories of low-paid employees, and we recommend that such leave may be made admissible to all low-paid employees, on the consideration that the issue of a certificate by a Medical Board, which is required in the case of Special Disability Leave, presents practical difficulties in regard to classes of employees whose numbers are very large. Broadly speaking, all Class IV staffs under the present classification may be treated as low-paid for this purpose. Among Class III employees, those who are entitled to Hospital Leave under the present rules—vide list under Supplementary Rule 69—may continue to be so entitled. In addition, those whose duties involve the handling of dangerous machinery, explosive materials, poisonous drugs etc., or the performance of hazardous tasks, may also be made eligible.

20. The Factories Act does not contain any provision for the grant of Special Disability Leave or Hospital Leave. The provisions of the Workmen's Compensation Act, relating to employment injury benefits, are applicable to factory workers under Government, but they are smaller even than the inadequate benefits otherwise available to those staffs. The industrial staffs under the Ministry of Defence are entitled to Hospital Leave on full pay for one month, and thereafter on half pay for three months, on any occasion. The industrial staffs under the

Posts and Telegraphs Department are also eligible to the same amount of Hospital Leave. In some establishments, however, e.g., the Hyderabad Mint, Assay Department, Bombay, and the Indian Veterinary Research Institute, Izatnagar, workers are entitled to injury leave on full pay upto three months in a period of three years.

There appears to be no good reason why a distinction should be made between industrial and low-paid non-industrial staffs in the matter of Hospital Leave, and we recommend that industrial staffs should also be eligible for Hospital Leave for up to three months on full pay, or six months on half pay, in a period of three years.

21. Maternity leave on full pay is granted to non-industrial permanent or temporary female Government servants for a period which may extend upto three months. The leave is not debited to the leave account; but it also does not count for increments, in temporary or officiating service. As regards industrials, there is no uniformity. Those under the Railways are on the same footing as the non-industrials. In most other cases, the total maternity leave admissible is eight weeks. Under some of the maternity leave laws made by the State Legislatures, the maximum leave admissible is twelve weeks; and the Employees State Insurance Act, 1948, also has provisions under which an insured woman worker on maternity leave gets full average wage for a period of twelve weeks. In the circumstances, we recommend that the maternity leave admissible to industrial staffs should be roughly the same as that admissible to non-industrial staffs.

The only other recommendation which we wish to make regarding maternity leave is that in the case of temporary and officiating service also, the period of maternity leave should count for purpose of increments.

22. Study leave may be granted for the purpose of enabling Government servants—non-gazetted as well as gazetted—to prosecute higher studies, or receive specialized training in professional and technical subjects having a *direct and close connection with* the sphere of their duties. The maximum amount of study leave which may be granted is 12 months at one time, and two years in all. Study leave may also be granted in combination with other kinds of leave, provided that this does not involve absence from regular duty for more than 28 months. Study leave is not debited to a Government servant's leave account, and the period spent on study leave counts as service for pension. Leave salary admissible during study leave is half pay subject, however, to a maximum of Rs. 750 per mensem. In addition, a study allowance is granted at a rate which varies from country to country; for instance, it is 16 *sh.* a day for the United Kingdom, and half the daily allowance as on tour in India. In exceptional cases, particularly in those of low-paid non-gazetted servants, the cost of fees and travelling expenses may also be paid by the Government. Industrial staffs generally are not eligible for study leave. The only exceptions are such industrial staffs under the Railways as are not placed in Class IV.

23. The main demands made on behalf of the employees are that the objects for which study leave can be granted should be made wider; that the total period of study leave should be increased to 3 years, of which upto one year should be on full pay; that industrial staffs should be made eligible; and that study leave should be granted more liberally, particularly to technical and scientific personnel.

The complexity of modern administration, and the interdependence of its different branches, and the rapid pace of progress in many fields, certainly make it desirable, and in many cases necessary, that public servants should have opportunities periodically to refresh and widen their knowledge, and to gain fresh experience, and new perspectives. Study leave on standard terms taken by employees voluntarily is, however, only one of the means of securing such opportunities. When the Government considers a course of training, further education,

or study tour, necessary in the interest of the public service, the employees deputed are treated as on duty, and the cost of travel etc., is met by the Government. There are also some special schemes for training abroad, which combine deputation with special leave, and which, on the whole, provide terms more liberal than those attached to ordinary study leave. It is in cases in which a course of study etc., is not considered so essential as to justify the Government bearing the entire or the bulk of the cost, but sufficiently desirable to justify its sharing the cost with the employee, that study leave is appropriate. We have no information as to the number of cases in which study leave has been granted in recent years, nor whether, if the number is small, it is due to lack of applicants, or the rejection of applications by Government.

The present limit of two years for which study leave can be granted is clearly not low by any standard, and nor can the provision of half pay, supplemented by a study allowance, be considered inadequate, especially in view of the fact that it is open to a Government servant to use part of his leave on full pay for purposes of study, and to combine it with study leave. It has also to be remembered that the value of the training or education for which study leave is sought has to be weighed against the expenditure from public funds that may be involved—directly in the form of study allowance, and indirectly in the form of the cost of filling the consequential vacancy. It is possible that the considerable number of deputations abroad under training schemes of the United Nations, the United States Technical Assistance Programme, the Colombo Plan, the Ford and Rockefeller Foundations etc., the paucity of suitable courses within the country, and also, perhaps, the fact that not many employees yet consider further training or education worth the financial sacrifice involved—reasonable though this may be—are in combination responsible for insufficient demand for study leave. If so, the remedy is not making study leave terms more attractive. It is likely that, as more courses suitable for public servants become available in the country, and there is wider appreciation of the value of further education and training, more employees will ask for study leave, even on the present terms.

As to widening the purposes for which study leave can be granted, general education—higher or lower—is the responsibility of the employee, not of the employer, except to the extent clearly required for the efficient discharge of the duties of an appointment. However, when the Government is the employer it ought to allow facilities to employees who wish to obtain general education—so long as this is not at the cost of the employee's official duties, and does not involve entertainment of additional staff.

In another sense, however, the purposes for which study leave can be granted are, at present, too narrowly defined. It cannot, perhaps, be granted ordinarily, for instance, to enable an administrative officer to attend a course in the social sciences, public finance, or statistics, unless he happens to be employed at the time on work requiring specialized knowledge of the particular subject. Again, it may not be permissible to grant study leave for a general type of course in, say, public administration, or the parliamentary system, or social or economic administration, from which a civil servant, particularly one in the higher echelons, can derive benefit, but which, in many cases, may not be directly or closely connected with his work, particularly at the time. Yet again, study leave cannot, perhaps, be granted to a Government servant to give him an opportunity to travel abroad or in India, to study aspects of Government or public administration, likely to be of value to him as a civil servant. We recommend that the purposes for which study leave may be granted should include (a) a study tour in course of which a Government servant may not attend a regular academic or semi-academic course; (b) studies which may not be closely and directly linked with a civil servant's

work, but which are capable of widening his mind in a manner likely to improve his abilities as a civil servant and to equip him better to collaborate with those employed in other branches of the public service; and (c) studies connected with the framework or background of public administration. The two precautions that may be necessary are: (i) the particular study or study tour should be approved by the head of Department etc., and (ii) the Government servant should be required to submit, on his return, a full report on the work done by him while on study leave.

We further recommend that study leave should be liberally granted, particularly to scientific, technical, and administrative staff, and that, in suitable cases, the staff should even be encouraged or advised to have such leave.

For industrial staffs, what is required is not the extension to them of the standard study leave terms, but the provision of facilities for technical training and education to the utmost extent possible, so that these staffs may attain the growth of which they are capable. These facilities can, normally, be in the form of evening classes held in the neighbourhood of the workshops; but when the final stages of the course require full-time application of the employees under training, it would be reasonable to allow them special leave on half pay, which should not be debited to their leave accounts. This is, however, obviously not a matter to be considered as an adjunct to the problem of study leave for other staffs, but one involving the whole question of training and technical education of industrial staffs, and the facilities to be provided for such training and education. We suggest that these matters may be considered by Government.

24. In the Posts and Telegraphs and Salt Departments, and in the Central Tractor Organisation and the Survey of India, certain categories of Class III and Class IV staffs are on duty only for part of the year. They may be permanent or temporary, but are regular, and not casual, staff. The nature, or place of their work is such that they can be on duty only for some months in the year; during the rest of the year, they are on what is called "departmental leave", during which they are entitled to leave salary not exceeding half pay. There is, however, no uniformity within this limit. In the Survey of India, for instance, while the Class III employees get leave salary at the rate of 25 per cent. of pay, the Class IV employees get amounts ranging from Re. 1 to Rs. 8 per mensem depending on the length of service, and a further amount ranging from Re. 1 to Rs. 5, related to the substantive rank of the employee. The distinction between Class III and Class IV employees has been made, presumably, on the ground that the latter may be able to secure some other employment during the off-season. The Ministry concerned has informed us that "the guiding consideration in fixing the rates and the maximum amount of departmental leave pay has been to offer such remuneration which is considered enough to attract an individual to stick to his appointment, and to ensure his return to duty as and when required. It is a sort of retaining fee, the maximum of which was fixed on an *ad hoc* basis under the provisions of S.R. 279." There is no objection, in principle, to employees whose duties are seasonal being paid at a much lower rate during the off-season, provided they are given the freedom to accept other employment, or to take to some other occupation, during that period; and they have been given such freedom. But whether the present rates of departmental leave salary are reasonable, is a different matter. We recommend that the Government should review these rates, but would add that the salary during departmental leave should not be less than 10 per cent. of the salary on duty.

Except those under the Survey of India, these staffs do not earn leave on full pay at the same rate as other Class III and IV staffs, but at the rate of 1/12 or 1/24

of duty. There is no reason why they should not be put on the same footing in this matter as other employees. We, therefore, recommend that staffs subject to departmental leave should while on duty earn leave at the same rate as other staff, and not at a lower rate.

25. This completes consideration of the main issues concerning leave. We now deal with certain proposals made to simplify calculation of earned leave, leave salary, etc.

(i) It has been suggested that, instead of calculating earned leave on the basis of period of *duty*, the calculation should be made on the basis of a specified number of days for each calendar month of service, and no distinction should be made between temporary and permanent service.

(ii) The present method of regulating leave salary often involves retrospective adjustments on account of confirmations and grant of quasi-permanency from back dates; and when leave is granted for more than 60 days, it is, ordinarily, necessary to calculate the average salary for 36 months. The proposal is that leave salary may be calculated only on the basis of the average of the rates of pay admissible during each of the ten months in which a Government servant was on duty immediately prior to the month in which leave commences. It has further been proposed that in the case of employees who proceed on leave from posts, the maximum pay of which does not exceed Rs. 60 per mensem, the leave salary may be based on the rate of pay drawn immediately before proceeding on leave. Since the periodical rise in pay in their case is small, the difference between the average pay and the rate of pay drawn before the commencement of leave would be negligible; and as many low-paid employees take short leave frequently, there would be substantial reduction of clerical work.

(iii) Under the present rules, during the refused leave granted from the date of superannuation or on the expiry of any period of extension of service, a Government servant retains a lien on his permanent post, and also counts the period of leave as pensionable service. Consequently no permanent arrangements can be made in the chain of vacancies caused by the grant of the refused leave. This adversely affects the interests of other Government servants who might otherwise be confirmed in the chain of vacancies caused by the retirement. It has been suggested that the existing rules should be amended to the effect that a Government servant who is granted leave beyond the date of superannuation or on the expiry of a period of extension of service, shall not retain a lien on his permanent post during the leave, or count the leave as pensionable service.

(iv) It is one of the basic conditions under the existing rules that the refused leave can be availed of from the date of superannuation, or on the expiry of a period of extension of service, only if it was applied for so as to terminate on the date immediately preceding the date of superannuation, or on the date of expiry of a period of extension. It has been suggested that as this condition makes the procedure cumbersome, it should be deleted, but that when a person ceases to be in active service on attaining the age of superannuation or on the expiry of a period of extension of service, he may be granted so much of the earned leave as may be due to him, subject to a maximum of 120 days.

As regards the first proposal, we have already recommended that earned leave should be based on periods of service. We see no objection to the second proposal, but suggest that the limit of pay mentioned therein may be raised to Rs. 100, as, with the exception of boy peons, there may be no posts in future whose maximum

pay does not exceed Rs. 60. We support the third proposal also. We do not, however, recommend the acceptance of the fourth proposal as it would, in fact, mean that practically every employee would be on the pay roll for 4 months beyond superannuation; and it would encourage employees to accumulate 4 months leave during the last years of their service—usually, to the detriment of their own health and of the efficiency of the public service.

26. Some employees' organisations have raised the question of leave reserves. Careful determination, and regular maintenance of leave reserves is essential, if, while avoiding waste of manpower, employees are to be given leave to which they are entitled. The recommendations which we have made regarding liberalization of particular leave rules, for instance, those relating to industrial staffs, or a more liberal administration of the present rules, such as those concerning study leave, will not, in practice, confer the desired benefit on the employees, unless adequate leave reserves are maintained. The strength of a leave reserve is calculated mainly on (a) leave entitlements of the staff concerned; (b) average amount of leave taken annually over a period of years; and (c) special requirements of certain organizations which have to provide or operate a continuous service, e.g. Posts and Telegraphs, and the Railways. The normal provision in Class III is 10 per cent. and in Class IV $7\frac{1}{2}$ per cent. of the posts. Some Class I services carry their own leave reserves, usually 10 per cent. of duty posts; some have their leave reserve located in the related Class II services; and some depend ultimately on the related Class III Service. In the operating cadres in Posts and Telegraphs and the Railways, the leave reserve ranges from 12.5 per cent. to 30 per cent. of the posts in a cadre. There is no uniform practice in regard to temporary posts, and in some cadres, for instance in the Posts and Telegraphs Department, leave reserves for temporary staffs are maintained at half the normal rate.

Any distinction between permanent and temporary staffs as such is, obviously, not justified; nor should there be a difference between one class and another, now that the leave entitlements are practically identical. Only a slightly higher provision for Class I and II Service might, perhaps, be justified, because more officers of those Classes may proceed on study leave. If the Government considers—as it appears to do, judging from the ban on further recruitment to certain clerical and Class IV cadres—that some of the Class III and Class IV cadres are excessive, the leave reserves for those cadres may be calculated on the basis of what is considered to be the reasonable complements.

There can be no question of providing leave reserves on a scale adequate to meet peak demands; the reserves need be sufficient only to meet average annual requirements for leave. It does appear, however, that the whole question of leave reserves requires a careful examination, and we recommend that such an examination should be made.

CHAPTER XXXVII

AGE OF SUPERANNUATION

1. For purposes of superannuation, the Central Government employees can be divided broadly into the following groups:

- (i) employees in Classes I, II and III;
- (ii) with some exceptions, Class IV and workshop staffs on the Railways;
- (iii) other Class IV staffs; and
- (iv) industrial and work-charged staffs not falling in any of the above groups.

For those in (i), the age of superannuation is 55 years, the only exceptions of any significance being members of the Indian Civil Service who, being required to retire only after 35 years' service, may usually go up to the age of about 60 years, and such ministerial officers as were in permanent service before 1st April 1938. These latter are governed by the rule till then in force, *viz.*, that on attaining the age of 55 they may be required to retire, but should ordinarily be retained in service so long as they remain efficient until they attain the age of 60. For (ii) also, the age of superannuation is 55 years, except that those who were permanent railway servants on 31st July 1940 are governed by the practice on that date. The practice was not uniform; on some Railways the superannuation age was 55 years, and on some 60. For (iii)—which includes Class IV railway servants employed in the office of the Railway Board and in certain other railway offices—the age of superannuation is 60 years. And so also for (iv) with the difference, however, that these may be required to retire on one month's notice or a month's pay in lieu thereof at any time after they attain the age of 55 years, on the ground of impaired health or for being negligent or inefficient in the discharge of their duties.

2. It is estimated that of the present employees of the Central Government, approximately 6·7 lakhs of Class IV and workshop and workcharged staffs can normally continue in service upto the age of 60. The total of Class I, II and III staffs is 5·83 lakhs, and of these also—apart from an insignificant number of I.C.S. officers—ministerial officers who were in permanent service before 1st April 1938, and whose number may be of the order of 40,000, will superannuate at the age of 60. The broad picture, thus, is that out of a total of 17·74 lakh Central Government employees, approximately 10·63 lakhs, or 60 per cent., are subject to the 55 year superannuation rule. That the proportion of those who, even under the present rules, can serve upto the age of 60 is about 40 per cent, has special significance in the context of some of the reasoning—to be referred to later—advanced to support retention of the present superannuation age for Class I, II and III staffs.

3. Before 1917, the superannuation rule applicable to both ministerial and non-ministerial staffs was that a Government servant who had attained the age of 55 might be required to retire, but that in order to avoid depriving the State of the valuable experience of efficient officers and adding unnecessarily to the non-effective charges, the rule should be exercised with discretion; and whenever it was exercised, the reasons should be recorded. In its general effect, therefore, the rule favoured the retention in Government service of officers who had attained the

age of 55, and required inefficiency to be established as the condition of compulsory retirement. This was considered injurious to the efficiency of the public service, on the ground that most officers lost their keenness and initiative at the age of 55; and the rule was, accordingly, changed so as to make retirement at 55 the normal practice, and retention in service beyond that age the exception. A distinction was, however, made between ministerial and non-ministerial officers, presumably, because it was thought that the duties of the former did not suffer from the effects of advancing age as did those of the others; and it was decided, in effect, that, subject to continued efficiency, ministerial officers should be retained in service till they attained the age of 60. This distinction was, however, abolished in 1937-38, partly as a measure of relieving unemployment—which was acute at the time—but largely in recognition of the invalidity of the distinction, and on the consideration that the uncertainty which attended the service of senior men beyond 55 had a disturbing effect on those who were looking forward to succeed them.

4. Outside the Railways, Class IV staffs (then known as inferior servants) had no fixed age of superannuation until 1st April 1936 with effect from which date it was fixed at 60 years. In the Railways also, for the non-pensionable Class IV and workshop employees (only a small number were pensionable) there was no prescribed common age-limit for retirement. But in practice, the limit ranged from 55 to 60 years. In 1938, the Railway Board issued orders that except on two Railways the non-pensionable Class IV (including workshop employees) should, subject to continuing physical and mental fitness, be retained in service upto the age of 65. Soon after, the order was, however, held in abeyance until 1940 when it was decided that while those in permanent service on 31st July 1940 would continue to be governed by the previous practice, for future entrants the age of superannuation would be 55 years.

5. The Varadachariar Commission recommended that the age for compulsory retirement should be 58 years for all services—pensionable and non-pensionable—with the option to Government to retire an employee, on grounds of loss of efficiency, at the age of 55. The recommendation, it will be noticed, involved reduction of the age of superannuation in the case of Class IV and industrial and work-charged staffs outside the Railways, as well as raising the age for the others. But for some reason or other, only the latter question was considered, and it was ultimately decided, in 1949, but there should be no change. The main grounds for the decision were that the majority of persons retiring at the age of 55 were not capable of rendering efficient service further; that their replacement at the age of 55 by younger men would serve the interests of efficiency better; and that a retirement age should be fixed which would release men at the age when they would still be fit to render service to the country in other spheres of their choice, even though not wholly capable of keeping up with the fast tempo of Government work, or of meeting its other, exacting, requirements. It was observed that Government service ages men quicker, and that the question was one of balancing a limited use to Government of such men against perhaps a better use to the nation at large.

6. The question was reconsidered in 1953, when the only additional argument advanced against an upward change was its adverse effect on educated unemployment. It was recognized that the actual effect would be small, but importance was attached to the probable impact on public opinion. The earlier decision to maintain the age of retirement at 55 was re-affirmed, but in view of the widespread shortages of trained personnel it was decided that extension of service beyond that age might be given liberally on the ground of public interest, more specially in the case of scientific and technical personnel. The continuing shortage of

trained manpower led to a further review of the problem in 1958; but apart from laying down the criteria for grant of extension and re-employment, respectively, and re-emphasizing the need to retain technical and scientific personnel beyond the age of superannuation, the only significant advance on the earlier decisions was that re-employment or extension might be granted upto two years at a time.

7. Thus, the age of superannuation laid down for non-ministerial staffs more than 40 years ago, and for ministerial staffs more than 20 years ago, stands, notwithstanding the recommendations for an increase made by the Varadachariar Commission, and the acute shortage of trained manpower, particularly technical and scientific, which has been forcing itself upon the Government's attention periodically since the commencement of the first Five Year Plan.

8. With but a few exceptions, there is an extraordinary unanimity of opinion among those who have given evidence before us that the age of superannuation should be raised; the difference is only as to whether it should be raised to 58 or 60 years. The great majority of the employees' organizations have asked for increase, the only notable exception being the All India Railwaymen's Federation, which too does not consider 55 as the age of onset of senile inefficiency, but which, nevertheless, thinks that with the prevailing unemployment, the age of superannuation should not be raised. Heads of Departments, distinguished retired public servants, public men, and economists, who have expressed any opinion on the question, have—with very few exceptions—advocated that the superannuation age should be raised to 58 or 60 years. The reasons put forward are the continuing mental and physical efficiency of most Government servants at the age of 55, the increased expectation of life resulting from improved public health conditions and advancement of medical service, and the national waste involved in sending men into enforced idleness while they are still capable of rendering efficient service. Reference has also been made to the growing requirements of our expanding Government, and the undoubted continuing shortage of trained and experienced men for the public services and undertakings; and it has been argued that viewed against this background the maintenance of the present age of superannuation appears clearly indefensible.

9. There has been improvement, unquestionably, in public health. This is borne out amply by the decline in the death rate per thousand of population from 47·2 in 1911-21 to 27·4 in 1941-51, and, according to official estimates, from 14·4 in 1951 to 11·6 in 1956; and by the increase of the expectancy of life at birth from 22·59 years in 1911 to 32·45 in 1951 (in respect of males), as revealed by the decennial census life tables. In the present context, however, it is not expectancy of life at birth, but in the fifties with which we are concerned; and at the age of 50, the expectancy has increased from 13·97 years in 1911 to 14·81 years in 1951, and a further increase of ·25 year is considered likely by 1961. It would be reasonable to infer from these figures that the standard of health of those in their fifties is ordinarily better now than it used to be—particularly in the case of classes, such as Government servants, to whom reasonable medical facilities are available. This finds corroboration from the fact that of 900 and odd ministerial officers under the Central Government, between the ages of 55 and 60, who were medically examined from 1954 to 1956 for determining annually whether their services should be extended, only about 2½ per cent. were found physically unfit for their duties.

10. Some data, specifically relating to retired Government servants and, therefore, directly relevant to the issue under consideration, were sent to us by the Comptroller and Auditor-General. One is a comparative statement of percentages of survivors during the period 1935-40, and in 1950, from amongst persons for

whom pensions were sanctioned during the years 1925-30, and in 1940, respectively. The statement has been compiled from information received from twelve Accountants-General, and is summarized below:—

Category of Government pensioners.	Total No. of pensions sanctioned in 1925-30	Casualties upto 1935-1940	Survivors	Percentage of survivors.	Total No. of pensions sanctioned in 1940	Casualties upto 1950	Survivors.	Percentage of survivors.
Gazetted officers . . .	276	68	208	75.36	501	94	407	81.24
Class III . . .	3,032	809	2,223	73.32	3,992	861	3,131	78.43
Class IV . . .	1,108	319	789	71.21	1,419	356	1,063	74.91

It will be seen that both in the case of gazetted officers and Class III employees, there was a significant increase in the percentages of those who were alive beyond ten years of their superannuation. There was some increase also in the case of Class IV, but since there was no fixed age of superannuation for that Class until 1936 there is no common basis for comparison.

The Comptroller and Auditor-General had also sent detailed information relating to retired servants of the West Bengal Government, which he had received from the Accountant-General, West Bengal. The main conclusion which emerges from those data is that the pensioners who died during the period 1930-35 had, on the average, enjoyed pension for only 7.4 years, while the corresponding period for those who died during 1950-55 was 11.4 years; in other words, within a space of about 20 years, a pensioner's expectation of life had increased by some four years.

11. Thus, however valid may have been the view taken in 1917, and re-affirmed in 1937-38, that the age of 55 was normally the dividing line between health and efficiency on the one side, and marked physical deterioration and decline in efficiency on the other, there is sufficient reason to think that that is no longer so, and that the dividing line can be safely moved a few years upwards.

12. Full information is not available regarding the age of superannuation for clerical, supervisory, managerial etc., personnel in outside employments in this country; but such information as is available shows that, generally speaking, it is the same as under the Government, and is, perhaps, modelled on the latter. For university teachers, the age of retirement is usually 60 years, but, in some cases, it is higher (62 or 65) or lower (55). For scientists employed in the National Physical Laboratories, the age of retirement is 60.

13. Information is available also regarding the position in a number of foreign countries, and with the easily understandable exceptions of Pakistan and Burma, the age of compulsory retirement for civil servants is nowhere below 60 years. In the United States Federal Service, it is only on reaching the age of 60, and with a minimum service of 30 years, that an employee can retire with full retirement benefits; and the age of compulsory retirement is 70. In Norway also, the age of compulsory retirement is 70; and in Sweden the upper limit of the retirement period (there is no single year fixed) varies from 63 to 66 years, depending on the nature of the civil servant's work—the limit for the lower grades, unlike in India, being lower than for the upper grades. In France and Australia, and practically

also in the United Kingdom, New Zealand and Canada, it is 65 years. In Russia, pensions begin at the age of 60; but we have no information whether there is any prescribed age of compulsory retirement. In Japan, there is no compulsory retirement, but a full pension is earned at the age of 55. In Ceylon, the age of retirement is 60.

14. This is in regard to the age of retirement for civil servants. Information is available from an I.L.O. publication* also regarding pensionable ages prescribed under pension-insurance schemes for employees generally, or for industrial employees, and under social assistance or universal schemes, in 48 countries in 1954. The distribution of the pensionable ages is as follows:—

Age	Number of countries.
70	2
67	2
65	24
60	17
55	2
50	1
Total	<u>48</u>

(This is in respect of males only; in 20 of the countries, the pensionable age for women is 5 years lower).

it would appear that there is a dense concentration at the ages of 60 and 65 (41 out of 48). This is particularly remarkable, considering that the countries differ widely in demographic constitution, levels of economic development, and climatic and social conditions; and it indicates a virtual unanimity of competent opinion that balancing the various factors—physiological, economic and social—that are relevant, the normal working life should continue upto the age of 60, and may well go on upto 65 years.

15. Thus, whether we go by our own vital statistics, or by the age of retirement for civil servants in other countries, or by the commonly prescribed pensionable ages under social security schemes, there is a clear case for raising the age of superannuation substantially above the present 55 years. There are, however, certain arguments—besides those already dealt with—, usually advanced against such a course, which ought to be considered. We may start with the possible effect which raising the age, say to 58 years, may have on the employment situation. It will be remembered that for about 40 per cent. of the present Central Government employees, the age of retirement is already 60 years, and so until 1975—77 we are concerned only with the remaining 60 per cent.—numbering approximately 10.63 lakhs. According to the best estimate**, that has been possible to make, the likely retirements from these during the three years 1959-61 will be a little over 11,500,

*I.L.O. "Social Security"—pages 58-59.

**The estimates are based on the following assumptions (a) that the recruitment in any year would be about 3½ per cent. of the total strength in that year, (b) that about 25 per cent of the recruits die or otherwise leave service before they reach the age of superannuation and (c) that on an average they serve about 33 years before they reach the age of superannuation. So far as Railways are concerned, data on employment are available year-to-year for the period under consideration viz., 1926 to 1937. In the case of other Central Government departments, no reliable data on employment are available for the period under reference. On the basis of the evidence available, a rough estimate of 3 lakhs has been assumed for 1931; estimates for period round about that year were worked out on the assumption of an average growth rate of 1 per cent per annum. For a break-up of the estimates according to classes, the present percentage distribution has been assumed for want of any more suitable information.

11,900 and 12,000 respectively, making a total of approximately 35,400 which would, therefore, be the number by which fresh employment under the Central Government would be reduced upto the end of 1961, if the age of retirement is raised to 58. From the fourth year onwards, however, the effect would be very much smaller. The 11,500 persons who are expected to retire under the existing rule in 1959, would be retiring in 1962, as against an estimated 12,100 who are to retire in that year. The difference in the fourth year will thus be of the order of 600. If the age of retirement is raised to 60, the reduction of fresh employment during the next five years would be between 59,000 and 60,000; thereafter the difference will be negligible. All these are only estimates which are subject, moreover, to certain significant adjustments if a projection is made for a longer period. But they are valuable as indicating the order of reduction in fresh employment that might result from raising the age of retirement by three or five years, as the case may be. They also show that after the initial years, the effect on the rate of annual recruitment would be substantially smaller, for, the reduction then would merely reflect the somewhat longer working life—roughly 35 or 37 years as compared with 32—, and in consequence, a slightly slower turn-over of personnel. The insignificance of the repercussions on employment is brought out if the figures mentioned above are placed against the estimated figures of unemployment and additional jobs expected to be created under the second Five Year Plan: The backlog of urban unemployment was put at 2.5 million, and the additions to the urban labour force for the five year period at 3.8 million—in all 8 million jobs were expected to be created outside agriculture to absorb the bulk of 6.2 million expected to be added to the rural labour force, and the 3.8 million expected to be added to the urban labour force. Recent appraisals of the progress of the Plan, however, indicate that only 6.5 million jobs are likely to be created by the end of the Plan period, as against the 8 million originally envisaged. Compared to the magnitude of the problem, as revealed by these figures, the total of about 35,000 jobs that would be withheld from the employment market during the next three years, if the age of retirement were raised to 58, would be a mere trifle—less than 1 per cent. per annum. The likely repercussion on educated unemployment considered separately, also would not be substantially different. Including the backlog it was estimated that about two million additional jobs would be needed for the educated during the Plan period, i.e. 0.4 million jobs per annum. The registers of the Employment Exchanges also show that about 3 lakh persons educated upto or above the matriculation level are seeking employment. The number of vacancies which, it is estimated, would be withheld from the educated classes during the next three years would be roughly 12,000—i.e. 4,000 a year, or 1 per cent., of the additional jobs required annually. If the State Governments too were to raise the age of superannuation (the Uttar Pradesh Government have already done so), the number of jobs withheld might be doubled. But even 24,000 jobs withheld from educated employment seekers in a period of three years cannot, perhaps, be regarded as a decisive, or even a particularly strong, reason against raising the age of retirement, should this appear desirable on other considerations. It may, incidentally, be mentioned that lowering the age of recruitment has, broadly, the same effect on the rate of recruitment as raising the age of retirement, for that too lengthens the average working life. And only a few months ago, the age-limits for recruitment to the clerical services were fixed as 18 and 21 years, which would have the effect, in most cases, of substantially reducing the recruitment age.

16. There are also certain other aspects of this argument about employment repercussions, which might be considered. To the extent to which retired Government servants secure other employment the age of retirement for Government service makes no real difference to the employment situation. Even if they enter

some business or profession, or take to agriculture, they impinge on the field of self-employment. It is only when they do not take up any remunerative work that their retirement from Government service makes a difference. Until some years ago, retired Government servants could, and did, usually live on their pensions. With the considerable increase in the cost of living without a corresponding increase in pensions, they cannot, in many cases, afford to do so now. Moreover, with later marriages, an increasing proportion of Government servants now have children not settled in life, when they retire; and this is another reason why in many cases compulsory retirement from Government service only means the beginning of some other employment or occupation. These along with the feeling of frustration caused by compulsory severance from work while an employee is still in the fulness of his powers, are also the main reasons why there is a strong, and widespread, demand for raising the age of retirement.

17. In earlier discussions about the age of superannuation some importance was attached to the fact that the lower the age, the greater would be the non-effective charges—expenditure that would not bring return in the shape of service to the Government. The point is of some importance to the Government not only as an employer, but also from the point of view of the national economy; for pensioners add to the dependent population and increase the burden on the working force. So, even under conditions of large-scale unemployment, such as those prevailing in India, the age of superannuation ought not to be lower than the average age at which, but for the replacement of an employee by a younger person, there would be fall in efficiency of the public service. If promoting employment of younger persons, or facilitating quicker promotion of younger employees were to be the main considerations in determining the age of superannuation, the age might well be reduced considerably below even the present 55 years.

18. There are certain other arguments advanced against raising the age of retirement, which may be touched upon. One is that some 2-3 years before attaining the age of 55, many employees start losing their initiative and interest in work, and by the time they reach 55 their contribution sinks to the mere carrying on of the routine business. Any raising the age of superannuation, it is argued, would merely increase the period during which an employee is largely a dead weight on the public service. The answer is that this apathy, if at all, is not related to the age of 55, but is a phenomenal characteristic of the pre-retirement stage, whatever the age may be; if the age of retirement is lowered to 53, the same state of mind may be in evidence at the age of 50 or 51. There may be other remedies for this, but keeping the age of retirement unduly low is not among them.

19. There remains the view, mentioned earlier, that a retirement age should be fixed which would release Government servants at an age when they would not be unfit for any further service to the country in other spheres, and which would give opportunities to their family and the community to benefit from their experience and abilities. This is a sound view, and most Government servants themselves do not wish to continue until they are worn out, and have one foot in the grave. Many of them, in fact, look forward to retiring to some fruitful activity of their own choice. The real question, however, is whether in order that they might serve the community in other spheres Government servants should be *required*, or only given the choice, to retire while they are still capable of rendering some years of efficient service under the Government. It is not that every Government servant has the inclination, the abilities, or the flexibility, needed for engaging on a new kind of socially useful work. Many in their fifties, though still admirable civil servants, may not be capable of any other useful work; and not all who are well-equipped to make a fresh start may have the opportunities for what they wish

to do. During the last ten years or so, not many retired civil servants, who have continued to be active, have placed themselves at the service of the community; quite a few have offered their services to private business and industry, and have, for good reason or bad, exposed themselves to a great deal of public criticism for doing so. Some others have sought, and secured, re-employment under the Government itself. In the circumstances, what is needed is not a low compulsory age of retirement, but a permissive provision under which a Government servant can voluntarily retire, with retirement benefits, when he has still some years of active life left; and a provision already exists in the pension rules that a Government servant may retire from service any time after completing thirty years of qualifying service, after giving three months' notice, and that on so retiring he will be eligible for the usual retirement benefits.

20. To sum up, there is much in favour of and very little against raising the age of superannuation; but whether it should be raised to 58 or 60 years remains to be considered. One of the considerations in favour of 60 is that, outside the Railways, that is the superannuation age for Class IV and industrial staffs; and since the capacity for physical work normally declines earlier than that for mental work, if there is to be a difference between one class of employees and another it is the manual worker whose superannuation age should be lower. In India the position so far has been largely the reverse; and it would continue to be so if while retaining 60 years as the age of superannuation for the Class IV and industrial staffs, the age for other staffs is raised only to 58 years. Another consideration pointing to the desirability of raising the age to 60 is that the present shortage of trained manpower is not a passing phase of our manpower problem; if the experience of other countries is any guide, in an expanding economy like ours the shortage is likely to continue for a long period. The main points in favour of 58 are that it can be safely adopted for manual workers as well as for the others: even those who consider 60 to be too high a retirement age for persons who have to do physical work would accept 58 as reasonable. Moreover, a single jump from 55 to 60 might reduce the flow of fresh blood into the public services for a long, continuous, period. On all these considerations, we recommend that the age of superannuation should be 58 for all classes of public servants including those for whom the retirement age at present is 60, with the reservation, however, that persons already in service may continue upto the age of 60, if they are at present entitled to do so.*

There is some ground for making a distinction in the case of scientific and technical personnel, and prescribing a higher age for these. The requirement for such personnel is growing rapidly, and the shortage in some categories is acute. And, 60 is the normal retirement age in the National Laboratories and the institutions for higher education, with which comparison is appropriate. Considering, however, that many scientific and technical officers move between purely scientific and technical, and substantially administrative positions, and in view of the advantages of uniformity in the general conditions of service of broadly comparable staffs, we recommend that such personnel might ordinarily be retained in service upto the age of 60 by grant of extension or re-employment for two years.

21. An attempt was made to work out the financial implications of raising the age of retirement. This was done particularly in view of the conclusion reached by the Accountant-General, West Bengal, and communicated to us by the Comptroller and Auditor-General, that while raising the age of retirement to 58 would involve additional expenditure in the case of gazetted Government servants,

*One of us does not agree with the recommendation that the age of superannuation should be raised.

there would be a saving in the case of others, and that the net result would be a saving of Rs. 15 per employee per annum. The result of the calculations which we got made ourselves, can be broadly summarized as follows: The net financial result would differ according to the character of the pay scales and the structure of the service; that, in many cases, there would be no significant gain or loss; but that in a proportion of cases, there would be an addition to cost, which, however, would not be large.

22. It had been represented before the Varadachariar Commission that voluntary retirement on full pension should be permitted after 20 or 25 years' service. The Commission expressed surprise at the representation and observed "that it would be a serious wastage of manpower and would impose an unconscionable burden on the State to retire, in their prime, employees still capable of good work." The Commission also expressed the view that a civil servant seeks Government service as a life career, and as such should have no claim to retire prematurely to take up more lucrative post on the strength of experience gained in Government employment when he is still of an age at which his full faculty can be usefully employed in the service of the State. In spite of this, sharp—and well-merited—dismissal of their demand by the Varadachariar Commission, it has again been asked on behalf of several employees' organizations that voluntary retirement on full pension should be allowed after 25 years of service. Indeed, some have asked the right of voluntary retirement even after 15—20 years of service, and, further, that voluntary retirement on proportionate pension and gratuity should be permissible without any condition as to minimum service. It is odd that while seeking greater security for employees in one matter and another, and side by side with the proposal to raise the age of superannuation, demands should have been made which would have the obvious effect of reducing the Government's assurance that its employees would normally serve it through practically the whole of their working life. In other words, what is asked is the maximum security for the employee and the minimum for the Government. There is no logic or equity in this combination of demands; those who have asked for the right of voluntary retirement after 15—25 years' service, or even earlier with proportionate retirement benefits, would, in all probability, be bitterly opposed to the Government taking, and exercising, the power to retire an employee whenever it wished to. The whole system of retirement benefits is built on the conception that the civil service is a life career; in fact, the entire system of mutual rights and obligations between the Government and its permanent employees is greatly influenced by that conception. The practice in other countries also does not lend support to the employees' demands; on the other hand, it confirms the soundness of the present arrangement under which an employee may retire, with retirement benefits, after 30 years' qualifying service, or may be retired by the Government. In the United Kingdom, for instance, the maximum retirement benefits admissible are now earned by a civil servant only at the age of 65; and though he may retire any time after reaching the age of 50 without forfeiting any pension and lumpsum for which his service qualifies him, these are not payable, except on compassionate ground, until he reaches the age of 60. In the United States Federal Service, optional retirement is permitted on reaching the age of 55, with minimum service of 30 years, but the employee is not eligible for the full annuity which is admissible only on reaching the age of 60. In Sweden also, voluntary retirement is permitted five years before the lower limit of the prescribed retirement period; but such retirement involves some reduction of pension.

In conclusion, we see no reason whatever for recommending a change in the existing provisions regarding voluntary retirement.

CHAPTER XXXVIII

RETIREMENT BENEFITS

1. There are two main systems of retirement benefits admissible to Central Government employees, *viz.* pension and contributory provident fund. An employee governed by the current pension system gets a recurring monthly payment for life and a lump sum gratuity, both determined with reference to the length of his service. In the event of his death his family gets, under certain conditions, a monthly payment for a limited period. Under the provident fund system an employee gets a lump sum representing his own and the Government's contribution to the fund, with interest thereon.

With insignificant exceptions, non-industrial staffs under the Central Government, outside the Railways, are governed by the New Pension Rules, 1950.

Until recently, the bulk of Railway staffs—both industrial and non-industrial—were entitled to benefits under the State Railway Provident Fund scheme, and not to pensionary benefits; but a pension scheme was introduced on the Railways on 16th November, 1957, under which, besides those whose service was already pensionable, all persons entering Railway service on or after that date, were to be governed by the New Pension Rules, promulgated by the Railway Board in 1950. All non-pensionable Railway servants who were in Railway service on 1st April, 1957, or had joined Railway service after that date but before 16th November, 1957, have been given the option to come under the Pension Rules.

The industrial staffs outside the Railways numbering about 1.8 lakhs, are governed by one or the other of several contributory provident fund schemes which are in force.

The pension schemes being non-contributory, the non-industrial, and Railway staffs, whether industrial or non-industrial, have, or can have if they so choose, non-contributory benefits while the industrial staffs are entitled only to contributory benefits.

Temporary employees generally are not entitled to retirement benefits. The exceptions are (a) certain non-permanent Railway servants appointed before 16th November, 1957, and (b) industrial staffs who become entitled to benefits under contributory provident fund schemes after one and three years' service, respectively. Quasi-permanent employees—and in the event of their death, their families—are entitled to gratuity at the rate of half a month's pay for each year of quasi-permanent service. All that a temporary employee's family may receive in the event of his death is a grant from the Compassionate Fund.

2. Before examining other issues, it may be considered whether in the matter of retirement benefits the present distinction between industrial and non-industrial staffs should continue, particularly when the industrial staffs under the Railways who constitute a majority of all industrial staffs under the Central Government, have been brought under a pension scheme. The evidence adduced on this question on behalf of the employees is not unanimous. Some have asked for a pension scheme

with improvements; some for continuance of the contributory provident fund benefits, but substantially enlarged; some would like the industrial staffs to be left free to choose between the two; and a few would like to have both the benefits.

Except for the managerial and other superior staffs in some foreign concerns, the retirement benefits in industrial employment outside the Government are those of contributory provident funds; and this, in fact, satisfies the requirements of the Employees' Provident Fund Act, 1952, and other similar laws. It is, however, significant that the Study Group on Social Security (1958) set up by the Ministry of Labour has recommended conversion of the provident funds into a statutory pension scheme (contributory), providing for invalidity, survivorship, and pension-cum-gratuity benefits, and that the recommendation is in accordance with the wishes of workers themselves. The Study Group has observed:

*"Of all the criticisms made, the most important is the one that a provident fund has certain disadvantages which can be remedied by adoption of a pension scheme. It is hardly necessary to elaborate this at length. Lump sums, if they are to serve during old age, should be wisely invested and not many workers have the experience to do so. Cases are not unknown where even high placed officials who commuted the bulk of their pensions suffering in later years as a result of unwise spending of the commuted amounts. Where the recipient of the provident fund is a worker's widow, there is every risk of her being exploited by male relatives."

These observations are as applicable to industrial staffs under the Central Government as to workers in outside employments. It is true that a provident fund is more conducive to mobility of labour than a pension, in that an employee is entitled to receive the entire accumulations in his provident fund account including the Government's contribution, if he resigns the appointment after the relatively short period of five years. And within certain limits, mobility has its advantages, both from the point of view of the national economy and of the employee himself. Moreover, once an employee is confirmed, Government's contribution becomes payable (if necessary, retrospectively) with effect from the date on which the employee had completed one year's service, and no distinction is made between temporary and permanent service. In the case of pensionable service, on the other hand, temporary service, even though followed by permanency, counts only as half, unless the permanency is granted in the post which had been held on a temporary basis. Thus, under the rules as they stand at present, contributory provident fund holds some attraction for employees who remain temporary for considerable periods—as many of them do in most industrial establishments outside the Railways. However, if, as we are recommending, temporary service when followed by permanency counts in full for purposes of pension without the restriction mentioned above, this relative advantage of contributory provident fund would disappear, and the balance of advantage, which is even now on the side of pension, would become more pronounced. There are certain classes of cases in which a contributory provident fund would still continue to be advantageous to an industrial employee; and they are (a) when the employee has to retire without being made permanent, and (b) when the period of temporary service in an establishment is usually so long that the chances of an employee dying or having to retire from ill-health before attaining permanency are not completely negligible. In the former class of cases the employee, if not on a contributory provident fund, would only get a gratuity which will be much smaller than the Government's contribution to a provident fund together with interest thereon. In the latter class of cases,

*Page 26 para. 52 of the Report of the Study Group on Social Security, 1958.

an employee might reasonably take the view that the benefits in the case of temporary service being higher under a contributory provident fund his interests would be more secure under a contributory provident fund. For instance, in the Defence factories where the proportion of temporary staff is exceptionally high, and may remain high even in future, a simple replacement of the contributory provident fund scheme by a pension scheme even for future entrants would not, for the reasons mentioned above, be advisable. If, however, it is provided that temporary industrial staffs may continue to be admitted to contributory provident fund schemes as at present, and that on being made permanent they should become entitled to pension-cum-gratuity into which the Government's contribution to the contributory provident fund would be absorbed, the difficulties mentioned above would be removed. We, accordingly, recommend that, subject to the arrangement suggested above, industrial staffs should be brought under the standard pension scheme, those already in service, however, being given the option to keep out.

3. The employees' organizations generally have urged that pension should be recognized as 'deferred pay', and from this concept of pension have originated a number of demands: (i) that an employee should have a proportionate pension whenever he leaves service, or even if he is removed or dismissed from service; (ii) that grant of a pension should not be subject to the existing condition that the service rendered should be thoroughly satisfactory; and (iii) that future good conduct should not be, as it is at present, an implied condition of every grant of a pension. Broadly speaking, the least emphasis has been laid on (i) and the greatest on (iii).

4. The Government have not, in the past, accepted this conception of pension. There is no legal right to pension; it does not accrue to an individual automatically on the date on which he retires. It has to be applied for; and it is sanctioned only if the appropriate authority is satisfied that certain conditions are fulfilled. This does not, however, mean that a pension is not recognized, or treated, as part of the normal benefits accruing from pensionable employment. It is a factor taken into account in determining rates of pay; and it is regarded as a part of the normal expectation of an employee—something, in fact, on which an employee can count with virtual certainty. Indeed, even on behalf of the employees no complaint has been made of frequent, or unfair, refusal, reduction or forfeiture of pensions. Thus, it is not the practice, but the principle that is in issue—a principle, however, which according to some of the employees' witnesses, has practical implications. It was said that the condition regarding satisfactory service, and—even more so—that regarding future good conduct, hangs on an ex-employee's head like a "sword of Damocles", and often deters him from political and trade union activities of his choice.

5. The grant of a pension is, obviously, not in the nature of a bounty. A pension has in essence the character of a conditional entitlement, and the practical question for consideration is whether the conditions are fair and reasonable. The existing provisions regarding the length etc., of qualifying service, are examined fully in a later paragraph; it is sufficient to mention here that the root of the idea of pension lies in a long-term relationship between the employer and the employee: of a service normally spanning an employee's whole working life, followed by an annuity for the rest of his life. It would be inconsistent with this to allow an employee an unrestricted right to leave Government service at will on proportionate pension.

6. About the other conditions for the grant of full pension, consensus of opinion among the witnesses (other than those representing employees' organizations)

is that good conduct and efficiency during service should continue to be insisted upon, and that it would be ill-advised to do away with a provision designed to secure honest and efficient service. To the argument that the provision may be abused, the answer is that theoretically every discretionary power can be abused, but that in this case there is the safeguard of consultation with the Union Public Service Commission whenever it is proposed to pass an order awarding a reduced pension, or before disposing of an appeal against such an award made by a lower authority.

7. Whether a pension once sanctioned should be subject to future good conduct raises issues of a different order, for this condition has nothing to do with the efficiency of the public service and has, on the other hand, a bearing on a retired public servant's citizen rights. It is true that future good conduct is not construed in a wide sense, and that in Article 351 of the Civil Service Regulations the right of withholding or withdrawing a pension, or any part of it, has been reserved by the Government to be exercised only if the pensioner is convicted of serious crime or is guilty of grave misconduct. Even so, not only are the employees' organizations strongly critical of this condition, but the consensus of disinterested evidence before the Commission is also against its continuance. It has been pointed out that in essence the Government's contribution to a contributory provident fund is in the nature of a pension, and yet no condition regarding future conduct is attached to payment to a retired public servant of the accumulations in his fund account. Why should then, it is argued, such a condition be attached to the grant of a pension? It is further argued that since a pension is earned by virtue of service, there can be no justification for allowing any circumstances not connected with, and arising after the end of service to affect the enjoyment of a pension. This line of reasoning would admit that a pension may be forfeited or reduced for misconduct during service even if it is discovered subsequently; and the soundness of the existing orders providing for this has not, therefore, been questioned. It is the condition regarding good conduct after retirement to which exception has been taken.

8. If a former employee of the United States Federal Government is convicted of any of a considerable number of specified offences, the conviction terminates his annuity right, and that of his survivor. The offences include those relating to espionage and censorship, sabotage, treason and subversive activities, and perjury and false testimony relating to certain matters or before certain bodies. Annuity rights are also forfeited when a former employee fails or refuses, on ground of self-incrimination, to appear, testify or produce any paper regarding his Government employment or his relationship with a foreign Government, in any proceeding before a Federal grand jury, Federal court, or Congressional committee. We have no definite information whether there are similar provisions in any other country; but as far as known, there are none in the United Kingdom. And, even in the United States, it is only following a conviction of a penal offence or on failure to assist in proceedings before a Federal court, Congressional committee, etc., that annuity rights can be forfeited.

9. Under the existing provision in India, it is permissible to withdraw a pension for much wider, and less specific, reasons, though the power is actually not so exercised. There are, however, certain considerations in favour of retaining the present condition, though in a considerably restricted form. There is a rule—and a salutary one—which prohibits acceptance, within a period of two years of retirement, of commercial employment or employment under a foreign government, without the permission of the Central Government; and the only punitive sanction behind this rule is that of withdrawal of pension. Again, a former public servant

may divulge official information without bringing himself within the mischief of the law relating to official secrets, but causing serious harm to the State by doing so. Or a former employee may be convicted of an offence against the State. It would, perhaps, be reasonable for the Government to reserve the right to withdraw the whole or a part of a pension in any of these contingencies; but not for any other reasons connected with a former employee's conduct after retirement. Further, even in the few contingencies specified above the power should be exercised, and where the original order is passed by a subordinate authority the appeal against it decided, only in consultation with the Union Public Service Commission. With some difference, such a provision has, in fact, been made in paragraph 319 of the Manual of Railway Pension Rules, 1950. It may be mentioned, in passing, that the retirement gratuity and the commuted part of a pension are paid without any condition as to future good conduct, and in effect, the controversy is only about the remaining part.

10. Many questions have been raised regarding the length and nature (temporary, work-charged, etc.) of service which should qualify for pension. At present, it is only an employee holding a permanent paid appointment under Government, who can have a pension; not one who retires after temporary or quasi-permanent service, whatever its length. But, if followed by permanency, quasi-permanent service counts in full, and temporary service in full or as half, depending on certain circumstances. Full pension is earned only on completion of thirty years of "qualifying service", and full retirement gratuity after thirty-four years of such service. Ten years' qualifying service is the minimum necessary to make an employee eligible for a proportionate pension, which too, however, is not to be granted at that stage as a matter of course, except in the case of superannuation. Otherwise, it is a matter of discretion, and a proportionate pension is, usually, granted only in cases of invalidity, retrenchment, compulsory retirement, etc.

11. Some employees' organizations have asked that proportionate retirement benefits should be admissible without any restriction as to a minimum qualifying service, or, in the alternative, the minimum should be reduced to five years. This question has come up before us for consideration in another connection also, viz. voluntary retirement before reaching the age of superannuation. The demand militates against the whole idea of civil service as a life career; and from the information available it appears that compared to the practice in other countries neither the minimum period of service necessary to make an employee eligible for a proportionate pension, nor the length of service on which full pension is earned, is unreasonably long. The employees, quite understandably, wish to have the maximum degree of security, as their proposals on other matters show; but this cannot very well be combined with the minimum assurance to the Government of their continued service. There must be mutuality in such matters.

12. There is, however, no valid reason why the maximum retirement gratuity should be earned after a longer period of service than pension. We, therefore, recommend that the rate of gratuity should be changed so as to make the maximum admissible available on completion of thirty years' qualifying service. This change would not involve any additional cost to Government in respect of employees, who either because they entered service early, or because their age of superannuation is sixty years, retire after putting in a minimum of thirty-four years' qualifying service. In respect of most other employees also there will be little difference in costs, if the age of superannuation is raised.

13. A demand has been made by many employees' organizations that temporary service when followed by permanency should count in full in all cases. This would

not involve acceptance of any new principle. It would only mean an extended application of the principle, already accepted in regard to temporary service which is followed by permanency in the same post. There is no clear justification for the present distinction, and we recommend that temporary service when followed by permanency, whether in the same or any other post, should count in full for pension.

14. A question has been raised whether a temporary or quasi-permanent employee, who retires as such, should not be granted a full or a proportionate pension, as the case may be, provided he has put in at least twenty years' service. It is clearly undesirable that an employee should continue to hold temporary or quasi-permanent appointments for twenty years, or longer, and once again, and specially in the context of pension rights, we invite Government's attention to the disturbingly large proportion of non-permanent employees at present. But it would not, in our view, be right to extend the benefit of pension beyond those in permanent service. While we are recommending a gratuity to temporary employees who retire or are discharged after not less than 5 years' continuous service, it would, we think, be illogical and over-generous to follow an uncertain tenure in service by an assured, long-term, retirement benefit. It is of some interest that the Staff Side had suggested to the Priestley Commission (in the United Kingdom) that temporary staff whose service by the time of their retirement on age grounds amounted to ten years or more should be treated as permanent for the purpose of pension, but that the Commission rejected the proposal with the following observation:—

“This seemed to us to introduce a novel concept of establishment by length of service, a concept markedly at variance with the principle that it is only established staff certified by the Civil Service Commissioners, who can be regarded as eligible for pensions under the existing Civil Service Superannuation Scheme.”

The question of granting a reasonable gratuity to staff who retire without achieving permanency, however, deserves consideration and we deal with it in a later paragraph.

15. Not all leave qualifies for pension. It has been asked on behalf of some employees' organizations that all periods of leave, including extraordinary leave, should be treated as qualifying service. The existing provisions in this matter are generally reasonable, and extraordinary leave, which is leave granted beyond an employee's normal leave allowance, should obviously not count for pension. There is, however, one point on which a change is called for. Leave with allowance if taken in India qualifies for pension up to one year if the total service is between 15 and 30 years, and two years if it is more. But if taken out of India, it counts up to a maximum of five years according to a graduated scale related to the length of service. There is no justification for this distinction, and we recommend that leave taken out of India should count to the same extent as leave taken in India.

16. At present, only completed years of service count for determination of the quantum of pension, and the fractions are ignored. There is a demand that when the fraction exceeds half it should be taken as one full year. We recommend that in such cases an additional benefit of half a year's pension, calculated according to the rules, may be allowed for the purpose of determining the quantum of pension.

17. With some exceptions, apprenticeship period does not qualify for pension. It has been claimed that apprenticeship is similar to probation and should, like probation, qualify for pension. This is an untenable view: apprenticeship, unlike probation, is pre-entry training, which may or may not be followed by service under Government, and it is, therefore, fair and logical not to count apprenticeship for pension.

18. It has been urged on behalf of staffs who formerly belonged to the Extra-Temporary Establishment, under the Ministry of Defence, that their entire extra-temporary service should count for pension. At present only one-fourth of the extra-temporary service is treated as qualifying service, as compared with one-half in the case of those who were formerly in regular temporary establishments, the distinction being made on the ground that the extra-temporary staff were recruited on "as required basis", locally, and generally on daily rates of pay; in other words, their employment was bordering on the casual. The distinction appears to be reasonable; but in consonance with our recommendation that temporary service should count in full we recommend that extra-temporary service should count as half rather than as one-quarter.

19. Service rendered before completing the age of twenty years does not qualify for pension in the case of Classes I, II and III staffs, and before completing the age of eighteen in the case of Class IV staffs. While service in appointments expressly meant for under-age persons (for example, as Boy Peons) should not qualify for pension in the case of Classes I, II and III staffs, and before completing for qualifying for pension should be different from the lower limit prescribed for recruitment.

20. Gratuity is calculated on certain specified emoluments drawn at the time of retirement, while pension is related to the average of such emoluments drawn during the last three years of service. These emoluments include substantive pay and dearness pay; but officiating pay, special pay and personal pay may count in full, or in part, or not at all, depending on whether certain prescribed conditions are fulfilled or not. Dearness allowance does not count under any circumstances. It was proposed on behalf of some employees' organizations that pay, in any form and under any name, should count for pension without any restriction, and that so should the dearness allowance. It was, further, proposed that pension like gratuity should be calculated on the emoluments drawn at the time of retirement.

21. The dearness allowance being in the nature of a temporary compensation should not ordinarily influence retirement benefits. If dearness allowance were to be taken into account in calculating pension, it might well happen that an employee who retired in a year of high prices would get throughout life a higher pension than one who retired after a period of lower prices. It is true that the present apportionment of emoluments between pay and dearness allowance provides in the context of retirement benefits reasonable ground for complaint; but once the basic pay is fixed with reference to a higher level of prices the cause for grievance should largely disappear.

22. The existing rule relating pension to the average of the emoluments drawn during the last three years of service also does not require change. Pension being a recurring, long-term, benefit should not be allowed to be influenced by purely fortuitous short-term promotions and postings, as might well happen if pension were to be calculated on the emoluments drawn at the time of retirement. In other countries of which we have information, it is average emoluments for periods ranging from three to ten years that are taken into account in determining

pension. The Central Government employees have a more favourable treatment, in that their gratuity is related to the emoluments at the time of retirement.

23. On the ground of equity and simplicity, it is, however, desirable to make some changes in the rules regarding the counting of officiating, special and personal pay and accordingly we make recommendations as follows:—

(1) Officiating, special and personal pay may continue to count in full in cases in which it so counts at present.

(2) In other cases, officiating, special and personal pay drawn during the last three years of service should be taken into account at the following scales:—

(i) Officiating pay (i.e. the difference between substantive pay and the pay actually drawn in a higher officiating appointment) or pay drawn in a non-substantive capacity should count to the extent of half in every case; and

(ii) special pay or personal pay should count (a) in full if the post to which it was attached was held in a substantive capacity, and (b) to the extent of half in all other cases, including special pays drawn in tenure posts.

24. It has been proposed that the “non-practising” allowance granted to Doctors, and the “running” allowance granted to Engine Drivers etc., on the Railways, should be treated as pensionable emoluments. At present, the former does not count for pension at all, and the latter counts only to the extent of 75 per cent of pay. As has been stated earlier, a compensatory allowance should not, as a rule, count for pension. But there are cases in which an allowance is, in substance, or to a considerable extent, in the nature of pay,—where, for instance, it is clear that but for the grant of an allowance the pay would have been fixed higher. In the case of Engine Drivers, the scale of pay is lower than what it would have been but for the “running” allowance, which is partly a travelling allowance, and partly in the nature of remuneration designed to secure and reward good performance. It is, therefore, right that up to 75 per cent of the pay, the “running” allowance should count for pension. But there is no ground for counting the whole of the “running” allowance for pension, and, in fact, serious anomalies might result if this were done, for the reason that there is no uniformity in the “running” allowance earnings, which depend largely on the sections on which a Driver is employed, and the kind of service which he is running.

Salaries of Doctors are, undoubtedly, fixed low on the consideration that they will either be free to have private practice, or will be given a “non-practising” allowance. The “non-practising” allowance is thus, in essence, a form of additional pay. It would, therefore, be fair to distinguish a Doctor’s “non-practising” allowance from other compensatory allowance, and to count it for purposes of retirement benefits. It would, probably be appropriate to give to the “non-practising” allowance a name which would more accurately represent the real character of the payment. We have recommended two sets of pay scales for Doctors, one applicable to those free to carry on private practice, and the other applicable to those who are not. And in cases in which a Doctor had been on both practising and non-practising scale, at different periods, the pension could be so determined as to reflect this division of his career.

25. Certain questions have been raised regarding the adequacy of the pension and gratuity admissible under the present rules. The pension is admissible at 1/80

of the average monthly emoluments for each completed year of qualifying service, subject to a maximum of 30/80, and subject, further, to a ceiling of Rs. 8,100 per annum. Gratuity is admissible at the rate of 9/20 of the monthly emoluments for each completed year of service, subject to a maximum of fifteen times the emoluments, and to a ceiling of Rs. 24,000. Because of the monetary ceilings mentioned above, the maximum pension and gratuity can be earned on monthly emoluments of Rs. 1,800; any further rise in emoluments does not increase the retirement benefits. Various proposals have been made on behalf of employees for raising the rates of pension and gratuity, and by certain groups of employees for the removal of the ceilings of Rs. 8,100 and Rs. 24,000.

26. Except in the case of those whose emoluments exceed Rs. 1,800 full retirement benefits on the average emoluments during the last three years of service work out, on an average, to about 48.8 per cent of the pensionable emoluments. The benefits are wholly non-contributory, and, with certain exceptions; to be mentioned hereafter, compare favourably with retirement benefits in outside employment. The common form of retirement benefits in outside employment is a contributory provident fund to which the employer contributes $6\frac{1}{2}$ per cent to $8\frac{1}{3}$ per cent of the employee's salary or wages. The actuarial value of retirement benefits of the Central Government employees is not available, but such estimates as have been made by us suggest that they would on an average be definitely higher than $8\frac{1}{3}$ per cent of the emoluments; according to one estimate the average is 12.4 per cent. Certain foreign industrial and business concerns in this country, however, allow a pension to their "covenanted" staff—corresponding broadly to the gazetted staff under the Government—and the benefit in most cases is non-contributory. The following are some of the scales of pension provided:—

- (i) at 1/50 of average salary during the last five years of service for each year of employment;
- (ii) at 2 per cent of the average salary during the last three years of service for each completed year of service, subject to a maximum of 50 per cent of average salary, or the rupee equivalent of £2,000 whichever is less;
- (iii) pension equal to 40 per cent of average salary during the last five completed years of service (the scheme is contributory); and
- (iv) at 1/60 of salary for each year of service, subject to a maximum of 50 per cent of the salary, and to a minimum of Rs. 1,200 per annum.

Except in the case in which there is a ceiling of £2,000, the pensions of the higher grades of staff who draw high salaries are large not because the rate of pension is very high, but because there is no upper limit. In any case, the retirement benefits which the foreign concerns allow to their superior staff have no relevance, whatever, except to the questions of emoluments of and pension admissible to officers of the Central Government in the highest grades, particularly to those whose emoluments exceed Rs. 1,800, but whose retirement benefits are, in effect, pegged to that amount.

27. In the course of his evidence before us, the Comptroller and Auditor-General expressed the view that the existing scale of retirement benefits was wholly inadequate, especially in the case of high-salaried officers who, on retirement, suffered a drastic reduction in their income. The high cost of living, he added, allowed little margin for savings, and it had, therefore, become impossible for such officers to live in reasonable comfort, and with some dignity, after retiring from service. This, he thought, was tending to have an unsettling effect on the services, and he, therefore, suggested that there should be a contributory pension scheme, with contributions on a sliding scale, and providing pension at a higher

percentage of pay than at present. He also referred to the retirement benefits of civil servants in the United Kingdom. According to calculations made by us, the non-contributory retirement benefits of civil servants in the United Kingdom work out to about 63 per cent of the average pay during the last three years of service in case of staff retiring after forty years' service. This is, certainly, a great deal higher than the value of the benefits available to the Central Government employees. But it must be remembered that every citizen in that country is entitled to a retiring pension, and that a former civil servant has his civil service pension abated at the age of 65 (men) and 60 (women) to take account of the retiring pension for which he/she qualifies under the National Insurance Acts. If allowance is made for this fact, the retirement benefits under the Central Government may not, in relation to salaries, be found to be substantially lower than the non-contributory benefits in the United Kingdom. And in no other country of which we have information are the retirement benefits of civil servants non-contributory, as they are in India.

The ceilings on pension and gratuity are, it is true, an unusual feature of civil service retirement benefits; and there is a very big drop in income when, for instance, a civil servant drawing a salary of Rs. 3,000 retires with a pension of Rs. 675 per mensem (Rs. 8,100 per annum). The old assumption that civil servants in the highest grades could save a great deal—an assumption on which the I.C.S. pension, for instance, was limited to £1,000 a year—may no longer be valid with the great increase in the cost of living. But there is now the consideration that, in view of this country's social objectives, the emoluments and other benefits allowed to the upper ranks of the civil service should be no higher than is necessary for satisfactory recruitment to, and maintenance of the efficiency of the public services. And there is no evidence yet that the present ceilings on pensions and gratuity are proving prejudicial to recruitment or efficiency.

28. On the subject of the demands made for increase of retirement benefits for the Central Government employees generally, it may be pointed out that the new pay scales, absorbing the major part of the dearness allowance, and counting of temporary service in full, both of which we are recommending, will have the effect of raising the retirement benefits substantially. And should the age of superannuation be raised, many employees who now retire without earning full pension and gratuity would be able to do so. According to an estimate made by us, the replacement of the present pay scale of Rs. 30— $\frac{1}{2}$ —35 and the dearness pay and allowance which go with it, by the scale Rs. 70—1—85, with dearness allowance of Rs. 10 per mensem, would raise the retirement benefits of the employees concerned by about 55 per cent. In view of this, and other considerations mentioned in the preceding paragraphs, and keeping in view the interests of the tax-payer, we do not recommend any increase of the non-contributory retirement benefits. Whatever further improvement is to be made in these benefits should be on a contributory basis.

29. It has been asked by some former employees, as also on behalf of those who are still in service, that there should be adjustment of pensions to meet increases in the cost of living, and it is argued that equity demands that the real value of pensions, particularly of the smaller ones, is maintained. Attention has been drawn to the well-known fact that pensioners are among the sections of the community which suffer most in a period of inflation, and the problem is, therefore, one with moral and human aspects. Those who had retired before this Commission was set up are beyond our terms of reference; but retirement benefits being among the important conditions of service we are concerned with the question of adjustment of pensions of those who are in service and who, on retirement, may find the real value of their pension substantially reduced because of increase in the cost of

living. We recognize that the claim for relief in such cases would not arise on contractual grounds; but we think that on humane grounds relief should be allowed in cases in which the pension does not exceed Rs. 200 per mensem. We leave it to Government to determine the rate of relief.

30. A pension is admissible to the family of a pensionable employee if he dies while in service after completion of twenty years' qualifying service, or within five years of retirement. The pension is payable for a period of ten years, provided that payment does not extend beyond a period of five years from the date on which the deceased employee actually retired, or the date on which he would have retired on superannuation pension in the normal course. The amount of the pension is half of the superannuation pension which would be admissible to the employee had he retired on the date following the date of his death; or if death occurs after retirement, half the pension sanctioned at the time of retirement. The pension is, however, subject to a minimum of Rs. 30 per mensem, provided that in no case should it exceed the full superannuation pension; and the upper limit is Rs. 150. In exceptional circumstances, the award of pension also to families of Government servants who die after completing less than twenty but not less than ten years' qualifying service, may be considered.

31. Gratuity at the rate of $\frac{9}{20}$ of emoluments for each completed year of service but subject to a minimum of twelve months' emoluments, is admissible to the family of a Government servant who dies after completing five years' qualifying service. This gratuity is in addition to pension in cases in which a pension is admissible. In other cases, it is the sole survivorship benefit.

Families of permanent Government servants who die before completing five years' qualifying service, may be granted gratuity equal to half a month's pay for each completed year of service. There is no minimum limit in these cases, and the grants are made under executive orders, and not under any formal rules.

Several employees' organisations consider the survivorship benefits as insufficient, and the conditions attached to them unduly restrictive, and have asked for their considerable liberalization. Viewed by themselves, the benefits may be inadequate, and some of the conditions may appear ungenerous; in particular, the minimum service which qualifies for family pension and the maximum period for which the pension is admissible, may frequently result in considerable hardship to the families concerned. But there is the tax-payer's interest, and neither the practice in outside employment in India, nor the example of other countries, would justify liberalization of the present provisions entirely at the cost of Government. In the United Kingdom, for instance, the widow's and children's pension is on a contributory basis. The civil servant has to contribute $\frac{1}{80}$ of his salary or to allow a part of his lump sum retirement gratuity to be deducted for the purpose of this pension; and in return his widow and children may, in the event of his death, have a pension which ranges from $\frac{1}{3}$ to $\frac{2}{3}$ of his own pension if he had retired, or if he is in service at the time of his death of the pension he would have been paid had he retired from ill-health on the date of his death. Except in certain contingencies the employee's contribution is not returnable to him, which explains the liberal scale of pension provided with a relatively small contribution by the employee. It is certainly desirable that Government servants should have the assurance that in the event of their death their widow and children would have the means to live in comfort; but it is only reasonable that they should themselves share the cost of what may be regarded largely as a personal responsibility. We shall revert to this subject.

On a non-contributory basis the present benefits—available only since 1950—and the conditions attached to them, are reasonable. Twenty years' qualifying

service for family pensions, and ten years' such service even in exceptional cases may appear too long; but it has to be remembered that these pensions are provided, primarily, in recognition of the Government's obligations towards families of employees who had rendered long and satisfactory service; the compassionate aspect is secondary. Towards the family of an employee who dies after very short service, the Government's obligations are only a little greater than towards any other family which loses its earning member.

However, a liberalization of the gratuity allowed to families of permanent employees who die before completing five years' qualifying service appears to be called for. While the gratuity admissible to the family of an employee who has completed five years of such service is subject to a minimum of twelve months' emoluments, the gratuity in the case of a family of an employee who dies with lesser service is not subject to any such minimum, with the result that the utmost which the family of such an employee may get is less than two and a half months' emoluments. We recommend that the minimum in such cases should be equal to six months' emoluments, except in cases in which death occurs in the first year of service, when the minimum may be two months' emoluments.

32. Families of employees who are not pensionable but are subscribers to a contributory provident fund are at present not entitled to any gratuity. All that they get is the accumulation in the employees' contributory provident fund, which includes the Government's contribution. If death occurs before an employee becomes eligible for admission to the contributory provident fund, no benefit of any kind is available to his family. We recommend that the families of such employees should be granted gratuity at the following rates:—

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| (i) In the event of death before completing five years. | A gratuity equal to difference between six months' emoluments, or if death occurs in the first year of service, two months' emoluments, and the amount of Government's contribution to his provident fund with accumulated interest. |
| (ii) In the event of death after completing five years' service. | A gratuity equal to the difference between twelve months' emoluments and the amount of Government's contribution to his provident fund with accumulated interest. |

In the case of Government servants belonging to a non-pensionable establishment dying before they become eligible for admission to a contributory provident fund, the gratuity should be the same as for purely temporary employees.

33. Many of the employees' organizations also recognize that for improving insurance cover in one form or another the employees themselves should be prepared to subscribe. The All-India Defence Employee's Federation, the National Federation of Indian Railwaymen, the All-India Railwaymen's Federation and the National Federation of Posts & Telegraphs Employees are among the organizations which have suggested the introduction of a compulsory insurance scheme on (with some exceptions) a contributory basis. It is understood that Government too have had under consideration certain insurance schemes for the benefit of the staffs in the lower pay ranges, but have deferred decision pending our report.

34. If an insurance scheme is to be introduced, it should be a compulsory endowment group insurance scheme limited to those whose pay does not exceed Rs. 300 per mensem or so. The Government's precise contribution (which might be a fixed amount not related to the scale of emoluments), would depend on the amount of the insurance cover to be provided. It should not be more than the employee's

subscription, and might well be less. We do not, however, recommend the adoption of an insurance scheme providing for the survivors a lump-sum benefit. It would only have the effect of augmenting the gratuity payable under the present scheme; the gratuity, it will be remembered, is subject to a minimum of 12 months' emoluments in the event of a Government servant's death after five years of qualifying service. An insurance scheme of the kind referred to would not satisfy the essential requirement of a satisfactory survivor benefit scheme, viz. an assured life income for the widow, and for the children until they reach the age of about 18 years. There is, no doubt, a family pension scheme already; but it has certain drawbacks, which are explained and justified by the non-contributory character of the scheme, but which are there nonetheless. Normally, it is only families of employees who die after 20 years of qualifying service, who are entitled to the benefit; the pension can, in no case, be allowed beyond a period of 10 years; and the amount, in many cases, is insufficient for the maintenance of the family at a standard at all approximating to that to which it was accustomed. There is thus need for a much improved family pension scheme towards which, however, as we have said earlier, the employees themselves must make a contribution.

At our request the Controller of Insurance has worked out the broad outlines of a scheme which is presented in Appendix V. If it replaces the existing family pension scheme, it is estimated that, on the basis of the existing scales of pay and dearness pay, and on various assumptions mentioned in Appendix V, an employee will have to contribute towards its cost either 2/3 per cent of his pay or surrender a portion of the death-cum-retirement gratuity, to which he is entitled at present. The percentage of the cut to be effected in the gratuity would vary from case to case depending on the length of service, marital status at death or retirement and the contributions paid by the employee, and is expected to work out at an average to 23 per cent. An employee will have the option of making his contribution in either of these forms. Those already in service can make current contribution for the remaining period of their service, if they so prefer, and in lieu of their contribution for their previous service they can surrender a proportionate part of the gratuity. Unlike the insurance scheme which cannot be made applicable to employees above a certain age, the benefits of the scheme envisaged above can be availed of by all—even those who are nearing their retirement age. It is estimated that the net additional cost of this scheme to Government will be of the order of Rs. one crore per annum. This is not excessive, considering the benefits to be conferred on the employees. We commend the scheme for acceptance with such modifications as may be found necessary after further detailed examination.

35. Though a pension scheme has now been introduced to replace the contributory provident fund scheme applicable to the Railway staffs, those staffs are still required to subscribe 8 1/3 per cent of their pay to a provident fund. The industrial staffs who have at present a contributory provident fund, should, likewise, be required to continue their subscription—hereafter to a non-contributory provident fund—when, as recommended by us, they are made eligible for pension. And if Railway and industrial staffs even in the lowest pay ranges, have been subscribing, and would continue to subscribe 8 1/3 per cent of their pay to a provident fund, it would be perfectly reasonable to require all other employees to subscribe at least 6½ per cent of their pay to a general provident fund. The facts mentioned above provide a complete answer to the possible objection that those on the lowest scales of pay can ill-afford a subscription to a provident fund. But a further answer, if one is needed, is that with no compulsion and having been permitted only recently, about 30 thousand of Class IV employees of the Central Government are subscribing to the General Provident Fund. The number of non-gazetted subscribers, leaving out those in Class IV, has increased progressively from about 48,400 in

1948-49, to 1,67,000 in 1957-58, which shows that even at the cost of some hardship in the present, Government servants are anxious to make provision for the future. It may also be mentioned that in Uttar Pradesh, Madras, and Bihar, low-paid employees of the State Governments have compulsorily to subscribe to a provident fund, and in Mysore, Andhra Pradesh and Rajasthan to take out insurance policies. The scales of pay for the lowest grades of staffs in those States are much lower than those of comparable Central Government employees. Enquiries made from the State Governments about the reaction of the employees to the compulsory provident fund insurance scheme show that the only objection to the scheme came from an Accountant-General who considered the task of maintaining thousands of accounts excessively bothersome.

It should be open to an employee to meet his subscription towards the proposed family pension scheme from his provident fund accumulations; but if he prefers he may have a separate deduction made for the purpose from his pay.

36. The question of retirement and survivorship benefits for temporary employees who retire, or die, or are invalided, while still temporary, deserves consideration. Purely temporary employees are not entitled to any pension or gratuity whatever may be the length of service after which they retire; and nor are their families entitled to an survivorship benefits, though they may be, and usually are, given grants from the Compassionate Fund. In the case of quasi-permanent employees also, there is no pension, but gratuity is admissible in case of retirement, retrenchment, or death, at the rate of half a month's emoluments for every year of continuous (quasi-permanent) service.

37. There is a very large number of employees who do not attain permanency even after many years' temporary or quasi-permanent service, and they and their families are, therefore, not entitled to the pension and gratuity, and the survivorship benefits, respectively, which are admissible to permanent employees. The present proportion of such staffs will, it may be hoped, be reduced. But, with continuous additions to Governmental activities, many of them on a temporary basis to begin with, the proportion is not likely to become insignificant in the foreseeable future. In view of this, and also keeping in mind the practice in industrial and commercial employment outside, we recommend that gratuity should be granted on the following scales:—

I. Purely temporary employees.

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| (i) On retirement/discharge/termination of service on medical grounds after completion of not less than five years' continuous service at the time of retirement, discharge etc. | Terminal gratuity at one-third of a month's pay for each completed year of service. |
| (ii) On death after completion of one year of service but before completing three years. | Gratuity equal to one month's pay. |
| On death after completion of three years' but before completing five years' service. | Two months' pay. |
| On death after completion of five years' service or more. | Three months' pay or the retirement gratuity as at (i), if it is greater. |

II. Employees with temporary service followed by quasi-permanent service.

(i) On retirement/discharge/termination of service on medical grounds before the employee is made permanent.

Terminal gratuity at half a month's pay for each year of quasi-permanent service as at present.

Plus

One third of a month's pay for each year of continuous temporary service rendered prior to declaration as quasi-permanent, if the total of temporary and quasi-permanent service rendered is not less than five years.

(ii) On death after completion of three years but before completing five years of continuous service.

Three months' pay.

On death after completion of five years' total service.

Four months' pay or terminal gratuity as in (i) above, whichever is more.

38. In the matter of superannuation benefits, no distinction is made between holders of posts requiring high scientific technological or professional qualifications, and others, even though a proportion of appointments to such posts are made of persons with long research and/or practical or professional experience, who are well above the normal age of entry into Government service and who cannot, therefore, qualify for full pension when they reach the age of superannuation. Until 1937, there used to be a provision (Article 404A of the Civil Service Regulations) under which persons belonging to a large number of services and posts, including those requiring high scientific, technical and legal qualifications, could be allowed to add to their qualifying service for superannuation pension the actual period not exceeding five years by which their age at the time of recruitment exceeded 25 years. This concession of "added years" was withdrawn in 1937 for future recruits on the ground, among others, that it was liable to be abused, and that a similar concession had been withdrawn in the United Kingdom in 1914. The Varadachariar Commission recommended re-introduction of the provision and with extended applicability, but the recommendation was not accepted on the ground that the provision was not necessary for purposes of recruitment, that shortage of qualified technical personnel was likely to disappear within a short period, and that technical personnel who are usually allowed a higher start, should not have a second benefit in the form of "added years". Actually the concession had been re-introduced in the United Kingdom before 1937 on the recommendation of the Tomlin Commission, and the Priestley Commission (1953—55) recommended that the power to grant "added years" should be used more widely as an instrument of recruitment policy. The assumption regarding supply of scientific and technical personnel has also not proved correct, and an increasing number of highly qualified technologists are being attracted by the private sector, and both scientists and technologists by employers in foreign countries. It is in the national interest, and in the interest of scientific, technical and professional branches of the civil service that graduates with capabilities for research, or desirous of specialization, do not find it necessary to enter Government service in a hurry so that they might be able to earn full pension. We, therefore, recommend re-introduction of the provision allowing "added years". In order, however, that the provision may be used only when necessary in the public interest, its use may be subject to the following conditions:—

- (i) Only those entering Government service after completing the age of 28 years should be eligible;
- (ii) the concession should be limited to appointments for which post graduate research or specialist qualifications in scientific, technological

- or professional fields, or considerable experience in those fields, or in a profession, for example medicine or law, are essential;
- (iii) the power should be exercised in consultation with the Union Public Service Commission, (this would ensure uniformity among departments); and
 - (iv) the concession should be allowed only when the age of superannuation is attained, and the addition should be at the rate of one-fourth of the actual length of service, subject to a limit of five years in all.

39. A highly qualified scientist or technologist may be willing to enter Government service in middle age, when, even with the benefit of "added years", he would not qualify for full superannuation pension. In such cases, offer of a choice between pension and contributory provident fund benefits may remove a possible impediment to recruitment; and we recommend that a choice should be given, 35 years being the minimum age for eligibility for this concession.

40. The Vice-President, Indian Council of Agricultural Research, has proposed that scientific employees of semi-Government institutions, financed from cess or Government grants, when appointed to permanent Government service, should be permitted, if they so desire, to count in full their service in those institutions as qualifying service for pension provided their previous employers are willing, in lieu of their contribution to the contributory provident fund, to pay to the Government pension contribution for the period of service with them. The re-introduction of the concession of "added years" would meet the cases of many such employees, and there can obviously be no question of the same employee having the benefit both of "added years" and of the arrangement proposed by the Vice-President of the Indian Council of Agricultural Research. But the proposal is sound in itself and we recommend it. An increasing volume of scientific research is likely to be undertaken by Government financed semi-autonomous bodies, and the proposed arrangement would conduce to a satisfactory distribution and mobility of scientific talent between Government service and such bodies.

41. It is in the interest of advanced scientific teaching, research and development that there should be a freer interchange—preferably, temporary—of scientists and technologists between the Government and the universities than is the case at present. While the service of Government scientists and technologists is usually pensionable, that of university teachers has contributory provident fund benefits. The Government may have no difficulty in paying the employer's contribution to a provident fund when they have a university teacher on loan. But the pensionary contribution which the universities have to pay when they borrow the services of a Government servant is usually higher than what their contribution would be to a provident fund. We recommend that Government should be content in such cases with a contribution at the rate at which the university contributes towards the provident fund of its other employees.

42. In cases of temporary or permanent incapacity or death resulting from employment, the Central Government employees, or their families, as the case may be, are eligible for certain benefits, some of which, provided by law, are available also to employees outside Government service, and some are special to Central Government employees. The provisions of the Workmen's Compensation Act, 1923, are applicable to workers under the Government as well as outside; and the provisions of the Employees State Insurance Act are also applicable to employees in certain number of Government establishments. To other staffs

under the Central Government, the Central Civil Services (Extraordinary Pension) Rules, 1939 (or the predecessor provisions under the Civil Service Regulations) apply. And those who had entered service before April 1937, have the option to be governed by these Rules or by the provisions of the Workmen's Compensation Act. All persons in civil employment, whether they are permanent, temporary or casual, are eligible for extraordinary pension benefits. The benefits are adequate—considering that they are not contributory, and we do not recommend any change.

CHAPTER XXXIX

MEDICAL FACILITIES

1. For purposes of medical facilities the employees of the Central Government can be divided into the following broad groups:—

- (i) all regular Railway staffs;
- (ii) non-industrial staffs generally, excluding those in Delhi and New Delhi;
- (iii) all staffs in Delhi and New Delhi, excluding workcharged staffs;
- (iv) industrial staffs, except those in the Railways, Delhi and New Delhi; and
- (v) workcharged staffs.

Those in group (i) and their families are entitled to free medical aid including medicines, and hospitalized and specialist treatment, mostly at hospitals and dispensaries maintained by the Railways themselves, but under special circumstances also outside.

Group (ii), that is the bulk of the non-industrial staffs outside the Railways, are governed by the Central Services (Medical Attendance) Rules, under which the benefits are broadly comparable to those available to Railway employees except that, as a rule, no separate medical institutions are maintained for them, and the definition of 'family' is narrower. Mainly, it seems, on practical considerations, a separate set of orders are, however, applicable to the staffs stationed in Calcutta; and the general effect of those orders is some curtailment of the standard benefits under the Medical Attendance Rules, and a degree of discrimination between one class of non-industrial employee and another—the Class IV employees being the worst off.

The employees in Delhi and New Delhi are covered by a separate Health Service Scheme. The distinguishing feature of this scheme is that it and it alone of the various schemes of medical aid applicable to the Central Government employees, is contributory. The benefits admissible under the scheme are generally similar to those under the Central Services (Medical Attendance) Rules, except that a large medical staff is maintained, and a number of dispensaries run wholly for the beneficiaries; in-door treatment is provided mostly at the Central Government's own hospitals; and 'family' for the purposes of the scheme includes parents mainly dependent on and residing with the Government servant. Depending on pay, the employee's contribution ranges from Rs. 0.50 to Rs. 12 per mensem.

In the Railways and in Delhi and New Delhi, the industrial staffs have the same medical benefits as non-industrial staffs. For the other industrial staffs, numbering approximately 1.8 lakhs, there is no uniform provision. In a number of establishments, for instance in Meteorological workshops, Medical Stores Depots at Bombay and Madras, Survey of India map printing offices, and the regular establishment at the Kandla port, the industrial staffs are entitled to medical benefits admissible under the Central Services (Medical Attendance) Rules. But the total number so benefited is not large. At the other extreme, the medical aid provided is limited, in effect, to the minimum requirements under the Factories Act; for instance, at the Telegraph and Telephone workshops and the Mints at Calcutta and Bombay, only dispensaries are maintained at which first aid can be given and out-door treatment provided for minor ailments; and even these facilities are limited to the employees themselves, and are not available to their families. In between, are the Defence installations where if there is a hospital attached the employees and their families can have free treatment in hospital but

where there is no such hospital the employees themselves but not their families, can have free treatment at the military hospitals. Moreover, if admitted to military hospitals, the employees, irrespective of their incomes, have to pay hospital stoppage charges, varying from Re. 1 to Rs. 4 per diem.

Work-charged staffs are generally, but not always, provided some medical aid; and there is, moreover, divergence between one establishment and another. The treatment provided is only out-door, and usually limited to the employees themselves. In some work-charged establishments, for instance those under the Engineering Divisions of the Posts & Telegraphs Department, no medical benefits of any kind are allowed. This is also true generally of purely casual work-charged staffs. Excluding the casuals, the total strength of the work-charged staffs is of the order of 30,000.

2. The most notable of the demands made by the employees organisations is that the industrial staffs should be allowed the same benefits as the non-industrial. It raises a question of principle, viz. whether in this and other conditions of employment industrial employees of the Central Government should be placed with industrial employees generally, or with other Central Government employees; and it has also considerable financial implications. Most of the other demands are for improvement and extension of the existing facilities; for withdrawal of certain restrictions which, it is complained, cause much inconvenience to the employees; and for removal of certain distinctions between higher and lower grades of employees, on the ground, among others, that in the matter of medical aid it is the nature of the illness, not the status of the patient, which should determine the kind of facilities to be provided. Not all the demands are suitable for consideration by us; many raise questions of administration, and detail, which can best be disposed of by the administrative authorities concerned. There are, however, other demands which we propose to consider.

3. According to information available to us, the Government as *employer* do not in most western countries provide to their employees any separate medical care on a non-contributory basis. The medical facilities available to the people generally are, of course, available to Government servants; and where those facilities are adequate, as for instance under the National Health Service in the United Kingdom, there is probably, no need for any separate scheme of medical care for Government servants. In some other countries, there are medical insurance schemes open to civil servants, which provide protection for an employee and his family at reasonable cost. Thus, in most developed countries the general medical care services and/or contributory sickness insurance schemes open to employees meet the needs of Government servants and their families as well as of other sections of the community. In India, on the other hand, with some exceptions Government servants and their families have been accorded special treatment in this matter.

4. The members of the Secretary of State's Services—for decades, almost all Europeans—and their families were considered to require medical facilities of a standard far higher than that available to the people in general. With effect from January 1953, however, "clerks of all Government offices" were also declared "entitled to gratuitous medical attendance and medicines for themselves", but not for their families. With political and constitutional changes, facilities similar to those for the Secretary of State's Services, though somewhat more restricted, had to be extended to the other superior services; and after Independence, the prevailing social ideas made it necessary to abolish the distinction between the superior and the Class IV services, with the result that since 1957 it is only industrial staffs—and not all of them either—who remain under-privileged in this matter. The

question arises whether whatever may have been the historical reasons for the Government accepting a special responsibility for the medical care of their employees and their families, it is right that they should continue to accept that responsibility, or, at any rate, agree to its further enlargement. The medical facilities provided to Government servants should not be viewed primarily as welfare measures. The Government are vitally interested in the efficiency of their employees, and in their physical fitness as a condition of efficiency; and this, in fact, was the consideration on which medical concession for clerks was introduced in 1885. Ill-health is one of the common causes of unpunctuality and absenteeism; and, further, as against expenditure on medical facilities, the cost of leave taken because of sickness ought to be weighed. The employee's family, no doubt, stands on a different footing; but an employee's efficiency can be affected by prolonged illness in his family as well as his own illness; and, moreover, all over the world the family is regarded as the normal, and a satisfactory unit for medical care. Thus, it would be unwise, even if it were practicable, to take any step that would involve reduction of the medical facilities at present available to Government servants; there may, indeed, be a case for improvement in some directions. This, however, does not rule out changes which, though involving curtailment of some facilities at present available to the employees, appear necessary for bringing about rationalization, and desirable uniformity. Nor does it preclude a change even in the very basis of the present general scheme of medical aid, viz. a change from a non-contributory to a contributory system; in fact, if the employees are to have more efficient medical aid, without imposing additional burdens on the taxpayer of a size that would cause a great deal of ill-feeling in the community, such a change may be necessary.

5. Before dealing with these more general questions, we shall consider the case of the industrial staffs (outside the Railways) who have more restricted medical facilities than the others. The bulk of the industrial staffs are under the Railways, and if the example of the Railways were to be followed the other industrial staffs would have to be allowed the benefits of the Central Services (Medical Attendance) Rules. On the other hand, if the practice in industrial employment outside Government is considered a more suitable model, the scheme of aid would have to be similar to that under the Employees' State Insurance Act, 1948. From the annual report of the Employees' State Insurance Corporation for the year 1957-58, it would appear that about 1.5 million employees insured under that law are entitled to medical care and treatment, among other social security benefits. A decision has been taken to extend the medical benefits to the families of the insured employees also, and when this and other decisions and intentions are fully carried out, industrial employees and their families would have facilities for medical care and treatment both out-door and as in-patients. We understand, the medical facilities at present provided by the Employees' State Insurance Corporation are, however, not at all adequate, and the magnitude of the problem is such that they are unlikely to be so for some years to come. In the circumstances, there should be no question of leaving the industrial staffs of the Central Government to be covered by the general schemes of medical care and treatment operated under the Employees' State Insurance Act, 1948, even though the provisions of that law are applicable to Government factories. It does, however, appear to us that it would be right for Government to determine the medical facilities to be provided to their industrial staffs in the light of the objectives and principles of that legislation. This would mean that medical care and treatment should be provided to the families of the industrial employees as well as to the employees themselves; that the employees should be required to contribute towards the cost; and that the contribution, which should be on a sliding scale linked to pay, should be small. In fact, industrial employees stationed in Delhi and New Delhi, to

whom the Contributory Health Service Scheme is applicable, are being treated exactly in this manner, and the scale of contribution which in the lower pay ranges varies from two-thirds to four-fifths of one per cent, is not very different from what might roughly be regarded as the proportion of the employees' contribution under the Employees' State Insurance Act, that would go towards the cost of the medical benefits. The maximum contribution leviable under that law works out to about $4\frac{2}{3}$ per cent of the wage bill from the employers and to $2\frac{1}{2}$ per cent of wages from the employees; and these are to meet the cost of a number of benefits of which medical care and treatment is only one. Thus, (even after making allowance for the share of the cost of medical care and treatment which is to be borne by the State Governments) the employee's contribution for medical benefits must be taken to be less than 1 per cent of his wages.

Our recommendation, accordingly, is that industrial staffs and their families should have the same facilities for medical care and treatment as non-industrial staffs, but that from the very beginning contribution should be required from the employees more or less on the Delhi scale, provided they can be assured at least of such medical facilities as are at present available to non-industrial staff generally.

6. Central Government staffs stationed in Calcutta (excepting those under the Railways) are another large body of employees, who, as compared to employees elsewhere, are unfavourably placed in the matter of medical concessions. Since there is a heavy concentration of staff in Calcutta, and as that city has not been conspicuously free from disease, we have given particular thought to this matter. Employees drawing Rs. 500 per mensem and above and Class I officers, irrespective of pay, have more or less the same facilities in Calcutta as elsewhere, except that even in case of serious illness their families cannot have free medical treatment at their residence. Other employees are not entitled to medical attendance from a Presidency Surgeon, the Civil Surgeon, or an Assistant Surgeon. They have been permitted, however, to consult private practitioners, and obtain reimbursement according to the prescribed schedule of charges. Private practitioners may also be consulted at the residence if the Government servant himself is ill; but the reimbursement of charges in such cases is restricted to 3 or 4 consultations, the intention being that if more consultations or attendance is necessary the Government servant should go to a hospital. The families of those Government servants cannot get medical attendance or treatment at Government cost, either at their residence or the consulting room of a private practitioner. They can only have medical treatment at Government or Government recognised hospitals, subject to the general terms and conditions applicable to Government servants stationed elsewhere. And families of Class IV staffs do not have even this privilege; all that is open to them is "admission to a State or State-aided hospital in common with other members of the general public."

We understand that for nearly 75 years, the Central Government employees in Calcutta have been treated differently in the matter of medical aid. As early as 1884-85, it was felt that "it would be a formidable business for the Government" to undertake to provide medical attendance and medicines to all clerks in Calcutta, and it was, accordingly, decided that the general orders declaring clerks of all Government offices entitled to free medical attendance and medicines would not be applicable to those in Calcutta. Many changes have taken place since then, including the transfer of the Central Secretariat from Calcutta to Delhi; but the very large number of Central Government employees even now in Calcutta, combined with the extreme pressure on the public medical services in that city, explains the present position. In our view the only satisfactory remedy, in the

circumstances, is for the Central Government to have its own arrangements for the medical care of its employees. This may be done either independently or in conjunction with the medical services already being provided by the Railways; and it has necessarily to be a phased programme. As soon as adequate facilities can be provided a contributory system should be introduced.

7. We have more than one reason for recommending the contributory system of medical aid. At present the only contributory scheme for Central Government servants is that at Delhi, and though there may be some complaints about the working of the scheme there is little doubt that on the whole better medical aid is available to Government servants under this scheme than under any other. Giving evidence before the Commission, more than one witness representing employees' organisations asked for similar schemes elsewhere. Some witnesses on behalf of the National Federation of Indian Railwaymen were cautious, they only said that they saw no objection to a contributory health scheme being started at one or two centres, as an experimental measure; but, on the other hand, the National Federation of Posts & Telegraphs Employees went to the length of suggesting that the contributory scheme should be extended to all stations throughout the country. The experience at Delhi has provided material on the basis of which it is possible to make some estimate of the cost that would be involved if contributory schemes with benefits as in Delhi were introduced for all Central Government employees. The total expenditure on the Delhi scheme in 1957-58 was Rs. 41.33 lakhs; and the total recoveries from Government servants and employees of certain semi-Government bodies were Rs. 9.08 lakhs, resulting in a net expenditure of Rs. 32.25 lakhs. The number of employees covered by the scheme was 88,000, and the total number of beneficiaries 4,04,800. Thus, the annual net expenditure per employee was a little below Rs. 37. At this rate the total annual expenditure, if the scheme were applied to the whole body of Central Government employees, numbering about 17.74 lakhs, would be of the order of Rs. 6.5 crores. All the relevant information not being available, a comparison with the total expenditure that is at present being incurred on medical aid for the Central Government employees is not possible. But in 1957-58, the Railways spent Rs. 23.20 per head of their staff on their medical services, and Rs. 21.90 per head on their health services. Many of the Railway health services are not of the kind that can be provided under a contributory health scheme similar to the one at Delhi; but under the latter scheme also certain measures have been introduced which are designed for preservation and promotion of health, as distinguished from curing of disease. In any case, if the *additional* expenditure involved in replacing the present arrangements by a contributory health service scheme is taken to be of the order of Rs. 15 or Rs. 20 per head, the additional annual expenditure would not exceed Rs. 2.55 crores or Rs. 3.4 crores, as the case may be. It has also to be remembered that there has been a definite trend towards a progressive improvement of the medical facilities for Government servants, and irrespective of whether the facilities are on a contributory or a non-contributory basis it would, probably, be necessary to go on improving them. Viewed against this necessity, one of the chief merits of the contributory scheme is that the employees as well as the Government would contribute towards the cost of the improvements. Further, one may reasonably expect that the present rudimentary health facilities for the public will eventually develop into a comprehensive national health service, and that when such a service comes into existence it will be on a contributory basis. Thus, what would be done for the Central Government employees in the course of the next few years, would be in the nature of a pilot project for a national service in which it would get merged in course of time. In the meantime there would be uniformity among the different sections of the Central Government employees in place of divergences which

have been causing understandable heart-burning; and between employees outside, to whom the Employees' State Insurance Act is applicable, and the Central Government employees also, there would be a fair degree of comparability.

To sum up, it is desirable from various points of view that medical facilities for all Central Government employees should be placed on a contributory basis, and that the pattern of medical care and treatment should, wherever there is a concentration of employees, be broadly similar to that at Delhi, but that elsewhere though the general principles may remain the same, the actual arrangements may be adjusted to suit local conditions. Judging from the experience at Delhi, the employees who have been enjoying medical facilities on a non-contributory basis are not likely to object to paying a small contribution if they can be assured better medical aid.

We wish, however, to advise that a careful assessment of the working of the Delhi scheme should be made before it is extended to other places. We further consider that the present arrangements should not be disturbed and levy of contribution started until an adequate contributory health service can be provided.

8. We now consider the more important of the specific demands made on behalf of the employees. It has been asked that the definition of "family" for purposes of medical aid should be wide enough to include all dependent relatives of a Government servant. Under the Central Services (Medical Attendance) Rules, "family" means wife or husband, and children and step-children of a Government servant wholly dependent upon him or her as the case may be; under the Contributory Health Service Scheme, parents if residing with the Government servant and dependent upon him or her are included; and under the Railways, the additions are widowed mother and sisters, and minor brothers and unmarried sisters, if the father is not alive, and if they are living with and dependent upon the employee. An employee's desire to discharge his wider family obligations is admirable; but it is hardly fair to the community that this obligation should be discharged entirely at public cost. We do not, therefore, suggest widening of any of the three definitions mentioned above. In fact, we think, it would be reasonable, except in a contributory scheme, to limit medical benefits to family as defined under the Central Services (Medical Attendance) Rules. Under a contributory scheme, but perhaps for a small additional charge, parents who are largely dependent on and residing with a Government servant, may be included. (This incidentally would be in keeping with the definition of "family" under the Employees' State Insurance Act, 1948). If, however, the far more generous definition of "family" under the Railways is to be retained, an employee who wishes to have the benefit for minor brothers etc. ought to be required to make a small additional contribution.

9. It has been asked on behalf of some groups of employees that the present restrictions relating to consultation with private practitioners and getting the cost reimbursed, should either be entirely withdrawn or reduced. A similar freedom is desired for consulting, or taking treatment from a specialist. At present expenses incurred on such consultation etc. can be reimbursed only if certain conditions are fulfilled, and these include approval of the authorised medical attendant. We do not see any case for removal of any of the existing restrictions, which are designed to prevent abuses, and are in themselves not unreasonable.

10. Another demand is that costly medicines—mostly proprietary—should be supplied free, or the cost of such medicines reimbursed, without reference as at present, to what are considered troublesome rules and dilatory procedures. This demand has been made partly at least out of the mistaken, but widespread belief

that well-advertised proprietary medicines are far more efficacious than the pharmacopoeia preparations with the same constituents. If any change in the present procedure is called for, it is in the opposite direction. For the consensus of opinion among competent judges in this country, and elsewhere is that medical aid is being made excessively expensive through unnecessary use of expensive proprietary drugs. We do not, therefore, recommend more extensive supply of costly medicines; on the other hand we suggest that the use of costly medicines for which cheaper pharmacopoeia substitutes are available, should be avoided as far as feasible.

11. Employees drawing pay not exceeding Rs. 500 per mensem are eligible for an advance of upto Rs. 200 for in-door hospital treatment and for treatment of tuberculosis. In spite of this facility, several groups of employees have asked that they should not be required to pay charges for examination, treatment, etc., at authorised hospitals in cases in which, under the existing rules, they would be entitled to subsequent reimbursements and that there should be direct settlement of accounts between the hospital authorities and the Government. Unless the hospital authorities can be satisfied in each case as to the identity of the person seeking treatment, and as to his entitlement for a particular kind of hospital accommodation etc., difficulties might arise under such an arrangement. Moreover, since the main ground on which this demand has been made is that the employees often find it difficult to meet the expenses from their own resources, pending reimbursement by Government, the situation should be met by the facility of an advance. If the procedure for obtaining an advance is time-taking, it may be made more expeditious; and we further suggest that on the certificate of the authorised medical attendant a further advance or advances may be sanctioned in cases in which prolonged or expensive treatment is necessary.

12. There now remains the point that in the matter of medical aid it is the nature of the illness, not the status of the patient, which should determine the kind of facilities to be provided. This is a principle from which no one would dissent; and there appears to be no rule or order which directly militates against this principle. It is true that the authorized medical attendant for employees in the higher grades is usually an officer of higher rank—though not necessarily a person with higher professional competence. For instance, under the Railways for employees drawing pay exceeding Rs. 375 the District Medical Officer is the authorized medical attendant, while for those on lower pay, it is the Assistant or the Sub-Assistant Surgeon. Similarly, under the Contributory Health Service Scheme at Delhi an employee drawing pay of Rs. 800 per mensem and above can, if he so desires, avail of the services of a Staff Surgeon even for the first consultation, while others have to go to Assistant Surgeon in the first instance. These distinctions do not, however, mean that employees on lower pay cannot, or do not, in practice, receive treatment from more experienced doctors or specialists. All that the distinctions mean is that they can have such treatment only if the authorized medical attendant considers it necessary; and the common official view is that the existing arrangement is administratively convenient. The fact, however, that certain grades of officers can and do in fact approach specialists direct, does make a difference to other employees; and the complaint on their behalf that often specialists do not find time to attend to their serious ailments because for a considerable part of their time they are functioning not as specialists but as general practitioners for people in higher positions, is not unfounded. It does not appear to us to be right that specialists should have to waste their time looking after the minor ailments of the more important people; and we accordingly recommend that all grades of employees should, in the first instance, approach the Assistant Surgeon and that it is the latter who should decide whether a senior doctor or a specialist should be

called or consulted. We trust that suitable instructions will be issued to ensure that this is done and that specialists function only as consultants.

A further complaint of discrimination has been made regarding accommodation in hospitals, and it has been asked that, irrespective of his pay, a patient should be accommodated in a special cabin if the nature of his illness so requires. Cabin accommodation is limited and expensive, and the diet charges which like other patients, Government servants entitled to cabin accommodation have to pay are not negligible; they are certainly beyond the means of employees in the lower grades. On the other hand, employees whose pay is Rs. 130 per mensem or less are generally entitled to free diet. Further under the contributory scheme at Delhi, employees in the higher pay ranges are required to pay higher contributions, but are not entitled to any special benefits in the matter of medical aid, other than better accommodation when admitted as in-patients. Considering all aspects of the question, no change appears to be called for; but we suggest that in cases of serious illness the best comfort and convenience which the nature of the illness requires, and which is available in the hospital, should be provided, irrespective of the pay of the patient.

CHAPTER XL

HOUSING FACILITIES

1. The position regarding provision of Government residences for Central Government employees, as on 30th June, 1957, is shown in the table below:

TABLE I (A)

Department	Class I and II		Class III and comparable industrials		Class IV and comparable industrials		Totals		Percentage
	Strength	Quarters	Strength	Quarters	Strength	Quarters	Strength	Quarters	
Civil Departments (other than those mentioned below)	22,436	4,440	1,33,193	42,735	1,25,751	16,486	3,00,556*	63,661	21.2%
Railways	3,334	2,080	3,54,416	1,22,642	6,39,496	2,40,197	9,97,262†	3,64,919	36.6%
Posts and Telegraphs	1,417	116	1,49,166	5,439	54,257	3,359	2,04,840	8,914	4.4%
Total	27,187	6,636	6,36,775	1,70,816	8,19,504	2,60,042	15,02,658	4,37,494	29.5%
	24.4%		26.8%		31.7%		29.1%		

TABLE I (B)

Air Force Civilians	20	..	1,550	77	11,247	2,252	12,817	2,329	18.17%
Navy civilians	113	30	3,989	1,099	1,933	..	6,035	1,129	18.71%
Other Defence civilians	2,341	..	97,332	..	1,52,387	..	2,52,060	..	..

No information is available about the actual number of quarters provided for "Other Defence civilians" but in respect of Ordnance factories, the proportion of different classes or staffs provided with Government accommodation is as in the table below :—

TABLE I (C)

Gazetted officers		Non-gazetted officers		Industrial and non-industrial Class IV	
No. of factories.	% of quarters provided	No. of factories	% of quarters provided	No. of factories.	% of quarters provided.
17	100%	9	100%	1	95%
1	80%	2	99%	6	50% to 75%
1	nil	2	96%	2	25% to 50%
		2	78%	8	10% to 25%
		1	67%	1	1%
		2	65%	1	nil
		1	52%		
19		19		19	

*Includes 19,176 unclassified.

†Includes 16 unclassified.

2. On the fragmentary information available regarding Defence civilians, it is not possible for us to make any general observations. But as regards the other staffs, it will be noticed (i) that less than one-third have Government housing; (ii) that there is not very marked difference in the proportion of staffs of each class which has been provided Government accommodation, and such difference as exists is favourable to Class IV, and Class III in that order; and (iii) that a much higher than the average proportion of Railway staffs, and a conspicuously small proportion of the Posts & Telegraphs staffs have Government accommodation. While the relative position of the different classes, taking the Central Government employees (other than Defence civilians) is as stated above, both in the Railways and the Posts & Telegraphs Department, the proportion of gazetted officers provided with residential accommodation is higher than the proportion of Class III and Class IV staffs. Further, while 22·6 per cent. of the total staffs outside the Railways, Posts & Telegraphs, and civilian staffs under the Defence Ministry have Government accommodation, it is not that the benefit is more or less evenly distributed among the different Departments. For instance, in the Departments under the Central Board of Revenue, only 104 out of 53,190 employees (*i.e.* 0·19 per cent.) have Government quarters.

3. The Varadachariar Commission observed that the Government had "not as a general policy accepted their liability to furnish residential accommodation (whether free or on rent) for all classes of their employees", but that "as a matter of convenience, they have endeavoured to provide accommodation in some large centres where there is a considerable body of employees and where the shortage of accommodation renders it desirable that Government should provide accommodation". The Commission did not suggest any change either in the existing policy or practice. It did, however, suggest that if a building programme was undertaken, priority should be given to schemes for housing employees in the lower grade of the service. Further, public servants who were prepared to own houses in places where they were serving might be encouraged to build houses, by a liberal policy of advancing loans and encouragement might also be given to co-operative building effort. There has been no fresh enunciation of policy since the Varadachariar Commission made its report; but judging from the rate at which new quarters have been added during the last few years, it seems that Government have felt increasing concern about satisfactory housing of their employees. It is, however, worth consideration whether this is sufficient, and whether the policy itself should not be redefined so as to meet the present-day conditions. We do not consider it necessary that the Government should accept a formal obligation to house all their employees or—to put it differently—recognize provision of satisfactory housing as a condition of service of their employees: something to which an employee has a right. Neither the example of foreign countries about which we have information, nor—and this is more important than anything else—the situation itself calls for the assumption by Government of this kind of obligation. But, on the other hand, the Government's attitude towards the wider problem of housing, and the new policy and programmes which have issued from that attitude ought to be adequately reflected in the Government's policy regarding the housing of their own employees. Even in the first Five Year Plan document, it was observed that the Central Government might be said to be directly concerned with housing in general, and that the "State cannot afford to confine its role in this field to planning and regulation". It was accordingly recommended that the State should assist the construction of suitable houses for low and middle income groups, both in the rural and urban areas, as a part of its own function, and a provision of Rs. 48·78 crores was made in the Plan. It was also recognized that persons in the lower income groups did not have the capacity to pay the economic rent of houses meeting their minimum requirements, and that, apart from loans at a low rate of

interest, Government had had to grant liberal subsidies in order to make housing scheme successful.

4. In the second Five Year Plan, housing was given even greater importance, the total provision made for the various housing schemes being Rs. 120 crores. Of these schemes two need particular mention because of their bearing on the policy regarding the housing of Government staffs. One is the Subsidized Industrial Housing Scheme for housing industrial employees outside Government service, under which the Central Government pay a subsidy equal to half or one-fourth of the total cost of land and construction. In spite of the subsidy, the maximum rent chargeable from the employees is lower than the economic rent, and the difference is to be met by the employers concerned or/and the State Governments. The other is the Plantation Labour Housing Scheme under which the Central Government grant long-term loans at a low rate of interest to planters to enable them to fulfil their statutory obligation, under the Plantation Labour Act, 1951, of providing accommodation to plantation workers. If the Government have assumed a measure of responsibility for satisfactory housing of industrial employees, and if they expect employers to share that responsibility, and, in some cases, to accept it as a statutory obligation, it would, in our view, be obviously inconsistent for the Government not to have a positive, liberal policy and a comprehensive programme for housing their own employees, towards whom they have a dual responsibility. There is a further circumstance which points in the same direction: while accepting a recommendation of a Conference of State Housing Ministers, held in 1957, that the Subsidized Industrial Housing Scheme should not be extended to Government undertakings which are not liable to pay income-tax, the Government of India expressed the hope that the State Governments would as model employers provide houses to their employees through their own resources. Obviously, the Central Government should not be unwilling to accept a similar responsibility towards their own employees.

5. This is not, moreover, a matter merely of social or human responsibility; it is one also of considerable importance to the efficiency of the public services. The conditions under which an employee lives have a marked effect on his efficiency. His, and his family's health and happiness are affected by unsatisfactory living conditions, and his moral suffers; and all these may be reflected in unpunctuality, absenteeism and generally lowered efficiency. If he has to live far away from his place of work, then too difficulties arise. Increasing importance is being attached to various kinds of welfare measures, and they all have their value. But it is far more important that an employee should be satisfactorily housed than that he should have a number of other amenities and facilities; and there is little doubt that, if consulted, the employees themselves would say so. In fact, in their evidence before, employees of all grades have attached great importance to satisfactory housing.

6. It is sometimes said that the Government's general housing schemes, supplemented by private enterprise, should gradually meet the needs of the Central Government employees as well as of other sections of the community. It is highly unlikely that this would be so. From all indications, housing generally appears to be lagging well behind the growth of population; and urban housing has certainly not kept pace with the shift of population from rural to urban areas that has occurred in recent years. This process is likely to continue and to get accelerated as industrialization proceeds apace; and if the experience of other industrialized countries is any guide, shortage of urban housing may well remain one of India's acute social problems for many years. It is in this perspective that the need for a separate programme for construction of houses for Central Government employees should be viewed. It should also be remembered that to the extent to which Government provide residences for their own employees, the pressure on non-Government residential accommodation is reduced, and the people generally get relief.

7. The Government have provided certain facilities to their employees to enable them to build their own houses. A brief reference to these facilities is necessary because some employees' organizations have asked for an enlargement of some of those facilities and also because it would help to assess the extent to which the provision of those facilities can reasonably be expected to reduce the Government's own responsibility for constructing houses for their employees. The facilities are: final withdrawal of a substantial portion of accumulations in an employee's provident fund some years before superannuation; repayable advances from the various provident funds, including contributory provident funds, to displaced Government servants; advances under a scheme administered by the Ministry of Works, Housing & Supply, to Government servants, including temporary Government servants with not less than ten years' continuous service, for building a house. The advance which carries interest at $4\frac{1}{2}$ per cent is repayable in a period not exceeding 20 years and is limited to 24 months' pay including dearness pay, and subject, further, to a maximum of Rs. 25,000.

These facilities can be availed of for building a house at the place the employee is serving or at any other place where he wishes to reside permanently. And when an employee chooses the latter—as a considerable proportion of employees, particularly in the lower grades, do—there is no effect on the housing of Central Government employees at places of their work.

As to the scheme of the Ministry of Works, Housing & Supply referred to above, employees whose pay is below Rs. 200 or so cannot, as a rule, take advantage of it, for the reason that it is impossible to acquire land and put up a house, worth living in, a cost of less than Rs. 4,800. We, therefore, recommend that while the maximum of the advance may continue to be Rs. 25,000, a minimum advance of Rs. 4,800 should be allowed irrespective of the employee's pay. We also recommend that where the advance exceeds 24 months' pay, the period of recovery may be suitably increased in order to avoid hardship to the employee. With these two modifications a larger number of employees may be in a position to take advantage of the scheme.

8. Some employees' organizations have, in their evidence before us, suggested that the employees should be encouraged and assisted to build their own houses on a co-operative basis. The assistance expected is in the shape of acquisition and development of building sites in the neighbourhood of offices, workshops etc.; and liberalization of the terms on which house building loans are given—the loans to low-paid employees being entirely free of interest. It has also been suggested that the Government should take out life insurance policies for employees to whom loans are given and the amounts received towards the repayment of the loan should serve as premia for the policies. The last two suggestions are, obviously, unreasonable. It is for the employee himself to take out insurance policies so that in the event of his death the loan may be repaid from the insured sum; and the rate of interest— $4\frac{1}{2}$ per cent.—is low enough, considering the Government's own borrowing rate. The other requests are, however, reasonable, except that in acquiring and developing sites for buildings to be owned by present employees, the housing needs of future generations of employees must be kept in view. This would mean keeping sufficient land free in the neighbourhood of offices, workshops etc., so that Government may, in course of time, develop their own housing estates for their employees. With these reservations, we support the requests, and further suggest that this is among the matters in which Welfare Officers might be required to take interest.

9. If the steps suggested in the preceding two paragraphs are taken, the housing difficulties of employees would, probably, ease a little; but on the general problem of housing of employees the total impact of the various measures taken to assist employees to build their own houses would be small.

10. As pointed out earlier, only about 30 per cent of the Central Government employees have Government accommodation at present, and while it is true that not all the remaining 70 per cent. require Government housing, a considerable proportion certainly do. We have explored the possibility of getting even a rough idea of the percentage of employees who live in their own houses, and we have come to the conclusion that it is impossible to have any idea without prolonged enquiries which, obviously, we cannot undertake. It is sometimes suggested that recruitment on a local basis of the Class IV and other similar staffs might greatly reduce the Government's housing responsibilities. There might, in the first place, be constitutional difficulties in making this kind of local recruitment; and secondly, with increasing mobility of labour, people living in one part of the country would, more extensively, seek employment in other parts. Moreover, there are certain occupations or kinds of jobs which, for some reason or other, people living in the locality find uncongenial, and to which residents of other parts of the country—in many cases far away parts—are particularly attracted. In the circumstances while postal mail runners, and a proportion of coolies, gangmen, and other similar functionaries under the Railways etc., may be local men, the vast majority of Central Government staffs would be persons working away from their homes. This, in fact, is the position now, and it would be even more so in future. Therefore, while estimating the housing requirements of employees, it would be unrealistic to make a generous allowance for employees residing in their own houses.

11. It is against the background of these facts, and the further fact that on an average the number of Central Government employees has during the last four or five years been increasing at the rate of about 80,000 a year—that the Government's house construction programme has to be viewed. The Railways had planned to construct, at a cost of Rs. 35 crores, 64,500 quarters during the current Plan period, and they have already constructed 35,651. The Posts & Telegraphs Department have a provision of approximately 2.14 crores of rupees for 3,000 residential buildings; but we have no information as to the progress made. The provision for housing civil employees of the Defence Department is also of the same order—(two crores)—but in this case too, we have no information either as to the number of houses planned or the progress made. With some small exceptions, the Works, Housing & Supply Ministry are responsible for the housing programme of the other Departments of Government, and they have provision for an expenditure of nine crores of rupees during the Plan period. Thus, the total expenditure on construction of houses for Central Government employees is likely to be of the order of 48 to 50 crores of rupees; and (assuming that the average cost of a house in other Departments will be the same as in the Railways) the total number of houses that may have been added by the end of the Plan period will be approximately 92,150—or at the outside 1,00,000. Of this, the houses constructed in 1956-57 have already been included in table I. Thus, as against about 80,000 employees added every year, there is an addition of only about 20,000 houses; which means that a substantially larger number of employees would be without Government accommodation at the end of the Plan period than the number at the beginning. This is a disturbing prospect, and we recommend substantial expansion and acceleration of the present programme. It may be that with the existing limitations of financial resources, building materials, and transport, this would not be possible without some curtailment or slowing down of the Government-assisted housing programmes for other sections of the community; and there would, probably, be an outcry

that the interests of the community were being unduly subordinated to those of Government servants. The answer may well be that it is in the interests of the public that its servants should be enabled to function efficiently; that a similar criticism can be levelled against all housing schemes designed to benefit only particular sections of the community, such as the Industrial Housing Schemes; and that, as pointed out earlier, provision of housing for Government servants has the effect of easing the general housing shortage.

12. It is not unlikely that so far estimates of housing requirements have been related to the strength of the permanent staffs. It is certainly not right that the Government should go about constructing houses for purely temporary additions to their cadres; but with as much as 5.66 lakhs or about 33 per cent., of the total staff being temporary, the present line of division between temporary and permanent staffs is highly unrealistic. There is a clear case for a very substantial re-adjustment leading to a considerable increase in the proportion of the permanent staff; and while this is a matter which is dealt with in another chapter, we recommend that the housing programme should be related to the expected, rather than the present permanent establishments.

13. Delhi requires special treatment for the simple reason that it has more than 80,000 Central Government employees, who together with their families and other dependants, perhaps, constitute about 25 per cent of the total population of the city. Obviously, housing requirements of this magnitude cannot be met by private constructions within a reasonable period, and Government have necessarily had to assume the responsibility for housing the bulk of their employees. But Calcutta and Bombay also have large concentrations of Central Government employees; and judging from the ratio between the demand for quarters and the number provided, there is need for a far more ambitious housing programme in those cities than has been adopted so far. The table below shows the position as at the beginning of 1958, together with the number of additional quarters under construction, in civil Departments other than the Railways, Posts & Telegraphs, Central Board of Revenue, and a few other smaller Departments:

TABLE II

	(1) Demand for quarters.	(2) Number of quarters allotted.	(3) Number of additional quarters under con- struction	(4) Total number of quarters	(5) Percent- age of (4) to (1)
New Delhi/Delhi	64,081	22,427	14,721	37,148	57.97%
Calcutta	3,491	591	352	943	27.01%
Bombay	3,457	486	48	534	15.42%

14. During our visit to Calcutta, we were informed that the cost of building sites in that city was too high to permit of the construction of any substantial number of quarters for the lower grades of employees without involving a disproportionate amount of subsidy from Government. Presumably, the position in Bombay is not very different. We wish to point out that unless deconcentration of Central Government offices in Calcutta and Bombay is undertaken, and any further

concentration of offices in central parts of Delhi is avoided, the problems of residential accommodation for, and transport of, Central Government employees in these cities may not admit of any satisfactory solution, and may, in fact, get aggravated as years pass. The deconcentration need not be to distant places; if one is to go by the fate of attempted deconcentration of this kind of offices at Delhi, any such attempt would, in all probability, founder at the opposition of employees, backed by strong local interests. It is deconcentration within some five to thirty miles of the cities where the offices are at present situated, that is contemplated. Our suggestion regarding deconcentration is, of course, intended to be in addition to our recommendation for a substantial expansion of the housing programmes in Bombay and Calcutta, and continuance of construction in Delhi on the present scale.

15. Apart from these three biggest cities, it is the small places where there is a large concentration of Central Government employees—for instance some of the places where there are Defence factories—that require urgent attention. At such places there is very little surplus private accommodation; and unless the Government themselves provide residences, the employees have in most cases to suffer considerable hardship.

16. We also recommend that in framing housing programmes, and in allotment of houses, employees who are transferred from one station to another, should be given priority. Such employees, as we have pointed out elsewhere, have particular difficulty in arranging their own housing.

17. In the preceding few paragraphs, we have made particular mention of the exceptional difficulties of employees at certain places, or under certain circumstances. The general position, however, is that, with a few exceptions, employees who are not provided Government residences, wherever it may be, suffer hardship in varying degrees. And since it is not likely that anything approaching the required number of permanent houses can be constructed within a few years, we suggest that an emergent programme of construction of inexpensive, temporary, accommodation may be taken up to tide over those years.

18. There now remains to be considered the question of suitability of the houses being constructed, and the soundness and fairness of the basis on which rent is being charged from the occupants. Several employees' organizations have complained that some of the old quarters are too small, and otherwise unsatisfactory for human habitation. We do not know whether any considerable number of employees are occupying old, cramped and otherwise unhealthy quarters. If there are such sub-standard quarters, the rent charged from the occupants should be appropriate to the extent and quality of the accommodation provided. The employees have further complained that the one-room tenements that continue to be constructed for Class IV staffs are completely inadequate to meet the bare human needs of the occupants. On the other hand, the view has been expressed that there is too large an element of subsidy in Government housing, and that this is particularly unjustified in the case of employees in the higher pay ranges. It also used to be said that these were being too lavishly housed at the cost of the tax-payer; but with the more modest standards—officially described as 'austerity standards'—adopted in recent years, this line of criticism has abated to a certain extent.

19. The complaint made about one-room tenements is reasonable. But we understand that a decision has now been taken to construct in future two-roomed quarters also for Class IV and workcharged staffs, with amenities of a separate bathroom etc. While welcoming this, we wish to point out that it may involve

slowing down the rate at which new residential units will become available, and we trust the employees will accept this as part of the price that has to be paid for better accommodation.

20. Complaints are occasionally made by employees about delay in construction of houses for which funds have been provided in the Plan or in the Budget. Delays undoubtedly occur, and the common causes are delay and difficulty in acquisition of land, shortage of engineering staffs—causing delay both in the preparation of plans and estimates, and in execution—and delay in the procurement and transport of building materials. It sometimes happens that while one Department of the Central Government has surplus land, another has to waste a great deal of time and energy, trying to acquire land through the local authorities. The State Governments are, generally, not approached for leasing out, or acquiring under the land acquisition law, lands to meet the pooled requirements of the various Central Departments. We are not suggesting that housing of Central Government employees should be completely centralized. But some amount of co-ordination, and pooling of resources will, in our view, result in a degree of expedition. A comprehensive look at the housing needs of Central Government employees as a whole might also lead to a fairer distribution of whatever resources the Central Government can make available for the housing of their employees. There is a great deal of disparity at present (vide table I), which may not be wholly justifiable on merits.

21. We wish to draw attention of Government to certain matters concerning calculation and recovery of rent for Government residences. The standard rent of a residence—and that is the ceiling of the rent that can be recovered from an employee—is calculated at 6 per cent. of the capital cost generally, and at 4 per cent. in the case of residences meant for Class III and Class IV staffs of the Railways. 6 per cent. of capital cost may not be regarded as a low return on this form of investment but 4 per cent. is definitely low. And, moreover, the existing differentiation is not justified. We, accordingly, recommend that the standard rent should be calculated at 6 per cent. of the capital cost uniformly.

22. The value of the site is excluded from the capital cost for calculating standard rent. This, we understand, is done for the reason that inclusion of the cost of site would operate unequally as between employees stationed at different places and, in some cases, even when they are allotted Government residences in different parts of the same city. The cost of sites differs enormously from place to place, it is said, and sometimes also in the same town, with the result that there would be wide divergencies in rents for the same type of buildings. We think that within the same town the difficulty can be met by pooling the cost of sites, just as is being done even now in regard to costs of buildings. An all-India pooling may not be feasible, but the solution might be an addition on account of the site, made at a uniform rate worked out on the basis of experience of site costs so far; and the rate could be reviewed periodically. The actual amount might differ according to area attached to a building or class of buildings, except that some adjustment might be made in cases where a much larger area than is reasonable, or is desired or used by the occupant, is attached to a building.

23. Rent calculated after taking into account the cost of site will be economic rent; but at 6 per cent. of the capital cost it will still be lower than the market rates of rent which, as is well-known, are usually high, and Government housing will thus continue to carry on element of subsidy. There is a further element of subsidy—greater or smaller, depending upon the class of accommodation—in the form of a difference between the standard rent and 10 per cent. of pay.

The table below showing (i) the average standard rent of different classes of residences (calculated without including the cost of site) and (ii) ten per cent. of the average pay of staff entitled to occupy each class of houses, brings out the difference, at various levels, between the average standard rent and the average rent recoverable:—

TABLE III

Classification	Average standard rent (Rs.)	10% of pay (Rs.)
High Officers' Residences		
(More than Rs. 4,000)	400	400
'A' Class (Rs. 3,000—4,000)	302	350
'B' Class (Rs. 2,000—2,999)	220	249.9
'CI' Class (Rs. 1,500—1,999)	160	174.9
'CII' Class (Rs. 1,000—1,499)	143	124.9
'DI' Class (Rs. 750—999)	115	92.4
'DII' Class (Rs. 500—749)	98	61.6
'E' Class (Rs. 250—499)	68	41.02
'F' Class (Rs. 150—249)	43	22
'G' Class (upto Rs. 150)	32	12.8

It will be noticed that officers in and above the salary range Rs. 1,500—1,999 pay on an average the full standard rent; that it is from the pay range Rs. 1,000—1,499 (CII Class) downward that the average rent recoverable is lower than the standard rent; and that the gap goes on widening till in the 'G' Class the average rent recoverable is only 40 per cent. of the standard rent. Thus, if the matter were to be looked at primarily from the economic angle, there would be a specially strong case for reducing the accommodation allowed to Government servants in the lowest grades; but, on social and human considerations, any scaling down of accommodation from the revised standards now being followed would not be desirable. Moreover, once the cost of site is included in the capital cost, officers in pay ranges above Rs. 1,500 per mensem, who are at present paying less than 10 per cent. of their pay because of the lower standard rent, will have to pay more. While on this question of the Government subsidizing the housing of their employees, it may be remembered that the Government are paying substantial subsidies also towards Industrial Housing Schemes, which are further subsidized by the employers concerned. However, a subsidy in the case of Government servants in the highest pay ranges cannot be justified, and we suggest that in such cases the accommodation provided should not be of a type carrying a standard rent higher than 10 per cent. of the occupant's pay.

24. Apart from subsidy in one form or another, to which we have referred above, between 60 and 70 per cent. of the Class IV staffs who are occupying Government quarters, are at present not paying rent. There are about 2,40,000 Class IV quarters under the Railways, of which, outside the Northern Railway (for which information has not been supplied to us) 1,42,500 are in rent-free occupation. According to a rough estimate, the annual loss to Government on account of non-recovery of rent for these quarters is of the order of Rs. 1.6 crores. The average cost of a Class IV residence under the Railways being about Rs. 3,000,

an additional 5,300 quarters could be built annually with the amount recoverable—but not recovered—as rent. Other Class IV staffs also, who had been in occupation of rent-free residences on 1st October, 1952, continue to enjoy the concession. In the chapter dealing with rent-free quarters etc., we have made certain recommendations regarding these matters. Our object in referring to them here, however, is to show that Government housing already carrying a substantial subsidy particularly in the case of the low-paid employees, exemption from rent is an unwarranted concession, and that, but for this concession, financial resources would be available for a substantial expansion of the housing programme.

25. We further consider that a much more equitable arrangement than the existing one of allowing complete exemption to one section of Class IV staffs, and charging rent at upto 10 per cent. of pay from the rest would be to reduce the maximum rent recoverable from the low-paid staffs from 10 per cent. to 7½ per cent. of pay. There are other reasons also why we consider such a reduction desirable. The most important among them is the fact that, with the absorption of the bulk of the dearness allowance in pay, the employees would become liable to pay higher rent for Government quarters; and in many cases this would have the effect of considerably reducing the benefit which our recommendations regarding pay are intended to provide. We, therefore, recommend that the maximum rent recoverable from employees whose pay is below Rs. 150 per mensem, should be limited to 7½ per cent. of the pay.

26. There are matters concerning rents in which between one Department and another there are differences for which there appears to be no rational basis. Some we have already mentioned; and there is in addition the case, for instance, of civilian employees in the Defence Department from whom rents are charged at certain fixed or flat rates, and are in some cases inclusive of services, such as water supply and electricity. We suggest that differences between one Department and another or one class of employees and another, for which there is no current justification, should be removed, whatever the historical reasons for the differences may have been.

CHAPTER XLI

EDUCATIONAL ASSISTANCE

1. The Varadachariar Commission had recommended that the Government should contribute 75 per cent. of the tuition fees payable for the education of their children by Class IV and 50 per cent. of such fees payable by Class III employees drawing a salary not exceeding Rs. 100 per mensem. The contribution, it was recommended, might be given upto the Higher Secondary stage, and a corresponding stage of technical education.

2. The Government did not accept the Varadachariar Commission's recommendation on the grounds (a) that the spread of education should be uniform among all classes of the population, and the children of Government servants should not be treated as a privileged class; (b) that there would be numerous practical difficulties in the way of successful working of the recommended scheme in a manner calculated fairly evenly to distribute the benefits among all employees; (c) that schemes of educational assistance had been tried and abandoned in other countries such as the United Kingdom; (d) that the grant of an allowance might encourage the employees to send their children to the more expensive schools; and (e) that, in some places where there were no schools no benefit could be derived.

3. Some of the employees' organisations have made a grievance of the fact that the Varadachariar Commission's recommendations regarding educational assistance were not accepted by the Government; and they have asked us to reiterate those recommendations. There are arguments—based on fundamental as well as practical considerations—both for and against a scheme of educational assistance of the kind that had been recommended by the Varadachariar Commission. The majority of us do not consider it necessary to go into those arguments for the reason that the total additional benefits which in our judgment can reasonably be recommended in the present circumstances do not permit of a large amount being channelled into educational assistance and that the employees themselves would not wish to have a smaller increase in their salary in order that educational assistance could be recommended for their children. One of us, however, thinks that far from being objectionable for any fundamental reasons, an educational allowance is a particularly desirable form of benefit for the staff in the lower pay ranges. He would, therefore, recommend the grant of an educational allowance, more or less on the lines of what, it is understood, was contemplated by the Government in 1955-56 (with appropriate modifications) but not pursued, and which was then estimated to cost about five crores annually. He would leave it to the Government to decide whether this additional cost could be undertaken over and above the cost of various other recommendations made in this Report; and if the Government think that it cannot be, he would prefer the diversion of a portion of the proposed increase in the minimum remuneration from the present Rs. 75 to Rs. 80 and of other corresponding increases (which together are likely to involve a commitment of between eleven and twelve crores annually) to the grant of this educational allowance and readjustment of the pay scales accordingly.

4. So far we have referred only to educational assistance for employees in the lower pay ranges as, in essence, an element of remuneration. There are, however,

other educational problems of Central Government employees, which arise from the liability to—and more than that the practice of—transfer from one part of the country to another. The problems concern about 78,000 employees—about 4·37 per cent. of the total—of whom about 64,000 are Class III and about 14,000 Class I and II employees.

5. When an employee is posted to an area where the medium of instruction is not the mother tongue of his children, or the language through which they were receiving instruction before the posting, he is faced with the difficult choice of sending his children to a residential school which may or may not be satisfactory but is always expensive, or to have them admitted to a school at the place of his new posting even though this may involve a change both in the medium of instruction and in the syllabus. In the past also, Central Government employees belonging to one linguistic area were posted in another; but there was no serious difficulty so long as English was the medium of instruction at the Secondary stage practically throughout the country. Moreover, at the bigger places, there were schools preparing for the Cambridge School Certificate which had a common syllabus as well as a common medium of instruction. These schools are still there; but their number, in relation to the increased demand for the education they provide, is inadequate; and there is a growing feeling, moreover, that there should be an indigenous system of schools, with a uniform syllabus and a common medium, or media, of instruction, and affiliated to an all-India body. There is also the further difficulty that while the schools preparing for the Cambridge School Examination are situated only in the cities and some large towns, Central Government employees are now far more widely dispersed.

6. There can be no question of setting up schools with common syllabus and media of instruction exclusively for sons and daughters of the Central Government employees. Such schools, if they come into existence, must be open to all, just as the Cambridge Certificate schools are; and unlike the latter, their fees should be moderate. We think that such schools are needed in the interest of the Central Government employees as well as of other floating population in the country, and we trust that the growth of such schools will be encouraged.

7. We further recommend extension of the Railways' scheme for setting up hostels to meet the needs of other Central Government employees also. The Railways' scheme provides for establishment of 12 hostels, 3 in Hindi-speaking areas and one each in the other linguistic regions, providing accommodation in all for about 1450 students. Accommodation would be available to children of employees drawing salaries not exceeding Rs. 300 per mensem, at concessional lodging and boarding charges, the extent of the concession being reduced with higher salary slabs, and full charges being levied from those whose salary exceeds Rs. 300. The non-recurring cost is estimated to be about Rs. 25 lakhs, but the recurring costs have not yet been worked out. They are, however, not likely to be prohibitive, and the net costs can, in any case, be kept within reasonable limits by reducing the extent of the concessions. To begin with, another 12 hostels providing accommodation for some 1500 students might do. If the rates of charges which the Railways propose to levy are adopted, the average monthly concession would work out to about Rs. 35; and the total annual cost on this basis would be (3000x35x12) Rs. 12·60 lakhs.

8. The Railways have also in operation another scheme of educational assistance. Under this scheme, when an employee is compelled to send his child or children to a boarding school away from the station at which he is posted because of absence of schooling facilities or because he is unable, for linguistic or other

similar reasons, to make use of the existing facilities, he is entitled to assistance, at prescribed rates, subject to an over-riding maximum of Rs. 15 per mensem per child, and a maximum of Rs. 60 per mensem to an employee at any one time. About 8,700 children are benefited under this scheme at an annual cost of about Rs. 3.8 lakhs. We recommend that a similar scheme may be introduced also for other Central Government employees whose salary does not exceed Rs. 300 per mensem, so that an employee could, if he preferred, send his children to a boarding school of his own choice. The rate of allowance being small, there is no likelihood of an employee choosing an expensive school because of the allowance. Assuming that the number of children eligible for this assistance, and the average expenditure on them, would not be appreciably higher than under the 'Railways' scheme, the additional annual expenditure may be of the order of Rs. 5 lakhs.

9. A demand has been made that the Government should set up, or subsidize the setting up of, schools at places where a substantial number of Central Government employees are stationed but where no schools exist at present. While we certainly do not wish to suggest discontinuance of what the Railways have been doing in this direction, the large increase in the number of Primary and Secondary schools that has taken place during recent years, and the further increases planned for the coming years, probably make it unnecessary for the Central Government to take special measures in this direction for the benefit of the children of their employees.

10. It has been represented that when an employee is transferred to a new place, he has usually considerable difficulty in getting his children admitted to schools. This is true; but it is impossible for the Central Government to make an arrangement which would ensure admissions in all cases. It should, however be possible for Welfare Officers to help in this matter; and the Central Government could also perhaps request the State Governments to advise the school authorities to consider sympathetically applications for admission made on behalf of children of Central Government employees. A further, and perhaps a more effective, remedy would be to order that as far as practicable transfers should be timed to fit in with the commencement of the academic year.

CHAPTER XLII

UNIFORMS, PROTECTIVE CLOTHING, ETC.

1. The general principle at present governing the supply of uniforms is that staffs whose duties involve continuous public contact, or whose office must be known if they are to function smoothly and effectively, should wear a distinctive dress so that they may be easily identified by both the public and their own superior officers. A further consideration is the value of a tidy and presentable appearance in the case of staffs who have to deal with the public. Thus, the Administration looks upon uniforms as equipment essential for the efficient discharge of duties by certain classes of staffs, and not as an amenity or a perquisite, to be made available to all staffs. Supply of protective garments, and other accessories, such as umbrellas, goggles, and gauntlets, is, likewise, related to the nature of duties which particular classes of employees have to perform, or the climatic conditions under which they have to work. The protection may be needed against weather, for instance against severe cold, or heavy rainfall, or against occupational hazards, as in factories. Uniforms or protective clothing is also supplied to staffs whose duties involve abnormal wear and tear of clothing, for instance those of drivers and cleaners of motor transport. According to the (incomplete) information available to us the total annual expenditure of the Central Government on uniforms, protective clothing etc. is of the order of Rs. 2·33 crores. Outside workshops and offices, the bulk of Railway staffs are supplied complete or partial uniforms; and this is also broadly true of the Posts and Telegraphs staffs. Peons and Jamadars are another large class to whom uniforms and, according to necessity, also certain protective garments and accessories are issued.

2. Several employees' organisations have made demands which suggest that they look upon uniforms etc. as fringe benefits—a sort of supplement to cash remuneration—to which practically all Class III, Class IV, and workshop employees should be declared entitled. Some unions have asked, for instance, that uniforms should be given to all staffs, including, apparently, those who have no dealings with the public. Another employees' organisation has asked for uniforms for Daftries, Malis, Farashes, and Sweepers, among other Class IV employees.

3. Some employees' organisations, while apparently recognising the more limited purposes for which uniforms are to be given, have asked for issue of uniforms to certain additional staffs, and for increase in the number of items constituting uniforms, improvement in their quality and supply at shorter intervals. Complaints have been made of delays in supply of uniforms, and about bulk tailoring which, it is said, often makes them ill-fitting. A further complaint is against the restriction of washing allowance to Class IV staffs, and against its rate which, as a rule, ranges between Re. 0·75 and Re. 1·50 a month.

4. We confirm the general principles which at present regulate the supply of uniforms, protective garments, and other accessories, and advise against treating as fringe benefits what are intended to be essential equipment for performance of particular public duties.

5. As to the other demands, it is a matter for administrative judgment, based on detailed knowledge of the duties to be performed and the conditions of work,

whether certain additional staffs should be given uniforms and whether there should be change in the composition and quality of any uniforms, or in the periodicity of their issue. The same is true of protective garments and accessories. It would hardly be appropriate for us to go into matters of this kind, and, in any case, we have not before us the material necessary for a judgment on each of the numerous demands that have been made.

6. We understand that the Railway Administration had set up a Committee to examine the whole question of uniforms for its staffs, and that the Committee's report is now under consideration of the Railway Boards. The Posts and Telegraphs Department has also set up a similar Committee; and between them, these two Committees will have covered more than two-thirds of the total staffs under the Central Government. This makes it all the more unnecessary for us to express any opinion on individual demands.

7. The rate of washing allowance also is a matter which the Government themselves are in the best position to decide. The only question of importance raised in connection with the washing allowance is whether it should be allowed to Class III, as well as to Class IV staffs, to whom uniforms are supplied. We do not consider that all employees who are supplied with uniforms have the right to claim reimbursement of washing charges from the Government. There is, for instance, no reason why there should be a distinction in this matter between a Clerk who wears his own clothing in office, and a Ticket Collector who while on duty wears a uniform supplied by the Government. Payments of washing charges to the lower paid staffs who wear uniforms may, however, continue on the practical consideration that they might not otherwise afford to keep their uniforms clean and tidy. The dividing line may be a basic pay of Rs. 150.

CHAPTER XLIII

WORKING CONDITIONS; CANTEEN FACILITIES; STAFF WELFARE

1. There is a separate clause in our terms of reference requiring us to examine as to what extent benefits can be given to the employees in the shape of amenities and facilities. We have, accordingly, given a great deal of thought to this question. In a broad sense an employee's welfare is affected by the rate of his remuneration and all his conditions of service, which we have already discussed. The only welfare function to be performed in regard to these is to assist the employee to secure without much delay or difficulty what is due to him, and in certain matters to provide him in the person of the Welfare Officer an additional channel for seeking redress of his grievances. There are, however, other matters which we consider import for maintaining his efficiency and increasing his satisfaction with his situation and environment. Some of them relate to his working conditions while others extend to his 'welfare' outside his working hours, for instance to the healthy use of his leisure time and the promotion of social, recreational and cultural activities, and thus to the satisfaction of his human needs. We discuss these in this chapter.

I. Working Conditions

2. We have had a considerable amount of evidence from employees' organizations complaining of unsatisfactory working conditions and of absence or inadequacy of facilities essential for satisfactory performance of public duties. The importance of working conditions to the efficiency and welfare of the staff is obvious; and during our visits to Central Government offices and other establishments in Calcutta and Delhi, we therefore gave a particular attention to this matter. Nearly a year ago we also sought from the various Departments of Government information concerning office accommodation, provision of furniture, lighting, ventilation, sanitation, supply of drinking water, etc., and provision of rest houses, dormitories and retiring rooms. The information we have received is not complete but is sufficient, together with our personal observations, to enable us to form some idea of the present position. We must, however, observe that the difficulty we have had in getting a complete picture does not suggest that the matter has been receiving at the headquarters of Government the kind of attention which might be expected.

3. A complaint had been made to the Varadachariar Commission that office accommodation at many places was so unsatisfactory, and the other amenities so scanty that they made sustained work exceedingly difficult; and the Commission observed that the grievance was genuine and deserved to be redressed as quickly as possible. We have no information as to the extent of the improvements during the last twelve years; but there has been considerable expansion of staff during those years, and we doubt if the net improvement—outside Delhi—has been very appreciable. Excluding the offices under the Railway, Posts and Telegraphs, and Defence Departments, the greatest concentration of Central Government offices is in Delhi, Calcutta and Bombay; and, according to the annual report of the Ministry

of Works, Housing and Supply for 1958-59, the position in those three cities is as follows:—

TABLE I

Place	Availability (in lakhs sq. ft.)	Requirement (in lakhs sq. ft.)	Shortage (in lakhs sq. ft.)	Shortage (percentage of total requirement.)
Delhi . . .	37.76	42.78	5.02	11.7
Calcutta . . .	24.81	26.35	1.54	5.6
Bombay . . .	7.58	8.48	0.90	10.6

Of the 37.76 lakhs sq. ft. of accommodation available in Delhi, only 10.30 lakhs sq. ft. are Government-owned, permanent structures. Leased and requisitioned buildings make up 5.71, and temporary hutments 21.59 lakhs sq. ft. Some multi-storeyed buildings which will provide 4.32 lakhs sq. ft. are under construction, and some more buildings are planned. But even so, considerable shortage will probably continue in Delhi since it is proposed to demolish many of the temporary hutments and to transfer their occupants to the new buildings. The decision to shift a certain number of offices from Delhi, when fully implemented, is expected to make a total of 1.2 lakh sq. ft. available; but apart from the relatively modest size of the accommodation involved, offices are not known to move out of Delhi with alacrity, while, on the other hand, the staffs continue to increase. From the information available to us, the shortage of office accommodation outside Delhi, Bombay, Calcutta and Simla (where the shortage is only 4.4 per cent.) is more serious, ranging from 16 to 60 per cent. of the requirement. We have considered it necessary to mention the figures, and percentages of shortages where available, because we are not sure that the magnitude of the problem is fully realized. The shortages have been calculated on the basis of standards of accommodation—160 sq. ft. for a gazetted officer, 40 sq. ft. for a non-gazetted officer, or 60 sq. ft. if he is a technical officer, and about 10 per cent. for records—which are not extravagant; and while a shortage of upto 10 per cent. may not matter much, the condition of an office where the shortage is 50 per cent. or more or even 30 per cent., must cause serious concern.

4. Of the requirements of civilians in the Defence Services, we have no figures, though we have had complaints from some of the staff associations concerned, that the war-time temporary buildings have outlived their normal span of life, and should be replaced by more satisfactory buildings providing essential amenities. The Posts and Telegraphs Department have not found it possible even to give a rough estimate of the total shortage, but have stated that the war-time shortage has been aggravated because of a phenomenal growth of Posts and Telegraphs services since 1947; that there is congestion in most Posts and Telegraphs offices, which is not only causing inconvenience to the staff but is also tending to have an adverse effect on operating efficiency; that the majority of the offices are housed in rented buildings which are inadequate or otherwise unsuitable, and often in poor state of repair. There are plans for constructing departmental buildings, but not large enough to meet the requirements to any appreciable extent in the course of the next three years or so. Even these modest plans are not making satisfactory progress for the reason, according to one of the very senior officers of the Department, as well as the National Federation of Posts and Telegraphs Employees, that the Posts and Telegraphs Department has no building organisation of its own, such as the Railways have. We are not concerned with this last mentioned point; but it does appear

that both the extent and the kind of accommodation which the Posts and Telegraphs offices have are far below the requirements, and that any notable improvement is unlikely in the near future. The shortage of accommodation in the Divisional Offices of the Railways varies from 8½ to 48 per cent. of the requirements; but the programmes of construction in hand and planned may, we understand, meet the shortage within a reasonable period. Unlike the Posts and Telegraphs Department which depends to a large extent on hired buildings in the countryside and in the small towns, the Railways have their own station buildings, and are, therefore, in a better position.

5. The scale on which amenities are to be provided in Government offices has not been laid down; but the Ministry of Works, Housing and Supply have certain standards as regards provision of lights, fans, bath-rooms, ventilation, sanitation, drinking water, rest-rooms, sheds for cycles and cars, etc., which appear to be satisfactory. But while all these standards can be followed in new buildings, some of them, for instance provision of rest rooms, present difficulties in the old buildings, and even more so in the hired buildings.

6. There is no Government-wide standardization of furniture and other office equipment. Certain recommendations were made by the Ministry of Works, Housing and Supply in 1953, and the O. & M. Division of the Cabinet Secretariat has, more recently, recommended some standard designs for office furniture, and the scale on which they should be supplied; but there are still considerable variations—some of them explained by differences in the standards laid down by different Departments. We do not suggest that there should be absolute uniformity in these matters; on the contrary, local conditions and the nature of work in different offices might call for some degree of variation. But we do suggest that the Government should satisfy themselves that the offices are provided with equipment necessary for efficient work.

7. The operating staffs under the Departments of Railway, Posts and Telegraphs, Civil Aviation, Meteorology, Overseas Communications, All-India Radio and Health, who have to provide a more or less continuous service, require one or another of these additional facilities: dormitories, rest houses and retiring rooms. Dormitories or retiring rooms are essential in offices which work round the clock, and where the duties of a certain proportion of employees regularly commence or terminate late at night. Unless they have their residences close-by, or are provided Government transport (as we understand some staff of the All India Radio are provided), they have to spend hours on the office premises before or after their duty period, as the case may be; and unless they are provided sleeping accommodation, they have to go without sleep. Other staffs too, who have to work at odd hours, or who have broken hours of duty, require these facilities. Staffs who have to spend considerable time away from their headquarters, either on duty, or between two periods of duty, need rest houses or retiring rooms where they have arrangements for their meals.

8. The Posts and Telegraphs Department have about 300 retiring rooms and dormitories, and have provided about 250 rest houses for the R.M.S. staff. Not knowing the dimensions of the requirements, we are unable to say whether they have been met to any considerable extent: but from what we saw in Calcutta and at Delhi itself, and judging from the complaints made by many of our witnesses, we are inclined to think that the position is far from satisfactory. We understand that the Telegraph Enquiry Committee has recently examined the question of rest rooms and dormitories for telegraph staffs. We hope that prompt action will be taken on the recommendations of that Committee, and that there will be a similar,

comprehensive, examination of the rest house and retiring room facilities which other operating staffs of the Posts and Telegraphs Department—in fact, operating staffs generally—require, and would be followed by adequate action. The difficulties of the R.M.S. staff, as far as we have been able to gather, call for particularly urgent attention. It has been stated on their behalf that the running staff have to work at high pressure in congested, ill-equipped and dusty mail vans; that working conditions in the R.M.S. offices at the major railway stations are also unsatisfactory; and that in the absence of adequate facilities for rest the strain continues beyond the working hours.

9. The Railway running staffs, *viz.*, Drivers, Firemen and Guards are usually provided retiring rooms at suitable stations. But one of our witnesses—a Member of Parliament—mentioned that the rooms were in a very unsatisfactory state. We understand, however, that a Running Rooms Improvement Committee has enquired into the adequacy of the present facilities and has submitted its report which is under consideration. Travelling Ticket Collectors and Examiners have asked to be treated on the same footing as the running staffs; and requests for rest-house or rest-room facilities have been made also on behalf of staff on relief duty, and Signallers. It is not for us to examine and make recommendations on each of these requests. We can only suggest that the Railway administration should consider the requests and meet the genuine needs.

10. Adequate office space is of the foremost importance, and we recognise that it is not possible to provide within a short period sufficient, suitable, accommodation for the entire staff of the Central Government. But it is necessary that there should be a phased programme of construction of office buildings, and that it should be such as to ensure that within a few years all offices are satisfactorily housed. We also think that, subject to exceptions made on consideration of special nature of duties in which certain classes of employees are engaged, the programme should be designed to meet the requirements of different Departments on a fair basis; at present some Departments are conspicuously worse off than others.

11. There are a number of matters in which immediate improvement is possible, and necessary. It should not be difficult, for instance, to keep offices, retiring rooms etc. clean and tidy, or to equip them properly. Good lighting should be possible in all offices, and also satisfactory ventilation and provision of adequate toilet facilities in a large proportion. Arrangements for heating and cooling of offices present some difficulties; but it is established that temperature and humidity, as well as ventilation and lighting have significant effects on efficiency; and economy on improved regulation of temperature and humidity may, therefore, be short-sighted.

12. There is wide scope for improvement of working conditions in the somewhat extended sense in which we have used those words in the preceding paragraphs, and we are convinced that this is a matter in which the Government should, and can well afford to, be a model employer—in the interest of the community which is entitled to efficient service, as well as of their employees who can reasonably expect that their needs as employees would be well looked after.

II. Canteen Facilities

13. There is next the question of canteen facilities, and where these are not required or feasible, provision of tiffin rooms, etc. Under Section 46 of the Indian Factories Act, the occupier of every factory has to provide canteen facilities where

more than 250 workers are employed. Government would be well-advised to provide canteen facilities far more liberally than the law requires; and to be equally liberal in providing such facilities for non-industrial staffs. We recommend that at least a tiffin room should be provided wherever there are between 25 and 50 employees, and as a rule a canteen provided wherever the strength of the staff exceeds 50, and invariably when it exceeds 100. If there are two or more Government establishments within the radius of 2-3 furlongs, a common canteen might do.

14. The policy of the Government—with which we are in agreement—is that, as far as possible canteens should be run either departmentally or the staff should be encouraged to run them on a co-operative basis; and accordingly an initial assistance is offered by the Departments for starting canteens, tea rooms etc. The Departments generally supply, free of charge, the initial equipment of furniture, cooking utensils etc., but do not assume responsibility for their maintenance, and, when necessary, replacement. If is, perhaps, only in cases in which the rules made by a State Government under Section 46 of the Factories Act so require that the Central Department concerned not only supplies, but also maintains, the equipment. (For instance, under the rules made by the Bombay Government, the prices to be charged at canteens set up under Section 46 of the Factories Act are to be fixed after excluding, among other items, interest on the amounts spent on the provision and maintenance of furniture and equipment provided for the canteen, and depreciation charges). The Departments also do not contribute towards the labour cost of the staff canteens. We consider it desirable to have a standard minimum arrangement in regard to departmental assistance to these canteens, tiffin rooms etc. For instance the necessary equipment may be provided to them free on loan, maintained free within the limits of fair wear and tear, and replaced free at the end of assessed life. We further recommend that the Government should meet the bulk of the cost of the catering staff in the smaller canteens, and make a decreasing contribution as the size of the canteen increases. We think that unless the turnover at a canteen is very large, or the canteen staff costs are wholly or largely met by Government, the price of a meal works out somewhat higher than the market rate. There is small likelihood of a canteen being popular with the employees unless the food served is cheap as well as wholesome.

15. During our visit to Calcutta we saw a number of canteens. With the exception of those at Lillooah and Ishapur (both industrial establishments) the canteens were all unsatisfactory; one or two of them, in fact, were just small cellars with hardly any natural light or ventilation and altogether unfit for human use. It is, in our view, essential that a proper Government-wide plan for providing suitable accommodation for canteens should be prepared, and put into effect within a reasonable period—perhaps five years. It would, probably, involve construction or hiring of additional rooms in or near many offices and workshops; but this is unavoidable if satisfactory canteen facilities are to become a normal amenity in Government establishments. A good canteen for the use of about a hundred employees can perhaps be put up at about the same cost at which a residence can be constructed for one or two employees. An annual provision of Rs. 50 lakhs for canteen buildings would work out to only Rs. 2.50 per head, and the expenditure may not be necessary on this scale after five years or so.

III. Other Welfare Measures

16. We start by reviewing the present position. In the Railways, the responsibility for welfare work rests with the Personnel Department, which has a separate wing for this work. The welfare work consists of (i) provision of assistance to

employees in matters such as payment of salaries, sanction of increments, maintenance of provident fund accounts, etc., and (ii) social, recreational, and cultural activities. The Welfare Inspector, has, accordingly, two-fold duties. He keeps himself in touch with the staff in his region and refers their grievances to the Personnel Officer concerned for redress as far as possible; and he also helps in the organisation of sports, games, dramatic performances, cultural festivals, etc. A useful item of the welfare programme is the organisation of co-operative societies and stores for the benefit of the staff. The Administration helps these societies and stores by giving them accommodation at nominal rent and subsidising their administrative and establishment charges upto an extent of 50 per cent. during the first three years of their existence.

17. The main source of finance for all these activities is the Staff Benefit Fund, which has been in existence on the Indian Government Railways since 1930. It is built up mainly from the railway revenues. Earlier, the Fund received from the Railways one rupee per annum per head of Railway staff. The rate of contribution was raised to Rs. 2 per head with effect from April 1, 1955, and has been further raised to Rs. 4 per head since April 1, 1958. The Fund is also utilised to provide financial assistance to non-gazetted employees for certain specified purposes. Committees composed of nominated members and staff representatives are associated with the management of the Fund at different levels. A sum of Rs. 25,60,108 was spent out of this Fund in the year 1957-58.*

18. In the Posts & Telegraphs Department, the welfare organisation, which was first set up in 1948, consists of a Deputy Director (Welfare) working under the Deputy Director General (Personnel & Petitions) and 10 Labour Welfare Officers in circles and workshops. The duties of these officers are similar to those of the Welfare Officers in the Railways. Recently a 'P. & T. Advisory Board' has also been set up under a Minister "to make recommendations to Government in regard to measures to be adopted for the furtherance of welfare activities amongst P. & T. employees." As in the Railways, the P. & T. Department also lays emphasis on the co-operative efforts of the employees in this field; and co-operative societies are allowed financial and other facilities in the initial stages. In 1958-59 a sum of Rs. 8,52,600 was provided for welfare activities in this Department.

19. In other Departments the position is as follows. In 1957-58 Welfare Officers were, for the first time, appointed in each of the Ministries of the Government of India. Their duties, in brief, include the organisation of social and cultural activities; improvement in the actual working conditions of the staff including improvement of hygienic conditions at the working premises; induction of new members of the staff and advising them in their personal problems relating to transport, housing, education of children etc. and the setting up of benevolent funds. The Staff Councils have been advised to elect a few representatives to be associated with the work of the Welfare Officer of the Ministry concerned. A Chief Welfare Officer, posted in the Ministry of Home Affairs, co-ordinates (with some exceptions to which we refer later) the welfare activities of various Ministries. It is intended to extend, in due course, the scope of this organisation to places outside the Capital; and a beginning has already been made in Bombay, Calcutta and Madras. The Chief Welfare Officer has also been associated with the work of the Secretariat Staff Welfare and Amenities Committee, which has been functioning since 1953. The Government place at the disposal of this committee *ad hoc* grants every year for distribution to the various Ministries including their attached and subordinate offices in Delhi and New Delhi, to the Central Secretariat Boards for

*Report by the Railway Board on Indian Railways 1957-58 Vol. I.

different games, reading-cum-recreational rooms and residential clubs. The amount admissible to the Ministries is now calculated on the basis of Rs. 3 per head of the ministerial and Class IV staffs. But one-third of this amount is given only if the Ministry concerned also collects by subscription an amount equal to at least the total admissible grant. How these grants have been utilised during the last five years is shown below:

TABLE II

(Amount in Rupees)

Year	Grant received	Grants disbursed to			
		Ministries etc.	Central Sectt. Sports Boards.	Reading-cum-Recreational Rooms.	Residential Clubs.
1954-55	55,000	33,130	16,300	5,570	..
1955-56	73,865	35,185	24,000	5,100	9,580
1956-57	1,00,000	54,000	30,000	10,000	6,000
1957-58	1,08,000	62,000	30,000	10,000	6,000
1958-59	4,10,000	2,18,000	88,000*	5,000	99,000†

*including expenditure on inter-ministry games, sports, etc.

†including grants given to Calcutta, Bombay and Madras and expenditure on construction of club buildings.

20. As regards offices outside Delhi and New Delhi the Ministries are authorised to sanction non-recurring grants-in-aid to employees' organisations for welfare of staff in offices under their control, subject to a *per capita* limit of Rs. 2 per annum per member of staff.

21. The industrial employees of the Central Government are governed by the labour laws, like the Factories Act, the Mines Act, etc. which apply to industrial workers generally. These laws provide for certain standards of welfare in so far as they relate to rest-sheds and shelters, canteens or supply of refreshments, bathing and washing places, creches for the infants of female workers, etc. Beyond this there is no uniform and comprehensive legislative measure dealing with welfare amenities. In order, however, to stimulate efforts in this direction the Government of India formulated in December, 1946, a scheme for the constitution of a Welfare Fund to be spent on non-statutory welfare activities, such as, sports, games, drama and cinema shows, reading rooms, etc. of workers in their industrial undertakings. The Fund was to be supported partially by Government grants and was to be constituted in the following manner:

“During the first year, the Central Government will contribute at the rate of Re. 1 per worker without any stipulation as to contribution from workers. During the second and third years the Government grant, which will be made unconditionally, will be As. 8 per worker per annum plus an amount equivalent to the employees' contribution subject to a limit of 8 annas per worker. During the fourth year, the Government grant will be equal to the employees' contribution or Re. 1 per worker, whichever is less.”

Originally, the scheme was introduced for a period of four years as an experimental measure. But it is now being extended from year to year. The latest available information about these funds is given in the table below:

TABLE III

Name of the Ministries under which the Welfare Funds are functioning.	Total No. of funds.	Total No. of workers employed in the undertaking	Total No. of workers contributing to the Fund.	Total amount of contribution from workers	Total amount of Government's contribution.
1	2	3	4	5	6
				Rs.	Rs.
Defence	140	1,22,148	54,354	66,850·81	20,906·56
Works, Housing and Supply	7	6,548	1,525	1,902·92	2,521·44
Transport and Communications	5	3,708	905	1,107·48	2,310·50
Education and Scientific Research	4	772	473	235·69	
Finance	3	2,686	(not available)¶	342·94	400·00
Food and Agriculture	1	649	..	..	..

We understand that no uniform policy has been followed by the Government in regard to their share of the contribution. In his annual report for 1956-57 the Chief Labour Commissioner has made the following observations:

“In certain Central undertakings, the Government contributed either more or less than the prescribed rate: in certain undertakings the Government's contribution was irrespective of the contribution made by the workers, and in a few others the Government did not contribute any amount although the workers have contributed their share.”

22. It appears to us that all the Departments are not paying the same degree of attention to staff welfare, or incurring expenditure on welfare activities on about the same scale. Some differences are, of course, understandable. But even making allowance for differing conditions, a fair measure of uniformity in the scale of expenditure—though not in the different items of expenditure—should be possible. The Railways are now spending Rs. 4 per head on the sort of welfare activities we are discussing here; the Posts & Telegraphs Department are spending about Rs. 2·50 per head;* and for non-industrial establishments outside Delhi, an expenditure of Rs. 2 per head is permissible. For non-industrial employees in Delhi also before 1958-59 the expenditure came to about Rs. 2 per head, but it has been considerably stepped up now. Similarly, as indicated in the preceding paragraph, even the scheme for financing non-statutory welfare activities in Government's industrial establishments has worked erratically. The explanation for these divergencies perhaps is that there is no effective central agency to look at the problem in the Central Government as a whole. A Chief Welfare Officer has, no doubt, been appointed now, but it appears that his jurisdiction does not extend to the Ministry of Railways and the Department of Posts & Telegraphs—

*The figure has been worked out by taking into account the number of Extra-Departmental Agents, who also participate in these activities.

the two Departments which between them have more than two-thirds of the total staff of the Central Government. We consider that as a first step towards a co-ordinated welfare programme for the whole body of the Central Government employees there should be a central agency, or a committee drawn from different Ministries, to keep a general oversight on welfare activities; to make the experience of the different Departments in this field available to one another; to maintain a degree of uniformity in the pattern of assistance to be given to co-operative societies and other welfare organisations set up by employees; and to advise Government generally on welfare policies and programmes.

23. As far the content of the programme we are of the view that any group activity of employees likely to improve their health or efficiency, or to increase their happiness, ought to be encouraged and assisted in some degree; and it would not be wise to lay down a rigid programme from which there must be no deviation, one way or the other, under any circumstances. Subject to this flexibility, we consider that in addition to social, cultural and recreational activities which are common features of welfare programmes, the following deserve special attention:

- (i) promotion of co-operative societies (both credit and consumer);
- (ii) schemes for relief to (i) employees (a) in case of prolonged sick leave without pay, or on reduced pay; (b) in case of premature retirement because of physical disability; and (c) when they suffer from other unforeseen misfortune, and are in need of assistance; and (ii) for giving assistance to needy dependants of employees who die in harness; and
- (iii) arrangement, through the appointment of Welfare, or Labour Officers, or otherwise, for assisting employees to get without delay or difficulty their entitlements under their conditions of service; for securing speedy redress of their reasonable grievances in other matters; and for obtaining advice and reasonable help in their personal difficulties.

24. The problem of small loans, for which need arises frequently, is a real one for employees in the lower income groups. There appears to be some diversity in the present pattern of assistance given by the Government for establishing and running co-operative societies. While accommodation is provided at nominal rent both by the Railways and the Posts & Telegraphs Department, there is difference in other matters, such as meeting the cost of the clerical and other staff, and making non-recoverable and recoverable grants. We are of the view that the general principle of assistance should be that apart from free or virtually free, accommodation, Government assistance should be limited to what is essential to put a society on its feet. A co-operative society can have healthy growth only if it becomes self-reliant through the active participation of the employees.

25. In regard to relief of distress among employees or their dependants, there is a question of principle involved, viz. whether it is right that these should be wholly, or largely, financed by Government grants. At one extreme the Government may not make any grants to benevolent funds organised by the employees. On the other, such a fund may consist entirely of Government grants, as is the case under the Railways at present. In between there may be benevolent funds supported partly by Government grants, and partly by contributions made by the employees themselves. We recommend that staff benevolent funds should be set up by the Departments on some such contributory basis. The present arrangements are generally too much in the nature of governmental charity, which may not be good for the morale of the employees. A co-operative arrangement for relief of distress to which the employees themselves as well as Government contribute might

be more in keeping with the present day ideas of the status and self-respect of employees.

26. We have already indicated what we think might be the functions of Welfare and Labour Officers. There is, however, one aspect of this institution of Welfare and Labour Officers to which we wish particularly to draw the Government's attention. There is some danger of those in charge of administration falling into the belief that with the appointment of Welfare or Labour Officers their own responsibility for employee welfare has practically ceased. We take the view that employee welfare is an inescapable managerial or administrative responsibility, and that the function of the Welfare or Labour Officer should be regarded as one of supplementing, and assisting in the work of those in charge of personnel administration, rather than that of relieving the latter of their employee welfare responsibilities.

27. We have already referred to the importance of satisfactory working conditions and well thought-out welfare programmes for raising efficiency and increasing the employee's satisfaction with his work. We would add that they may have a real contribution to make to the promotion of good staff relations as well. Moreover, a relatively small investment on the provision of amenities etc. may bring in large returns; for instance, a rupee per head spent on these may prove far more beneficial to the employees than increasing their salary by the same amount. We consider the present expenditure on welfare activities to be inadequate, and we recommend that it should be substantially increased. We recommend further that the grant in different Departments should be more or less on the same scale. We are, however, refraining from suggesting any particular amount because, we think, that should be determined by the nature and size of the programme that is considered likely both to meet the present needs of the employees, and to be practicable.

28. It should also be remembered that increased financial outlay on welfare will not by itself be sufficient; it is essential, if the expenditure is to fructify fully, that the programme is drawn up imaginatively and is administered with sympathy and care. With this in view, we suggest that care should be taken in selecting welfare officers, and those selected should be put through a course of training in welfare work at one or other of the institutions which provide such training. Further, a committee may be set up to make a review of the existing welfare arrangements and make recommendations for their improvement. And before making its recommendations, the committee may study the welfare arrangements in some of the progressive concerns in the private sector, and should have the fullest consultation with representatives of the employees.

29. We have suggested that the welfare measures should be administered with sympathy and care. We should explain, however, that the opposite danger of the programme degenerating into something that smacks of paternalism, may also be avoided. This danger is there because the welfare measures we have been discussing are, for the most part, not to be provided to satisfy any statutory requirements, nor are they part of conditions of service in the formal sense of the term. There is yet another danger: where the staff associations or unions are not well-established and self-confident they may feel uneasy and suspicious about the welfare activities carried on through official committees or other agencies set up for the purpose. The best protection against all these dangers is the management of welfare activities with as full a participation of the staff as possible; and by and large, this, we understand, is being done. We do not, however, suggest that the administrative authorities should not take active interest in these activities, or should divest themselves of all responsibility. The administration has an interest

in the success of the welfare programme; and it would be right and reasonable for the authorities concerned to ensure that grants made from public funds are properly utilised.

30. Some of the employees' organisations have asked for "holiday—homes". At present, the Railways have ten such homes, and the Posts and Telegraphs Department, four. The former have already closed one holiday-home (at Wellington), and the latter, four, because of lack of adequate use by the employees. It is important that the utility of these homes should be carefully examined before any new ones are started. It may be that these homes are not located at the right places; or there may be other reasons why they are not popular with the employees. There can be no justification for setting up more homes unless those that exist are fully used.

CHAPTER XLIV

LEAVE TRAVEL CONCESSIONS

1. The most remarkable feature of the leave and other travel concessions granted to the Central Government employees is the extent of the disparity between the concessions allowed to Railway employees and those allowed to others. The Class I and Class II officers of the Railways get six sets of free passes (each set entitles an officer and his family to undertake any two journeys), and six sets of Privilege Ticket Orders, per annum. The Class III and IV employees have the same concession in the matter of Privilege Ticket Orders, but they get only one set of free passes a year during the first five years of service, and three sets thereafter. The 'family' for the purposes of these passes and Privilege Ticket Orders is defined liberally, and can include upto five dependants. The concession is not limited to journeys between the employee's place of work and his home, or even to the Railway zone in which he is employed; an employee of his family can travel between any two places in India on each pass or Privilege Ticket Order. The concessions have no discernible relationship to any normal requirements of an employee, or his family. For instance, it is not that a Railway employee can have the benefit of a free or concessional journey only when he proceeds on leave, or that his family can have it only to meet any social or domestic obligations. The concessions are available to the workshop staffs of the Railways as to other Railway employees.

2. The leave travel concession (meant for employees other than those of the Railways) is not available to industrial staffs whose number is of the order of 1·8 lakhs, or to work-charged staffs; and even others can have the concession only subject to numerous restrictions. It can be had only once in two years, as compared to twelve sets of free, and twelve sets of concessional journeys, which a Class I or Class II Railway employee, and six sets of free and twelve sets of concessional journeys, which a Class III or Class IV Railway employee can make within the same period. The concession is available only for journeys on leave; and between the station to which an employee is posted and his home place; and only beyond a distance of 250 miles, or, in the case of Class IV employees, beyond 100 miles. If about one-tenth of the concessions which over a million Railway employees are enjoying at present were to be transferred to the remaining, about eight lakh, employees of the Central Government, the latter would get all the concessions which they really desire, or can reasonably expect; each such employee would probably be able to make in a year a journey, with his family, to any place in India, and back, at a small proportion of the normal cost.

3. There is little doubt that the travel privileges allowed to Railway employees are conspicuously extravagant, and in large part indefensible. The only reason, or the semblance of reason, put forward in support of them is that they are traditional privileges of railwaymen. Apart from being a feeble reason, this is not wholly correct even factually, as will be shown presently. It has also been stated that this privilege of free passes and travel at concession rates is prevalent to varying extents in other countries too, such as Britain, France and Germany. There is another argument—not usually advanced, but perhaps of somewhat greater validity—that is that these privileges might be treated as some sort of a compensation for the exacting requirements of railway operation. It is true that while other

staffs of the Central Government enjoy 15 to 23 public holidays in the year, the operating staffs on the Railways do not have a single public holiday; nor do they get any overtime allowance for working on public holidays as such. The workshop staffs in the Railways have about 15 public holidays, but no casual leave, and though, probably, not worse off than most other workshop staffs in these matters, they also might be considered eligible for some special privileges. But the rest of the employees of the Railways stand on the same footing as the other Central Government employees; and even in the case of the operating and workshop staffs of the Railways, the extent of the present concessions would appear to be clearly excessive.

4. Organisations of other employees of the Central Government have expressed dissatisfaction with the present leave travel concessions, because, rightly or wrongly, they consider them inadequate; but there is no doubt that the sense of dissatisfaction has been sharpened by comparison with the concessions enjoyed by the Railway employees. Until some years ago, the Railways were a world to themselves, and were regarded as such, by other Central Government employees; but with the large measure of uniformity in remuneration and conditions of service brought about after the Varadachariar Commission's recommendations, and, in particular, with the recent provision of pension for Railway employees, the other Central Government employees see little justification for the continued enjoyment by Railway employees of any special privileges.

5. Class I officers of the Railways could have an unlimited number of passes upto 1935, when the limit was put at 12 sets. In 1948, the number was reduced to 6. Class I and II officers could, further, have 12 sets of Privilege Ticket Orders until October 1949, when the concession was withdrawn for a year in the first instance. However, it remained withdrawn until 1957, when first 9 and then 6 sets of Privilege Ticket Orders were allowed. We have no information as to why it was considered necessary to reintroduce this concession.

6. Upto August 1958, Class III and Class IV staffs on the Railways got no free passes during the first year; got only one set of passes from the second to the fifth year; and 3 sets from the sixth year onwards. They can now get one set of passes from the date of joining upto the end of fifth year of service; and thereafter, 3 sets as before. In the matter of Privilege Ticket Orders also, Class III and Class IV employees are now better off than they used to be until August last; they are now entitled to 6 sets of Privilege Ticket Orders from the date of joining service. Thus, the travel concessions available to Class III and Class IV Railway employees are not in their entirety traditional, and have been recently liberalised. The number of such employees being over a million, the total implication of even a small liberalization is very considerable. If the object was the reduction of disparities between the Class I and Class II employees on the one hand, and Class III and IV employees on the other, it could have been achieved by curtailing the concessions enjoyed by Class I and II employees. As it is, the latest orders have given even to these a concession which they had not enjoyed for some eight years.

7. There is in our view a clear case for a drastic curtailment of the travel concessions allowed to Railway employees. It is said that a considerable proportion of the free passes and Privilege Ticket Orders are being used by persons not entitled to use them, and that the reason is that the concessions are in excess of the normal requirements of an employee and his family. In the absence of any supporting evidence, we cannot accept a wide damaging statement of this kind. But on the other hand, if only a proportion of the passes and the Privilege Ticket Orders are being used, then the present high limits are serving no useful purpose, and are only causing a great deal of heart-burning among other employees.

8. We, therefore, recommend that the travel concession at present granted to Railway servants should be curtailed as stated below:

- (i) only one set of passes should be admissible;
- (ii) the number of Privilege Ticket Orders should be reduced to two sets, of which one should be available only for journeys between the place of work and the home-town of the employee.

We further recommend that the travel concessions allowed to different grades of Railway employees should be uniform.

9. The leave travel concessions at present allowed to Central Government employees (other than those of the Railways) are both, in their object and scope different from, and more restricted than those allowed at the beginning of 1948 on the recommendation of the Varadachariar Commission. The main object of those concessions was to enable or assist an employee to take leave annually, and to enjoy it away from his place of work. The Commission had accepted the representation of the employees that on account of the cost involved in travel, most of them were unable to avail themselves of the leave to which they were entitled, and that it was in the public interest as well as in the interest of the employees themselves that they should have an annual break from work, and use the break for change and recuperation. The object of the present concessions is to enable or assist employees to discharge their social and domestic obligations, and thus to provide against persons residing away from places of Central Government employment being deterred by cost of travel from seeking service under the Centre. Because of this difference in the object, while the present concession is limited to journeys between the place of work and the home town, the previous concession was not so limited. Again, the concession is now available only once in two years, as compared with once a year formerly. Further, the present concession, unlike the old one, is available only for journeys beyond certain prescribed limits; but, on the other hand, the extent of the concession allowed beyond those limits is 90 per cent. as against 66½ per cent. formerly. Lastly, while *all* Central Government employees (outside the Railways) were entitled to the 1948 concession, the present concession is not available to industrial and work-charged staffs.

10. Broadly stated, the employees would like the 1948 concessions to be restored. The arguments advanced in favour of restoration are: (i) that it is in the interest of efficiency that employees should be encouraged to take leave every year, and to spend it in congenial surroundings, which might or might not be their home town or village; (ii) that with changing social conditions, not all employees are strongly rooted in the locality from which they came, that an increasing number are losing interest in their birth place, and that, in fact, it is only towards the end of their service that most employees decide as to where they would finally settle; (iii) that what may appear to be the cost involved in the restoration of the 1948 concession would, in reality, be largely a transfer of funds from other Departments of the Central Government to the Railways—in essence, a matter of book transfer; (iv) that since one-third of the cost would have to be met by the employee, it is improbable that most employees would travel very long distances; and that, in any case, if a certain proportion of employees did travel to distant parts of the country, that to would promote wider national interests; and (v) that if the concessions available to Railway employees are reduced even to a small extent some enlargement of the concession allowed to other employees would not lead to a net increase in railway travel.

11. The arguments advanced on the other side are, that the Central Government employees should not be made a privileged class; that, in fact, even the existing concessions should be withdrawn; and that, in any case, Government servants should not be encouraged to travel for health and pleasure when the Railways are unable to provide sufficient accommodation for the common people to travel on business. Another argument advanced is that employees value increase in cash remuneration a great deal more than travel concessions and other similar fringe benefits; and that it would, therefore, be wiser to let them have whatever additional benefits it is feasible and fair to allow, in the form of additional remuneration. A further point that is mentioned is that if the present basis of the leave travel concession is altered the State Governments would be faced with demands from their employees for grant of travel concessions, without any limit as to distance. It is said that since few employees of the State Governments come from places more than 250 miles away from where they are stationed, they have not so far asked for travel concessions. It is true this line of reasoning has lost some of its force since the limit beyond which Class IV employees of the Central Government could have the concession was reduced to a hundred miles. But even so, this is one of the factors to be borne in mind in considering this matter.

12. A via media between the 1948 concession and that allowed at present would be to permit an employee to have the concession whether he goes to his home place or elsewhere, subject, however, to the provision that the Government's contribution would be limited to the amount payable for journeys between his place of work and his home-town or village. Such a modification would permit an employee to avail of the concession irrespective of whether the purpose of the leave is to discharge social and domestic obligations, or to seek rest and relaxation elsewhere. It would also enable an employee to meet his close relations at a place other than his declared home town. The main point against such a modification is that if those whose homes are a hundred or 250 miles away from their places of work, as the case may be, are to be allowed a concession for having a holiday—as distinguished from maintaining contact with their relations in home-town—why should not those whose homes are nearer to the place of work be allowed a similar concession? It seems to us that once the purpose of the concession is altered or widened, it would be illogical to limit it to those whose home-towns are beyond a specified distance of their place of work; and on consideration of all the relevant factors we have come to the conclusion that the basic features of the present concessions should continue, but with the modifications suggested in the following paragraphs.

13. There appears to be no reason why the concession should be denied to such industrial or work-charged staffs as are entitled to regular leave and we recommend that the concession may be extended to them. The total staffs under these categories would be of the order of two lakhs; and of these, a considerable proportion are, probably, persons recruited within a radius of a hundred miles of the places where they work. So, the additional expenditure involved would not be large. The number of persons to be benefited would also, of course, not be large; but that is not a good reason for continuing an obviously invidious discrimination.

14. A proportion of employees who are not allotted Government residences, leave their families in their home-town or village. We recommend that such employees may have the leave travel concession every year instead of once in a block of two years. No enquiries would be necessary, and there would hardly be any scope for abuse, if it is laid down that instead of having the concession for his family as well as for himself once in a block of two years any employee who has a family, as defined for the purposes of this concession, living away from his place of work can, have the concession for himself alone every year.

15. Under the existing orders, if the concession is not availed of within a block of two years, the next block for the purposes of the concession counts from the end of the second year. If for any reason an employee is not able to avail himself of the concession in a block of two years—often because in the interest of the public service, an employee does not ask for, or is refused leave—it is, perhaps, not fair that he should, so to say, lose both the years for this concession. It would, in our view, be fairer if he loses only one year, and the next block counts from the end of the first year.

16. The concession is restricted to journeys by rail, except that when a Government servant or his family travels by private car between two points connected by rail, he is entitled to receive from Government what would have been admissible had the journey been performed by rail. Both, the general restriction and the sole exception to it appear to be open to criticism. There are employees who come from places far away from the railways; for instance, there is a large number of peons who are residents of Himachal Pradesh, Garhwal, or Kumaon. The value of the present concession is far smaller in their case than in the case of employees who come from places connected by rail. Again, if an employee who travels by a private car between places connected by rail is to be allowed what he would have received if he had travelled by rail, there can be no justification for not treating similarly an employee—usually a Class III or a Class IV employee—who travels by public road transport. If this discrimination has been made out of fear of possible abuses, we are doubtful if the chances of abuse are appreciably greater when an employee claims to have performed a journey by public road transport than when he claims to have travelled by rail. Whatever that may be we consider that employees whose home-town or village is not connected by rail should have the concession also for journeys between his home and the nearest railway station, the rate of the concession being determined on the same general principle on which travelling allowance for such journeys is fixed.

17. The concession should be available also if an employee travels by air. When he travels by air between two places connected by rail the amount should be limited to what he would have received had he travelled by rail. When he travels by air because no other means of travel is available or if available, is more expensive, the Government should bear the same proportion of the cost as in the case of rail journeys. For instance, an employee of the Central Government belonging to Tripura, or posted to that Union Territory has practically no choice but to travel by air; and it is obviously not fair to deprive him of the concession on that account. Since the internal airlines are a public undertaking, what Government would lose in one form they would largely get back in another.

CHAPTER XLV
PROMOTION AND CHARACTER ROLLS

I Promotion

1. With a few exceptions, a proportion of posts in various services is reserved to be filled by promotion of persons already serving in a lower grade or service. This proportion, however, differs, and we give below a broad picture for the civil service as a whole.

2. In Class I, approximately 55 per cent. of the posts are held by those directly recruited to that Class, and the rest are filled by promotion. The exact proportion of promotion posts varies from one service to another: it is lowest in the Indian Foreign Service Branch 'A', where only 10 per cent. of senior duty posts are open to members of Branch 'B', and highest in the Central Secretariat, and one or two other services, where there is no direct recruitment at Class I level. Promotion to 25 to 33½ per cent. of the posts, or to vacancies arising in a year, is the common pattern.

To Class II (gazetted) services and posts, there is relatively little direct recruitment; approximately 65 per cent. of the posts in this Class are reserved to be filled by Class III staffs. In general, direct recruitment, in this Class, is confined to the scientific, medical and, to a lesser extent, engineering services; and there is also 50 per cent. direct recruitment to the various Class II gazetted Secretariat Services. Recruitment to other services is mostly through promotion.

For non-gazetted posts in Class II, however, there is 78 per cent. direct recruitment. The bulk of these posts are in the Central Secretariat (Assistants and Stenographers), and in scientific establishments.

3. To the Class III staffs generally, promotions within the Class are of greater significance than those to Class II. While there are in all only about 20,000 posts in Class II, there are about 5.53 lakhs employees in Class III, distributed in most services in two or more grades; and the posts in the higher grades are, to a very large extent, filled by promotion. Leaving aside about 47,000 posts (mostly of Postmen and Linemen) in Class III, which are on typical Class IV scales, most of the direct recruitment to Class III is in the scales Rs. 60—130, Rs. 60—150 and Rs. 60—170: the total number of posts on these three scales being of the order of 2.37 lakhs. Above this level the total direct recruitment is to about 70,000 posts. Of these about 29,000 are posts of Upper Division Clerk, to which, we are recommending there should be no direct recruitment. About 10,000 are posts in the scientific and engineering services. All the other class III posts in the higher scales are filled by promotion.

4. The grading of the Class III staffs in the Railways has a special feature. In most of their Class III services, the Railways have 5—7 grades, and the posts to be allocated to each grade are expressed as a percentage of the total number of posts in the service. This allocation may reflect the degree of responsibility attached to the posts in different grades; but it has been made also with a view to ensure 'a reasonable avenue of promotion' to the staffs concerned.

5. There is very little promotion from Class IV to Class III. In Departments other than the Railways, and Posts and Telegraphs, there is generally no provision for regular promotion of Class IV employees to the next Class. Those among them:

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who are educationally and otherwise qualified, are allowed some age concession to enable them to take their chance along with outside candidates. In the two Departments mentioned above, however, there are regular avenues of promotion for Class IV employees. It has been estimated that approximately 40 per cent. of Class III posts in the Posts and Telegraphs Department are filled by promotion; but it may be remembered that Postmen and Linemen, numbering in all about 45,000, are, in Class III even though their scale of pay is only Rs. 35—50. Similarly, in all departments of the Railways, at least 10 per cent. of posts in the lowest grade of Class III are required to be filled by suitable Class IV staffs; in some departments, the proportion is higher. We understand that on the recommendations of a committee which had been asked to enquire into and report on promotion outlets for Class IV staffs, the Railways have recently raised the promotion quotas in many cases.

6. As regards promotion prospects within Class IV, the best estimates possible indicate that about 5,24,000 employees on the lowest scale of Rs. 30- $\frac{1}{2}$ -35 can look forward to a total of about one lakh promotion posts. This estimate does not take into account the recent changes made in the Railways.

7. So far, we have only indicated the proportions in which posts at different levels are filled respectively by direct recruitment and promotion. These, however, do not convey a correct idea of the promotion prospects of different classes or groups of employees. For instance, even though all the posts in a particular service may be filled by promotion from a lower service, the distribution of posts among the two services may be such that in relation to the number of staff in the lower service the prospects are very small. We have, therefore, looked at the relative prospects in some branches of the civil service. In organised services in the engineering branch, the proportion of promotion posts in Classes I and II to the total number of posts respectively in Classes II and III is 39 and 6 per cent. Corresponding percentages for the non-technical services, and the services concerned with audit and accounts are 32 and 6, and 17 and 22, respectively. No such estimates can be made for employees in the scientific branch, where there is generally no regular promotion from a lower to a higher service or grade. In the Central Secretariat promotion prospects at certain levels are exceptionally good, not only because direct recruitment is confined to the lower grades, but also because of the particular complements of the various grades of the Central Secretariat Service. The proportion of posts in Grade I and above, to those in Grade II, and of posts in Grade II to those in Grade III, is 91 and 49 per cent., respectively. It is only from Grade IV to Grade III that prospects are relatively poor, the proportion of promotion posts being only 14 per cent. of the posts in Grade IV. At lower levels, prospects are good for Upper Division Clerks (50 per cent.), but not so good for those in the Lower Division (17 per cent.). In the clerical classes, employed on office work outside the Central Secretariat, the ratio of promotion posts available to Lower Division Clerks, to their total strength is 26 per cent.

8. It would thus appear that there are large disparities in career prospects not only of employees in different Classes, but also of those within the same Class. The position varies from Department to Department, and level to level. This is obviously because of the well-recognised principle that the grade structure of a service and the number of posts in each service or grade, from the lowest to the highest, should be determined on the basis of the work to be done. The service and grade structures, and the complements, having been so determined, the extent of opportunities for promotions depends on the relative quotas of direct recruitment and promotion; which again have to be determined in the best interests of efficiency of the public service.

9. The Constitution provides that the Union Public Service Commission shall be consulted on the principles to be followed in making promotions from one service to another, and on the suitability of candidates for such promotions. In actual practice, however, unless there is a specific provision to the contrary in the relevant recruitment rules, promotions from and within Class III and Class IV have been excluded from the purview of the Commission by regulations made under the proviso to Clause (3) of article 320 of the Constitution. The various Departments have framed promotion rules, or issued orders, for the services under their control; and in the criteria they lay down for promotions, they diverge considerably. They generally provide for

- (i) promotion by merit; or
- (ii) promotion by merit-cum-seniority or seniority-cum-merit;
- (iii) promotion on the basis of seniority, subject to the rejection of the unfit.

For the civil service as a whole, the only orders regarding the principles to be followed in making promotions are those issued by the Ministry of Home Affairs in May 1957; but they are in regard to selection* posts only. They require that—

- “1. Appointment to selection posts and selection grades should be made on the basis of merit, with regard to seniority only to the extent indicated below.
2. The Departmental Promotion Committee or other selecting authority should first decide the field of choice, i.e. the number of eligible officers awaiting promotion who should be considered for inclusion in the “select list”, provided, however, that an officer of outstanding merit, may be included in the list of eligibles even if he is outside the normal field of choice.

(Note:—The field of choice, wherever possible should extend to five or six times the number of vacancies expected within a year.)

3. From among such officers those who are considered unfit for promotion should be excluded.
4. The remaining officers should be classified as ‘outstanding’, ‘very good’ and ‘good’ on the basis of merit, as determined by their respective records of service. The “select list” should then be prepared by placing the names in the order of these three categories, without disturbing the seniority *inter se* within each category.
5. Promotions should normally be made from the “select list” in the order in which the names are finally arranged.
6. The “select list” should be periodically reviewed. The names of those officers who have already been promoted (otherwise than on a local or purely temporary basis) and continue to officiate should be removed from the list and the rest of the names along with others who may now be included in the field of choice should be considered for the “select list” for the subsequent period.”

As regards other (that is non-selection) posts, the Departments follow their own rules; and as we have said they diverge. But broadly speaking, the rules lay emphasis on merit for posts at higher and middle levels, and on seniority-cum-

*“Selection posts” are those which a Ministry declares to be so. This means that the Ministries may classify their posts into “selection posts” and others, according to their judgement.

fitness for those at lower levels. In some cases, the principle of merit-cum-seniority or seniority-cum-merit is also followed in respect of posts at the higher and middle levels. In actual application of these criteria, however, there has been no uniformity among the Departments or services. A study made in the Ministry of Home Affairs some time back revealed that even where the criteria were identical they were not applied in the same manner. In some cases, while the prescribed formula laid all the emphasis on merit, seniority had in practice been given greater weight than in some other cases in which the principle of merit had been expressly qualified by "regard to seniority". This was confirmed by an ex-Chairman of the Union Public Service Commission, who, in the course of his oral evidence said that while the long-standing principle was that promotion should be on merit, "this very sound principle is honoured more in the breach than in observance."

10. One or the other of the following methods are usually followed in making promotions: assessing suitability on the basis of record; making a selection on the result of a competitive examination; and making use of competence tests. The last method is used mainly in the case of industrial workers whose suitability for advancement to higher grades is judged by appropriate trade tests. Except for filling a certain proportion of posts in Grade III of the Central Secretariat Service, not much use is made of the method of competitive examination. The first method is thus the one most widely used. The assessment of suitability of an employee is, as a rule, not made by a single individual, but by a departmental promotion committee. Each Department has set up, according to its requirements, one or more such committees. A member of the Union Public Service Commission presides over the meetings of such of the committees as are concerned with promotion cases requiring consultation with the Commission.

11. Broadly speaking, the employees' organisations have made two main demands: first, enlargement of promotion opportunities by stoppage or reduction of direct recruitment to the higher grades or services, by change in grade structure, and revision of complements; and second, acceptance of seniority, and not merit, as the principal criterion for determining suitability for promotion. In other words, what these organisations want is that all or the bulk of the recruitment to public services should be at the lowest possible point of entry, and advancement from the lowest grade should be a simple process consisting, in the main, of following the order of seniority. Some staff associations have, more modestly, asked for an increase in the promotion quota in the higher services: and some have suggested that all promotions should be made on the results of a written examination. This last mentioned suggestion is partly linked with complaints about the manner in which character rolls are maintained. Some employees' organisations have also proposed that they should be represented on the promotion committees, etc.

12. Enlargement of promotion opportunities is possible by increasing the number of posts in the higher services and grades and by stopping or reducing direct recruitment to those services and grades. The number of posts in any service or grade is, as we have said earlier, determined normally by the nature of work and the kind of responsibilities that have to be distributed among different levels; it is determined, in other words, with reference to the requirements of the public service, and not the career prospects of public servants. Unless there are very exceptional reasons, any departure from this sound principle would be unfair to the community; for it would violate the principle of economy in public administration, and involve wastage of manpower. It might also make for inefficiency, for multiplicity of supervisors as well as inadequacy of them can prove harmful. Not only that. Once the grading and complements are determined on considerations

of promotion opportunities, there would be no objective criteria by which these matters could be finally settled. We cannot, therefore, support proposals for revision of grade structures and complements to increase promotion opportunities. We do not suggest that the existing structures and complements are all as they should be. We are aware that while in the past the public administration in this country was generally described as top heavy, the opposite criticism—that it is bottom heavy—is also now being made. Our terms of reference did not require us to investigate the broader problems of organisation of Departments and services, and we are not in a position to express any opinion on these problems. We certainly consider them worth a careful examination; but whatever the result of such an examination may be, the principle that the structure of services and grades, and their complements, should be determined by the needs of the public service will remain valid. For our own purposes, we have taken the grades and complements as they are; and in determining pay scales, and in deciding whether or not there should be a selection grade in a particular service, one of the factors we have taken into account is the promotion outlets available.

13. As regards the question of stoppage of direct recruitment to the higher grades, the Varadachariar Commission had made the following observations:

“We are not prepared to throw any doubt on the expediency of making direct recruitment to each of the four classes of the public service; but we should nevertheless like to see the claims of those already in service recognised in an increasing measure by affording to the deserving amongst them abundant opportunities for promotion. Without going the length of endorsing the claim for reservation of a high percentage of posts for promotion, we would recommend that the claims of competent men already in the service should be recognised and satisfied to the fullest extent possible. If such men are promoted to responsible posts fairly early in their career, they will bring all the benefits of practical experience without the disadvantages entailed by a prolonged course of routine work. We would also recommend that even when direct recruitment to particular posts is decided on, deserving men already in service should be enabled to compete for such recruitment, by a reasonable relaxation of the rule relating to age limit and other restrictive conditions.”

The question must not be viewed solely from the point of view of the contentment of the employees. It is not a matter which concerns them alone. It should be examined in the context of the requirements of the public administration, other demands for high talent, and the educational system of the country. If higher posts are to be filled wholly or largely by promotion, for instance of persons who enter the public services as clerks after matriculation or Intermediate, not many of those who take Bachelor and Master's degrees, would be able to enter the services. If graduates alone are to be admitted to the lowest grades, there would be other difficulties: increased over-crowding in the universities, employment of persons with higher education on routine duties, and the diversion of the best products of the universities to other careers. For, persons with first class degrees would not enter the public service at the lower rungs. More than 70,000 young men and women are graduating from our universities annually, and it seems to us that it would—in the wider interests of the country and of the public services,—be most unwise to make changes in the system of recruitment that would impede or prevent the entry into the services of a good proportion of the best among these graduates. We do not consider it desirable that the public service should become a highly sheltered occupation, in which those who enter at the lowest levels have a monopoly or even a preponderant share of the appointments at all the

higher levels. But it seems to us that it should be possible, while keeping these considerations in view, to provide to employees who enter Government service at lower levels scope for advancement according to their capabilities. And, in particular, it is a matter of importance that those with high abilities should, to the utmost extent possible, be enabled to reach the highest positions of which they are worthy. With these ends in view, we have made a number of recommendations, including that there may be no direct recruitment to the rank of Upper Division Clerk—a recommendation which if accepted would make about 29,000 additional promotion posts available to Lower Division Clerks. We have suggested, while dealing with certain services, that qualified persons already in Government employment should be allowed age concession so that they may compete with outside candidates for higher posts; and we have recommended that study leave should be granted liberally to enable employees to develop themselves so that they may deserve as well as desire promotions. Further, we have proposed later in this chapter a scheme of promotion which would provide opportunities of early advancement to meritorious serving civil servants, and in a measure equalize such opportunities for staff in different Departments.

14. As regards the principles of promotion, the main question is the old one of merit versus seniority. It is not surprising that staff associations, with insignificant exceptions, have pressed the claims of seniority. The associations represent the average employee, whom the principle of seniority suits most. The advocates of seniority usually put forward one or more of the following arguments. The rule of seniority is a safeguard against the effects of favouritism, capricious judgement, bias, etc.; it avoids suffering and humiliation that result from supersession; and it prevents frustration and sense of insecurity regarding prospects developing in the cadre, and thus conduces to the cadre as a whole giving a better outturn. They add that seniority means not only more years of service, but more experience and maturer judgement, which are as valuable in a civil servant as purely intellectual qualities, and in some services even more valuable. The proponents of merit contend that the first argument mentioned above shows a wholly unjustified lack of confidence in human judgement and good faith, and that, in any case, it is possible to devise a procedure of selection that would reduce the chances of favouritism etc., to negligible proportions. The second argument, according to them, grossly underrates the value of competition and incentives in stimulating effort, and raising the general level of efficiency. As regards the last-mentioned argument in support of seniority it is urged that experience and quality of judgement ought not to be measured wholly, or even mainly, in terms of years; that a gifted person absorbs experience and develops judgement far more rapidly than a mediocrity; and that in judging the suitability of a person for a higher post capacity for growth ought, in many cases, to be given more weight than past experience and performance.

15. The Varadachariar Commission had recommended that "in the higher grades of service considerations of fitness must have precedence over the claim of seniority", and although they were in favour of the rule of seniority for positions involving routine office duties, they added that even for those posts, "occasional instances of exceptional promotion of deserving persons would be an inducement to greater endeavour, provided, of course, that care is taken to guard against all suspicion of nepotism". While as a principle seniority may be fair to all employees, except the meritorious ones, it certainly tends to become a drag on the efficiency of the civil service, and thus unfair to the community which is entitled to the most efficient service that could be provided at a particular cost. We, therefore, recommend that merit should continue to be the criterion in making promotion at higher levels. At lower levels where the work is essentially of a routine nature, and it is

extremely difficult to make a distinction between the performance of two men doing the same standard work with reasonable efficiency, the principle of seniority-cum-fitness is appropriate. But fitness in such cases, as in others, should be judged mainly with reference to the post to which promotion is to be made.

16. There are rules and orders providing that a member of a particular service shall not be eligible for promotion to a higher service unless he has been in Government employment for a specified period. Even for promotion to a higher grade within the same service, there is, in some cases, an order or convention with a similar import. To the extent that the restriction represents the essential requirement of experience for the higher service or grade, it is unexceptional; only care has to be taken that the restriction does not become a device for whittling down the principle of merit where it has been accepted as the appropriate principle. We must, while on this subject, also refer to what we understand is a fairly widespread feeling, particularly among members of the higher services, that once an officer has put in a particular length of service, he ought to move up in the hierarchy unless he has, by his work or conduct, shown himself to be clearly unfit for promotion. We understand that Government do not recognise such a feeling as reasonable, and we have ourselves no doubt at all that any concession to such a feeling would be detrimental to efficiency and might result in creation of higher posts even when the work itself did not require it.

We have come across cases in which employees who do not secure promotion by a particular age, are debarred from promotion, whatever their performance thereafter may be. The idea behind this restriction is that once a person has lost his mental flexibility and has acquired a fixed outlook and approach, he is not able to develop capacities needed for, or to adapt himself to the requirements of, the higher grade or service. It is true that the crucial promotion which alters the nature of a Government servant's duties and responsibilities, for instance, promotion from the clerical to the executive class or from the executive to the administrative class, should come early. But it is not possible to squeeze all the permissible promotions within the early part of a person's service; and in the life particularly of an able officer, promotions, mostly within the same service or class, should continue to come until he is approaching superannuation. We have accordingly recommended the raising of the upper limit for promotion in certain cases which had been brought to our notice.

17. The methods and procedures of promotion should be suited to the principles and objectives which have been recommended in the preceding paragraphs. The suggestion that all promotions should be made on the result of written examinations is not one without difficulties. The Varadachariar Commission had considered this suggestion and had advised against promotions being made on the result of examinations. They observed that an examination is not by itself a safe or conclusive test, and that it would be unfair to subject persons already in service to competitive examinations at all stages of their life. They, however, added that a qualifying examination, as distinct from a competitive examination, might be a different matter. The difficulty about a written promotion examination is that it cannot reveal the character of an employee and his day to day working habits, for instance, his devotion to duty, industry, punctuality, relations with fellow employees and the public, etc.; and it would be wrong not to attach weight to a person's conduct and performance as a public servant for a considerable period, and make performance at a written examination the sole determinant of his further advancement. The employees themselves are divided about the appositeness and value of written promotion examination: many of them consider that in a very real sense they have, in the course of performance of their duties, to undergo a daily test, and that the assessment made on the basis of that test is far more reliable than the

result of a single written examination. We do not, therefore, recommend the adoption of promotion examinations as a general method. However, for promotion to grades in which specialised knowledge is necessary, as, for instance, in certain branches of the Accounts Departments, an examination designed to test such knowledge may be useful. But even in these cases, the examination should, in our view, be only a qualifying one, and promotion from among those qualified should be made on the records of service. The examination, moreover, should be designed to test not academic, but working abilities; the questions should have a practical bias; and use of books at the examination might be allowed, so that the test may not be one of memory, but of competence under normal working conditions.

18. The system of assessment of an employee's record of service with the help of a committee, and not by a single individual, is certainly satisfactory; and there is no reason to think that the departmental promotion committees do not consider the cases referred to them in a fair and objective manner. On character rolls which, according to our recommendations, will continue to be the normal basis of promotions, we express our views later in this chapter.

We do not recommend that representatives of staff associations should participate in promotion proceedings. Such participation might lead to various difficulties; it would, as far as we can see, serve no public purpose, and it might, on the other hand, be harmful even to the smooth working and growth of the employees' organizations. If there is incomplete confidence in the fairness and the soundness of selections for promotions which are made otherwise than in consultation with the Union Public Service Commission, the most satisfactory remedy, in our view, is the association of the Commission with the selections, in some form or other.

19. In the end, we suggest the introduction of a system of promotion, by a special competitive examination, that would provide to young officers in the Class II and III services an additional opportunity to enter any of the Class I services to which there is recruitment by a competitive examination. At present, those who fail to enter a particular service, or Class of service, on the result of the normal competitive examinations, "miss the bus" for many years, or even for good. It is well-known that there is an element of chance in examinations; and even apart from that, a person's mental development does not stop at the stage when he appears at the competitive examinations open to those within the age limits of 20—24 years. It may well be that a person who had failed to get into a higher service may, after some years, develop mental and personal qualities which would make him eminently fit for that service. Moreover, there is at present hardly any scope of promotion from a lower service in one functional group of services to a higher service in another group. For instance, an officer in Class II of the Income Tax or Audit Service, cannot, once he is past the age of 24 years, enter the Indian Administrative Service. We made enquiries whether promotion by this kind of special competitive examinations was in vogue in any country, and we are informed that one-fifth of the vacancies in the Administrative Class in the United Kingdom are reserved for recruitment through a limited competition open to members of the Executive Class aged between 21 and 28 years. The examination is not of the academic type; it is the same as for Method II recruitment to the Administrative Class from young graduates. In France also, half the admissions to the National School of Administration are reserved for persons already in the public service, who are between the ages of 24—30 and have put in at least 4 years' service. The admissions are made on the result of a competitive examination similar to, but not identical with, the competitive examination for

university graduates. There are elements in both British and French systems which might in combination be suitable in Indian conditions.

The Union Public Service Commission holds a combined competitive examination every year for recruitment to the all-India and Class I, and also some Class II, Central Services. A proportion of the vacancies—perhaps about 10 per cent.—in these Services may be set apart to be filled by another examination to be conducted by the Commission for serving civil servants. The age-limits may be between 24—30, and the qualifying service may be 5 years. It should be an essential part of the scheme that only those who are nominated by their Departments should be permitted to take the examination; and the criteria for departmental nominations should be not only good work and good conduct, but also exceptional promise. A university degree need not, however, be essential. Whatever safeguards are considered necessary to ensure fair nomination,—such as selection by a committee—may be adopted. The examination may be open not only to Central Government employees, but also to those working under the State Governments, public corporations, and other undertakings in the public sector. We are presuming that if a scheme of this sort is introduced it would include the Indian Administrative Service/Indian Police Service as well as the Class I Central Services. The examination papers should not be of the academic type but such as would test intelligence, power of observation, analysis and judgment, and knowledge and understanding of public affairs, etc.—in short, the kind of abilities that are required in the higher services. About three times as many candidates as there are vacancies, might be called for interview in the order of the marks obtained by them at the written examination. The maximum marks for the interview might not be more than half the total marks for the written papers; and the interview marks should be added to those obtained at the written examination to determine the final rank. The interview should be much longer than for the present All-India and the Central Services examination, and the questioning as searching as possible. These are very broad ideas which would require closer examination if the general principle is found acceptable. A similar scheme for promotion to Class II services would have to be different in some respects, as to most of those services there is no direct recruitment at present.

There is in force a provision allowing employees of certain Departments to take 2 or 3 chances at the combined competitive examination beyond the normal upper age-limit. These employees are, however, eligible for selection only to the Class I Service of their Department. The point in favour of this system is that the experience acquired by the successful candidates in a particular Department is not lost to that Department. But the system is open to certain criticisms. It makes a distinction between employees of one Department and another, in that the privilege of appearing at an examination beyond the normal age-limit is available to employees of some Departments, but not of others. Further, it tends to divert the energies of the eligible employees towards preparation for an essentially academic sort of examination when they should be devoting all their energy to their official work. The scheme we have outlined is not open to these criticisms.

The scheme would permit some amount of lateral mobility which would bring into the higher services a very valuable new element; and it might also reduce, to howsoever small an extent it may be, the barriers which divide the services in one Department from those in others. It would, in a measure, equalize as well as add to the chances of promotion to the higher services of young officers of outstanding merit in the different Class II and Class III services—to all of which the proposed limited competition would be open. We have felt called upon to suggest this scheme partly because we believe that its incentive value would be far greater than the number of promotions permissible under it might suggest.

II. Character Rolls

20. The vital importance of character rolls—which are made up almost entirely of annual confidential reports—both to Government servants and the administration, does not require much elaboration. These rolls are, or should be, of value in personnel administration in many ways, for instance as indicating the suitability or unsuitability of a Government servant for a particular appointment, his need for further training or education, or for diversification of experience. However, it is not these wider aspects of character rolls, but their importance in the context of promotions on which many employees' organizations, particularly those representing Class III and IV staffs, have, sought to focus our attention. This is easy to understand, as in most cases suitability for promotion is judged entirely from a Government servant's record of service as shown by his character roll. Even where there is a written examination for promotions, the result of the examination usually determines only eligibility; the selection from among those eligible is influenced by the record of service to a greater or lesser extent. There is a very large section of employees which dislikes both character rolls and written examinations, and which, as we have mentioned earlier, would prefer promotions to be made on the basis of seniority; and the importance of character rolls decreases as that of seniority, as a criterion for promotion, increases. But even the most ardent supporters of seniority recognize that a minimum standard of fitness must be observed along with seniority; and thus character rolls become of some, though limited, importance in this case also.

21. Criticisms of the annual confidential reports run on the following lines. They are generally not an objective assessment based on careful observation, but reflect the personal prejudices and predilections of the reporting officers; that even when a report is not vitiated by such feelings, it is apt to be too vague, cryptic or non-committal to do justice to the employee reported upon; and that the reporting officers differ widely in their standards of judgment—some being far more exacting or generous than others—with the result that when a common grading is made, it does not correspond to the relative abilities and performance of the Government servants concerned. There is a further criticism that though the orders of Government are that an adverse report should be communicated to the employee concerned, this is not always done, or done promptly enough to enable the employee to make a representation before occasion arises for his being considered for promotion. Representations, it is added, are also not often properly considered, and thus the chances of an employee having an unmerited adverse remark expunged are, in practice, small.

22. We have no reason to think that there is prejudice or partiality in a significant proportion of cases, and a Member of the Union Public Service Commission when questioned on this point said that from his own experience he would not question the good faith of the reporting officers. But it does appear to us that in a considerable number of cases the assessment is not wholly correct, or the report adequate. This is confirmed by instructions issued from time to time by the Ministries themselves, and by the evidence of an ex-Chairman of the Union Public Service Commission that in about 50 per cent. of the cases he thought the character roll was not a good index of the worth of a Government servant, that the annual confidential reports were laconic or vague, and that there was no positive assessment of intelligence and other qualities.

23. It is not lack of good instructions, but the failure to follow the instructions and, perhaps, inadequate arrangements to ensure that they are followed, that are mainly responsible for such shortcomings as exist. We are not in a position to

make detailed suggestions as to the form in which the reports should be drawn. All that we would say is that the form should be related to the nature of the work of the particular class of employees, but subject to this it should be uniform as far as possible; and it should be so designed as to provide for assessment under a number of specified headings as well as a general summing up. The former is necessary to ensure that all the qualities needed in a Government servant of a particular class are specifically dealt with and the report does not become too general; and this kind of itemised assessment also reduces the scope for the play of the reporting officer's idiosyncracies. The latter is necessary to convey the whole working personality of the employee—not a fragmented picture but the organic entity, produced by the mutual influence and interaction of different qualities and faults, which might otherwise elude the reader of the report. The form may, in addition, mention the potentialities of the employee, for in judging his suitability for a post of higher responsibilities his capacity for further growth is even more important than the growth already attained. The forms at present prescribed generally satisfy these requirements; but they have an additional requirement about the soundness of which we have some doubt. That is that every employee reported upon must be graded as 'outstanding', 'very good', 'good', 'average', 'poor', etc. Individuals will often differ in their assessments, but less so in primary than in secondary judgments. There would, for instance, be less likelihood of a difference about whether a particular employee is intelligent, hard-working and upright, than about whether the sum total of his qualities make him an 'outstanding' or only a 'very good' public servant. We do not suggest that a reporting officer should not be free to sum up his report with a grading; but our point is that a grading by the first reporting officer, i.e. the immediate superior, should not be obligatory. The general grading should be done at a higher level, preferably at the level at which a whole cadre is dealt with for the purposes of promotions, etc. Such an arrangement would make for a great deal more of uniformity in the final assessment than a system under which importance is attached to grades accorded by different reporting officers.

24. However satisfactory may be the form of report prescribed, and the instructions issued, their purpose would not be served unless arrangements are made to secure compliance with them; and it is, perhaps, here that much scope exists for improvement. A scrutiny of the reports at each higher level as they are received, and their return to the reporting officers for rectification, amplification or explanation where these appear to be called for, will, probably, be a satisfactory procedure. As it is, we understand that unless there are any adverse remarks in a report, it is laid aside until time comes for selection for promotion, when it assumes decisive importance, but when it may not be feasible to obtain elucidation or supplementary information from the reporting authorities. Similarly, it is essential, in fairness to the employees concerned, that reports containing adverse remarks are communicated to them promptly, and any representations that they might make carefully examined and disposed of before the remarks are counted against them in any promotion proceedings. We also suggest that in writing the annual confidential reports on a supervising officer one of the factors which should be taken into account is whether he has been exercising proper judgement in his reports on his subordinates and making a fair assessment of their work and potentialities.

25. Doubts have sometimes been expressed regarding the wisdom of communicating reports concerning irremediable defects; and though under the existing instructions all adverse remarks are required to be communicated, since discretion has been retained for withholding such communication in special cases, it is possible that in some cases irremediable defects are not communicated. We consider that

unless it is proposed not to enter it in an employee's character roll, an irremediable as well as remediable defect should invariably be communicated to him. For one thing, it is not always possible to decide whether a particular defect is remediable or irremediable. For instance, when an employee is described as constitutionally lethargic the view may well be taken that the defect is irremediable in that it is constitutional. And yet, it would, perhaps, be admitted that by an exceptional and continuous effort of the will the employee may keep his lethargy in check. Further, an employee may make up for an irremediable deficiency by a compensatory effort in another direction. For instance, when told that he is slow-witted he cannot acquire intelligence, but he may well try, and in a measure succeed, in making up for his deficiency by additional industry. Lastly, the communication of what appears to be an irremediable defect may enable an employee to prove that he does not have the defect at all. In the sort of a case mentioned above, he may, for example, establish by reference to his verifiable performance that he is, in fact, quite intelligent. Thus, both from the point of view of the public service and of the individual employee, it is necessary that all adverse remarks are communicated. We further suggest that when an employee has made efforts to remedy defects communicated to him earlier, not only should a note be made in the report but the fact should be communicated to him so that he might not feel that all his efforts at self-improvement had gone unnoticed.

26. Some employees' organizations referred to the performance rating system in the United States Federal Service as a model to be followed in India. We have studied that system, and we have found that in the United States itself, the system has come in for criticism from the Federal Civil Service Commission, among others. The second Hoover Commission has, in fact, recommended the abolition of the existing system, with the observation that "as it now operates, the performance rating system is a burdensome process of making largely perfunctory judgements." What the employees' organizations had in view, presumably, was not so much the rating system itself as the arrangements for review of the rating of individual employees. When an employee has received a "satisfactory" rating—about 98 per cent. of the employees get such rating, and only 2 per cent. get "outstanding" or "unsatisfactory"—he may receive either an internal administrative review or a review by a statutory board. If the rating is "unsatisfactory"—which is sufficient for the removal of an employee from service—he may receive both the reviews; and the decision of a statutory board is final. We have ascertained the procedure in some other countries also. In the United Kingdom, the annual report is normally recorded by an officer at least two grades above the employee reported upon, and is countersigned by a still higher officer. In France, annual reports are presented to an administrative commission, which, after scrutinizing them, may request the head of a Department to review the rating of any employee working under him. The head of a Department is not bound to alter the report, but he has to give his reasons for not accepting the commission's recommendation. We have considered whether the most suitable course in the Indian set-up would be to provide that; as a rule, it is not the assessment of the immediate superior, but that of an officer above him which should be entered in an employee's character roll. It is the immediate supervisor, and not a more detached superior, who may develop personal likes and dislikes, or about the impartiality of whose judgment an employee may easily entertain doubts. Moreover, under such an arrangement the higher officer would feel bound to acquaint himself directly with the work and conduct of employees, about whom, under the present system, he does not always consider it essential to have first-hand knowledge. He is apt to rely on the judgment of the immediate supervisor which may, often, be a narrower judgment, even if it is completely fair in intent. After considering all the circumstances we have,

however, come to the conclusion that the present arrangement of the immediate superior writing the confidential report may continue, but that the next higher officer should be required to exercise a positive, and independent, judgment on the remarks of the reporting officer under the various detailed headings of the form of report, as also on general assessment, and to express clearly his agreement or disagreement with those remarks and assessment. In other words, the higher officer must record his opinion fully, and accept complete responsibility for it, instead of leaning on the judgment of the lower reporting officer. This should be particularly necessary in regard to any adverse remarks. To the possible objection that a higher officer may find it difficult to know a large number of employees two grades below him, our answer is that he should consider it an essential part of his duty to do so, and that it would make for efficiency of the public service and greater contentment in the services under him if he did.

CHAPTER XLVI

TEMPORARY EMPLOYEES: WORKCHARGED STAFF: CASUAL LABOUR

I. Temporary Employees

1. The statement below shows the distribution of Central Government employees into permanent and temporary, also giving separately the figures for the Departments employing large numbers of staffs. The figures are as at June 30, 1957, and the percentages of permanent and temporary staffs have been calculated leaving out 30,293 non-regular employees.

	Railways.		Civilians in Defence		Posts and Telegraphs		Other Ministries.	
	Perma- nent	Tempo- rary	Perma- nent	Tempo- rary	Perma- nent	Tempo- rary	Perma- nent	Tempo- rary
Non-Industrial	589888	118750	30580	73012	151465	46916	113012	152519
Industrial*	227466	61142	51301	104918	6459	..	7108	8741
Total	817354 +	179892	81881 +	177930	157924 +	46916	120120 +	161260
Total of Permanent and Temporary staffs	=997246		=259811		=204840		=281380	
Proportion of Perma- nent/Temporary strength to total	81·96	18·04	31·52	68·48	77·10	22·90	42·69	57·31
Strength of non- regular staff	16		11101				19176	
Total strength	997262		+ 270912		+ 204840		+ 300556	= 1773570

*'Industrial' in this Statement means only workshop staffs, as explained in Chapter III, and not all staffs to whom the Industrial Disputes Act (1947) is applicable.

Excluding the Railways, the proportion of temporary employees is 49·73 per cent., i.e. about half of the total number. It will also be noticed that while the proportion of temporary staffs in Posts and Telegraphs Department is relatively low, that among the civilians under the Ministry of Defence is exceptionally high. Further, a Ministry-wise analysis has shown that in 15 out of 19 Ministries, the temporary staff out-number the permanent staff, which is also the case in the Planning Commission and the Cabinet Secretariat.

2. The high proportion of temporary employees is reflected also in the Class I and Class II (including the specialist) services. Out of 29,661 Class I and Class II staffs, about 13,000 are temporary. Of 6,652 Class I and Class II engineers and 2,356 scientists, 2,932 and 1,279 respectively, are temporary; and the corresponding figures for the Revenue Services are 846 out of 2,474.

Taking the industrial and non-industrial employees separately, the proportions are as follows:

	Permanent	Temporary
Non-Industrial	68%	32%
Industrial	63%	37%

Among workshop staffs considerable numbers are temporary among the highly skilled and skilled as well as among the semi-skilled and the unskilled. Out of 5,903 highly skilled and 50,586 skilled staffs (outside the Railways), 3,098 and 31,802 respectively are temporary.

3. The common reasons mentioned for the high proportion of temporary staffs are, the obviously temporary character of certain establishments such as the Ministry of Rehabilitation and the Central Tractor Organisation; the fact that bulk of the staff required for the Plan schemes and particularly those for construction projects have necessarily to be employed on a temporary basis; and that a fairly large margin has to be kept even in the permanent establishments so that reductions in staff consequent on re-organization, improvement in methods of work, and in the quality of the staff, may present no difficulty. There is substance in each of these, but not enough to justify the exceedingly high ratios of temporary employees mentioned above. The total number of employees in the Ministry of Rehabilitation and the Central Tractor Organisation, together, for instance, is only about 10,500. Construction projects are executed mostly through casual labour, and their number is not included in the total strength of Central Government employees mentioned in the preceding paragraphs. Nor is it the case that the annual addition to the non-casual staffs has been of such magnitude as to explain about 33 per cent. of the total strength being kept on a temporary basis; the average annual increase has been of the order only of 2.5 per cent. In the case of the civilians under the Ministry of Defence, however, the permanent strength has to be related to the peace-time requirements of the Defence forces; and not being in a position to form any estimates of these, we cannot usefully comment on the very high proportion of temporary employees under that Ministry.

4. The employees' organizations generally have expressed serious concern about the present proportion of temporary staff, and have made a number of proposals for remedying the situation, such as, that a definite time-limit should be prescribed for making an employee permanent, that no employee should be continued on a temporary basis for more than three years, that an employee should be automatically confirmed after one year's service, and that at least the Government should fully implement their declared policy of making permanent certain specified percentages of the temporary posts which have been in existence for certain number of years, and are likely to be required for work of a permanent nature. The keenness of the employees' organizations to have the maximum possible number of temporary posts converted into permanent ones is not difficult to understand. It is true that as regards leave entitlements temporary employees have now been placed, more or less, on the same footing as permanent employees, and that in the matter of pay (except on officiating promotion under certain circumstances) and allowances, and medical and other facilities, and amenities, there is no difference between permanent and temporary employees. In regard to retirement benefits, however, temporary employees other than those eligible for the benefits of contributory provident fund, are at very serious disadvantage. Unless temporary service is followed by permanency, an employee cannot have a pension at all; which means that so long as he is temporary, he cannot have a well-founded expectation of a pension. Temporary employees who have the benefit of a contributory provident

fund, however, are practically in the same position as permanent employees; and, with small exceptions, all industrial staffs have contributory provident fund benefits. But, with the decision to make Railway service pensionable, all classes of temporary Railway staff will be in the same position as other non-industrial temporary employees.

5. Then there is the question of security. The services of a temporary Government servant who is not quasi-permanent, can be terminated at any time by giving him a month's notice or paying him a month's pay in lieu of such notice. In the case of industrial staffs, the formal difference in the extent of security as between a permanent and a temporary employee is, it is true, small. The services of a temporary Railway employee, for instance, can be terminated on fourteen days' notice while those of a permanent employee on notice varying from one to six months (Rule 148 of the Railway Establishment Code, Volume I). The services of an industrial employee under the Ministry of Defence can be terminated on one or three months' notice according as he has put in continuous service of less or more than ten years, irrespective of whether he is permanent or temporary. But while the formal difference is small, the fact remains that there is far greater hesitation in terminating the services of an employee who has been given permanent status. And, apart from the practical implications of the nature of tenure, there is the psychological aspect to which employees attach great importance. The argument that permanent status having no practical importance in the case of industrial employees is not worth bothering about, is a double-edged one: if in practical terms, permanency makes no difference, it is clearly advisable to confer it for the psychological satisfaction it affords to the employee.

6. To what extent has the system of granting quasi-permanent status introduced in 1949, improved the position of the temporary employees? The relevant rules (Central Civil Services (Temporary Service) Rules) are not applicable to Railway employees, nor to industrial staffs under the Ministry of Defence and in the Posts and Telegraphs Department. As mentioned earlier, in the case of these employees, the gap between permanent and temporary is too narrow to admit of an intermediate status. Elsewhere, employees who have rendered not less than three years' service and are in all respects suitable for retention, are given quasi-permanent status, which, except in the matter of retirement benefits, puts them practically on the same footing as permanent employees. We have not been able to get the number of quasi-permanent employees, but it is believed to be considerable; and quasi-permanency has certainly proved to be of value to a considerable number of employees. But, psychologically, it has given only partial satisfaction; and it does not carry an assurance of a pension: no amount of quasi-permanent service as such entitles an employee to a pension. There is also some reason to think that it has induced a degree of complacency, and has, perhaps, been partly responsible for slowing down the process of determination of posts that deserve to be made permanent.

7. The problem of temporary employees is not one of recent origin. It had arisen from the vast war-time expansion, and its proportions caused concern to the Varadachariar Commission, who observed* as follows:

"The plight of temporary employees has caused us more difficulty and concern. On the one hand, we recognise that even apart from the legacy of war-time conditions, circumstances must compel the Administration to employ a certain proportion of temporary staff; on the

*Paras. 129—132, Part I, of their Report.

other hand, the persons so kept in suspense often for many years—have genuine grievances to complain of....The evidence placed before us disclosed that in some departments public servants remained temporary for all their life-time. This has had nothing to do with war-time recruitment or recruitment made for special emergencies or projects.....The administration must take early steps to have the question of number required in each office or service examined with some approximation to realities and a similar step must be taken even in industrial establishments to the extent that the nature of work in such establishments permits. In the meanwhile and even after the settlement of this question, some of the categories of persons in temporary employ should be placed as nearly as possible of an equal footing with permanent employees.”

The problem, it seems was aggravated by the partition of the country. Apart from improving the leave entitlements, allowing the same amenities and facilities to temporary employees as to others, and introducing the system of quasi-permanency, the most important step taken by the Government to deal with the problem was the decision, taken in 1951, that 80 per cent. of temporary posts which have been in existence for at least three years and are likely to be required on a permanent basis, might be converted into permanent posts. In regard to Class IV employees, the limit fixed is only 50 per cent.—and that too only of posts which have been in existence for five years—the reason mentioned for the difference being that the number of Class IV posts is out of proportion to the normal needs of the Government.

The bulk of the Central Government employees are, however, not governed by these general orders. In Posts and Telegraphs Department, with some small exceptions, all operative and non-operative temporary posts which are in existence for more than two years can be made permanent, provided the number of temporary posts is not less than 10 per cent. of the total number of posts. The Railways have gone even further: all the workshop staffs who have completed three years' service are treated as permanent, and as regards others, the orders issued by the Railway Board are as follows:

“The Board desire that temporary posts should be created only when an experiment is tried, or where the work is *prima facie* of a temporary nature (e.g., clearance of arrears or initial reorganisation etc., or caused by *ad hoc* needs of traffic or special occasion) or also where the quantum of work is expected to stabilize or be reduced as a result of special measures or simplification of work and therefore, whenever the need for any additional posts is felt, it should be examined whether the justification is of a permanent basis after adequate scrutiny of the justification.”

In the case of civilians in the Defence Services, the deviation from the general standards of 80 and 50 per cent. is in the opposite direction, and the effect of the orders issued is to provide for the conversion of a smaller proportion of temporary posts into permanent ones.

8. The orders issued by the Railway Board are unexceptionable; and though there has been a slight increase in the proportion of temporary staffs since 1955, the proportion—18 per cent.—cannot be regarded as high. The orders issued by the Posts and Telegraphs Department also go far enough to provide for all such posts being made permanent as have been in existence for any considerable time; but judging from the fact that about 23 per cent. of the posts in that Department are temporary, the orders have, obviously, not been fully implemented. We may

leave aside the civilians in the Defence Services to whom certain special considerations apply. But in other Ministries, partly because of the cautious nature of the orders and partly, it seems, because even those cautious orders have not been put into effect, more than 57 per cent. of the employees continue to be temporary.

9. It is understood that a recent enquiry made by the Ministry of Home Affairs revealed that while about half the Departments, etc., had converted temporary posts into permanent ones upto the permissible limits, the other half were still considering the matter. It has not been possible to get the figures of temporary and permanent staffs separately for a date before June 30, 1955; but comparative figures for that date* and June 30, 1957, are mentioned below:

	June 30, 1955*				June 30, 1957			
	Permanent	Temporary	Total	Percentage of temporary strength	Permanent	Temporary	Total	Percentage of temporary strength
Railways	7,88,231	1,69,419	9,57,650	17.7	8,17,354	1,79,908	9,97,262	18.04
Others	2,35,915	4,24,095	6,60,010	64.2	3,59,925	4,16,383†	7,76,308	53.6
Total	10,24,146	5,93,514	16,17,660	36.7	11,77,279	5,96,291	17,73,570	34.1

These figures show that though there has been some progress, it has not been all that could be desired, or reasonably expected. This is confirmed by the following analysis of the bulk of temporary employees (outside the Railways for which corresponding figures are not available) by length of service:

Period of service	Number of temporary employees
With service of 3 years and below	1,57,574
With service exceeding 3 years but not exceeding 7 years	1,10,290
With service exceeding 7 years but not exceeding 10 years	78,692
With service exceeding 10 years	47,301
Total	3,93,857†

The figures above include civilians in Defence establishments, and quasi-permanent staffs; but even so it is a serious matter from the human angle and that of efficiency of the public service that such large numbers of employees should have remained temporary for years. The problem of temporary employees is not peculiar to India; but in at least two countries of which we have information, there appears to have been a far more resolute, and successful, effort to bring down the proportion of temporary employees. In **Britain, the percentage of unestablished

*Census of Central Government Employees (as on June 30, 1955) issued by the Central Statistical Organisation.

†The break-up of temporary employees by length of service was obtained from the Ministry of Home Affairs. There is a difference of 22,526 between the total of temporary employees received from the Ministry of Home Affairs and that worked out on the basis of information obtained by the Commission from the Ministries, etc., direct. It does not however, affect the conclusions.

**Royal Commission on the Civil Service (1953)—Introductory Factual Memorandum on the Civil Service, submitted by H. M. Treasury, Chapter 2, and Central Administration in Britain by W. J. N. Mackenzie and J. W. Grove, Page 18.

(i.e. temporary) non-industrial staff was 44 per cent in April 1949. By July, 1953, it had come down to 26 per cent, and by July, 1955, to 22 per cent. In the United* States Federal Service, the reduction in the proportion of temporary employees has been even more remarkable. From 35 per cent in 1951, it had come down to 6 per cent in 1957.

10. We have mentioned in para. 3 the reasons, general and special, for the high percentage of temporary employees, and briefly commented upon those reasons. We have gone into the whole question with some care, and come to the conclusion that it is not in the public interest that the services under the Central Government should continue to carry for long periods the high proportion of temporary staff which they have done in recent years. This has been a factor making for dissatisfaction among large sections of the employees, and has impeded orderly management of the services: for instance, with a large number of temporary posts in a service, it is difficult to do proper planning of future recruitment. Temporary appointments also tend to lower the quality of the recruits. One of the major attractions of Government service is its permanency and the related pensionary benefits; and some good candidates who would apply for permanent posts, shy away from temporary ones. Even the appointing authorities may not always exercise the same degree of circumspection in making temporary as they would in making permanent appointments, though it is well-known that once a person has been in temporary service for some years, his claim to permanency is often given precedence over that of a more qualified candidate not in service. And once a service has a considerable temporary element, further recruitment also usually continues to be made on a temporary basis; the lowering of the standard of recruits may well thus be cumulative.

There is also, we understand, a great deal of paper work annually relating to the renewal of the sanction of temporary posts, and it is not unlikely that in practically all the bigger offices, a not too insignificant staff is engaged on the ramification of work connected with temporary appointments.

11. It has not been customary with this Government—and, for the matter of that, with Governments generally—to undertake large-scale retrenchment except in a certain kind of economic crisis. With continuous expansion of governmental activities, such as is envisaged in India, it is improbable that occasion would arise here, in the foreseeable future, for any considerable retrenchment. In the circumstances, the extreme caution of the orders regarding conversion of temporary into permanent posts, and, apparently, the even greater caution with which those orders are being put into effect by some Departments, do not appear to be justified. Once the conclusion is reached that certain posts which have been in existence for three years are required for work of a permanent nature, the logical course is to make all such posts, and not only 80 per cent or in the case of Class IV staffs only 50 per cent of them, permanent. Improvement of organization and methods of work is, or at least should be, a continuous process, and any staff that might become surplus as a result of such improvement can usually be adjusted by suspending or slowing down the annual recruitment—which is usually of the order of 3 to 4 per cent of the total strength—or by transferring the surplus personnel to other establishments. In any case, a margin of 10 rather than of 20 per cent is what even extreme caution would seem to call for. In the case of Class IV staffs, the limit of 50 per cent may be reasonable for posts of peons attached to offices and officers. But such peons account only for about 57,000 out of a total of 6.93 lakhs of Class IV staffs, or leaving out the Railways, for 2.12 lakhs; and there appears to be no good reason why, because there are too many posts of peon, thousands of other Class IV staffs should be kept temporary even if they are required for work of a permanent nature. For instance, there can be no justification for keeping

*U. S. Civil Service Commission 1957 Annual Report, Page 11.

large numbers of Laboratory Assistants, X-ray Assistants, Daftaries, Watchmen, Sweepers and Cleaners—all Class IV staff—temporary (as is being done) unless there are reasons to think that their services would be needed only for a limited period. Even in the case of peons, it would be desirable, instead of leaving them to continue indefinitely in temporary posts which serve no public purpose, to determine the surplus posts within a reasonable time, and to transfer the surplus men to establishments where they can be absorbed in permanent, or socially useful temporary posts.

Thus, we recommend that the permanent requirements for Class IV staffs as well as for others should be speedily determined, and that, thereafter, the margin of temporary posts should be the same for all classes. In the workshops, the supervisory, highly skilled and skilled staffs could be made permanent even if there was difficulty about the semi-skilled and unskilled staffs. With fresh industrial undertakings being set up in the public sector every year, there is no possibility of such staffs becoming surplus of public requirements, even in the unlikely event of some such staff becoming surplus to the needs of departmentally managed undertakings.

12. In conclusion, we would suggest that apart from revision of the orders to which we have referred, the Government may consider setting up one or two official committees to examine the permanent requirements of different Departments and to ensure that the revised orders of Government are given effect to within six months to a year. We hope that such committees, if set up, will approach their task in the spirit of the orders of the Railway Board which we have quoted in para. 7 above. We further think that a review of permanent requirements such as we have suggested should not be made only once, but undertaken periodically, for instance at intervals of three years.

II. Workcharged Staffs

13. Workcharged staff entertained for construction of bridges, roads, dams, or other projects to be executed within a limited period, may be daily or monthly rated. Such staff are usually recruited locally, and are discharged on the completion of the work. The discussion in the following paragraphs does not relate to such staff, and is confined to those employed for maintenance of buildings, electrical plants, gardens, etc.

14. Though precise figures are not available, the total strength of workcharged staffs outside the Railways and Defence establishments is of the order of 19,000, out of which about 14,000 are in the Central Public Works Department. In matters of conditions of service, the workcharged staffs fall into three broad groups: (i) those in the Ministries of Railways and Defence, and in certain ports, whose conditions of service are practically the same as those of other industrial or non-industrial staffs, as the case may be; (ii) those in the Central Public Works Department and some other establishments, who, generally speaking, are entitled to a reduced scale of benefits; and (iii) those who have minor privileges, such as casual leave and a limited number of paid public holidays, but no retirement benefits, regular leave, medical facilities, etc. It is (ii) and (iii) whose cases call for consideration.

15. We are not concerned with the budgetary or accounting aspects of the problem, but with the question whether the workcharged staffs have any reasonable grievance regarding the nature of their tenure, and their conditions of service.

The duties of workcharged staffs are not different from those of regular staffs: in the Central Public Works Department itself, employees with identical nature of duties are found both in the regular and in the workcharged establishments. And some of the officers of the Central Public Works Department, and of the Ministry of Works, Housing & Supply, who gave evidence before us, stated that about 80 per cent of the workcharged staffs were required for permanent maintenance duties; that some of them had put in 15 to 20 years' service; and that it was the intention gradually to bring the workcharged staffs to the regular establishment. It was explained that the intention could not be carried out quickly because of certain practical difficulties, such as the lack of systematic records of service, but that a substantial number had already been transferred to the regular establishment.

16. The evidence placed before us suggests that differentiation of employment from a budgetary angle has led to an unnecessary denial of security of tenure and normal conditions of service to a considerable body of employees. We, accordingly, recommend that (i) workcharged staffs whose services are likely to be required on a permanent or semi-permanent basis, should be made permanent, or given semi-permanent status; (ii) that they should be classified into industrial and non-industrial, depending on the nature of their duties; and that (iii) they should have the same conditions of service as other permanent or semi-permanent, and industrial or non-industrial staff, as the case may be. The temporary workcharged staffs whose employment is not casual may likewise have the benefits and concessions allowed to other temporary staffs, industrial or non-industrial, as may be appropriate.

III. Casual Labour

17. Most Departments of the Government of India employ casual labour according to necessity for execution of particular projects, and for seasonal or other temporary work of short duration. Where the employment is a "scheduled" one under the Minimum Wages Act, 1948, the wages paid are those fixed by the Central Government (Ministry of Labour) under Section 3 of that Act; and the workers are also entitled to paid weekly holidays in accordance with Rule 23 of the Minimum Wages (Central) Rules, 1950. In other cases, wages are fixed on the basis of the current market rates for similar labour, as ascertained from the local authorities. Casual labour is not entitled to leave or other fringe benefits available to regular staff, permanent or temporary, and can be discharged without any notice or compensation. In recent years, the minimum wages fixed under the law by the Central Government for unskilled workers have been Rs. 70 per mensem. In other cases, the lowest wages have ranged from Re. 1.25 to Rs. 2 a day, the average under the Railways being about Re. 1.50 per diem—that is less than two-thirds of the rate where it is fixed under the minimum wages law. We have no information regarding the strength of casual labour employed by the other Departments, but the number employed by the Railways according to the latest information available to us is 1.6 lakhs approximately; and only a small proportion of these are, we understand, in receipt of the statutory minimum wage. The Ministry of Defence, and the Central Public Works and Posts & Telegraphs Departments are the other major employers of casual labour.

18. There is a great deal of work, particularly in the Railways, the Central Public Works Department, and under the Defence Ministry, which is clearly casual. For instance, when new lines, bridges, or buildings are constructed, or existing lines doubled, employment of casual labour is unavoidable. Again,

labour is required for jungle cutting, patrol duty on railway track, and other similar work during the monsoon, and it would be obviously wasteful to employ regular staffs for this kind of seasonal or intermittent work. In the Central Public Works Department, likewise, casual labour has to be engaged for construction of new buildings, roads, etc. Under the present system, labour is employed locally, and discharged when the work is over. This is a flexible arrangement which does not involve wastage of manpower, or raise problems of housing and transport, such as would necessarily arise if a more centralised system, involving the maintenance of a regular labour force, were to be instituted. A centralised arrangement would, moreover, involve a great deal of advanced planning and co-ordination of works programme of different railway divisions, etc. The present arrangement has the further advantage of providing seasonal employment to people who, in other parts of the year, engage themselves in agriculture. The State Governments, Local Bodies, and employers in the private sector also employ casual labour for casual work, and the practice under the Centre is by no means exceptional.

19. Much of the dissatisfaction, it seems, arises from disagreement as to what is casual work, and what is not; and even here, the disagreement is not so much about principle as about practice. There is no uniformity in the instructions issued by the different Departments of the Central Government which employ casual labour. The instructions of the Railway Board are:—

“Seasonal, labour sanctioned for specific works of less than six months’ duration should be treated as casual labour. But if such labour is shifted from one work to another of same type, for example, relaying, and are maintained in gangs, and the total continuous period of such work at any one time is more than six months’ duration, they should be treated as temporary after the expiry of the first six months of the continuous period.”

In the Defence Department, on the other hand, when the continuous employment of casual workers exceeds 30 days, they are to be paid on a fixed monthly rate of Rs. 30 per mensem plus the usual allowances admissible to Class IV staffs on regular establishment; and they are allowed to avail themselves of Sundays and paid holidays. In the Posts & Telegraphs Department also, the orders are that workmen may not ordinarily be continued on casual basis and on daily rates of wages for a continuous period exceeding one month, and that in no case should they be so continued for a period exceeding six months. However, it is the practice rather than the instructions with which the employees themselves are primarily concerned; and organizations of civilian employees of the Defence Department as well as those of Railway employees, have complained that workmen whose services are required continuously are employed on casual basis, through circumvention of departmental orders. It has been stated that there are instances of employees in the Defence Department who have worked continuously for more than 15 years, but who, nevertheless, continue to be treated as casual labour. Similarly, it is complained that though the orders of the Railway Board are that employment of casual labour should be kept to the minimum, and casual employment should not be continued beyond six months, the orders have been made infructuous by the local officers discharging a worker a day or two before he completes six months, and re-employing him again on casual basis. This has been denied by the Railway Administration; and in any case, it is not possible for us to go into complaints of this kind. We need only consider whether the policy regarding employment of casual labour, and the terms and conditions on which casual labour is employed, call for any change, and whether there are any broad features of the present arrangements which call for comment.

20. In the context of problems connected with contract labour it has been recommended in the second Five-Year Plan (para. 33 of Chapter XXVII) that a scheme of decasualization should be set up wherever feasible. Extensive employment of casual labour obviously militates against ideas of social security and satisfactory conditions of employment, and it is, moreover, not likely to provide the incentives necessary for good performance. It is, therefore, clearly desirable that casual employment should be restricted to work which is of a truly casual nature, and for which regular staffs cannot be entertained except at a disproportionately high cost, or without involving wastage of manpower. Viewed in this perspective, the criteria laid down by the different Departments of the Central Government for employment of casual labour do not appear to be unreasonable. We consider, however, that there is need for a review of the actual practice in order to ensure that all those who are being employed as casual labour are being rightly so employed; the fact that about two hundred thousand workers are involved adds to the urgency of such a review. There can, for instance, be no justification for an employee being kept on as a chowkidar for buildings for a number of years and being treated all the time as a casual employee who is not entitled to any increments, or leave—not to speak of retirement benefits—and whose services can be dispensed with without any notice, or gratuity.

21. There is also in our view a need for a reconsideration of the principle on which casual labour is remunerated. No change is called for in regard to those whose remuneration and conditions of employment are regulated under the Minimum Wages Act. The minimum wages fixed by the Central Government are influenced by social considerations as well as the prevailing market rates, and the employees are entitled to a paid weekly rest, some paid holidays, and compensation for overtime work. It is true that some of the employments for which casual labour is entertained, are not among those included in the Schedule to the Minimum Wages Act; and wages etc. of casual labour in such employments cannot, therefore, be fixed by statutory orders. We do not consider, however, that this should stand in the way of the Central Government prescribing, by executive orders, the minimum wages payable, and other conditions of employment applicable, to casual labour employed by their own agencies. The additional cost of remunerating casual labour, particularly in the Railways, at the rate applicable to regular employees might be considerable—perhaps of the order of Rs. 5 crores annually, assuming that only a small proportion of the 1.6 lakh casual workers are at present governed by orders under the Minimum Wages Act—and the cost would increase further if the lowest emoluments for regular employees go up as a result of our recommendations. It is not, however, that the only alternatives before the Government are either to allow the remuneration payable to regular employees, or to continue in case of railway labour the present average daily rate of Re. 1.50. We think that a satisfactory solution would be to fix the same rates for casual labour in unscheduled employments as are fixed for comparable scheduled employments under the Central Government; for instance, the minimum wages fixed for employment on road construction or on building operations might be made applicable also to work on rail-roads requiring similar physical exertion. Or, if it is considered that the rates should bear some relationship to the local rates, they may be fixed with reference to the minimum wages prescribed by the respective State Governments for comparable “scheduled” employments. They need not, however, be identical with the State Governments’ rates, if these are conspicuously low.

22. In the matter of other conditions of employment also, it is, we consider, wrong that agencies of the Central Government should deny to workers employed by them conditions which the Central Government themselves have sought to

guarantee through the Minimum Wages (Central) Rules, 1950. The fact that the workers concerned are not governed by the minimum wages law should make no difference. The employments to which the minimum wages law has been made applicable are those where sweated labour is most prevalent, or where there is considerable chance of exploitation of labour. The employments not included in the Schedule are supposed to be more favourably placed; and thus not to need the minimum protection afforded under the law. What is actually happening, at least in the Railways, provides an ironical commentary on this supposition. Both, in the matter of wages, and other conditions of employment, such as paid weekly rest, casual labour governed by the minimum wages law is far better off than the rest who, apart from low wages, are only allowed a periodic rest of 48 consecutive hours in a month, or 24 consecutive hours every fortnight, and who are not paid even for these infrequent periods of rest. We, therefore, recommend that all casual labour under the Central Government, including those to whom the minimum wages law is not applicable, should have the benefits and safeguards provided by Rules 23 to 25 of the Minimum Wages (Central) Rules, 1950, relating to weekly holidays, working hours, night shifts, and extra wages for overtime. In contracts made by the Central Government, it is customary to provide that the contractor shall pay fair wages, and ensure proper conditions of work. Often the conditions are not observed, and this is not surprising. The Government themselves should do for departmental labour what they require and expect to be done for contract labour. There would be economic as well as social justification for the suggested improvement in the wages and other conditions of employment; for, it is a truism that cheap labour is usually inefficient labour. Once wages and other conditions of employment are improved, the employing authorities would be justified in asking for, and would be likely to get, increased output.

23. The only point that remains to be considered is whether those who have been in casual employment for any length of time should be entitled to preference in regular employment. This demand was made particularly on behalf of casual labour under the Railways; and it is reported that a register of all casual labour is maintained in Railway divisions and that the total duration of employment on casual basis is among the factors taken into consideration while making regular appointments. There is, however, we are informed, difficulty in accepting the casual worker's right to preference in regular employment. Such workers are recruited locally by subordinate officers without much selection, while regular appointments are made by superior officers on the result of a careful selection made after notifying the vacancies to Employment Exchanges, etc. It has been pointed out to us that once it is accepted that casual workers can claim preference in regular employment as a matter of right, this system of open selection would, virtually, come to an end. There is force in this reasoning; and, in any case, once casual employment is restricted to work which is truly casual, there would be no question of workers continuing in casual employment for long periods, building up hopes, all the time, of securing regular appointments. All the same we recommend that long experience as casual labour should be taken into consideration while making selections for appointment to regular establishments, including those of gangmen.

24. The existence of an unusual kind of casual employee has come to our notice. They are Peons, employed in a certain Ministry, who, though described as part-time employees, have duties which are more or less of a regular nature. They are being paid from contingencies at the rate of Re. 1.75 per diem, and have none of the privileges and benefits of regular employees. The arrangement does not appear to us to be fair or otherwise satisfactory. Any staff needed for regular work should be treated as regular employees for the purpose of pay, allowances, and other conditions of service.

CHAPTER XLVII

GOVERNMENT SERVANTS' CONDUCT RULES

1. We now discuss those conditions of service which restrict or prohibit certain activities of Government servants, or which otherwise lay down for them standards of conduct related to the nature of their calling. The community expects from public servants particular standards of integrity, general behaviour and efficiency; and the Conduct Rules in effect seek to embody those standards.

There are three sets of Conduct Rules applicable to Central Government staffs. They contain more or less parallel and, in fact, substantially indetical provisions. The Central Civil Services (Conduct) Rules, 1955, apply to members of the Central Services, excluding (a) Railway employees, and (b) members of the Indian Foreign Service. Further, certain provisions of those Rules are either inapplicable, or applicable only in a modified form, to industrial staffs. The Railway Service (Conduct) Rules, 1956, apply to Railway employees, industrial as well as non-industrial. The All-India Services (Conduct) Rules, 1954, framed for the Indian Administrative Service and the Indian Police Service, are applicable to members of the Indian Foreign Service until separate rules are framed for them.

Broadly speaking, the provisions of Conduct Rules calling for consideration fall into three groups—(i) those restricting political and civic rights; (ii) those bearing on rights to form service associations or trade unions, and cognate matters; and (iii) those laying down restrictions or prohibitions as regards public expression of opinion, criticism of Government, acquisition and disposal of property, carrying on of trade and business, acceptance of gifts, etc. In this chapter we shall deal only with the provisions falling under (iii).

2. Both in their memoranda and in their oral evidence, some of the employees' organizations have referred to the Conduct Rules as legacies from the British regime; described them as authoritarian and undemocratic; and asked that they should be replaced by a new set of rules to be framed by Parliament. The present Rules, it is implied, are bureaucratic creations which have not been re-examined at the political level, and from an angle appropriate to the new set-up and the current political and social ideas. It has also been contended on behalf of some employees' organizations that certain provisions of the Conduct Rules offend against article 19 of the Constitution.

3. The Constitution has not given in respect of civil servants the power to restrict or abrogate to any extent the rights conferred by Part III of the Constitution, such as has been given by article 33 in respect of members of the Armed Forces and the Forces charged with the maintenance of public order. In the circumstances, only such restrictions can be imposed on the exercise by civil servants of the rights conferred by article 19(1) as can be regarded reasonable within the meaning of the relevant sub-clauses of that article. We understand that before promulgating the Conduct Rules the Government had satisfied themselves about their constitutional validity. It is, no doubt, for the Courts to decide whether any of the Rules are unconstitutional, should they be challenged on constitutional grounds. But we have, all the same, considered it fit to examine whether, in the conditions in which

the Central Government employees have to function, the restrictions that have been imposed on them can be regarded as reasonable.

4. Some of the organizations of Railway employees have particularly criticized Rules 5, 6 and 9 of the Railway Service (Conduct) Rules. Rule 5 imposes certain restrictions on an employee having connection with Press or Radio. It requires that no Railway servant shall, except with the previous sanction of Government, (i) own, conduct or participate in the editing or managing of any newspaper or other periodical publication; and (ii) participate in a radio broadcast or contribute any article or write any letter either anonymously or in his own name or in the name of any other person to any newspaper or periodical. Previous sanction is, however, not necessary when a Railway servant participates in a radio broadcast or contributes an article, etc., in the bonafide discharge of his duties, or when the broadcast or contribution is of a purely literary, artistic or scientific character. The main object behind these restrictions is to ensure a civil servant's detachment from public controversies, involvement in which might impair public confidence in his fairness and impartiality as a public servant. As broadcasts or contributions in a newspaper or periodical relating to literary, artistic or scientific subjects are not likely, even if they arouse controversies, to affect his reputation as a public servant, no restriction has been placed on these. We have considered whether this area of intellectual freedom can be enlarged without any harm to the public interest. There may be matters other than literary, artistic or scientific on which a civil servant may speak on the radio or write in a periodical without contravening the provisions of rules 4, 6 and 8 (relating to taking part in politics and elections, criticism of Government, and unauthorised communication of information respectively) of the Central Civil Services (Conduct) Rules, and the corresponding provisions of the Railway and other Conduct Rules. The approach in our view should not be to place a general ban on public expression of views, and then to provide for some exceptions; the approach should be to recognize a general freedom of intellectual expression, and to impose only such specific restrictions as are necessary to meet the requirements of the public service. We consider that subject to the observance of the provisions of rules 4, 6 and 8 there should be no restriction on freedom of intellectual expression and we recommend that suitable modifications may be made in the Rules accordingly.

Subject to the recommendation made above, we consider the provision of rule 5 of the Railway Service (Conduct) Rules and the corresponding provisions of the other Conduct Rules to be reasonable.

5. Rule 6 in effect prohibits a Government servant making, either in his own name or otherwise, public criticism of a current or recent policy or action of Government, or making a public statement capable of embarrassing the relations between the Central Government, and a State Government or the Government of a foreign State. While a civil servant is expected to express his honest opinion in the discharge of his official duties, it would be exceedingly difficult to carry on administration smoothly if civil servants felt free to criticize Government policies and actions publicly. Moreover, public criticism of Government is likely to involve a civil servant in political controversies, which is obviously most undesirable. The other restriction imposed by Rule 6 has evident justification and does not require any comment. Thus, we think that the provisions of Rule 6 are reasonable.

6. Rule 9 prohibits asking for, or accepting, contributions to any fund, except with the previous sanction of a prescribed authority. The industrial employees, including those covered by the Indian Trade Unions Act, 1926, stand on a special footing; and we refer to them later. But the general experience is that when a public servant starts collecting funds either from subordinates or from the public

or any section of it, some kind of impropriety or other, if not a positive abuse, often occurs. There is, sometimes, an element of coercion, and occasionally the transaction is hardly distinguishable from what may be called sale of an administrative decision. We do not, therefore, consider the general prohibition as unreasonable.

7. The only demand that now remains to be considered is that the low-paid employees should be free to take up outside work, and thus to supplement their official earnings. Rule 12 of the Central Civil Services (Conduct) Rules, and the corresponding provisions in the other Conduct Rules, prohibit a Government servant taking such employment etc., without previous sanction of the Government. The demand was not made widely, and even those who made it did not appear to be particularly sure of their ground. The basic conception of Government service in India so far has been that it is a whole-time occupation, requiring undivided attention and loyalty—that it is a career which is to cover a person's entire working life. Our system of retirement benefits is based on this conception, as are many other conditions of service. We consider this conception to be sound, and we do not think any new circumstances have arisen which call for a modification of it. We are aware that, subject to certain restrictions, outside employment is permissible for civil servants in some countries, for instance, in the United States. But apart from any other differences, these countries are faced with manpower shortages in several fields, while our problem is the opposite one of large-scale unemployment.

8. As regards the more general criticisms, it is true that the Conduct Rules have not been made by Parliament. The All-India Services (Conduct) Rules, 1954, have been framed by the Central Government in exercise of the powers conferred by Section 3 of the All-India Services Act, 1951, and the other Conduct Rules, which are largely modelled on the All-India Services Rules, have been framed by the President under article 309 of the Constitution. But the All-India Services (Conduct) Rules were laid before Parliament, as required under sub-section 2 of Section 3 of the All-India Services Act; and there was discussion about them in Parliament which could have modified them if it wished to. Rules framed under article 309 are not required to be laid before Parliament, but some provisions even of those Rules have, in fact, been discussed in Parliament on one occasion or another. It may be mentioned that while in the United States of America and some other countries matters concerning the civil services are regulated by statute, in the United Kingdom they are regulated by Orders-in-Council, made by the Crown upon the advice of the Ministers, and by Regulations etc., made by the Treasury and other Departments under the authority of Orders-in-Council. Thus it is not that in a democracy conditions of service of civil servants have necessarily to be governed by laws made by the Legislature.

9. We have examined the provisions in force in several democratic countries to regulate the conduct of civil servants, and we do not find the restrictions in India (we are at present referring to restrictions other than those on political rights and rights of association, etc.) unusual. For instance, in the United Kingdom, Australia and New Zealand, civil servants are prohibited from attempting to bring outside influence to support their claims as civil servants; and there are restrictions on them in the matter of commerce, business and outside employment. Again, employees of the Australian Government are prohibited from accepting, directly or indirectly, any gifts or presents from any member of public concerned with any matter connected with the duties of the office or in which the Commonwealth is interested. Not only that; the Public Service Board has been empowered to punish an officer for activities or actions occurring in his private time or in his private capacity; and an officer is guilty of an offence if he uses intoxicating liquors or

drugs in excess or if he is responsible for any disgraceful or improper conduct, either in his official capacity or otherwise. There is also prohibition in that country of any public comment on any administrative action or upon the administration of any Department. The employees of the United States Federal Government are also subject to extensive restrictions, and an employee may be dismissed even for "sleeping on the job", absence without leave, and insubordination. In fact, dismissal is the recommended penalty for the second or the third offence in the case of all these offences. Apart from specific prohibitions, there is a general instruction for the guidance of the Federal employee that "beyond observing certain prohibition imposed upon him by virtue of his choice of occupation as a Government employee, he has an obligation so to conduct himself in his private as well as in public affairs as to bring credit upon the service as a whole".

10. It appears to us that such dissatisfaction with the Conduct Rules as exists, is made up of a number of elements: these include a desire to have a voice in the determination of service conditions, a dislike of the traditional methods of enforcing discipline, and a grievance about the absence of a joint consultative machinery of the type of the Departmental Whitley Councils in the United Kingdom, and of a system of judicial or quasi-judicial determination of disciplinary cases. The industrial employees of Government, and others whose functions are in some measure comparable to those of industrial employees, may be particularly desirous of a change, because they may not easily see any significant difference between themselves and other industrial employees. We realize that, as in other professions, a code of conduct laid down by the service itself should increasingly regulate the behaviour of civil servants; that punitive discipline is by no means enough, and may, in some cases, be harmful; and that the object should be to manage the service more by persuasion and influence and less by the exercise of authority. But self-discipline and influence have nowhere been found to be sufficient by themselves, and official discipline is considered essential for the reason, among others, that the Government, being answerable to the whole community for the conduct of its employees, must ensure that the employees conform to standards of conduct which the community, and the Government representing it, lay down for them. Thus the only question is whether any of the provisions of the Conduct Rules are, in the present circumstances, unreasonable. We have expressed our views on some of the provisions complained against, and have more to say in the following chapters.

CHAPTER XLVIII

POLITICAL RIGHTS

1. Rule 4 of the Central Civil Services (Conduct) Rules, 1955, provides that—

- (1) No Government servant shall be a member of, or be otherwise associated with, any political party or any organisation which takes part in politics nor shall he take part in, subscribe in aid of, or assist in any other manner, any political movement or activity.

* * * * *

- (4) No Government servant shall canvass or otherwise interfere or use his influence in connection with, or take part in, an election to any legislature or local authority:

Provided that:—

- (i) a Government servant qualified to vote at such election may exercise his right to vote, but where he does so, he shall give no indication of the manner in which he proposes to vote or has voted;

Identical provisions exist in the Railway Service (Conduct) Rules, 1956, and the All-India Services (Conduct) Rules, 1954. It will be seen that except for the limited right of voting in secret, a Government employee cannot participate in any way in any political movement or activity, including election campaigns. He cannot join a political party even as an inactive member, or contribute financially to its funds; he cannot express any opinion on political issues; and he cannot, under any circumstances, stand for elections to any legislature.

2. Some of the employees' organisations have characterized these restrictions as unduly severe and against the spirit of the Constitution; and it has been urged by them that a Government employee should not be deprived of the rights granted to him as a citizen of the country. It may, however, be added that the question of political rights has not been raised by employees belonging to Class I and II services. Even Class III non-industrial employees have not usually raised the question unless they happen to be working in industrial establishments, or have functions comparable to those of employees in industrial or commercial undertakings. The demand for removal of restrictions on political activity has, in fact, come from unions of Railway, Posts & Telegraphs, Defence civilian, and Civil Aviation employees, and those of dockyard and press workers, and of certain non-industrial manipulative grades. We are inclined to infer from these facts that this demand has not arisen from a simple desire to have opportunities for political self-expression; otherwise, the demand would, probably, have been made by the Class I, II and other non-industrial services also. Part of the explanation is that, as in some other countries, the trade unions of Government employees, like other trade unions, feel that their economic objective of securing improvement in wages and conditions of service, and of consolidating their gains, would be furthered if they are in a position to supplement trade union action with political pressure. Since wage policies in India are being increasingly influenced by wide political and social considerations, it is understandable that organisations of the lower-paid employees of

the Central Government should wish to have the freedom directly to influence political and social policies and programmes.

3. The link between trade union and political activity is, in fact, recognised by Section 16 of the Indian Trade Unions Act, 1926, which provides that a registered trade union may constitute a separate fund for the promotion of the civic and political interests of its members; and among the objects for which payments may be made from that fund are meeting expenses incurred by a candidate for election as a member of any legislative body or any local authority, for maintenance of any person who is a member of a legislative body or a local authority, and the holding of political meetings of any kind, or the distribution of political literature, or political documents of any kind. These provisions of the Indian Trade Unions Act, 1926, appear to be a standing inducement to such Central Government employees as have the right to join trade unions to seek freedom for political activity.

4. There is another reason for the demand for political freedom which was expressed by the All-India Railwaymen's Federation as follows. The public sector is expanding and will continue to expand in view of our political and social objectives; that the Government will, obviously, not wish to "disfranchise" millions of people who will be employed in the public sector; that whether an undertaking in the public sector is managed departmentally or through a semi-autonomous body like a public corporation, or through a company etc., is merely a matter of operating convenience and efficiency; and that it would, therefore, be utterly illogical to deprive Railway employees of rights which employees of a company or corporation wholly financed by the Central Government can enjoy. If, in fact, it were the settled policy of Government to allow employees of non-departmental undertakings in the public sector to engage freely in political activity, there would be some force in this line of reasoning. As it is, we are informed that there is no such settled policy. Several undertakings, including the Hindustan Steel, the Lignite Corporation and the Heavy Electricals Limited, have not yet framed any conduct rules at all; the employees of the Hindustan Aircraft Limited are free to participate in all kinds of political activity, and so are those of the Bharat Electronics. On the other hand, the Damodar Valley Corporation and the Indian Airlines Corporation have made rules regulating the conduct of their employees which are similar to the Central Civil Services (Conduct) Rules. We have no precise information, but we understand that a definite, uniform, policy is in the process of evolution. If the policy in effect places the employees of public undertakings on the same footing as comparable classes of Government's direct employees, and both are subject to the restrictions on political activity at present applicable to the direct employees, the position would become more or less like that obtaining under the United States Federal Government. If, on the other hand, the employees of public undertakings are uniformly freed from political restrictions, the question that would remain is whether the Government's direct control over their servants, and the absence of such control over employees of public undertakings, would justify a differentiation.

5. In support of their demand, some of the staff associations have stated that civil servants in other democratic countries are free to participate in political activities; and the relaxation or removal of restrictions in the United Kingdom, following the Masterman Committee's Report, has been particularly cited as an example to be followed. While what has been stated is largely true in the case of civil servants in the United Kingdom, in many other democratic countries, about which we have information, civil servants do not generally enjoy much freedom in political matters. In the United States the law prohibits a Federal employee not only from using his official authority or influence for the purpose of interfering with an election or affecting its result but also from taking an active part in political

management or in political campaigns. He is, no doubt, free to express his "opinion on all political subjects and candidates" but this right is hedged in by many restrictions. Mr. Justice Black in his dissenting opinion in *UPWA vs Mitchell*, in which the constitutionality of the Hatch Act was upheld by the United States Supreme Court, referred to the restrictions as follows: the sum of political privileges left to Government employees.....seems to be this; they may vote in silence; they may carefully and quietly express a political view at their peril; and they may become "spectators".....at campaign meetings." Further, in that country, employees of a State or local agency whose principal employment is in connection with any activity which is financed in whole or in part by loans or grants made by the Federal Government are also subject to the restrictions applicable to Federal employees. This is not so in India. The State Governments in India have no doubt imposed restrictions on their own employees which are similar to those imposed by the Central Government. But the employees of a local agency, even though the agency may be entirely financed by the Central Government are, in many cases, not debarred from political activity—at any rate, not by any rule made by the Central Government. These restrictions in the United States have the sanction not only of rules made by the Civil Service Commission, but also of Congressional law; and the punishment for infringement is severe: it shall not be less than 90 days' suspension without pay, and even this minimum penalty can be awarded only by a unanimous vote of the Civil Service Commission that the violation does not warrant removal from service. We have no parliamentary law imposing restrictions on political rights and activities of civil servants, except in relation to election to the Union or State Legislature; and our service rules do not prescribe any minimum punishment for infringement. Further in the United States Federal Service any political activity that is prohibited in the case of an employee acting independently is also prohibited in the case of the employee acting in open or secret co-operation with others. Employees are, therefore, accountable for political activity by persons other than themselves, including wives or husbands if, in fact, the employees are thus accomplishing by collusion and "indirection" what they may not lawfully do directly and openly. In one respect, however, there is more freedom for an employee in the United States than in India. A Federal employee in that country can be a member of a political party, and by membership and otherwise reveal his political affiliations. In India, these are not permissible. But in that country as well as in India it is mainly through the exercise of his franchise that a civil servant can influence political happenings.

6. In Canada also, civil servants are debarred from taking part in politics. The restrictions on political activity in Japan appear to be similar to those in India. In Australia and New Zealand, however, civil servants have been allowed some freedom to contest elections. But even there great emphasis is laid on the impartiality and neutrality of civil servants in political matters.

7. In the United Kingdom only about 16 per cent of civil servants are subject to extensive restrictions; and even to these, permission is to be given to the utmost extent possible to take part in local government and political activities in the local field, subject only to the condition that they would act with moderation and discretion, and that they would take care not to involve themselves in matters of political controversy which are of national rather local significance. They are also free to belong to any political party which is not illegal. Other civil servants are divided into two groups—'completely free' and the 'intermediate' category. The latter, though not completely free to participate in political activities, are, subject to certain understandings about reserve in public utterances of political matters, eligible for very considerable freedom. The 'completely free' category is composed of

industrial civil servants, manipulative grades in the Post Office, and a number of minor grades such as Messengers, Cleaners, etc. As a rule, industrial civil servants have no separate unions of their own; they are usually members of unions to which all workers belonging to a particular industry or a particular functional group, or to which workers generally, are admitted. This is a fact of considerable significance in the context of the political rights of industrial civil servants in that country.

8. It is necessary for a proper working of the system of Government adopted in this country that civil servants who influence the policies of Government, or have administrative or executive powers or are otherwise in a position, because of their public office, to influence the citizen, or who are concerned with conduct of elections to legislative bodies, should remain aloof from current politics. They must be required to so conduct themselves that the community can have the confidence that whatever party is in power, they would serve the Government of the day with loyalty and devotion. Further, it would not be desirable for a civil servant to have freedom for any kind of political activity that would make it difficult for him to refuse to function as a political instrument of the party in power or of one expected to get into power, or which would expose him to victimisation for political reasons, at the time, or in future. In other words, a civil servant's political rights should not be such that in exercising them he may suffer either in his integrity, or in his legitimate service interests; or which may lead to a weakening of the merit system in public appointments.

9. The nature and importance of the problem to which we refer above is very well brought out in the evidence given in 1957 on behalf of the two biggest organisations of Federal employees before a Committee of the Congress when some changes in the Hatch Act (which imposes restrictions on the political activities of civil servants) were being considered. Opposing any fundamental change in that law, the American Federation of Government Employees said:

"The effect of the Hatch Act has been represented as the equivalent of disenfranchisement, but of course it is not. The employee exercises the basic privilege of casting his ballot and therefore of participating in the democratic process. At the same time he escapes the hazard which otherwise endangers his livelihood. The question then seems to resolve itself to the choice between an academic right and a practical threat to the employee's livelihood and that of his family.

It seems to be expecting a great deal of human nature and to be presuming on the ability of any man, following a heated political contest, to ignore the fact that an administrative subordinate has opposed him or his party. If there is complete elimination of the Hatch Act, it seems reasonable to expect the Federal Civil Service to become the prey of the spoils system which was ended with the enactment of the Civil Service Act three-quarters of the century ago next year.

This likelihood or even possibility is the underlying cause of the concern of the American Federation of Government Employees over the repeal of all or any essential provisions of the Hatch Political Activities Act."

In substance, the evidence of the representative of the National Federation of Federal Employees was also the same—

"We think that it is timely to point out for the record that while some modifications may be in order from time to time, we do not believe that they should tend in any way to weaken the law as an essential element in the merit system. To the contrary we think acceptance of the principle underlying the law that those who are employed by the Government

except a limited few who give direction to political policy, should neither be subject to partisan political influence nor assume to exert it upon others, will improve Government operations.

* * * * *

In conclusion, may I say that it has been our experience that career employees of the Federal Government as a whole recognize that legislation such as the Hatch Act is an integral part of the whole career civil service system, and a protection to that system and to Government alike.

For that reason this law has been supported by successive national conventions of the National Federation of Federal Employees."

10. As indicated earlier, the Masterman Committee's Report, is generally quoted in support of the case against the existing restrictions. But what that Committee had to say about maintaining the political neutrality of the civil service and the restrictions that were necessary for this is not usually remembered. Here are the relevant extracts from that Report:—

"We think, moreover, that the extension of the functions of the State in the last few decades greatly increases the need for maintaining the impartiality of the Service. We have worked upon the assumption that this confidence must be maintained even at the cost of certain sacrifices. Entry into the Civil Service is a voluntary act and there can be no reasonable complaint if the conditions of service include some restrictions (as is the case in certain other professions and employments). The public interest demands, at least amongst those employees of the State who correspond with the common conception of the Civil Service, a manner of behaviour which is incompatible with the overt declaration of party political allegiance.

* * * * *

Public opinion is a sensitive barometer reacting sharply to any breaches of the traditional impartiality of the Civil Service. The importance of these considerations can hardly be exaggerated today when vital decisions on claims for social benefits, assessment to tax, liability to various forms of national service, entitlement to certain rationed commodities, and many other aspects of daily life are being taken by officials often of humble rank. Whether we consider the man-in-the-street seeking employment, the professional man applying for a supplementary allowance of petrol, or the member of the business community dealing with the various economic controls now operated by the Civil Service, the life of every citizen is being directly and acutely affected by all grades of the hierarchy. In these circumstances, public faith in the non-political and impartial attitude of the Civil Service as a whole would be quickly shaken if individual civil servants were known or even suspected, rightly or wrongly, to be not in fact detached from party allegiance.

There is finally to be considered the harmful effect upon the Service itself if the political allegiance of individual civil servants became generally known to their superior officers and colleagues. If a Minister began to consider whether A, on account of his party views, might be more capable of carrying out his policy than B, the usefulness of B would be limited and the opportunities of A would be unfairly improved. This would

become known, and a tendency to trim the sails to the prevailing wind would be one consequence. Another would be a cynicism about the reasons for promotion very damaging to morale. If it be thought that we have exaggerated this risk, we would point to the experience of those countries which are suffering from the consequences of taking a course different from our own. The danger is, we believe, a real one. It may result from only small beginnings, but, once begun, it produces a snow-ball effect, which is difficult, if not impossible, to check. Once a doubt is cast upon the loyalty of certain individuals or upon the equity of the promotion-machinery, an atmosphere of distrust may rapidly pervade an office and affect the arrangement of the work and damage the efficiency of the organisation."

If the Committee still recommended enlargement of the existing freedom it was because the social conditions in that country, the strength of democratic institutions, and the long established political traditions made it safe to allow wide political freedom—which in itself is undoubtedly desirable. We should be happy to see conditions in India under which similar freedom could be given. But what may be sound and feasible in a homogenous community like that in the United Kingdom, with a long-established tradition of democratic Government, may not necessarily be sound and feasible in India. As we have already pointed out, political activity by civil servants is restricted in several democratic countries and such restrictions are backed by severe sanctions. The essential conditions for permitting civil servants to engage in political activity are an assurance that they would be able to keep their personal political affiliations and activities, and their public duties, wholly apart, and that the public would accept that such a separation could be, and was in fact being, made. We do not consider that these conditions are fulfilled in India at the present moment.

11. As regards industrial staffs, grant of political rights may not be open to objection in terms of the requirements just mentioned. An industrial employee has no administrative or executive discretion and the nature of his work is such that his political affiliation may not affect it. He may not, therefore, have much difficulty in keeping his work and politics apart. But even in his case grant of the rights will be open to the other objection referred to in para 8 above. There will be a serious danger to the merit system and the service interests of those staffs if they become partisans in political controversies. After a careful consideration of all the relevant factors we have come to the conclusion that change or relaxation in the existing restrictions on the political rights of civil servants would not be in the public interest, or the interest of the employees themselves.

12. Clauses 2 and 3 of Rule 4 of the Central Civil Services (Conduct) Rules, which relate to subversive activities, stand on separate footing from provisions designed to ensure political neutrality; their object is the security of the State. Moreover, all that is required is that a Government servant should endeavour to prevent any member of his family from assisting directly or indirectly in activities subversive of the Government as by law established and in case he fails to make a report to Government. It is not that a civil servant has been liable to disciplinary action for the doings of members of his family. Even in the United Kingdom, a civil servant is liable to be transferred from certain posts ranked as "sensitive" on security grounds, if doubts exist about the political reliability of his wife, or other close relatives. The obligation on a civil servant in India to report unsuccessful endeavour to dissuade a member of his family from subversive activity, has been imposed, presumably, to facilitate transfer of such an officer from a "sensitive" post

CHAPTER XLIX

RIGHT OF ASSOCIATION

1. Organizations of non-gazetted and industrial staffs have asked for what has been described as "full trade union rights" for all Central Government employees. What they mean by "full trade union rights" will be clear from the following typical extracts from a memorandum presented to us by the National Federation of Posts & Telegraphs Employees:

"We submit to the Commission that a thorough revision of the labour policy of the Government with regard to its own employees is to be made. The corner-stone of the new policy should be a faith in the good intentions of the employees and in the necessity for such organizations in a democratic set-up, a confidence in the Machinery set up under the labour laws of the land and a consciousness that Government employees do form part of the great people of this land and, therefore, there should be no invidious distinction in the application of the laws of the land to these employees. The employees are yearning for full opportunities for participating in the mighty development schemes of the country. They are fully aware that an efficient state-machinery without any red-tape or bureaucracy or corruption is an essential for such development. The essential and utility services they are running have their parts to play in the national reconstruction. But such participation is an impossibility today, because of the invidious distinctions made in the labour policy and because of the not too happy labour relations. Therefore we urge that the employees in the Civil Services be given full trade union rights and they be allowed to form trade unions of their own choice, conditioned by only those laws as have been legislated for the workers in the private sector. More concretely, the following are some of the measures which the Government has to adopt:—

- (a) Withdraw the recognition rules of 1937;
- (b) Declare the Indian Trade Unions Act and the Industrial Disputes Act as fully applicable to all Central Government employees;
- (c) Withdraw the said circular of the Home Ministry and the amendments to the Conduct rules;
- (d) Grant all facilities for the trade unions like, permissions to hold meetings in office-premises, display of notice-boards, special casual leave to union functionaries for attending executive meetings, conferences, etc., release on foreign service of full-time union functionaries as situation demands, give free railway passes to Central Union executives etc."

2. Before the various proposals made by employees' organizations are considered, the present position may be briefly reviewed. In regard to the right to form associations or unions and to resort to demonstrations and strikes in connection

with matters pertaining to conditions of service, the Central Government employees are divisible, subject to minor exceptions, into three broad groups:

- (i) non-industrial staffs, including those under the Posts & Telegraphs and the Civil Aviation Departments, and gazetted or other staffs in industrial establishments drawing a pay of Rs. 500 or more;
- (ii) *industrial staffs except those under the Railways; and
- (iii) Railway staffs, both industrial and non-industrial.

3. To those in (i), the following provisions of the Central Civil Service (Conduct) Rules, 1955, are applicable:—

4(A) No Government servant shall participate in any demonstration or resort to any form of strike in connection with any matter pertaining to his conditions of service.

4(B) No Government servant shall join or continue to be a member of any service association of Government servants:

- (a) which has not, within a period of six months from its formation, obtained the recognition of the Government under the rules prescribed in that behalf, or
- (b) recognition in respect of which has been refused or withdrawn by the Government under the said rules.

6. No Government servant shall, in any radio broadcast or in any document published anonymously or in his own name or in the name of any other person or in any communication to the press or in any public utterance, make any statement of fact or opinion—

- (i) which has the effect of an adverse criticism of any current or recent policy or action of the Central Government or a State Government....

9. No Government servant shall, except with the previous sanction of the Government or of such authority as may be empowered by it in this behalf, ask for or accept contributions to, or otherwise associate himself with the raising of, any fund in pursuance of any object whatsoever.

17. No Government servant shall bring or attempt to bring any political or other outside influence to bear upon any superior authority to further his interests in respect of matters pertaining to his service under the Government.

4. To those in (ii) (i.e. industrial staffs), the provisions mentioned above, and certain other provisions (not relevant to the questions under consideration) of the Central Civil Services (Conduct) Rules, 1955, have recently been made inapplicable; and Rule 6(i) remains applicable only with the proviso that nothing contained in that clause shall apply to *bona fide* expression of views by an employee as an office-bearer of a trade union for purposes of safeguarding or improving the service conditions of employees who are members of the union.

5. Those in (iii) (i.e. Railway staffs) are governed by the Railway Service (Conduct) Rules, 1956, which have no provisions corresponding to those of 4(A)

*As we have mentioned in Chapter III, there is no precise definition of 'industrial' which we could follow for our purposes. We have used the term 'industrial staffs' in this chapter in the sense of workshop staffs and certain other groups of comparable manual workers.

and 4(B), but have provisions corresponding to those of Rules 6(i), 9 and 17 of the Central Civil Services (Conduct) Rules, 1955. The position, thus, is that the Railway staffs, while in the same position as industrial staffs in the matter of membership of unrecognized unions and associations, and resort to demonstrations and strikes, continued to be subject to certain restrictions, direct or indirect, on trade union activities which have been withdrawn in respect of industrial staffs outside the Railways.

6. In the matter of recognition of trade unions and service associations by the Government, the position is as explained below. Until recently, recognition of associations of Central Government employees, other than industrial employees, was regulated by executive instructions issued in 1937. The Central Civil Services (Recognition of Service Associations) Rules, 1959 (made under article 309 and clause 5 of article 148 of the Constitution) issued in March last, have now replaced those executive instructions. The Rules have been made with reference to Rule 4(B) of the Central Civil Services (Conduct) Rules, 1955, and as such are *not* applicable to industrial staffs to whom, as explained above, Rule 4(B) is no longer applicable. The provisions of the Rules do not, in substance, differ from those of the 1937 instructions, and recognition continues to be subject to the fulfilment or observance of the following conditions:—

- (a) that no person, who is not a Government servant, is connected with the affairs of the Association;
- (b) that the executive of the Association is appointed from amongst the members only;
- (c) that the Association shall not espouse or support the cause of individual Government servants; and
- (d) that it shall not maintain any political fund or lend itself to the propagation of the views of any political party or politician.

Recognition of unions of workers (broadly speaking, industrial staffs) is governed by certain rules (non-statutory) made by the Ministry of Labour, which provide that, to be eligible for recognition, a union must fulfil the following conditions: —

- (a) Its membership must be confined to workmen employed in the same industry or industries closely allied to or connected with each other;
- (b) it must be representative of all workmen employed in that industry or industries;
- (c) its rules must not provide for the exclusion from membership of any class of workmen referred to in (b);
- (d) suitable provision regarding the procedure for declaring strikes is included in the rules for the constitution of the union;
- (e) the rules should also provide for the holding of a meeting of its executive committee at least once in six months; and
- (f) it must be registered under the Indian Trade Unions Act, 1926.

There are separate rules for the recognition of associations of non-gazetted Railway servants embodied in Part 'B' of Appendix III of the Railway Establishment Code, Volume I. The rules provide that recognition will not ordinarily be granted or continued, to any association unless it complies with the following conditions:

- (a) It must consist of a distinct class of Government employees;

- (b) all Government employees of the same class must be eligible for membership; and
- (c) it must be registered under the Indian Trade Unions Act, 1926.

These provisions are similar to those of the Labour Ministry's rules; but there is a significant additional provision viz., that no recognized association shall maintain a political fund except with the general or special sanction of Government and subject to such conditions as Government may enforce.

7. It will be noticed that while the Central Civil Services (Recognition of Service Association) Rules, 1959, debar admission of a person who is not a Government servant to the membership of a service association, and the appointment of such a person to the executive of the association, the other two sets of rules do not have any such provision. Further, while the former rules prohibit an association espousing or supporting the cause of individual Government servants, there is no such prohibition in the latter rules. A third difference of some importance is that while the former rules prohibit an association maintaining any political fund the Labour Ministry rules put no such ban; and the Railway rules have a provision half-way between the other two; there is no absolute ban on a political fund, but only certain restrictions.

8. Both, the Labour Ministry and the Railway rules specifically state that the grant and continuance of recognition rests in the discretion of Government, and the Central Civil Services (recognition of Service Association) Rules, 1959, also only provide that no association shall be recognized unless the specified conditions are satisfied. They do not say that once those conditions are satisfied, an association shall be recognized. However, the Labour Ministry and Railway rules provide that recognition once granted will not be withdrawn without due cause and without giving an opportunity to the association to show cause against such withdrawal. In the other rules there is no such provision.

9. We have considered as to what extent, if any, the various conduct and recognition rules are inconsistent with provisions of the Indian Trade Unions Act, 1926, and/or of the Industrial Disputes Act, 1947, for, both directly and by implication, some employees' organizations have complained that they and their members have been deprived of rights and freedom given to them by those laws. It must be stated at the outset that the Indian Trade Unions Act and the Industrial Disputes Act are applicable only to certain classes of employees, whether under Government or outside. Among employees it is only "workmen" who can form a trade union (clause (h) of Section 2 of the Indian Trade Unions Act, 1926); and "workmen" means all "all persons employed in trade or industry" (clause (g) of Section 2 of the Act). As far as we are aware, staffs engaged in the administrative branches of Government, as distinguished from those employed on provision of public services or supplies, have not so far been regarded as "workmen", or as "persons employed in trade and industry", for the purpose of the Trade Unions Act. Similarly, the Industrial Disputes Act specifically excludes from its purview, (in addition to those employed in a police or prisons service), persons employed mainly in managerial or administrative capacity, or in supervisory capacity if drawing wages exceeding Rs. 500 per mensem or exercising functions mainly of a managerial nature (Section 2(s) of the Act). Thus, such staffs under the Government as well as outside can, obviously, not have the advantage of the provisions of the Industrial Disputes Act, designed to protect the interests of employees. It is only staffs who are free to have their association registered under the Indian Trade Unions Act, or to whom the provisions of the Industrial Disputes Act apply, who can have a grievance if

their rights and privileges under those laws are restricted by conduct and other rules made by Government.

10. With the recent order making certain provisions of the Central Civil Services (Conduct) Rules, 1955, inapplicable, or applicable in a modified form, to industrial staffs, broadly speaking, these staffs are not now subject to restrictions imposed by rules, which are inconsistent with provisions of the Indian Trade Unions Act or the Industrial Disputes Act. There are, however, certain classes of staffs to whom the Industrial Disputes Act is applicable, but who are still subject to all the provisions of the Central Civil Services (Conduct) Rules. They are staffs employed in the posts & telegraphs, and telephone services, and under the Civil Aviation Department. Postal, telegraphs, and telephone services are specifically mentioned among the public utility services in clause (n) of Section 2 of the Act, and "transport for the carriage of passengers and goods by air" is included in the First Schedule to the Act among the industries which may be declared to be public utility services. The Railway staffs, to whom the Trade Unions Act and the Industrial Disputes Act are applicable, are also, as pointed out in para. 5 of the chapter, subject to some minor restrictions which may not be wholly compatible, in spirit as well as in form, with some provisions of the Trade Unions Act. Under Section 16 of the Indian Trade Unions Act, a registered trade union is empowered to constitute a separate fund for political purposes, and to levy contributions for that fund. But as mentioned earlier, the Railway rules require that no recognized union shall maintain a political fund except with the general or special sanction of Government. In fact, all Central Government employees, whose associations are eligible for registration as trade unions, are precluded from taking advantage of Section 16 of the Trade Unions Act, because of the provision in the Conduct Rules applicable to them, which debar them from political activity. Substantially, however, the Railway staffs have been, and the other industrial staffs have now become free to engage in normal trade union activities, and to have the advantage of the provisions of the Industrial Disputes Act applicable to similar employees outside Government service. It is only in regard to staffs of the Posts & Telegraphs and the Civil Aviation Departments, who are organized into unions registered under the Trade Unions Act, and to whom the Industrial Disputes Act is applicable, that possibilities of controversy and conflict on these questions still continue. It must, however, be mentioned that even in the United Kingdom the bulk of the Post Office grades are treated as part of the non-industrial Civil Service, and as such are within the ambit of the National Whitley Council.

11. As regards the issues for consideration, the most important are these: First, should Government servants have the unfettered right to form service associations and to continue to be members of such associations even if not recognized by the Government? Second, should Government servants be free to participate in a demonstration or to resort to a strike in connection with matters pertaining to their conditions of service?

12. Some of the statements made on behalf of employees' organizations suggest the existence among them of an impression—as in regard to the Conduct Rules generally—that restrictions on formation of service associations and prohibition of demonstrations and strikes by Government servants are expressions of an authoritarian spirit, and unparalleled by practice in any democratic country. It would, therefore, be useful to refer, briefly, to the practice in some of the democratic countries about which reliable information is available.

In the United Kingdom, civil servants are absolutely free to form service associations and to continue to be members of such associations, whether these are

recognized by the Government or not. There is also no law prohibiting demonstrations or strikes by civil servants; which means that if a civil servant goes on strike, he commits no penal offence. Striking is, however, a disciplinary offence. In moving the Second Reading of the 1946 Trades Disputes and Trade Unions Bill, the Attorney-General said:

“The 1927 Act did not forbid civil servants to strike, and nothing that we propose to do now will make it any more legal than it is to-day for civil servants to take strike action. . . . I take the opportunity of making it quite clear that this Government, like any Government as an employer would feel itself perfectly free to take any disciplinary action that any strike situation that might develop demanded.”

The position in the United States Federal Government is basically different from that in the United Kingdom. While, Federal employees have the right to be members of any service organization or association, the right is subject to the restriction that the organization or association, impose upon them an obligation or with any other organization or association, does not, directly or by affiliation duty to engage in or assist in a strike against the Government of the United States. In fact, a law enacted in 1955 (Public Law 330—84th Congress) provides that no person shall accept or hold office or employment in the Government of the United States or any agency thereof, including wholly owned Government Corporations who participates in any strike or *asserts the right* to strike against the Government of the United States or such agency, or is a member of an organization of Government employees that asserts the right to such strike. Violation of this provision is a *felony* punishable with a fine and/or imprisonment. Participation in a strike was unlawful even earlier (under the Taft Hartley Act of 1947), but the punishment was only discharge from employment, forfeiture of civil service status, and ineligibility for re-employment for three years.

It will be noticed that the restrictions in the United States are far more stringent, and disobedience far more severely punishable, than in the United Kingdom or in India. They are based on a conception of the relationship between the Government and their employees which is very well brought out in a letter addressed by President Roosevelt to the President of the National Federation of Federal Employees in 1937. The relevant passage is as follows:—

“Particularly, I want to emphasize my conviction that militant tactics have no place in the functions of any organization of Government employees. Upon employees in the Federal Service rests the obligation to serve the whole people, whose interests and welfare require orderliness and continuity in the conduct of Government activities. This obligation is paramount. Since their own services have to do with the functioning of the Government, a strike of public employees manifests nothing less than an intent on their part to prevent or obstruct the operations of Government until their demands are satisfied. Such action, looking toward the paralysis of Government by those who have sworn to support it, is unthinkable and intolerable. It is, therefore, with a feeling of gratification that I have noted in the constitution of the National Federation of Federal Employees the provision that “under no circumstances shall this Federation engage in or support strikes against the United States Government’.”

It may be added that not only the National Federation of Federal Employees but other organizations of Federal employees also have unreservedly renounced the strike as a means for achieving their objectives, and have incorporated the renouncement in their Constitutions.

In Australia, Japan and Switzerland also it is *illegal* for Government employees to take part in a strike; and in Australia the punishment is summary dismissal from service. Thus the sanctions in the United States and Australia are severer than in India. The position here is as in the United Kingdom: a strike by Government servants is not prohibited by law; it only constitutes a breach of discipline.

13. Membership of an unrecognized association is a disciplinary offence for those Central Government employees to whom Rule 4(B) of the Central Civil Services (Conduct) Rules, 1955, applies. It is true that Rule 4(B) is now applicable to only about 30 per cent of the total staffs under the Central Government; but it seems inappropriate, if not unreasonable, that the right to form associations or unions having been conferred by the Constitution on all citizens, an employee should become liable to disciplinary action merely by being a member of an unrecognized association, irrespective of the aims and objects of the association or its activities. The Government have reserved to themselves the discretion to grant or withhold recognition; and one of the witnesses on behalf of the Civil Aviation Department Employees' Union said in the course of his oral evidence that his quarrel was not with this discretion, but with the fact that not content with refusing recognition and thus depriving an association of adequate opportunities to promote the interests of its members, the Government have, in effect, proceeded to deny to such an association the very right to exist. There may, for instance, be cases in which recognition is refused, not because the purposes for which an association has been formed are in any way objectionable, but because another association of the same class of employees with a large membership already exists. While refusal of recognition would be perfectly reasonable in such a case, it does not appear to be necessary or reasonable that those who continue to be members of such an association should be considered guilty of a disciplinary offence. It may happen that an association takes recourse to, or assists in, activities which, if resorted to by individual Government servants, would constitute a breach of the provisions of Rules 4, 5, 6, 8, 9, 13, or 17 of the Central Civil Services (Conduct) Rules, 1955. In such a case, it would be reasonable not only to refuse or withdraw recognition, but to require the Government servants concerned to withdraw their membership on pain of disciplinary action. It is understandable that employees' associations should not be free to do what employees are prohibited from doing individually. In fact, such a restriction has been imposed indirectly by clause (j) of Rule 5 of the Central Civil Services (Recognition of Service Association) Rules, 1959; and put in a slightly different form and with some addition to the content, a provision of this kind might be sufficient. We, accordingly, recommend that the membership of an unrecognized Association should not as such be a disciplinary offence, but that there is no objection to a provision being made on the lines suggested above. As regards recognition of associations, the rules framed by the Government appear to us to be rather stringent. Reasonable conditions for recognition are essential for successful working of service associations and of any machinery for settlement of disputes (discussed later), which are the instruments of harmonious staff relations. We, therefore, consider it necessary that the rules of recognition should be conceived, and recognition granted, in a liberal spirit.

14. On the question of freedom to participate in a demonstration, or to use the strike weapon (more particularly the latter), divergent views have been expressed in the course of the evidence before us. The organizations of industrial, and Class III and IV employees generally consider that the employees of Government should, like other employees, have the right to demonstrate in order to arouse public conscience about their grievances and to secure public support for their redress, and that they should also have the ultimate sanction of a worker

to withdraw his labour. They distinguish the State as employer from the State as sovereign authority, and they do not accept that the State as employer should have rights and immunities not available to other employers. It is only employees entrusted with the primary functions of Government, such as defence and maintenance of law and order, who, a few of the employees' organisations concede, might legitimately be denied the right to strike. Among witnesses other than those representing employees, some are opposed to Government servants having the freedom to strike on the ground that, being free from the profit motive, and being itself responsible for preventing exploitation of any section of the community, the State can be relied upon to be fair to its own employees; and that, in any case, there is Parliament to safeguard the legitimate interests of Government servants. Some, including a Chamber of Commerce, see no reason why employees of Government should not have all the rights of other employees or the Government the limitations of other employers. A third group of witnesses would make a distinction between employees engaged in the public utility services and those employed on industrial operations under Government; the former, they think, should not have the right to strike, but the latter should have.

15. We are definitely of the view that it is wrong that public servants should resort to strike or threaten to do so; and that persons entrusted with the responsibility for operating services essential to the life of the community should seek to disorganize and interrupt those services in order to promote their interests. Apart from these moral aspects, there is little doubt that in Indian conditions, in which there is often a possibility of eruption of indiscipline in an ugly form in one section of the community or another, a strike or even demonstrations by Government servants cannot but be a factor making for indiscipline generally.

16. We, however, recognize that there is another, and equally important, aspect to the relationship between Government and its employees. The Government is no doubt free from the profit motive in the usual sense; and even in Government's industrial and commercial undertakings the profit motive is subordinated to wider considerations of the public interest. But the community's pressure to keep down taxes and the desire for economy in governmental expenditure may sometimes have the same effect as considerations of profit among private employers. Though divergently inspired, the ultimate result in both cases may be identical: resistance to reasonable demands for increased remuneration or for improvement in conditions of service. The Central Government are increasingly undertaking business and industrial functions, which is another factor tending to blur, in the eyes of a considerable proportion of their employees, the distinction between the Government as an employer, and other employers. In the circumstances, if a proposal that Government servants should give up the strike weapon is to have a just basis, and is to secure reasoned acceptance by them, there should be set up an adequate machinery for negotiation, redress of grievances and settlement of disputes; and there should, further, be provision for arbitration to which recourse can be had, should a difference on a question of remuneration or some other particularly important condition of service, such as leave and hours of work, remain unresolved. It is only thus the Government would be discharging the obligation towards their employees which they would be assuming by requiring them to give up the right to withhold their labour. If it is in the public interest that Government servants should not use a weapon which, in the hands of other employees, is an effective instrument for securing fair remuneration and satisfactory conditions of employment, it is only just and right that the Government servants should have an alternate arrangement for securing equitable treatment. If strikes and demonstrations can be eliminated from the public service and a fair treatment can be ensured to public servants through orderly processes, introduction of an adequate machinery

for removal of grievances, including compulsory arbitration, would not be an unreasonable price to pay.

17. We are not suggesting amendment of the law. What we have in view is that a change should be brought about by the employees themselves abjuring the use of the strike weapon and demonstrations, and the Government accepting a convention that they would refer to arbitration any dispute concerning important matters, such as pay and allowances, leave entitlements and hours of work, which are not settled by negotiation. We think that such an arrangement will be possible within the framework of the present law. What is needed, in our view, is a fundamentally new approach, to which the existing law constitutes no obstacle, and for the promotion of which no new legislation appears necessary.

18. Only the demand for facilities for trade union activities now remains to be considered. Most of the Departments with large numbers of employees already provide facilities such as special casual leave, and we are suggesting elsewhere that the other Departments may do likewise. We further suggest that other reasonable facilities may also be provided where they are not provided at present.

CHAPTER L

MACHINERY FOR NEGOTIATIONS AND SETTLEMENT OF DISPUTES

1. In the preceding chapter we have given an indication of the importance we attach to the setting up of a machinery for the discussion and settlement of questions relating to the conditions of service of Government servants. We now discuss the matter more fully.

2. The Varadachariar Commission had been specifically asked to report on "the machinery for negotiating and settling questions relating to conditions of service which may arise out of differences between Government and its employees." The Commission came to the conclusion that some machinery should be kept in constant operation to "secure co-operation, consultation, discussion and negotiation between the staff and the Government"; and further that it was wrong to think that anything in the nature of Whitley system could not be usefully introduced in India. They accordingly recommended establishment of joint councils for Government employees, excluding those in Class I, on the lines of the Whitley Machinery. We are informed that when these recommendations were first considered it was decided that in view of the impending changes in the structure of the Central Secretariat Services, it was premature to introduce such councils in the Ministries generally.

3. The matter seems to have rested there until 1954 when the Government decided to establish Staff Committees (renamed Staff Councils in August 1957) in the Central Ministries. Each Ministry has now got two Staff Councils—a Senior Staff Council for Class II and III employees, and a Junior Staff Council for those in Class IV. The Senior Staff Council is composed of Government nominees and the representatives of Section Officers, Assistants, Stenographers, Clerks, etc. The Ministry concerned nominates a few officers—number not prescribed—not below the rank of Under Secretary, and heads of the attached offices or their nominees, to represent the Administration. The staff representatives are elected directly by the staff, and are not nominated by the staff associations. They hold office for a period of two years. The Secretary or a Joint Secretary of the Ministry is the Chairman of the Council. In consultation with the staff representatives he nominates one of them as Secretary of the Council. The Council is required to meet at least once in three months; but on a requisition by one-fifth of the staff representatives the Chairman has to call a special meeting. The Council can make a recommendation only if it is agreed to by a majority of the members of each side; and the Ministry concerned decides as to what action, if any, should be taken on a recommendation. The proceedings of the Council are submitted to the Minister and his attention is particularly drawn to points of disagreement.

A Co-ordination Committee consisting of three senior officers of the Ministries of Home Affairs, Finance, and Works, Housing and Supply has been constituted recently to deal with matters which remain unresolved at meetings of the Staff Councils. It is for the Ministry administratively concerned with a Staff Council to decide what matters should be placed before the Co-ordination Committee. The criterion suggested by the Ministry of Home Affairs is that any matter which cannot be disposed of by the Ministry itself without consulting other Ministries should be referred to the Co-ordination Committee.

The objects of the Staff Councils are: "(i) to consider suggestions for improving the standards of work; (ii) to provide to the members of staff a machinery for making their points of view known to Government on matters affecting their conditions of service, and (iii) to provide means of personal contact between officers and staff with a view to developing cordial relations between them and encouraging the staff to take a keener interest in their work." The Councils are advisory bodies, and any matter relating to (i) the conditions under which the staff are required to work, (ii) general principles regulating the conditions of service, (iii) welfare of the staff, and (iv) improvement of efficiency and standards of work can be brought for discussion at their meetings.

The composition and functions of the Junior Staff Councils are broadly similar. The Government is represented by officers of a rank not lower than that of Assistant, and the Chairman is a Deputy Secretary of the Ministry concerned. The staff representatives are directly elected by the staff, who are divided for this purpose into two groups, *viz*: (i) Daftries and Record Sorters, and (ii) Peons, Jamadars, Farashes, Sweepers, etc. Each group can elect an additional representative who must be a Government servant belonging to a higher Class, but not holding a post above the rank of Section Officer.

We understand that in 1957 it was decided to set up such Councils in the subordinate offices also and instructions were issued accordingly; but we have no information about the progress made.

4. These arrangements do not extend to the Railways where staff relations have had an independent evolution. In pursuance of an agreement reached between the Railway Ministry and the employees' representatives in 1951 a permanent negotiating machinery has been set up in three tiers:—

- (i) In each Railway zone, the recognised unions have access to officers at various levels including the General Manager. The subjects of discussion are restricted to those which can be finally disposed of by the officers concerned. When a matter is not settled at the divisional or district level, it may be raised at the General Manager's level. Individual cases are, however, not discussed. The Railway Board has recently issued instructions that Staff Councils should be set up in all units and stations where there is a large number of staff;
- (ii) matters not settled at lower levels are taken up by the National Federation with the Railway Board; and
- (iii) matters on which agreement is not reached between the Federation and the Railway Board, and which are of sufficient importance, are to be referred to an *ad hoc* tribunal, consisting of one representative each of the Railways and the staff, and presided over by a neutral chairman. But it is open to Government to accept, reject, or modify an award of the tribunal.

This machinery has been functioning since January 1952, the only change from the arrangement provided being that when a tribunal was set up some time ago it consisted of a single person—a retired High Court judge.

5. In the Posts and Telegraphs Department also arrangements exist under which any demands and difficulties of the staff can be discussed with officials at different levels. At the divisional level, the divisional officers have a monthly meeting with the unions; at the circle level the meetings are once in two months. Matters which cannot be decided at a particular level are brought up at the next higher level; and cases which cannot be disposed of by the circle officers are

referred, through the central unions, to the Director General, Posts and Telegraphs, who meets the representatives of the National Federation of Posts and Telegraphs Employees and its federated unions every month. The unions can also approach the Minister through the National Federation, and this is facilitated by the meeting which the Minister has with the Federation every two months. A standing committee has been set up, under the chairmanship of the Director General, to follow-up and ensure implementation of decisions arrived at the meetings of the Federation and its unions with the Minister and the Director General.

6. The civilian staff of the industrial establishments under the Ministry of Defence have also been provided a machinery for consultation and negotiation. It was evolved in December 1954 in consultation with the representatives of the all India Defence Employees' Federation, and as in the Railways, is in three tiers—(i) unit, factory, depot, etc., (ii) Director General of Ordnance Factories, Command Headquarters, Air and Naval Headquarters, etc., and (iii) the Ministry of Defence. The broad scheme of working too is similar to that under the Railways. Matters on which settlement is not reached at lower levels, proposals involving amendment of existing Government orders, and questions of general policy, are discussed at the Government level, where the Defence Minister also meets the representatives of the Federation at suitable intervals. The arrangement provides for a meeting at the highest level once in four months, and at the middle and lower levels when found necessary.

7. The industrial employees of the Government are covered by the Indian Trade Unions Act, 1926, and by the Industrial Disputes Act, 1947, which does not make any distinction between employees of Government and other employees; such distinctions as it does make are based on the nature of an undertaking or service in which a person is employed, or the nature of his functions, and the limit of his emoluments. Among other procedures for settlement of disputes the Act provides for voluntary arbitration; and in the case of a public utility service for compulsory adjudication, on the fulfilment of certain conditions, unless the Government considers the threat of strike to be frivolous or vexatious, or reference to adjudication inexpedient (Section 10 of the Act). The adjudicator's award becomes binding on the parties on being accepted by the Government, and notified as such.

8. Thus, in law, the industrial staffs of Government are as well placed to secure satisfaction of their reasonable demands as any other industrial employee. And taken with the provisions of the Industrial Disputes Act, the arrangements described in earlier paragraphs would seem to provide an adequate machinery for discussion and settlement of disputes between Government and their industrial staff. The arrangements in respect of the other staffs might also appear at first sight to be not unsatisfactory. And yet, the evidence before us indicates that there is a great deal of dissatisfaction with the present position. The criticism of the existing machinery made on behalf of the employees' organisations ran generally on the following lines: that the will was lacking, on the part of the Government, to accept "the principle of joint consultation as an effective instrument for prevention of disputes"; that even where the machinery was well-conceived, it was not being worked efficiently; that meetings were not being held regularly, or decisions taken or implemented promptly; and that some of the officers representing the Administration did not have the right attitude towards the machinery which they were supposed to work. Some of the employees' associations referred with regret to the fact that the Varadachariar Commission's recommendations in this matter had not been accepted by Government, and in proposing that the situation required the establishment of a machinery which fully in spirit and largely in form followed the Whitley machinery in the United Kingdom, they appeared to us to represent

the general feeling among the employees' organisations. Some of the staff associations, in fact, wanted a great deal more: participation of the staff in management and administrative processes, including a voice in promotions and disciplinary cases.

A great deal of support for a permanent machinery for consultation, negotiation and settlement of disputes has come from other witnesses also, and there are in fact few dissentients.

9. Since much of the criticism of the existing arrangements and the proposals for the future referred to the Whitley machinery, we considered it necessary to study the constitution and functioning of that machinery, and we were greatly helped in this process by the discussions which, on two occasions, we had with Mr. Douglas Houghton, Member of the British Parliament, and until recently Chairman of the Staff Side of the National Whitley Council. We think a brief description of the Whitley Councils, their scope and limitations, will facilitate discussion of the issues with which we are concerned.

10. The Whitley machinery consists of a National Whitley Council for the general classes of the Civil Service, and separate Departmental Councils for staff peculiar to a Department. The object of the National Council is to secure "the greatest measure of co-operation between the State in the capacity of an employer, and the general body of civil servants in matters affecting the Civil Service, with a view to increasing efficiency in the public service combined with the well-being of those employed"; and its constitution provides that "the scope of the National Council shall comprise of all matters which affect the conditions of service of the staff." The National Council, which has a total strength of 54, is composed of two Sides—Official and Staff—in equal numbers. The Staff Side is responsible for deciding from time to time the number of seats to be given to the different associations represented on it. The original formalities have largely been dispensed with and the work is done mainly through small committees, and a great deal of it by personal contacts between the Staff Side and the leading members of the Official Side. The full National Council now rarely meets. These developments have been possible because of the increasing goodwill and mutual confidence between the two sides and their desire to "get more and more out of this machinery." The result is that the field of consultation and co-operation is widening.

The National Council is not concerned with purely departmental matters. For these, as stated earlier, there is, in most Departments, a Departmental Whitley Council, independently appointed, with Official and Staff Sides on the lines of the National Council. Similarly, there are District or Regional Committees which deal with the purely local problems of the staff distributed throughout the country. There is no hierarchical connection between the National and the Departmental Councils. The National Council must, however, approve all Departmental Council constitutions; and it is kept informed of departmental developments which seem to be inconsistent with national agreements or to have application or consequences beyond the Department concerned.

But there are limitations—constitutional and otherwise—on the working of the machinery. There is an agreement between the two Sides which reads as follows:—

"The establishment of Whitley Councils cannot relieve the Government of any part of its responsibility to Parliament, and Ministers and Heads of Departments acting under the general or specific authority of Ministers must take such action as may be required in any case in the

public interest. This condition is inherent in the constitutional doctrines of parliamentary government and ministerial responsibility, and Ministers can neither waive nor escape it.

It follows from this constitutional principle that, while the acceptance by the Government of Whitley system as regards the Civil Service implies an intention to make the fullest possible use of Whitley procedure, the Government has not surrendered, and cannot surrender, its liberty of action in the exercise of its authority and the discharge of its responsibilities in the public interest."

In brief, the position thus is that the supremacy of Parliament, and control of Government over matters relating to the civil service, remain in tact; which explains why there is practically no scope for discussion of matters of government policy even though they may have direct bearing upon service conditions. Thus the clause in the constitution of the National Whitley Council that decisions "shall be arrived at by agreement between the two sides, shall be reported to the Cabinet, and thereupon shall become operative" may, taken by itself, create a wrong impression. The Tomlin Commission in fact described this as a misstatement of the position, adding that unless the Cabinet, through Ministers, authorises the Official Side to agree no agreement can be reached on the Council. The Official Side thus goes to the Council with a very clear understanding of the Government's mind on matters to be discussed. To quote Mr. Douglas Houghton:—

"The official side is indivisible. That is the fundamental point of the whole Whitley system in the Civil Service. It may have been imperfectly understood by its founders. Agreements are not reached and subsequently reported to Ministers. They are authorised by Ministers before they can be reached."

There are other limitations on the scope of the National Council. In practice, the Staff Sides do not attempt to discuss by Whitley machinery the pay or grading of the very highest posts in the Service. Again Whitleyism has not superseded direct negotiations with the staff associations; in fact, questions of class or grade remuneration are more often dealt with by direct negotiations than by Whitley discussion. The Councils moreover have confined themselves largely to "bread and butter questions"; they have not been agencies for authoritative staff co-operation in the great issues of administration; and they do not have an effective share in the management of the Civil Service, as some of our witnesses seemed to believe they had. The Whitley Councils have not generally interested themselves in the bigger, non-economic, problems of administration. But they have helped—to quote Mr. Houghton again—"to keep the peace and make people happy in their work"; and this is no small gain.

11. If, as is the case, the Whitley machinery does not in reality reduce the powers of the Government and its administrative authority, the question arises as to what is it that gives satisfaction to the staff, and whether there are other gains which would justify setting up a similar machinery here. The Whitley Councils are not purely consultative bodies, with no power to take decisions. They are authorised to, and do take decisions; and the decisions do not in fact require anybody's approval to become operative. From the point of view of the staff, this is a far more satisfactory procedure than one providing for mere consultation to be followed by action according to the judgment of the Government. The Official Side has to discuss matters fully and to justify its standpoint. It may differ from the Staff Side, but the difference has to be based on grounds which would have to be stated at a meeting of the two Sides and rationally justified; and in actual working, there is a substantial difference between such an arrangement, and one under which the

official representatives may meet even an eminently reasonable proposal of the staff with the observation that they would place it before the Government. If a Whitley type machinery is introduced, the position would be comparable to that in industry where the manager negotiates, and enters into agreements with the employees, even though he acts under the authority of, and in matters of importance with the explicit approval of, the directors. And it would give to the staff the kind of satisfaction which collective bargaining in industry gives to employees.

12. A further doubt has been raised about the utility, particularly, of a central joint council similar to the National Whitley Council—a doubt whether such a body would not be redundant. Apart from the right of individual employees to approach heads of offices, Departments, etc., through prescribed official channels, every recognised staff association is free to place before the employing authority any views it may have on any matter relating to the conditions of service of its members. And whatever may have been the position some years ago, a considerable proportion of Central Government employees are now organized into staff associations. There are in all about 356 recognized, and over 600 unrecognized associations. From the information available to us, the total membership of the recognized associations which had sent memoranda to us is of the order of 7 lakhs; and if the membership of recognized associations which had not sent memoranda to us, and of the unrecognized associations which may have received recognition after we had collected the information, are taken into account, the total may well be about half, or more, of the entire strength of Central Government employees. The facts that such a high proportion of employees are now organized into service associations, and trade unions formed on functional basis, and in the Railways, the Defence and Posts and Telegraphs Departments into federations of unions, do not, in our view, make a central joint council representing the whole body of Central Government employees unnecessary. There are matters concerning pay and allowances and other conditions of service, which affect employees in all Departments and which cannot be discussed fruitfully in the departmental joint committees, etc. The fact that since the Varadachariar Commission's Report, the remuneration of Central Government employees has been determined on a uniform basis, and the conditions of service have tended increasingly to conform to a common pattern, makes a central joint body essential; it also suggests the likelihood of such a body working more smoothly than would have been the case otherwise. There may be other gains too. The different branches of the civil service would be brought together, and the various grades obliged, as a matter of practical necessity, to consider the problems and needs of one another; and this might, in course of time, develop among the employees the feeling of belonging to a single public service.

13. The facts about the strength of staff associations we have mentioned above, incidentally, dispose of another—and opposite kind of—doubt, *viz.* that a machinery for joint consultation, negotiation and settlement of disputes cannot be set up or made to work well until the employees are organized into the primary units, namely, service associations, unions, etc. As we have pointed out, a large proportion of the employees are so organized; and we may add that in our judgment this organization and the consciousness behind it make it necessary that the structure should be completed with the addition of the kind of machinery we have been discussing.

14. We have considered whether, as in the United Kingdom, there should be a separate machinery for the industrial staffs of the Central Government. In that country, there is a Joint Co-ordinating Committee for Government Industrial Establishments, which performs very much the same functions as the National Whitley Council. There are Departmental Councils in the Departments which

employ substantial numbers of industrial staffs; and there are Trade Joint Councils covering Government industries in all Departments in the trades with which they are respectively concerned—the Engineering Trades Joint Council, etc. We do not think that a similar, separate, machinery is necessary in India. The industrial staffs here have several matters in common with non-industrial staffs, and the staff organizations in at least some of the Departments, for instance, the Railways, have had a unified growth, which it would not be desirable to disturb. It seems to us that all that would be needed here is a committee of the central joint body to deal with matters peculiar to industrial staffs. And there might be similar committees at the departmental level also, if found necessary. But, subject to these arrangements, a single machinery for both industrial and non-industrial staffs, would, in our view, be preferable.

15. We have examined whether the Whitley type machinery, which we have in view, can be developed from the existing arrangements. We doubt if there is a possibility of such a machinery developing out of the Staff Councils; it can develop much more easily out of the existing arrangements under the Ministries of Railway and Defence, and the Posts and Telegraphs Department of the Ministry of Transport and Communications. The Staff Councils have little in common with the Whitley machinery—apart from this similarity in nomenclature. Their objects have been laid down in very wide terms, but their powers and procedures greatly limit their effective scope. Most matters concerning conditions of service are generally dealt with centrally and not Department-wise; but there is nothing like a central staff council to discuss such matters. The result is that the recommendations of the Staff Councils are transmitted to the appropriate Ministries for consideration in the usual manner and decisions taken on them are made known to the Councils after a lapse of time which, in some cases, is considerable. The Official Side has no authority to make any commitment on behalf of Government and its members can at best express their personal or provisional views without binding the Government in any manner. In the circumstances, these Councils cannot be described as a machinery for negotiation. They are, in actual practice, merely a forum for the staff representatives to ventilate their grievances and put forward their viewpoint to the nominees of the Government. We are not sure if these Councils can be considered even as providing a machinery for consultation. From the information available to us, it does not appear that any problems or proposals are referred to these Councils by Government for advice. The general complaint is that except in matters concerning welfare activities the Councils have not done much to improve staff relations or to give satisfaction to the staff. We are not surprised that such a complaint should be made. We have said enough to show that these Councils are conceived entirely differently from the Whitley Councils.

The existing arrangements in the Ministries of Railways, Transport and Communications, and Defence, on the other hand, have features which appear to us to have far more significance for the growth of a joint consultative machinery. The arrangement at the National Federation—Railway Board level, for instance, is comparable to a Departmental Whitley Council, and the arrangements lower down to the regional and local committees of the Departmental Councils. The machinery at the top level in the Ministry of Defence and the Department of Posts and Telegraphs is also similar to Departmental Whitley Councils.

16. In an earlier chapter we have recommended that the Government should accept compulsory arbitration as a method of settling differences which are not resolved by negotiation. The question arises whether compulsory arbitration is necessary, or even compatible with a Whitley type machinery. One of our witnesses, with a great deal of experience of problems of employer-employee relationship in this country and abroad, thought that the two make a poor combination,

and that the moderation and spirit of compromise which are essential if a negotiating machinery is to function well, are lacking when either side has the freedom to have disputes referred to arbitration. As against this, it has been pointed out that provision for compulsory arbitration—and occasional resort to it—has not in any way reduced the utility of the Whitley Councils; that, on the other hand, provision for compulsory arbitration makes the Whitley machinery work more equitably, both sides being conscious that an unreasonable view was not likely to be supported by the arbitration tribunal, and that there was a possibility of the tribunal allowing less than what was offered in negotiation “without prejudice”, in case of arbitration. It has also been pointed out that once the employees give up the strike weapon, and there is no provision for compulsory arbitration, they would have, in the last analysis, to accept as fair and equitable whatever the Government considered to be so. We agree with these views, and regard compulsory arbitration as a necessary complement to a joint machinery for negotiation, etc.

17. A more fundamental objection has also been raised to the introduction of compulsory arbitration. It is that while the Government would continue to be responsible to the legislature, and ultimately to the people, for good administration, personnel policies, unless acceptable to the employees, would be determined by the arbitral body; and that while article 320 of the Constitution requires the Government to act in consultation with the Union Public Service Commission on matters relating to recruitment, promotions and discipline, they would have to be guided by awards made by arbitrators on issues relating to those matters even if the awards are in conflict with the advice of the Commission. This line of criticism certainly brings out some of the implications of permitting compulsory arbitration on a wide range of personnel questions, such as some of the employees' organizations seem to desire. A witness representing one of the Railway Federations, for instance, expressed the view that there should be provision for compulsory arbitration whenever there was any disagreement between the Government and their employees on any matter. We do not ourselves think that it should be so, and we recommend that, as in the British Civil Service, compulsory arbitration should be limited to pay and allowances, weekly hours of work and leave; and further that matters concerning employees above the present Class II level, and individual cases of any kind, should be specifically excluded. We also think that arbitration should be open only to recognized associations; but this should be taken with the observation we have made in an earlier chapter that reasonableness of the rules for recognition of staff associations is a necessary condition of a proper working of a joint machinery for consultation and negotiation, and of provision for arbitration.

18. In the United Kingdom, the Government has reserved to itself the right to refuse arbitration “on grounds of policy”, and the Government's commitment to give effect to arbitral awards is subject to the overriding authority of Parliament. While these reservations are constitutionally necessary, they have not in practice been used freely to refuse or nullify arbitration; in fact, as far as we are aware, arbitration has so far been refused on only one major policy issue, viz., that of equal pay for men and women. In this matter also, the British model may be followed with advantage—both in principle, and in practice.

19. Our attention has been drawn to the fact that the Whitley type machinery together with compulsory arbitration is peculiar to Great Britain, that similar bodies established in some Provinces of Canada have generally not proved a success; and that in the United States Federal Government, while there are some arrangements for consultation and co-operation with the staff in some Departments, there is no machinery of the Whitley type. And there is no provision for compulsory

arbitration, or, as far as we have been able to gather, even for voluntary arbitration. The suggestion is that institutions which may work well in the British political and social environment may not be suitable for other countries, and that it might be imprudent to attempt to transplant these particular British institutions on Indian soil. We do not share this fear; and we consider the United States' example inappropriate in this context. In that country, the Congress exercises close control over civil service matters; it determines rates of pay, decides other important matters concerning the civil service, and legislates to regulate the conditions of service. And the employees and their organizations have ample opportunities to have their views considered by the Congress. There is a law in the United States which provides that "the right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress or any member thereof or to furnish information to either House of Congress or to any Committee or member thereof, shall not be denied or interfered with". In India though the ultimate authority of Parliament is always there, most civil service matters are decided by the Government. The position here is thus much nearer that obtaining in the United Kingdom than the position in the United States. The difference from the United States is illustrated by the wholly different attitude here to a Government servant approaching a member of the legislature. It is considered a disciplinary offence or, at any rate, an improper act for a Government servant to seek the support of a member of the legislature. And it is significant that even in the United States, there is a growing realization of the need for a formal consultative machinery. The first Hoover Commission had recommended: "The President should require the heads of departments and agencies to provide for employee participation in the formulation and improvement of Federal personnel policies and practices.....One possible method (of doing it) would be to establish within each agency a council composed both of supervisors and employee representatives." The Task Force on Personnel and Civil Service for the second Hoover Commission (1955) concurred in this recommendation.

We are convinced that the conditions in India do not make it imprudent to set up a Whitley type machinery and to provide for compulsory arbitration; on the contrary, the conditions require that such a machinery should be set up and compulsory arbitration provided, and we recommend accordingly.

20. Before we conclude, we wish to add that it appears to us to be of some importance that the Ministry of Labour should be closely associated with important matters concerning staff relations. The Ministry should, in particular, be associated with the proposed central joint council; and it is that Ministry which should appoint the chairman of a board of arbitrators, should arbitration become necessary. As a matter of policy, the Government now seek to influence through the Ministry of Labour the wage structure and conditions of employment in the private sector. It is, therefore, only right, if the general labour policies of Government are to apply, in spirit if not always in form, to their own employees, that the Ministry of Labour should be associated with other Ministries in dealing with matters concerning Government's employees. This is particularly necessary in the case of industrial staffs. It is natural for the employing Ministries to look at the problems of their employees primarily from the employer's angle; the Ministry of Labour would bring to bear on those problems the Government's general labour policy. And what is equally important, the employees themselves would view matters thus.

CHAPTER LI

DISCIPLINARY PROCEEDINGS

1. Several organisations of non-gazetted employees have complained that there is excessive use of disciplinary powers, that the punishment imposed is often too severe or arbitrary, and that disciplinary procedure are not such as would ensure a fair and impartial enquiry. They have proceeded to propose that disciplinary enquiries should be conducted by a body of officers not belonging to the Department in which the employee, whose conduct is to be enquired into, is serving, or that in the alternative, administrative tribunals should be established to enquire into disciplinary cases; that an employee should be free to have himself represented by a person of his choice at disciplinary proceedings; and that there should be an unfettered right of appeal right up to the head of the Department. A further complaint is that withholding of increments for failure to pass a departmental examination, stoppage at an efficiency bar on the ground of unfitness to cross the bar, and "non-promotion", etc., which are excluded from the list of penalties under Rule 13 of the Central Civil Services (Classification, Control and Appeal) Rules, 1957, should be treated as penalties, and made subject to the procedure and other safeguards applicable to disciplinary action generally.

The Railway employees who, with some exceptions, are governed by provisions similar to those of the Central Civil Services (Classification, Control and Appeal) Rules, 1957, have a further complaint related to the provision in Rule 148 of the Indian Railway Establishment Code, to the effect that the service of a non-pensionable Railway servant shall be liable to termination on notice on either side for periods ranging from one to six months, depending on the nature, etc., of the employment. Under this provision, the services of a permanent non-gazetted employee can be terminated on a month's notice, and the complaint made by the employees' organisations concerned is that advantage is taken of this provision to deprive employees of even such safeguards as is afforded by the prescribed disciplinary procedure. Another large body of Central Government employees who are governed by separate disciplinary rules are civilians in the Defence Services, and their special grievance is that under the Union Public Service Commission (Consultation) Regulations, 1958, consultation with the Commission in regard to any disciplinary matter affecting them has been dispensed with.

2. Before we examine whether any of the general or special provisions complained against is open to reasonable criticism, we may review the scale on which disciplinary action has actually been taken during the last two to three years, and the nature of the action taken. The two tables below summarise the information that is readily available.

TABLE I (A)
(For staff other than those under the Railways)

	1956-57		1957-58		April 1958 to December, 1958	
	Gazetted	Non-gazetted.	Gazetted	Non-gazetted.	Gazetted	Non-gazetted.
Number of complaints	1397	3279	1663	4800	1271	4949
Dropped without enquiry	173	228	195	382	271	947

TABLE I (A) -- contd.
(For staff other than those under the Railways)

	1956-57		1957-58		April 1958 to December, 1958	
	Gazetted	Non-gazetted.	Gazetted	Non-gazetted.	Gazetted	Non-gazetted.
Dropped after enquiry	469	919	723	1541	606	1930
Proportion of cases dropped before and after enquiry to the total number of complaints	46%	35%	55.2%	40%	69%	58%
Cases completed during the year (including those pending from previous year).	344	Not available.	327	1647	210	1599
<i>Major penalties :</i>						
Dismissal	9	„	7	108	4	89
Removal	9	„	9	138	5	126
Compulsory retirement	4	„	4	9	4	7
Reduction in rank	8	„	8	114	10	96
Total	30	„	28	369	23	318
Proportion of cases in which major penalties were imposed to total number of cases completed	8.3%	Not available.	8.5%	22%	11%	19.9%

TABLE I (B)
(For Railway staffs)

	1956-57	1957-58
Number of cases registered*	3518	5656
Number of cases dropped	1722	1886
Proportion of cases dropped†	49%	53%
Number of cases completed	511	1301

*Including cases pending from the previous year.

†This proportion is to the number of cases registered during the year.

TABLE I (B)—*contd.*

(For Railway staffs)

	1956-57		1957-58	
	Gazetted.	Non-gazetted.	Gazetted.	Non-gazetted.
Dismissal . . . . .	..	20	..	46
Removal	1	94	1	116
Reduction in rank . . . . .	..	46	..	29
Stoppage of increment . . . . .	..	124	2	298
Other punishments	1	177	6	266
Total	2	461	9	755
Proportion of cases of dismissal, removal and reduction, to the total number of cases completed	31%		14.7%	

The figures above do not at all suggest that disciplinary action is taken in far too many cases, or that major penalties are imposed too freely. To take 1957-58 and non-gazetted staff, enquiries were made only in 2,948 cases (Railway and other staffs together), out of which major penalties were imposed in 560 cases; and of these, 154 and 254 were orders of dismissal and removal respectively. Considering the total number of employees under the Central Government (17,73,570), these may well be regarded as extraordinarily low figures, only about one employee being dismissed or removed out of every 4,347 employees. The figures of "separation for cause" (which correspond to dismissal and removal by way of disciplinary action in India) in the U.S. Federal Service are available for some years, and they range from 32,345 in 1952 to 11,335 in 1957.* Even the last mentioned figure was 2 per cent. of the total civilian employment in the Federal Government.

3. One of the questions in the questionnaire issued by us was whether employees enjoyed inadequate, excessive, or about the right degree of protection in disciplinary matters, and while most of the larger federations and unions of Central Government employees answered that the employees enjoyed inadequate protection, some employees' organisations, including organisations of non-gazetted employees, thought that the provisions relating to disciplinary matters were satisfactory. There was also a third school of thought, that represented among others by certain professional and academic bodies, which considered that Government servants enjoyed excessive security and protection, and that this was leading to some degree of slackness and stagnation. The figures above tend to lend support to this view. While it is essential that Government servants should be assured of fair and just treatment in disciplinary as in other matters, and of protection against capricious or vindictive action, it is equally essential that the interest of the community and its right to have from civil servants honest, industrious, and efficient service, are not sacrificed by lenient treatment of inefficient or delinquent employees.

*United States Civil Service Commission, 1957 Annual Report—page 127.

4. The relevant figures do not also support the allegation of abuse of the provision of Rule 148 of the Indian Railway Establishment Code. The Railways have about a million employees, and during a period of six years 1952—57, it is only 169 employees whose services were terminated under that provision, or in terms of service agreement. A provision of this kind is not peculiar to the Railways, and is found commonly in industrial undertakings both in the public and in the private sector. What is important is as to how the provision is used, and certain questions were, therefore, put to the Chairman of the Railway Board when he came to give evidence before us. His answer was that the power was used with great care and that cases in which the power is used do not end with the General Manager, but come up to Government where the Minister satisfies himself as to the necessity and fairness of the action taken.

5. We asked the official witnesses (both civil and military) from the Ministry of Defence what the considerations were for excluding from the purview of the Union Public Service Commission disciplinary matters affecting civilians in the Defence Services, and we were told that civilians in the Defence Services have to work closely with military personnel who are governed by an exacting code of discipline, and against whom action is taken promptly if anything goes wrong; that it is desirable that there should not be too wide a divergence between the disciplinary procedure applicable to the two groups, and that in particular it should be possible to take speedy action in all disciplinary matters; and that in many cases military officers are the disciplinary authorities for the civilians as well as for the military personnel. In short, the exclusion of the civilians in the Defence Services from the purview of the Union Public Service Commission is explained by the fact that they are ancillary to the military services. We have not had the time to examine whether the justification for excepting the civilians in the Defence Services from the requirement of consultation with the Commission extends beyond original disciplinary orders to appeals against, or reviews of, such orders, and we suggest that the Government themselves may have this examined.

6. We briefly refer to the broad scheme of disciplinary provisions and procedures before we consider the other criticisms—general or specific—that have been levelled by many of the employees' organisations. To begin with, certain actions—such as the withholding of increments for failure to pass a departmental examination, stoppage at an efficiency bar, non-promotion to a higher service or post, termination of the services of an employee on his being found unsuitable during or at the end of the period of probation, or of a temporary Government servant in accordance with Rule 5 of the Central Civil Service (Temporary Service) Rules, 1949—though affecting an employee adversely, are expressly excluded from the list of penalties. Secondly, penalties are divided into major and minor; and the procedure to be followed before a major penalty can be imposed is much more elaborate than that preceding the imposition of a minor penalty (reduction in rank, compulsory retirement, removal from service which shall not be a disqualification for future employment, and dismissal which ordinarily shall be, are the major penalties). Thirdly, within the limits set by the provision of clause (1) of article 311 of the Constitution, disciplinary orders are passed by authorities specified for the purpose by general or special orders. Broadly speaking, the level of the disciplinary authority is related to the status of a service or post, the President being the authority for the Class I services, and officers of, and sometimes even below, the rank of Under Secretary being empowered to pass disciplinary orders affecting Class IV staffs. Further, in many cases, while a lower authority is empowered to impose minor penalties, the major penalties can be imposed only by a higher authority. And the gradation of appellate authorities follows the same broad pattern. It is, however, open to any employee or ex-employee against whom disciplinary action has been taken, to

submit a petition or memorial to the President. Lastly, it is necessary to consult the Public Service Commission in regard to all cases in which (a) an original order imposing any penalty is passed by the President; (b) an order is passed by the President in appeal against a penalty imposed by a subordinate authority; and (c) when an order is passed by the President on a petition or memorial, or otherwise, over-ruling or modifying an order of punishment made by the President or by a subordinate authority. Such consultation is, however, not necessary, if it is proposed not to interfere with the order of punishment. Except in the classes of cases described above, consultation with the Public Service Commission is not necessary either in passing original orders or in appeals against disciplinary orders.

7. Some employees' organisations would like all action which affects an employee adversely to be treated as punishment, and to be made subject to the procedure prescribed for the conduct of disciplinary cases. While it should be, and is, open to an employee to make a representation against any order with which he feels aggrieved, a widening of the concept of discipline and punishment, such as has been suggested, would have a crippling effect on those entrusted with personnel administration. There would be little scope left for exercise of judgment or discretion in personnel matters, and rigid and dilatory procedures would replace flexibility in a sphere in which it exists at present, and is necessary. Above all, it would be wrong to give an artificial and specially extended meaning to disciplinary action, and to treat, for instance, the withholding of a reward as if it were a punishment. We have studied disciplinary provisions and procedures applicable to the civil services in several countries, and in regard to matters to which we refer in this paragraph, the position in those countries is not dissimilar to that in India. For instance, termination of the services of a probationer, or of a temporary employee, is in most countries a relatively simple matter of administrative discretion, not one involving elaborate enquiries etc., necessary in disciplinary cases.

8. The Indian procedure for imposing minor penalties also is, in essence, not different from the procedure in many other countries, and is well designed to secure fair treatment for the employee without disproportionate expenditure of time and energy of the supervisory authorities. For instance, in the United States Federal Service, in the United Kingdom, Australia, New Zealand and France, minor disciplinary offences, not likely to lead to major punishment, are dealt with much more simply than the more serious offences; in some cases, in fact, a minor punishment can be imposed by a summary procedure. The procedure of enquiry into major offences in this country is as formal and elaborate, and affords as much opportunity to the employee to clear himself of the charges against him as in most other countries of which we have information. And in one respect, the Central Government employees is in a better position; while a Federal employee in the United States is required to submit a written reply in his defence normally within five working days, an employee in Australia within seven days, and one in New Zealand within three to five days, the time allowed to a Central Government employee for submitting his reply to a charge, or even his explanation in minor cases, is far longer. It is worth serious consideration whether, if disciplinary proceedings are not to drag on for months, as they usually do at present—often to the detriment both of the employee and the public service—similar time-limits should not be fixed here also.

9. In regard to presentation of his case through a counsel, the employee has this facility in Australia, New Zealand, France and Germany. In the United Kingdom, an employee is allowed, if he wants, the assistance of a friend or a colleague in representing his case orally. A Central Government employee can engage a legal practitioner, as a matter of right, only if a legal practitioner is engaged to support

the charge against him. He is, however, free to present his case with the assistance of any other Government servant, provided the particular Government servant is approved by the disciplinary authority. While it is desirable that disciplinary enquiries should not assume the character of full-fledged judicial trials, and the present restrictions on engaging legal practitioners may, therefore, continue, there is no good reason why an employee's choice of a colleague to assist him should require the approval of the disciplinary authorities. We, therefore, recommend the withdrawal of this condition.

10. We have referred to the proposal made by some employees' organisations that disciplinary enquiries should be made by agencies outside the departmental hierarchy, and to the alternative suggestion that administrative tribunals should be set up for hearing disciplinary cases. We have examined the relevant provisions in India and compared them with those in practice in some other countries. The practice, we have found, varies a great deal. In the United Kingdom, for instance, disciplinary matters are dealt with entirely within the Department, and even the Civil Service Commission is not consulted. In the United States Federal Service, the Civil Service Commission comes in only as an appellate authority, and that too, in the case of permanent employees other than ex-Servicemen only for the purpose of satisfying itself that the prescribed procedure had been followed and that there had been no discrimination because of race, religion, politics, etc. The Commission does not go into the sufficiency of the reasons for the punishment. At the other end, Germany has established a system of disciplinary courts—courts of first instance, and above them, a court of appeal. In France, a Board of Discipline which includes employees' representatives, advises the administrative authority as to the punishment to be awarded; and if the authority decides upon an action more serious than that recommended by the Board, the employee has a right of appeal either to the Conseil Supérieur or, to the relevant administrative tribunal. In Australia, disciplinary matters are dealt with by the departmental authorities, but there is provision for appeal to an independent board which includes an elected representative of the employees. In New Zealand, action on major offences, though initiated by the departmental authorities, is taken over and completed by the Public Service Commission; and there is, in addition, right of appeal to an independent tribunal known as Board of Appeal.

11. A system such as that of Germany or France is not compatible with the position accorded to the Public Service Commission by sub-clause (c) of clause (3) of article 320 of our Constitution, which requires that the Commission shall be consulted on all disciplinary matters affecting a Government servant. The question, however, is whether the Central Government employees can be, and are in fact being, afforded all the reasonable protection and assurance of fair treatment in disciplinary matters that is permissible within our constitutional and administrative framework. But for the provision of paragraph 5 of the Regulations made under the proviso to clause (3) of article 320, it would have been necessary to consult the Union Public Service Commission on all disciplinary matters, including those relating to very minor offences, affecting any employee of the Central Government whatever his rank, duties and nature of tenure. As it is, the effect of the exclusions from the Commission's purview made under paragraph 5 of the Regulations is to limit consultation to cases concerning less than 2 per cent. of the employees. The case of the civilians in the Defence Services stands on a special footing, and has already been dealt with. As to others, a Class III, or Class IV, or an industrial employee has no chance of having his case examined by the Public Service Commission, even if the penalty proposed or inflicted is that of dismissal, unless the Central Government propose to modify the order passed by a subordinate authority. That a very small number of cases concerning Class III and Class IV

employees are referred to the Public Service Commission is brought out by the following figures furnished by the Commission of cases sent to them during the years 1954—1958: appeal cases 5; review cases 22; and petition cases 46.

12. We asked the present Chairman as also an ex-Chairman of the Union Public Service Commission whether, from the cases they had seen, they thought that in disciplinary matters employees were getting fair treatment, and their reply was that by and large they were. It would also appear from the analysis below of the results of appeals etc., in 1957-58 that appeals and memorials are not dealt with perfunctorily, as some employees' organisations have suggested:—

TABLE II

	1957-58						Proportion of cases in which penalty was either set aside or reduced to the total No. of cases.
	Total No.	Penalty set aside.	Reduced	Enhanced	Remitted for further proceedings.	Rejected/other action	
Appeal :							
Gazetted .	39	5	1	1	2	30	
Non-gazetted .	302	28	48	4	18	204	18%
Review :							
Gazetted .	5	..	..	..	..	5	
Non-gazetted .	60	5	4	6	5	40	15%
Memorial							
Gazetted .	39	..	..	..	2	37	
Non-gazetted .	265	5	15	2	13	230	7%

The figures also, incidentally, show that there are some cases in which the penalties imposed by the disciplinary authorities are too lenient; and this is, apparently, so also in the judgment of the Union Public Service Commission, which agreed to the enhancement of the penalty in twelve out of the twenty-two review cases referred to them in 1954—58. The question, however, remains whether a system under which at no stage of disciplinary cases concerning more than 98 per cent. of the employees any independent body has to be consulted, can inspire confidence of the employees, and give them the assurance that they would not be punished without good cause, or punished out of proportion to their offence. The answer, in our judgment, is that it will not.

13. We recognise that there would be very serious practical difficulties if the Commission were to be consulted before passing original orders in all disciplinary cases, or even in all cases in which it was proposed to impose a major penalty. Besides the volume of work that would be involved, the fact that Central Government employees are distributed all over the country would necessitate the setting up of regional branches of the Commission if excessive delays were to be avoided; and this, in turn, would give rise to a variety of problems not capable of easy solution. Moreover, even apart from these practical considerations, there is no

need to bring in the Public Service Commission at the stage of original orders in cases other than those already referred to it. Nor is it essential that the Commission should be consulted in dealing with appeals, memorials, etc., against minor penalties imposed on all classes of employees. But it should be feasible, and it is certainly most desirable, that all appeals and memorials, etc., which come to the Central Government against imposition of major penalties, should be referred to the Commission, and that even the lowest grades of employees should know that their memorials etc., to the Central Government would not be disposed of without taking the advice of the Commission. Appeals to the Central Government even at present are required to be decided in consultation with the Commission, and so the practical question is only in regard to memorials and petitions. If all memorials and petitions are referred to the Commission, as we recommend, considerable strengthening of the Commission would be necessary; but the additional expenditure involved would be a small price to pay for the satisfaction that it would give to the employees. In order that the changes we are recommending may fully serve the purpose in view, we suggest that the power to withhold appeals, memorials or petitions under prescribed circumstances, should be exercised by an authority higher than the one which had passed the orders against which the appeal, etc., is made.

14. There is only one more suggestion which we wish to make, and that is that a disciplinary enquiry may not be conducted by the immediate superior of the Government servant being proceeded against, or by an officer at whose instance the enquiry was initiated. Unless the enquiring officer is one who is not interested or is not believed to be interested in the outcome of the enquiry, he may fail to inspire the confidence either of the employee or of the public, and, in some cases, of both. For it would be well to remember that while some sections of employees are apt to feel that in disciplinary enquiries the dice is loaded against them, sections of the public feel that with the immediate superior officer conducting the enquiry the dice is loaded in favour of the employee.

CHAPTER LII

CLASSIFICATION OF SERVICES

1. The services and posts under the Central Government are divided into four Classes—I, II, III and IV. The lines of division run horizontally across the civil service, resulting in a grouping of services and posts on a non-departmental, non-occupational basis. With the possible exception of one or two neighbouring countries, this kind of classification is peculiar to India. Its genesis is a recommendation of the Islington Commission (1912—15) that where there was a large body of work not sufficiently important to be entrusted to officers of the Imperial Services but yet of a kind which could not be performed by a subordinate agency, there should be, over and above the Subordinate Services, two services or two classes of one service to be described as Class I and Class II. It was, however, only about 1926 that the terms 'Class I' and 'Class II' came into use; and the terms 'Class III' and 'Class IV' were introduced on the recommendation of Varadachariar Commission as substitutes for the then existing description of the lower services as 'Subordinate' and 'Inferior'. That Commission also considered the advisability of abolishing the fourfold classification, but came to the following* conclusion:—

“Even under any new constitution that may come into existence, it is not unlikely that appointments to the higher posts will be made by higher authority, while appointments to the ranks will be made by subordinate authorities under some kind of delegated power. This differentiation cannot, therefore, be regarded as something objectionable in itself. In the statutory rules as they now stand, this classification is, as already stated, linked up with differences in privileges in respect of disciplinary action, right of appeal, etc.; and it will not be worthwhile disturbing the scheme by altering the classification unless—and except to the extent to which—a change seems necessary.”

2. Broadly speaking, the Class in which a Service or post is to be placed is determined by the rate of pay it carries; and the general pattern is as follows:—

Pay, or maximum of the scale, of a Service/post.	Classification
Rs. 850 and above	Class I
Rs. 501 to 849	Class II
Rs. 61 to Rs. 500	Class III
Not exceeding Rs. 60	Class IV

Exceptions are permissible, but only with the concurrence of the Ministries of Home Affairs and Finance; and some exceptions have actually been made. While they may have given some satisfaction to the services which have been placed in a Class above that to which their pay entitles them, the exceptions have caused heart-burning among those in the same pay range who have not been so elevated. Some

*Page 15, paragraph 20, of their Report.

of the exceptions are Section Officers (Grade II) and Assistants in the Central Secretariat, who, though on the scales Rs. 530—30—800 and Rs. 160—10—300—15—450, have been placed in Class I and II, respectively; some other examples are Postmen and Linemen in the Posts and Telegraphs Department, and Notice Servers in the Income-Tax Department, who, though on the scale Rs. 35—1—50, have been placed in Class III.

3. Until a few years ago, there were differences between one Class and another in respect of several conditions of service, and the difference as between Class IV and the other Classes were particularly marked—extending to rates of pension and gratuity, qualifying service for pension, medical benefits and leave entitlements. With progressive liberalization of the conditions of service of the lower Classes of employees, the differences in regard to leave, retirement benefits, etc., have virtually disappeared; and if a few minor differences still exist, they are not all favourable to the higher Classes: for instance, Class IV staffs have more generous leave travel concessions, and a considerable proportion of them have a higher age of superannuation. In respect of certain other conditions of service, and of recruitment, differences still exist, and they are mentioned below:

- (i) While all first appointments to Class I Services/posts are made by the President, lower authorities are empowered to make such appointments in other cases;
- (ii) all posts in Class I, and the bulk of the posts in Class II, are “gazetted”, but others are not;
- (iii) the President is the disciplinary authority for Class I, and the appellate authority for Class II; the disciplinary and appellate authorities for Classes III and IV are mostly heads of Departments or officers working under them; and
- (iv) while direct recruitment to all Class I and Class II Services/posts is made in consultation with the Union Public Service Commission (unless any are specifically excluded), there is no such general rule in regard to Class III and Class IV Services.

We are not concerned here with the question whether these differences are justified, though we may mention, in passing, that even the employees' organizations which are opposed to the classification of the services into four Classes recognize that some posts have, of practical necessity, to be gazetted, and that it is impracticable to make all posts gazetted. What we are considering here is whether assuming that all the differences mentioned above are necessary, it follows that a classification of the services into four Classes is also necessary.

4. A number of employees' organizations have attacked the classification on the ground that it promotes “class consciousness” and that it is a sort of caste system which may satisfy some vanities, but serves no public purpose. Opinion among the witnesses is, however, not undivided; and even some organisations of Class III and Class IV employees see no objection to the continuance of the system so long as no distinction is made in the conditions of service on that basis. The most vigorous support of the system has been expressed by a witness in the following words:

“The nature of duties performed by the four classes are intrinsically different. Basic rules of behaviour are governed by a uniform set of Government Servant's Conduct Rules. No further misconceived socialistic experiments are necessary or desirable.”

The weight of evidence, however, is in favour of abolition of this classification, the main ground mentioned being that it serves no practical purpose which cannot be served without it, and that, on the other hand, it has an unhealthy psychological effect. We are in agreement with this view. We attach importance to the need for developing among civil servants a feeling that they all belong to a common public service; and any system of classification or nomenclature, or, for the matter of that, any feature of public personnel administration, which is likely to hamper the growth of such a feeling—in howsoever small a measure it may be—should, in our view, go, unless it serves a definite practical end which cannot be served adequately otherwise. Other countries, including those with a large and complex civil service organization, have, apparently, not found it necessary to super-impose upon their civil service grades and occupational groups a broad horizontal classification like ours; and we do not think any serious inconvenience will be caused to the administration in India if the classification under consideration is given up. All that would be necessary are some amendments of the Central Civil Services (Classification, Control and Appeal) Rules, 1957, and of certain other rules and orders. We therefore recommend the abolition of the present classification. We have had to refer to the existing classification throughout our Report, and it is possible that on the abolition of the classification some of our recommendations may require to be suitably adapted. We do not, however, expect this to present any difficulty.

5. We would also, incidentally, invite the Government's attention to another practice which as far as we are aware, is peculiar to the civil services in India; that is the practice of mentioning, in official correspondence, orders, etc., the name, in an abbreviated form, of the service to which the officer belongs. The practice is limited to the All-India Services and (with some exceptions) the Class I Services; which, we are inclined to think, makes it the more undesirable. The office which a Government servant holds is of interest to the community; but the service to which he belongs is not. Its habitual mention can only serve as a useless—and to some an irritating—reminder that a particular Government servant belongs to a particular superior service.

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CHAPTER LIII

EFFICIENCY IN THE PUBLIC SERVICE

1. In making our recommendations, we have assumed that the employees will give, and the Government will take from them, a full day's work. We have recommended what in the present circumstances appear to us to be fair rates of remuneration, good conditions of service and work, and a system of employer-employee relationship that should give to the staff a sense of dignity and generally make for contentment. A fair load of work is the obvious counterpart of fair terms and conditions of employment. The community will have to pay the price of the improvements we are recommending, and it would be entitled to ask whether the assumption of efficient service was proving correct.

2. It may be asked whether we were justified in assuming a full day's efficient work in making our recommendations. In one of the questions in our questionnaire, we had invited observations regarding the state of efficiency in the public services; and many of those who responded, stated that it was unsatisfactory. One of the witnesses whose opinion is entitled to special weight, said in the course of his oral evidence that the country is getting only about 75 per cent. efficiency in work.

3. During our stay in Calcutta, we gave particular attention to the problem of punctuality and regular attendance in offices and workshops, for these provide a good index of the state of efficiency. We went round one of the major Central Government offices about 45 minutes after the opening hour, and found about half the seats vacant in some sections. In another Central Government office, we were told that both unpunctuality and absenteeism were common features in that office. Some other heads of Departments and offices also told us that late attendance was fairly common. But there were exceptions too. In two major offices, there was no complaint of unusual late attendance or absenteeism; and we were informed that in certain establishments, which had both industrial and non-industrial staffs the industrial staffs, whose hours of work are regulated under Factories Act and who lose financially if they come late, were generally punctual but that that was not the case with the others. The working day for industrial staffs, it may be added, starts much earlier.

4. We enquired from the President and Secretary of the Bengal Chamber of Commerce what the position was in the commercial establishments with which the Chamber was concerned, and we were told that the standard of attendance was entirely satisfactory, and the level of efficiency of the clerical staffs generally high—in fact, higher than in the past. The commercial offices in Calcutta generally open half an hour earlier than the Central Government offices.

5. An explanation commonly furnished to us for unsatisfactory attendance in the Central Government offices was difficulty of transport. We do not wish to minimise that difficulty, and we have, in fact, suggested in an earlier chapter that the Government should look into the problem and take suitable remedial action. But if transport difficulty were the main cause, there would be late attendance in

all offices—public and private; and, in any case, as between one Central Government office and another, there would be no difference. In the circumstances, it seems reasonable to infer that the standard of punctuality reflects in a considerable measure the general state of efficiency and discipline in the particular office, and the standard which the head of the office sets for himself and for his staff.

6. We shall not generalise from what we found in Calcutta; it may be too small and unrepresentative a sample. Moreover, some of the witnesses representing large employees' organisations, when questioned, said that the staff were rendering efficient service under difficult conditions and were often carrying more than a fair load. We were not required to enquire into the state of efficiency; and while we have stated what we saw and what we, on one side and the other, were told, we shall not pronounce a general judgment. We have taken the view that fair rates of remuneration and good conditions of employment are essential conditions of efficient work, and that it is only with a contented staff that pursuit of efficiency can yield substantial results.

It cannot, however, be assumed that efficiency will flow spontaneously once these conditions are satisfied, and we have, therefore, considered whether it was possible to provide a system of remuneration which would directly conduce to improved output. In this context, the Central Government employees can be divided into three broad groups: (i) those employed in workshops; (ii) those engaged in providing a service, such as rail transport or postal and telegraph communication; and (iii) office staffs. In workshops the system of payment by results is the recognised and most widely practised method of increasing productivity, and in certain industrial establishments of the Central Government, such a system of payment, in one form or another, has already been introduced, the most notable examples being the straight piece-rate system in ordnance factories, and one kind or another of incentive bonus scheme in the Railway workshops engaged in production. In the chapter dealing with workshop staffs, we have recommended the extension as far as practicable of the system of payment by results subject, however, to safeguards necessary for the protection of the health and safety of the workers and the guarantee of a fair (fall-back) minimum remuneration. But wherever a wage-incentive scheme is introduced care should be taken to ensure that the standard of work fixed is not sub-normal, and the scheme does not become one for rewarding merely average performance.

7. Some of the "operating" staffs are also, at present, governed by wage incentive schemes, for instance, Telegraphists and in certain offices Peons employed on delivery of messages. The allowance granted to the running staff on the Railways has also an element of incentive, and we have suggested to Government for their consideration a scheme for increasing the incentive element. In respect of the operating staff on the Railways, we are informed that introduction of wage incentives has not been considered advisable on the ground that a correct assessment of the operating performance is not possible. All that has been found practicable is the introduction of an efficiency shield on inter-divisional/district basis on each Railway to be awarded on the strength of efficiency statistics, made up of wagon turn round, engine miles per diem per engine in use, coal consumption figures, punctuality, accidents etc. Judging from the far more extensive use of wage incentives for Railway staffs in certain foreign countries it seems to us that the desirability of introducing such schemes for additional categories of staffs on the Railways as also in the Posts and Telegraphs Department, deserve further consideration.

8. In the offices there is much less scope for any system of remuneration in which earnings of staff can be related to their output; for the nature and quality of much of office and administrative work do not ordinarily lend themselves to precise measurement. But even in offices, there are simple, repetitive, operations which can be measured; for instance, the work of a typist, machine operator, despatcher or diarist. We suggest that the Government may have the feasibility of introducing incentive schemes for such staffs examined. They may also consider whether work measurement techniques which make for efficiency by setting up performance standards and otherwise, should not be used far more extensively than is the case at present, even though the result of the measurement will not affect remuneration.

9. Apart from regular systems of remuneration related to results, we have considered whether it would be desirable to institute a system of incentive awards under which cash grants may be made to employees who by their suggestions contribute to the efficiency, economy or other improvement of government operations. We had included a question about this in our questionnaire, and the majority of the replies we received are in favour of the introduction of such a system. But while some consider financial rewards suitable, either in cash or in the form of National Plan Certificates, some would prefer award of medals and honours. In the opinion of some others, out-of-turn promotions or additional increments would be appropriate. A few, however, are opposed to incentive awards in any form whatever, on the ground that they lead to favouritism, that cash grants are repugnant to civil service standards and values, and that the only healthy incentives are those provided by sense of duty and patriotism. We do not favour cash grants as awards or incentives for meritorious work, which may be recognised by communication of appreciation in a suitable form, and by appointment to positions of greater responsibility. But for suggestions which contribute to the efficiency, economy and other improvement in Government work, a scheme of cash awards may be introduced. Such a scheme has been in force in the Railways for a few years, but for some reason or other it has not so far produced any conspicuous results. This should not, however, stand in the way of a wider, well-planned scheme being tried. We are informed that in the United States Government a programme of such awards undertaken under the Government Employees' Incentive Act, 1954, has led to excellent results, the savings to the taxpayer in a period of 4 years being of the order of \$48,000,000 and the total expenditure on rewards about \$27,000,000. Persons who are daily performing a particular task are, if they apply their mind, often in the best position to suggest how it can be performed better or more quickly, and the incentive of a cash grant might stimulate many employees to give thought to means of improvement.

10. There is a widespread feeling that there has been excessive expansion of staff in recent years, that a substantial reduction can be made without curtailment of any useful activity, or loss of efficiency, and that a reduced but still adequate staff can be given improved remuneration without additional cost to the public exchequer. These are not matters on which we are required to express any opinion. In chapter III, we have mentioned the main facts relating to expansion of Central Government staff since 1948-49, and we may add to those, some information concerning the growth of the Central Secretariat. Excluding the Railway Board, for which old figures are not readily available, the total strength of staff in 1919 was 619; in 1935, it had risen to 893; and in 1957, to 9,962. If the staff of the Railway Board and of the Attached Offices are added, the total strength of the headquarters staff, as in 1957, works out to about 20,000. More than 40 per cent. of these are Lower Division Clerks. We do not know whether the total strength of the headquarters organisation is excessive; but having dwelt with the problem of public

services for nearly two years we are left with the feeling that there has been a simple multiplication of the same classes of personnel, starting with Peons, when probably a more diversified growth, with a considerable admixture of specialists of various kinds, would have resulted in an organisation better fitted to deal with the numerous complex problems of present-day India.

11. In view of our terms of reference, we have discussed efficiency and productivity mostly in relation to rates and systems of remuneration and conditions of employment. But in a large organisation these are only some of the numerous factors which have a bearing on efficiency. Recruitment policy and methods, training, systems of placements and supervision, equipment including the use of machinery where necessary, methods and organisation of work, and even the structure of a Department and the nature of the machinery of Government, may all contribute, in varying degrees to the state of efficiency. Most of these matters are beyond the scope of our enquiry, and we do not propose to make any observations on them. We understand that the Organisation and Methods Division of the Cabinet Secretariat, and the Special Re-organisation Unit of the Ministry of Finance are attending to some of these problems, the former concerning itself primarily with matters which its designation denotes, and the latter concentrating mainly on assessing the staffing requirements of various Ministries and offices, using in this task certain work measurement techniques. We further understand that the Organisation and Methods Division, while providing leadership, drive and expert assistance where needed, expects the main effort towards improvement to come from the Organisation and Methods Units within the Ministries and Departments themselves; and this should lead to the growth throughout Government of a systematic, continuous concern with the promotion of efficiency as a part of the normal internal responsibility of every unit of administration. We do not under-rate the value or importance of the work that is being done by these two organisations. But we consider that the whole problem of efficiency and productivity in Government offices, services (railways, posts and telegraphs etc.) and workshops is one worthy of an urgent, comprehensive review by one or more bodies—for instance, a number of "task forces", with a co-ordinating body—set up for the purpose. It seems to us that improvement in efficiency and productivity in the Governmental sector—and there is scope for improvement even in the best of offices and undertakings—might have beneficial effects far beyond its own limits. It would supplement and may also assist in the task undertaken by the National Productivity Council; and without it the community may not get the full return which it can reasonably expect from the additional expenditure on the public services, which our recommendations involve

CHAPTER LIV

STATISTICAL REQUIREMENTS

1. We have had considerable difficulty because of the inadequacy of statistics directly or indirectly relevant to matters covered by our enquiry. In the light of our experience we are making below certain suggestions for the Government's consideration.

2. It took us more than six months to obtain the essential information about the numbers employed, rates of pay, conditions of service and other allied matters in respect of the Central Government employees. The Central Statistical Organisation has been conducting an annual census of all the civilian employees of the Central Government since 1951 and publishing the results showing the number of persons employed, classified by pay range, tenure, sex, marital status and Department. The information, though useful, is available usually with a time-lag of 3-4 years; the latest publication at present available relates to 1955. Statistics for 1956 are also now available, but have not yet been published. The feasibility of publishing these statistics within a year of the date to which they refer may be examined. It may also be considered whether the scope of the census should not be made wider so as to include detailed occupational classification, classification by the prescribed pay rates (in addition to pay ranges), age distribution, and regional distribution with figures for each class A, B & C city shown separately.

3. The Directorate-General of Resettlement & Employment publishes monthly data on Central Government employment, classified into four broad categories (administrative and executive; ministerial; skilled and semi-skilled; and unskilled) covering all civilian employees except those in the Railways. These monthly data have a different and limited purpose; but it is obviously desirable that there should be co-ordination between the Directorate and the Central Statistical Organisation so that accuracy may be ensured, and discrepancies between the two sets of data avoided.

4. Only some of the State Governments collect statistics concerning their employees similar to those collected by the Central Statistical Organisation for Central Government employees. It is desirable that detailed information concerning the employees of the State Governments should be collected and published annually.

5. Information relating to employment under Local Bodies is very scanty. Particulars relating to a few corporations and municipalities collected occasionally by the Labour Bureau in connection with its surveys of labour conditions, and the incomplete data published in the Indian Labour Year Book are too fragmentary to meet any reasonable requirements. Systematic collection and publication of information concerning employment under Local Bodies are necessary if a fuller picture is to be had of public employment in the country.

6. We wanted to have, for purposes of comparison, full information regarding rates of remuneration and conditions of employment in public undertakings, not managed departmentally; and it took us many months to obtain the information. As it is likely that terms and conditions of employment in such undertakings and those of staff directly in the service of Government will have increasing mutual

influence, it is desirable that detailed information should be collected in respect of employees in public undertakings.

7. The principal sources of statistics relating to salaries and wages of industrial employees are the reports on the working of the Payment of Wages Act, and the Census of Manufacturing Industries. Data compiled from the former source are processed by the Labour Bureau, and figures of annual average earnings are published in the Indian Labour Gazette, with a time-lag of a little over a year. The data thus compiled cover employees drawing wages and salaries below Rs. 400 per mensem. No distinction is made in these statistics between workmen and the clerical and supervisory personnel. The Census of Manufacturing Industries furnishes separately data on wages and salaries of "workers", as defined under the Factories Act, and all other employees; but its coverage is limited to 29 major industries. Independent estimates covering all industries are, however, available in the National Sample Survey Reports on the Sample Survey of Manufacturing Industries. But none of these three sources gives occupational wage and salary rates, and it is these that have particular importance for the determination or adjustment of rates of remuneration in Government employment.

8. A wage census recently taken up by the Labour Bureau covering manufacturing and mining industries and plantations is now in progress, and we understand that the data so collected will be brought up-to-date annually. We are, however, not aware of any similar scheme to collect, on a systematic basis, data relating to salaried employees in industrial and commercial undertakings in the private sector, and we suggest that steps may be taken to fill this gap. Information should also be collected about conditions of employment and fringe benefits etc., besides rates of remuneration.

9. We are informed that enquiries preparatory to the construction of a new series of cost of living index numbers are in progress and that, in future, there will be separate index numbers applicable to the middle class. The deficiencies of the present indices will thus probably be made good; and the only suggestion we have to make in this connection is that, if at all feasible, indices of comparative costliness of the major urban centres in the country may also be prepared.

10. We have looked at the present state of statistics in certain fields only from the point of view of the requirements of a body enquiring into the emoluments and conditions of service of Central Government employees, and it may be that a more comprehensive review would lead to conclusions somewhat different from those we have reached. What appears to us to be particularly important is that the whole position should be carefully examined and suitable action taken.

11. We are submitting, along with our Report, a statistical supplement presenting in a summary form the statistics we have collected. The supplement may be of use in the appreciation of the conclusions we have reached and the recommendations we have made in our Report. With a small effort, the information we have furnished regarding the rates of remuneration and conditions of employment of Central Government employees can be kept up-to-date by an annual review; and we recommend that such a review may be undertaken.

12. If Government are to have the full benefit of the information collected, it is necessary that they should set up a small unit to make a continuous review of the data, and keep the various Ministries and Departments informed of trends and any significant developments in outside employments that may have a bearing on terms and conditions of service of Central Government employees. We recommend that such a unit may be established at an early date. Whatever may be the Ministry in which the unit is located, it will require close co-operation from the Ministries of Finance, Home and Labour and Employment.

CHAPTER LV

COST OF OUR RECOMMENDATIONS

1. All the relevant facts and figures not being available, it is difficult to make a firm estimate of the total cost of our recommendations; but on the basis of such material as we have, we have attempted to calculate, approximately, the additional annual cost of the revised pay scales and allowances, and of the improvements proposed in respect of some of the conditions of service, amenities etc. In our estimate, we have also shown the cost of interim relief recommended in our Report of 14th December 1957. The total additional cost so estimated is as follows:—

	Rupees (in crores)
Revised scales of pay and dearness allowance	22·30
House rent allowance	1·12
Compensatory allowance	0·12
Improved family pension scheme	1·00
Extension of the Contributory Health Service Scheme	3·40*
Educational facilities	0·18
Canteen facilities	0·50
	28·62
Interim relief	11·00
	39·62
Total	39·62

*The cost is calculated at Rs. 20 for every employee. If, however, it is taken at Rs. 15 per capita, the cost of the scheme will be Rs. 2·55 crores, and the total cost of our recommendations will be less by Rs. 0·85 crores.

2. The additional cost of Rs. 22·30 crores on account of the revised pay structure has been calculated on the basis of the difference between the average values of the present and proposed scales, together with the related rates of dearness allowance. It would, however, appear that in terms of the formula we are proposing for the fixation of initial pay in the revised scales, the immediate cost on account of implementation of the new structure of pay and dearness allowance is likely to be of the order of Rs. 15 crores per annum.

3. It has not been possible to estimate the additional cost on account of increased retirement benefits resulting from the higher pay scales, which absorb the whole or the bulk of the present dearness allowance, and other recommendations, such as counting the entire period of temporary service for pension and gratuity to temporary employees. Thus all employees drawing pay up to Rs. 1,000 per mensem will become eligible for higher retirement benefits. For instance, the pension and pension equivalent of retirement gratuity admissible to the lowest grade of Class IV employees will be increased by Rs. 15 per mensem.

4. We have not also found it possible to estimate the additional cost of (i) extension of leave travel concession to industrial and work-charged staffs, (ii) subsidy in certain cases for transport between place of work and residence, (iii) overtime and compensation for work on certain public holidays, and (iv) liberalisation of travelling allowance rules etc. Nor can we estimate the expenditure that may be incurred on account of our recommendation for a much more liberal provision of housing.

5. We consider it advisable not to attempt an estimate of cost in regard to these items, as without reliable relevant data such as estimate would be little better than a guess.

II. DATE OF EFFECT OF SOME OF OUR RECOMMENDATIONS

6. We suggest that the revised scales of pay and dearness allowance which we are recommending may be given effect to from 1st July, 1959.

A summary of our main conclusions and recommendations prepared by the Member-Secretary and Associate Secretary is furnished at the end of the Report.

Before concluding our Report, we wish to record our appreciation of and gratitude for the assistance we have received from our Associate Secretary, Shri H. F. B. Pais, our Under Secretaries, Sarvashri B. N. Tandon, P. N. Vasudevan, M. Kunhappa and K. Srinivasan; Shri M. V. S. Rao, Assistant Director (Statistics), Central Statistical Organization, and Shri M. R. Shroff, Senior Research Officer, Ministry of Finance (Department of Economic Affairs). The wide knowledge and experience of the Associate Secretary, and the knowledge and understanding of the Under Secretaries of their own subjects have been of great value to us in the examination of matters relating to the emoluments and conditions of service of the Central Government employees; and the work of Shri Rao and Shri Shroff has been of utmost help to us in considering the general wage and economic issues which had relevance to our enquiry. We are thankful to Sri A. Raman of the Reserve Bank who was on special duty with us for some months and whose work has been useful to the Commission. We have had valuable assistance also from our Research Officers, Shri V. Anjaneyulu (who was with us for some months) and Shri B. Nanjundaiya. From our two Section Officers, Sarvashri S. S. Bhatia and G. S. Sodhi, and all other staff too, we have received the best service we could expect. All officers and staff have worked long hours ungrudgingly, and have shown exemplary devotion to duty.

B. JAGANNADHADAS
Chairman

V. B. GANDHI

N. K. SIDHANTA

M. L. DANTWALA

M. CHANDRASEKHAR

L. P. SINGH

H. F. B. PAIS,
Associate Secretary

New Delhi, 24th August 1959.

Our work will not be complete without our acknowledgment of the debt we owe to the Member-Secretary, Shri L. P. Singh, for the unstinted devotion, untiring energy and the careful analysis of all relevant data for the composition of the Report. In this work he brought to bear his comprehensive knowledge of the subject with which he combined a balanced approach to every problem which was extremely valuable and of the utmost help.

Nor should we fail to mention the limitless industry and immense tact of the Associate Secretary, Shri H. F. B. Pais, who handled the problems of the office with a rare skill. His intimate knowledge of financial matters and Governmental rules and procedure helped to guide us at various points.

B. JAGANNADHADAS

V. B. GANDHI

N. K. SIDHANTA

M. L. DANTWALA

M. CHANDRASEKHAR

SUMMARY OF MAIN CONCLUSIONS AND RECOMMENDATIONS

Principles of Pay and Conditions of Service (Chapter IV)

(1) The structure of emoluments and conditions of service should be so designed as to ensure recruitment at different levels of persons with requisite qualifications and abilities and to keep them efficient (paragraph 7).

(2) The social position which a Government servant is traditionally expected to maintain should not in itself be a factor in the determination of his remuneration (paragraph 10):

(3) While the 'model employer' principle, as commonly understood, is not suitable for determination of remuneration, the social principles and standards which Government have laid down for, or commended, to employers generally should be taken into account. Further, in the matter of conditions of work and employment practices generally the Government may become the pace-setter—a model employer (paragraphs 17-18).

(4) The minimum wage or salary should not be determined only on economic considerations, but should satisfy also social tests. Even above the minimum level Government should remunerate their employees fairly (paragraph 19).

(5) In the present circumstances, the principle of fair comparison with rates of remuneration in outside employment is not suitable for full and detailed application; but it is one of the important factors to be taken into account (paragraphs 28-29).

(6) Once the demands of efficiency of the public service are satisfied, social considerations require limitation of disparities between the highest and the lowest salaries, and their reduction as far as possible (paragraph 30).

(7) With the minimum and maximum salaries having been determined on a combination of social and economic considerations, sound and equitable internal relativities constitute the most important single principle to be followed in the determination of the intermediate salaries (paragraph 31).

(8) Except in the broad sense of being an indicator of the level and the state of the economy, and thus of the resources which the Government can draw upon for their needs, the trend of national productivity cannot be accepted as a factor in itself relevant to the determination of salaries and wages of Government servants (paragraph 36).

(9) The level of consumer prices is among the factors relevant to the determination of rates of remuneration of Government servants (paragraph 37).

Economic Conditions and Developmental Planning (Chapter V)

(10) Fluctuations in prices have occurred during the last twelve years, but the general trend, especially since 1955, has been upward. The growing tempo of investment in the economy and the relative shortage of foodgrains are the main factors responsible for the price increase (paragraph 2—5; 11).

(11) Production and national income have increased over the last few years; the economic situation today is better and more promising than it was in 1947-48 (paragraphs 6—8).

(12) Indications are that there may not be a serious instability of prices in near future, but a slow rise of prices is likely; hence the need for caution (paragraph 12).

(13) There has been a growing shortage of internal resources needed for financing development plans. Rapid economic development requires restraint on consumption consistent, as far as possible, with the social objectives of planning (paragraphs 13—21).

Disparities between Central Emoluments and those under State Governments, Local Bodies, etc. (Chapter VI)

(14) In the context of our constitutional structure the issue of disparities is a highly complex one, and tangled with other matters; it is not one that can be resolved in a simple way (paragraph 16).

(15) The suggestion that the Central Government employees posted in different States might be remunerated at the rates prescribed for the State employees, or, that, in the alternative, the dearness and other allowances alone might follow the State rates is not sound or feasible (paragraph 16).

(16) A scheme of recruitment to the non-gazetted posts under the Central Government by transfer of selected personnel from the appropriate services of the State Government may be considered (paragraphs 17-18).

(17) The disparities should be regarded as a factor calling for restraint but not one that would justify the denial to the Central Government employees of the minimum improvement in remuneration which otherwise appears to be fair and desirable (paragraph 19).

Minimum Remuneration (Chapter VII)

(18) With the present magnitude of unemployment and under-employment in the country and the low levels of income, the present minimum of Rs. 75 is sufficient to attract recruits of the right type (paragraph 1).

(19) The present minimum remuneration of Rs. 75 in Central Government compares favourably with the average minimum rate in organised private industry (paragraphs 2—5).

(20) A need-based minimum wage of the order of Rs. 125 per mensem proposed by the employees is not feasible economically and financially (paragraphs 7—11).

(21) A diet capable of providing 2,600 calories and other nutrients of the requisite order would cost Rs. 52 per mensem for a family of three consumption units. Adding the requirements of clothing, housing, etc., a need-based minimum, permissible within the limits of the country's present output of foodstuffs would cost about Rs. 80 (paragraph 15).

(22) With the Consumer Price Index at 116, a remuneration of Rs. 80 would restore the real income of employees on the lowest pay to the level at which it was fixed on the Varadachariar Commission's recommendations (paragraph 18).

(23) While it is necessary to keep inflationary pressures in check, a modest increase in minimum remuneration is called for on social considerations and in the interest of contentment of the staff. It is only as an element in an integrated economic and social policy that a sacrifice can reasonably be asked for from the lower grades of staff (paragraphs 19—24).

(24) The minimum remuneration payable to a Central Government employee should be increased from Rs. 75 per mensem to Rs. 80 per mensem (paragraph 27).

Highest Salaries (Chapter VIII)

(25) Keeping in view the necessity of maintaining a high standard of recruitment to the superior services, and the erosion of the real income which has taken place, reduction of the salaries at present prescribed for the highest grades is not recommended (paragraph 23).

Dearness Allowance (Chapter IX)

(26) While an upward tendency in prices is likely to persist, the possibility of a fall in the price level cannot be ruled out in view of likely fluctuations in agricultural production and other possible causes. Dearness allowance should, therefore, continue as a separate element in the remuneration of Central Government employees. It should, however, be limited for the present to employees whose salaries are below Rs. 300 per mensem (paragraph 5).

(27) Judging from the recent trends in prices, the consumer price index (1949=100) is not likely to drop below 100. The basic salaries of the lower paid employees should, therefore, be fixed in terms of the requirements at an index level of 100. No downward adjustment in basic salaries should, however, be made even if the index falls to 90 (paragraph 6).

(28) The entire remuneration of the higher paid employees should be in the form of salary with no separate dearness allowance (paragraph 8).

(29) In future adjustments of the dearness allowance to meet rise in prices, employees in the pay-range of Rs. 300 and above but below Rs. 400 should, however, be grouped with those in the pay-range below Rs. 300 (paragraph 9).

(30) Should the consumer price index continue to rise, the case of employees in the pay-range of Rs. 400 and above but below Rs. 1,000 for grant of dearness allowance may be considered in the light of all the relevant circumstances at the time (paragraph 9).

(31) There should not be automatic adjustment of dearness allowance with the price index. A substantial and persistent rise in prices, however, normally creates a *prima facie* case for compensation and it should be the Government's endeavour not to allow the standard of living of their employees in the lower range, of remuneration to fall (paragraph 15).

(32) For the present, employees drawing pay below Rs. 300 per mensem may be granted dearness allowance at the following rates:

- | | |
|--|-------------------|
| (a) basic pay below Rs. 150 | Rs. 10 per mensem |
| (b) basic pay of Rs. 150 or above
but below Rs. 300 | Rs. 20 per mensem |

There should be marginal adjustments for employees drawing a basic pay of Rs. 300 or above but below Rs. 320 (paragraph 16).

(33) These rates of dearness allowance should be taken as related to the consumer price index 115 (1949=100) and should continue unless the index falls below 100. If during a period of 12 months the index remains on an average, ten points above 115, the Government should review the position and consider whether an increase in the allowance should be allowed, and if so, at what rate. If thereafter the index falls by the same margin, and for the same period, the position may be similarly reviewed and appropriate adjustments made (paragraph 16).

(34) The benefit of dearness allowance should, in future upward adjustments, be extended to all employees drawing a basic pay below Rs. 400 per mensem in such a way that the total of basic pay and dearness allowance paid to any employee in the pay-range of Rs. 300 to Rs. 400 does not exceed Rs. 400 (paragraph 16).

Pay Scales (Chapter X)

(35) On promotion to a higher post, upto and inclusive of those from the present Class II level to Class I, the pay of an employee should first be increased by one increment in the lower scale and then fixed in the higher scale at the stage next above. No distinction should be made for this purpose on the ground that the lower post was held in a quasi-permanent or temporary and not permanent capacity (paragraph 6).

(36) Selection grades without functional differentiation are necessary in certain cases in order to provide incentives to employees who have no outlets, or very limited outlets, for promotion to higher posts (paragraph 10).

(37) The following typical scales of pay are recommended for Class I, II and III services and posts:

Class I

	Rs.
<i>Supertime scales and fixed rates (Chapters XI, XIII, XV, XVI and XVII)</i>	3000
	2750
	2500
	2250
	2000—125—2250
	1800—100—2000—125—2250
	2000
	1800—100—2000
	1600—100—1800
	1300—60—1600—100—1800
	1100—50—1300—60—1600—100—1800
	1300—60—1600
	1100—50—1400

Time scales:

Indian Foreign Service Senior Scale	900—50*—1300—1300—60—1600—100/2— 1800
Junior Scale (Chapter XI)	400—400—500—40—700—30—1000
Class I (non-technical) Services (Chapter XIII)	400—400—450—30—510—700—40—1100 —50/2—1250
Scientific Services—	
Senior Scale	700—50—1250
Junior Scale (Chapter XV)	400—40—800—50—950
Engineering and some other Services—	
Senior Scale	700—40—1100—50/2—1250
Junior Scale (Chapters XVI and XVIII)	400—400—450—30—600—35—950
Medical Services—	
Senior Scale	850—45—1300—50—1400 (consolidated scale)
	or
	675—35—850—40—1050—50—1150 plus non-practising allowance.
Junior Scale (Chapter XVII)	575—25—600—30—750—40—1150 (consolidated scale)
	or
	425—25—450—30—600—35—950 plus non-practising allowance.

Class II

Standard Scale (Chapter XIV)	350—25—500—30—830—35—900
Accounts Department (Chapter XXVI)	590—30—830—35—900
Station Superintendents (Railways) (Chapter XXII)	590—30—830—35—900
Medical Services (Chapter XVII)	475—25—650—30—950 (consolidated)
	or
	325—25—500—30—800 plus non-practis- ing allowance
Programme Executives in All India Radio, Grade III of the Central Information Service, Stores Officers, etc. (Chapter XXVII)	350—25—500—30—800
Research Assistants/Technical Assis- tants etc. (Chapters XV and XVI)	325—15—475—20—575
Assistants in the Centra. Secretariat (Chapter XI)	210—10—290—15—530

Class III

Clerical Staffs (Chapters XI and XII)

Supervisory Grade I	425—25—575
" " II	350—20—450—25—475
" " III	335—15—425
" " IV	210—10—290—15—380
• Upper Division Clerk	130—5—160—8—280—10—300
	130—5—160—8—280
• Lower Division Clerk	110—3—131—4—175—5—180
• Stenographers	320—15—530
	210—10—290—15—425
	150—5—160—8—280—10—300
	130—5—160—8—280—10—300

Scientific Staffs (Chapter XV)

Research Assistants/Scientific Assistant/ Laboratory Assistant etc.	325—15—475—20—575
	210—10—290—15—425
	150—5—160—8—280—10—300
	(If 4 grades are retained)
	or
	160—8—280—10—330
	(If 3 grades are retained)
	110—4—170—5—200

*Engineering Staffs
(Chapter XVI)*

	450—25—575
	335—15—485
	335—15—425
	250—10—290—15—380
	205—7—240—8—280
	180—180—205—7—240—8—280
	180—6—240
	175—6—205—7—240
	150—5—175—EB—6—205—7—240
	110—4—170—5—200
	110—3—131—4—175—5—180
	with a special pay of Rs. 10 per mensem in some cases.

Accounts Staff (Chapter XXVI)

S.A.S. Accountants	270—15—435—20—575
Divisional Accountants	180—10—290—15—440

Revenue Staff (Chapter XXV)

Income Tax Department	
Income Tax Inspectors (Selection Grade, only if there is direct recruitment to Class II).	325—15—475—20—575
Income Tax Inspectors (Ordinary Grade)	210—10—290—EB—15—485
Notice Servers	75—1—85—2—95

CLASS III—contd.

Customs Department—

Preventive Officers Grade I/ Examiners (Selection Grade)	325—15—475—20—575
Preventive Officers Grade I/Examiners	210—10—290—EB—15—485
Preventive Officers Gade II	150—5—160—8—280—10—300

Central Excise Department—

Deputy Superintendents	350—20—450—25—575
Inspectors (Selection Grade)	320—15—485
Inspectors (Ordinary Grade)	210—10—290—15—380
Supervisors	110—4—170—5—180
Women Searchers	130—4—170—5—225

Posts and Telegraphs Department (Chapter XXIII)

Operating Staffs—

Supervisory Grades	335—15—425
	210—10—290—15—320
Basic Grades	150—5—175—6—205—7—240
	110—4—170—5—225
Assistant Superintendent of Post Offices and R.M.S.	335—15—425
Inspectors of Post Offices and R.M.S.	210—10—290—15—380
Wireless Operators	270—10—290—15—350 (Selection Grade)
Repeater Station Assistants	150—5—160—8—240—EB—8—280—10—300
Telephone Inspectors	150—5—160—8—240—EB—8—280—10—300
Line Inspectors	150—5—160—8—216
Mechanics, Cable Jointers	175—6—205—7—240 (Selection Grade)
	110—3—131—4—155—EB—4—175—5—180
Sub-Inspectors Telegraphs	105—3—135—EB—4—155
Head Postmen and allied categories	135—4—155 (Selection Grade)
	105—3—135
Postmen, Linemen, Mail Guards	75—1—85—EB—2—95

Railways (Chapter XXII)

Scales of pay and main categories under each scale.

Chief Controller	}	450—25—575
Head Ticket Collector		
Head Travelling Ticket Examiner		
Inspector (Commercial)		
Inspector (Loco)		
Inspector (Transportation)		
Station Superintendent/Deputy Station Supdt.		
Yard Foreman		
Yard Master		

CLASS III—contd.

Deputy Chief Controller	}	370—20—450—25—475
Head Ticket Collector		
Head Travelling Ticket Examiner		
Inspector (Commercial)		
Inspector (Transportation)		
Inspector (Loco)		
Power Controller		
Station Master		
Station Superintendent/Deputy Station Supdt.		
Yard Foreman		
Yard Master	}	335—15—485 (scale proposed if two existing grades Rs. 260—350 and Rs. 300—400 are grouped together)
Loco Inspector		
Power Controller		
Chief Wireless Inspector	}	335—15—425
Driver Grade A		
Head Ticket Collector		
Head Travelling Ticket Examiner		
Inspector (Commercial)		
Inspector (Transportation)		
Inspector (Loco)		
Power Controller		
Section Controller Grade I		
Station Master		
Yard Foreman	}	270—10—290—15—425 (if Grades I and II are amalgamated)
Yard Master		
Section Controller		
Section Controller Grade II		270—10—290—15—380
Assistant Yard Foreman	}	250—10—290—15—380
Assistant Yard Master		
Chief/Head Booking Clerk		
Chief/Head Goods Clerk		
Chief/Head Luggage Clerk		
Head Signaller		
Head Ticket Collector		
Head Travelling Ticket Examiner		
Head Trains Clerk		
Inspector (Commercial)		
Inspector (Transportation)		
Station Master		
Yard Foreman	}	210—10—290—15—320—EB—15—380
Yard Master		
Driver Grade B		

CLASS III—contd.

Assistant Inspector (Commercial)	}	205—7—240—8—280
Assistant Inspector (Transportation)		
Assistant Station Master		
Assistant Yard Foreman		
Assistant Yard Master		
Chief/Head Booking Clerk		
Chief/Head Goods Clerk		
Chief/Head Luggage Clerk		
Conductor		
Driver (Licensed—Marine)		
Guard Grade A		
Head Signaller		
Head Trains Clerk		
Motorman		
Serang (Marine).		
Station Master		
Wireless Inspector		
Yard Foreman		
Yard Master		
Serang (Marine).	175—6—205—7—240	
Booking Clerk	}	150—5—160—8—240
Driver Grade C.		
Goods Clerk		
Luggage Clerk		
Assistant Station Master	}	150—5—175—6—205—EB—7—240
Assistant Yard Foreman		
Assistant Yard Master		
Booking Clerk		
Conductor		
Driver (First Class Certificate—Marine)		
Goods Clerk		
Guard Grade B		
Head Signaller		
Head Ticket Collector		
Head Travelling Ticket Examiner		
Luggage Clerk		
Station Master		
Trains Clerk		
Yard Foreman		
Yard Master		
Wireless Operator	130—5—160—8—200—EB—8—256—EB —8—280	
Assistant Station Master	}	130—4—170—EB—5—200—EB—5—225
Assistant Yard Foreman		
Assistant Yard Master		
Driver (Second Class Certificate— Marine).		
Guard Grade C.		
Serang (Marine);		

CLASS III—contd.

Yard Foreman	130—4—170—EB—5—200—EB—5—225
Yard Master	
Travelling Ticket Examiner	130—5—175—EB—6—205—7—212
Shunter Grade A	130—4—170—EB—5—200
Shunter Grade B	130—4—158
Fireman Grade A	125—3—131—4—155
Shunting Jamadar	
Booking Clerk	} 110—4—150—EB—4—170—5—180—EB —5—200
Goods Clerk	
Luggage Clerk	
Signaller	
Ticket Collector	} 110—3—131—4—155—EB—4—175—5—180
Trains Clerk	
Cabinman	} 110—3—125
Shunting Jamadar	
Brakesman	} 100—3—130
Fireman Grade B	

Headquarters Organisation of the Government of India (Chapter XI)

(38) The two grades of Section Officers should be amalgamated into a single grade carrying the standard Class II scale (paragraph 16).

(39) A slightly higher remuneration than that recommended would be justified for Lower Division Clerks if Government consider it necessary to have for the Secretariat a superior class of recruits even at that level (paragraph 26).

(40) Direct recruitment to the Upper Division grade should be stopped and promotion to a proportion of posts which are now being filled by direct recruitment should be made on the basis of a written examination conducted by the Public Service Commission (paragraph 28).

Office Staffs outside the Secretariat (Chapter XII)

(41) Classification of offices into Attached and Subordinate offices should be made on a functional basis (paragraph 3).

(42) The Secretariat and Attached offices may be combined into a single headquarters organisation with a common 'office' (paragraph 3).

(43) Definite criteria should be laid down for determining as to what offices should be included in the Central Secretariat Service Scheme (paragraph 4).

(44) The question of direct recruitment above the level of Lower Division Clerk at the Armed Forces Headquarters should be examined (paragraph 9).

(45) The necessity for continuing the posts of Assistant-in-Charge should also be examined (paragraph 10).

(46) Posts of Upper Division Clerk now filled by direct recruitment should be filled by promotion on the basis of a limited competitive test, except where for any special reason a university degree is considered an essential qualification for the posts (paragraph 19).

(47) 10 per cent. of the posts of Lower Division Clerk should be in a selection grade in cadres in which the proportion of promotion posts is less than 50 per cent. of the Lower Division posts (paragraph 20).

(48) There should be a selection grade for Upper Division Clerks in the Indian Audit and Accounts Department and the Defence Accounts Department (paragraph 21).

(49) In the Railways, Typists should not be retained as a separate cadre but should be merged in the general clerical cadre (paragraph 22).

(50) In the Railways the system of employing Clerks as Telephone Operators may continue, but the necessity for, and the rates of, special pay granted to them should be reviewed (paragraph 23).

(51) The arrangement for employing Upper Division Clerks on supervisory duties on their grade pay plus a special pay is not satisfactory; if the duties are fully supervisory it should be considered whether posts of Head Clerk should not be created (paragraph 30).

(52) Lower Division Clerks in non-Secretariat offices may be permitted to compete for appointment to the grade of Lower Division Clerk in the Secretariat, and may be allowed suitable age relaxation for this purpose (paragraph 36).

(53) Stenographers and Stenotypists in non-Secretariat offices may be permitted to compete for posts in the lowest grade of Stenographer in the Secretariat and may be allowed relaxation of age limit for this purpose (paragraphs 42-43).

Class II Services and Posts (Chapter XIV)

(54) The existing arrangement of having both Class II services and a junior branch of the Class I services may continue (paragraph 8).

(55) Government may decide in which services promotion from Class II to Class I should be to the senior scale of the latter (paragraph 9).

Scientific Staffs (Chapter XV)

(56) All new recruits to Class I junior scale should be given upto two advance increments—one increment for every year of approved research before entering service (paragraph 15).

(57) In view of the pay structure and the nature of work in the scientific services it is recommended that the grade structure in research and development organizations should be such as to provide for a much larger proportion of posts in the senior and the higher grades together than in the junior grade (paragraph 20).

(58) A scheme of special merit promotion, providing for the creation, *ad hoc*, of posts outside the normal strength of a grade, in the scale of Rs. 700—1250 or in a higher scale depending on the circumstances of each case, should be introduced for outstanding research workers (paragraph 21).

(59) A Scientific Civil Service on the lines of the all-India and some of the Class I Central Services is not feasible. But to ensure uniformity in the management of the different scientific services, and to facilitate occasional interchange from one such service to another, when this is in the interest of scientific work, a standing committee of representatives of various scientific Departments and organizations may be set up (paragraph 41).

Medical and Public Health Staffs (Chapter XVII)

(60) Doctors who are in the whole-time employment of the Central Government for providing medical attendance and treatment to Government servants should not be permitted private practice (paragraph 11).

Class IV Staffs (Chapter XIX)

(61) Excluding (a) categories peculiar to the Railways and the Posts and Telegraphs Department, and (b) a few other categories for whom new scales have been specifically recommended, all class IV staffs on the existing scales mentioned below should be brought on to the new scales noted against each. Class IV staffs on scales other than those mentioned below (their number is very small) may be fitted into one or the other of these new scales.

<i>Existing scales</i> (Rs.)	<i>Proposed scales</i> (Rs.)
20- $\frac{1}{2}$ -25	55-1-60 (for under-age employees)
30- $\frac{1}{2}$ -35	70-1-80-EB-1-85
35-1-40	75-1-85-EB-2-89
35-1-50	75-1-85-EB-2-95
35-1-40-2-50 } 40-1-50	
35-1-50-2-60	80-1-85-2-95
35-1-40-2-60 } 40-1-50-2-60	75-1-85-EB-2-95-EB-3-110
40-2-60	80-1-85-2-95-EB-3-110
50-1-60	85-2-95-3-110
	95-3-110

Including unskilled staffs in workshops, there are about 7 lakhs employees in the scale Rs. 30- $\frac{1}{2}$ -35. Their total remuneration including dearness pay and dearness allowance at present ranges from Rs. 75 to Rs. 80 per mensem. Their revised scale will be Rs. 70-1-85, which with a dearness allowance of Rs. 10 will raise their minimum remuneration to Rs. 80 and the maximum to Rs. 95 per mensem.

Workshop staffs (Chapter XX)

(62) The following scales of pay are recommended for workshop staffs in general. The scales likely to be suitable, and generally adequate, in each important establishment have been indicated in paragraphs 21, 22 and 24 of the chapter.

	(Rs.)	
Unskilled	70-1-80-EB-1-85	
Semi-skilled and un-skilled supervisory	{	
		75-1-85-EB-2-95
		75-1-85-EB-2-95-3-101-EB-3-110
		85-2-95-3-110
	95-3-110	

Skilled

85-2-95-3-110
85-2-95-3-110-EB-3-128
100-3-130
100-3-130-EB-3-142
110-3-131
110-3-131-4-143
110-3-131-4-143-EB-4-155
110-3-131-4-143-EB-4-171-EB-4-175-5-180
125-3-131-4-155
125-3-131-4-163-EB-4-175-5-180
140-5-175
150-5-180

Highly Skilled

130-5-175-EB-6-205-7-212
150-5-175-6-205
150-5-175-6-205-EB-7-240
175-6-205-7-240
205-7-240

(63) Unskilled staffs in the workshops whose work is exceptionally heavy, or whose normal duties involve special risks, should have, in addition to pay, a special pay of Rs. 3 per mensem (paragraph 17).

(64) There should be proper classification of "jobs", but no particular system of job-evaluation in preference to others is recommended (paragraph 12).

(65) The system of "basic tradesmen" in the Railways should be worked so as to provide a channel through which, in trades where there is no semi-skilled grade, unskilled workers may advance to the skilled grade; and posts of basic tradesmen created with this object should not be set off against posts in the skilled grade (paragraph 26).

(66) A suitable system of payment by results should be introduced wherever feasible; but the basic time-wage for the period worked should be guaranteed, and the piece rate determined after scientific studies and in consultation with the workers (paragraph 30).

(67) The task of fitting the workshop staffs in the new pay scales should be entrusted to specially constituted bodies consisting of two experts and a neutral chairman. The recommendations made by various bodies should be coordinated by a common chairman or a joint meeting of the chairman of all the bodies (paragraphs 32—34).

Railways (Chapter XXII)

(68) A bonus scheme for running staffs as an additional incentive for punctual running of passenger trains and expeditious movement of goods trains has been suggested for consideration (paragraph 38).

(69) An *ad hoc* committee may be set up to review the pay structure of "Marine" staffs (paragraph 127).

Posts and Telegraphs Department (Chapter XXIII)

(70) The age limit of 45 years for promotion to the Postal Superintendents' Service Class II should be raised (paragraph 47).

(71) The basic pay for Task Work Messengers should be the same as for other Telegraph Messengers, and a new system of additional payments related to output above the prescribed standard may be evolved (paragraph 92).

(72) The strength of the cadre of Boy Messengers/Peons, and qualifications for their recruitment, should be so determined as to provide for their absorption in vacancies of Messengers/Peons as soon as possible after they have reached the normal age of recruitment to Government service (paragraph 93).

Union Territories (Chapter XXXI)

(73) Excepting Delhi and Andaman & Nicobar Islands, the rates of remuneration of the employees of a Union Territory should be fixed with reference to those of the employees in the neighbouring State. If, however, the Central Government find that the emoluments as in the neighbouring State fall below rates that would be fair on a consideration of the totality of the relevant circumstances, a suitable higher rate should be fixed (paragraph 6).

(74) The emoluments of the employees of the Union Territories should be so adjusted between basic pay and dearness allowance that they conform to the general pattern recommended for Central Government employees (paragraph 6).

Special Pay (Chapter XXXII)

(75) There should be a periodical review of special pays to ensure that a special pay is not granted except when the necessary conditions are satisfied and that special pays are not so large or granted so freely that they distort the pay structure (paragraph 8).

Fixation of Pay in New Scales (Chapter XXXIII)

(76) The initial pay may be fixed in the new scale on a point-to-point basis, subject to specified limiting conditions (paragraph 3).

Allowances (Chapter XXXIV)

I. Rent free quarters and house rent allowance

(77) Rent free residence should be provided only if duties or conditions of work are such that a higher remuneration would be granted but for this concession (paragraph 2).

(78) Class IV staffs already enjoying the concession may continue to do so (paragraph 4).

(79) Railway employees who are provided with residences in future should pay rent as employees in other Departments (paragraph 4).

(80) Present classification of localities on basis of population should continue, but grant of house rent allowance in special cases may be considered on merits (paragraph 9).

(81) The revised rates of house rent allowance should be as follows:

	Class of cities.		
	A Rs.	B Rs.	C Rs.
Below Rs. 75	10	7.50	5
Rs. 75 and above but below Rs. 100	15	10.00	7.50
Rs. 100 and above but below Rs. 200.	20	15.00	7.50 for those drawing below Rs. 150
Rs. 200 and above	10 per cent. of pay.	7½ per cent. of pay.	Nil

Where application of these rates results in reduction of house rent allowance being drawn at present, the reduction may be spread over three years or so (paragraph 11).

(82) The condition of residence within the limits of the qualifying city for the purpose of house rent allowance should be abrogated for both gazetted and non-gazetted staffs (paragraph 15).

(83) Employees whose place of duty, though outside, is in the proximity of a qualified city, and who, of necessity, reside within the city, may be given the house rent allowance admissible in that city (paragraph 16).

II. Compensatory allowance

(84) The present basis, and general scheme of the city compensatory allowance do not call for revision; but the rates should be modified as follows:

	Class of cities.		
	A Rs.	B Rs.	C Rs.
Below Rs. 150	10 per cent. of pay subject to a mini- mum of Rs. 7.50 and a maximum of Rs. 12.50.	5 per cent. of pay subject to a mini- mum of Rs. 5 and a maximum of Rs. 10 for all per- sons drawing below Rs. 500 per men- sem.	Nil
Rs. 150 and above but below Rs. 300.	8 per cent. of pay subject to a mini- mum of Rs. 12.50 and a maximum of Rs. 17.50		
Rs. 300 and above	6 per cent. of pay subject to a maxi- mum of Rs. 75.		

Where the application of the proposed rates would result in reduction of the amount being drawn at present, the reduction may be spread over 3 years or so (paragraphs 23—28).

(85) In Simla and Shillong compensatory allowance may be allowed at the following rates to employees drawing pay upto specified limits:

- i) house rent allowance at the rate for 'B' cities;
- ii) compensatory allowance at the rate for 'A' cities; and
- iii) winter allowance for five months, at half the compensatory allowance rates (paragraph 31).

(86) In deciding whether a place should be declared a hill station for the purpose of allowances, classification made by the State Governments should generally be followed, but the rates may be different (paragraphs 32-33).

(87) The existing scheme of hill allowances (except at Simla and Shillong) may continue, with adjustments in rates and slabs on the pattern of those in the compensatory and house rent allowances, etc., for cities (paragraph 34).

(88) In the case of remote locality allowance or bad climate allowance also no change is necessary except for adjustment in rates and slabs (paragraph 35).

(89) No allowance in the nature of a permanent addition to pay should be given for field service liability as such, as distinguished from actual field service (paragraph 38).

(90) The discrimination against Clerks and Store Keepers under the Ministry of Defence, recruited before 1948, who are liable to lose their seniority if found physically unfit for field service, should end (paragraph 38).

III. All India Transfer Liability

(91) No special monetary concession or compensation is called for for all-India service liability (paragraph 46).

IV. Travelling Allowance

(92) The basis for sanctioning and the rates of fixed conveyance allowance should be revised (paragraph 51).

(93) The daily allowance rates, and the rates of allowance for incidental expenses in connection with tours, should be reviewed (paragraph 53).

(94) Certain categories of Posts & Telegraphs staff, who are now governed by special rules, should be granted travelling allowance under the ordinary rules, except for regular journeys on their fixed beats (paragraph 53).

(95) Postmen and Linemen should be entitled to an allowance when they have to spend the night away on duty (paragraph 53).

(96) Railway staffs may not transport free of cost more personal effects than is permitted to other staffs, but they should be allowed incidental charges at the standard rates (paragraph 54).

(97) The present rates of allowance for incidentals for journeys on transfer should be halved, but in lieu of the other half an employee should be allowed half a month's pay subject to a limit of Rs. 150 (paragraph 54).

(98) A retiring Government servant under certain conditions, or one invalided from service, may be allowed travelling allowance for journey to his home town (paragraph 55).

(99) Workcharged staffs in all establishments should be entitled to travelling allowance under the normal rules (paragraph 56).

V. Transport between place of work and residence

(100) Loans for purchase of conveyance may be granted liberally (paragraph 58).

(101) No change is necessary in the present policy of not granting an allowance for travel between residence and place of work. But grant of transport concession in some form or other may be considered under certain exceptional circumstances (paragraphs 60—62).

(102) Steps should be taken to ease the extreme transport difficulties of employees working in big cities (paragraph 65).

Hours of Work; Weekly off; Public Holidays; Overtime Allowance; Casual Leave and Special Casual Leave (Chapter XXXV)

I Hours of work

(103) Weekly hours at present prescribed for various categories of staffs may continue. Working hours of office staffs are on the low side and an increase would be justified, but an attempt should first be made to obtain better output within the present hours (paragraph 10).

(104) Uniformity in weekly working hours among various groups of employees is not necessary or feasible (paragraph 11).

(105) The Railway administration should examine whether the basis on which certain categories, such as Gatemen, have been classified for the purpose of working hours has changed on account of increased traffic, etc., necessitating reclassification (paragraph 12).

(106) In establishments in which industrial and non-industrial staff work together, the latter should observe the same hours as the former when the nature of their duties are such that their presence throughout is necessary for efficient working of the industrial staffs (paragraph 14).

(107) When night duty is such as to require continuous application it should be allowed weightage of 10 minutes for every hour worked, except when weightage for night duty is in effect provided in the shape of reduced weekly working hours (paragraph 15).

(108) Split duty should not ordinarily be required to be performed in more than 3 spells. Where the employee's residence is not close to the place of work, seven hours of split duty should be treated as equal to 8 hours of normal duty (paragraph 16).

II Weekly Off

(109) For office staffs who at present work a five-and-a-half-day week alternate Saturdays should be full working days, and full holidays. Offices which have continuous dealing with the public should, however, continue to have a five-and-a-half, or a six-day week, as the case may be (paragraph 25).

(110) No change is recommended in the present arrangements for a weekly break for other employees, except that in the case of "operating" staffs the weekly off should be such as to allow a full night's rest, and it should not, as a rule, be less than thirty hours (paragraph 26).

(111) The staffs on call duty should have at least a fortnightly off and this should generally be possible by internal adjustment of duties. Where, however, there is a single employee on call duty and such an arrangement will not be possible, he should not ordinarily be kept at a one-man station or section for more than 3 to 6 months at a time (paragraph 27).

(112) A fortnightly, if not a weekly, break should be allowed to Cooks, Waiters, etc., by some suitable arrangement (paragraph 28).

(113) For Chowkidars who have active duties requiring continuous alertness, a weekly off should be allowed. Chowkidars of different Departments stationed at the same place might be treated as a single group for the purpose of enabling them to have a weekly or a fortnightly off by rotation (paragraph 29).

(114) To office staffs and other employees for whom a compensatory holiday is not obligatory under the law, such holiday need not be allowed for occasional work on Sunday, which should not, however, become a regular feature (paragraph 30).

(115) To "operating" staffs generally, compensatory break should be allowed for work on an off day as soon thereafter as possible, and not later than two months (paragraph 31).

(116) An employee who is required to work on his off day should normally have compensation in the form of another day's break. But where, in exceptional cases, monetary compensation has to be paid for such work it should be at one and a half of the time rate. In no case should both, a compensatory break and a monetary compensation, be allowed for work on a weekly off day or on an authorised holiday (paragraph 33).

III Public Holidays

(117) The number of public holidays should be reduced to 16 where they exceed that number (paragraph 41).

(118) Staffs who do not at present enjoy any public holidays should be considered entitled to the 3 National holidays, *viz.*, Mahatma Gandhi's Birthday, Independence Day and Republic Day; and since, with some exception, they cannot be relieved of their duties on those days, they should be compensated by payment at one and a half time the normal rate (paragraph 45).

(119) No change is recommended in the existing number of holidays for workshop staffs, except that it should not in any case exceed 16 (paragraph 46).

(120) Non-industrial staffs employed in industrial establishments should have the same number of public holidays as the industrials (paragraph 47).

(121) For work on a public holiday to which an employee is entitled, overtime allowance should be paid at one and a half of the time rate, except when he becomes entitled to a higher rate under the Factories Act, 1948, or under any other law (paragraph 49).

IV Overtime Allowance

(122) Overtime allowance should be granted only to non-gazetted staffs drawing pay not exceeding Rs. 500 per mensem under specified conditions, and with the proviso in the case of office staffs (whose hours of work are relatively short) that claim to overtime allowance will arise only for duty in excess of 45 minutes beyond the prescribed hours on any working day (paragraph 56).

(123) In the case of workshop staffs who work for less than 48 hours the overtime allowance for work in excess of the prescribed working hours, but not in excess of 48 hours, should be determined by common criteria so that only such divergencies may be retained as have a rational basis (paragraph 57).

(124) Non-industrial staffs in workshops whose hours of work are the same as those of industrial workers should be governed by the same orders regarding overtime payment as are applicable to the latter (paragraph 58).

(125) Overtime allowance should, in all cases, be calculated on the basis of pay and allowances, but excluding house rent allowance (paragraph 59).

(126) The rate of overtime allowance should be determined on certain specified general principles. An inter-departmental committee may review the present arrangements and work out a detailed scheme in the light of the general principles recommended (paragraph 60).

(127) Overtime allowance of Railway staffs should not be calculated on monthly basis; if there are practical difficulties in calculating it on weekly basis it may be calculated on half-monthly basis (paragraph 61).

(128) Cases in which overtime earnings are a regular supplement to pay, and where pay has been fixed taking this factor into account, a complete stoppage or substantial reduction of overtime earnings should be compensated by suitable adjustment of pay (paragraph 62).

V Casual Leave

(129) Casual leave should be reduced to 12 days in a year for office staffs. Operating and other similar staffs who have either no public holidays or a restricted number of public holidays may have 15 days; and workshop and other industrial staffs 7 days in a year (paragraphs 65 and 67).

(130) Facilities for special casual leave for work connected with service associations etc., broadly modelled on those provided by the Department of Posts and Telegraphs or the Ministry of Defence to their civilian employees, may be extended to other employees representing recognised service associations (paragraph 76).

Leave Entitlements (Chapter XXXVI)

(131) Earned leave should be admissible to non-industrial staffs at the following rates:

During the first 5 years of service	. 1.75 days for each month of service
During the next 10 years of service	. 2.25 days for each month of service
After 15 years of service	. 2.5 days for each month of service (paragraph 7).

(132) Workshop employees in the Railways may continue to earn leave at the rates applicable to non-industrial staffs. But if casual leave is allowed to them there should be a proportionate reduction in the rate of earned leave (paragraph 10).

(133) Leave entitlements of industrial staffs in Departments other than Railways should be as follows:

(i) Earned Leave:

During the first 5 years of service	. 1 day for each month of service
From the 6th to 15th year	. 1.25 days for each month of service
Above 15 years	. 1.75 days for each month of service

(ii) Leave on half pay: 10 days for each completed calendar year of service, subject to a maximum of 30 days at a time, and 180 days during the entire service.

(iii) Extra-ordinary leave: Upto 3 months at a time, but extensible upto 18 months if suffering from a disease requiring prolonged treatment.

(iv) Sick leave on full pay: 10 days in a calendar year non-cumulative (paragraph 12).

(134) Heads of Departments, offices, etc. must plan their work in such a way as to permit employees to take a certain amount of leave annually, and a longer leave after some years, or according to any special necessity (paragraph 14).

(135) There should not be a monetary limit on leave salary when an employee has to take leave because of sickness, or when he is allowed longer leave for pursuing an approved course of study otherwise than on study leave terms (paragraph 15).

(136) While the normal limits of accumulation of earned leave should be reduced to 120 days, additional accumulation of upto 60 days should be permitted at the discretion of the sanctioning authority when leave applied for is refused in the public interest (paragraph 15).

(137) Hospital leave should be admissible to all low-paid employees, as also to those Class III employees whose duties involve the handling of dangerous machinery, explosive materials, poisonous drugs, etc., or the performance of hazardous task (paragraph 19).

(138) Industrial staffs should also be eligible for hospital leave upto three months on full pay, or six months on half pay, in a period of three years (paragraph 20).

(139) Maternity leave admissible to industrial staffs should be approximately the same as that admissible to non-industrial staffs. In the case of temporary and

officiating service also, the period of maternity leave should count for purposes of increments (paragraph 21).

(140) Study leave may be granted for a study tour in which a Government servant may not attend a regular academic or semi-academic course; and for studies which may not be closely and directly linked with a civil servant's work but which will improve his capability etc. as a civil servant. Study leave should be liberally granted, particularly to scientific, technical, and administrative staff, and in suitable cases the staff should even be encouraged or advised to have such leave. Ordinarily it may not be necessary to extend the standard study leave terms to industrial staffs, but the question of providing them facilities for training and technical education may be considered (paragraph 23).

(141) The rates of leave salary during 'departmental leave' should be reviewed. Staff subject to 'departmental leave' should, while on duty, earn leave at the same rate as other staff, and not at a lower rate (paragraph 24).

(142) Leave salary may be calculated on the basis of the average of the rates of pay admissible during each of the ten months in which an employee was on duty immediately prior to the month in which leave commences; but in the case of employees who proceed on leave from posts the maximum pay of which does not exceed Rs. 100 per mensem, leave salary may be based on the rate of pay drawn immediately before proceeding on leave (paragraph 25).

(143) An employee granted leave beyond the date of superannuation, or on the expiry of a period of extension of service, should not retain a lien on his permanent post during the leave, or count the leave as pensionable service (paragraph 25).

(144) The adequacy and basis of calculation of leave reserves should be reviewed (paragraph 26).

Age of Superannuation (Chapter XXXVII)

(145) The age of superannuation should be 58 years for all classes of public servants, including those for whom the retirement age at present is 60. But persons already in service may continue upto the age of 60, if they are at present entitled to do so (paragraph 20).

(146) Scientific and technical personnel may ordinarily be retained in service upto the age of 60 by grant of extension or re-employment for two years (paragraph 20).

Retirement Benefits (Chapter XXXVIII)

(147) Industrial staffs, on being made permanent, should be brought under the standard pension scheme, those already in service, however, being given the option to continue under their existing retirement benefit schemes (paragraph 2).

(148) The right to withdraw the whole or a part of a pension should be restricted to certain very exceptional, specified contingencies, and even then the power should be exercised, and where the original order is passed by a subordinate authority the appeal against it decided, only in consultation with the Union Public Service Commission (paragraph 9).

(149) The rate of gratuity should be changed so as to make the maximum amount available on completion of thirty years' qualifying service (paragraph 12).

(150) Temporary service when followed by permanency, whether in the same or any other post, should count in full for pension. Extraordinary service of certain employees in Defence establishments should count as half and not as one quarter as at present (paragraphs 13—18).

(151) Leave taken out of India should count for pension to the same extent as leave taken in India (paragraph 15).

(152) When the total period of qualifying service exceeds completed years by more than six months, an additional benefit of half a year's pension may be allowed for the purpose of determining the quantum of pension (paragraph 16).

(153) Officiating, special, and personal pay may continue to count in full in cases in which it so counts at present, but in other cases such pay drawn during the last three years of service should be taken into account in full or in half according to specified circumstances (paragraph 23).

(154) Non-practising allowance of doctors should count for pension (paragraph 24).

(155) Government may consider the question of granting some relief to persons whose pension does not exceed Rs. 200 per mensem, when there is increase in the cost of living (paragraph 29).

(156) The minimum gratuity admissible to the family of a permanent employee who dies before completing five years' qualifying service should be equal to six months' emoluments, except in cases in which death occurs in the first year of service, when the minimum may be two months' emoluments (paragraph 31).

(157) The family of an employee who is a subscriber to a contributory provident fund should be granted gratuity equal to the difference between the amount that would have been admissible had he been on pensionable establishment and the Government's contribution to his provident fund with accumulated interest. If such an employee dies before becoming eligible for admission to a contributory provident fund, the gratuity should be the same as for purely temporary employees. (paragraph 32).

(158) A widow's and children's pension benefit scheme, on a contributory basis, should replace the existing family pension scheme (paragraph 34).

(159) Scientific employees of semi-Government institutions, financed from cess or Government grants, when appointed to permanent Government service, should be permitted to count in full their service in those institutions as qualifying service for pension, provided their previous employers are willing, in lieu of their contribution to the contributory provident fund, to pay to the Government pension contribution for the period of service with them (paragraph 40).

(160) To facilitate freer interchange of scientists and technologists between the Government and the universities, the pensionary contribution which the latter have to pay when they borrow the service of a Government servant should be restricted to the rate at which the university contributes towards the provident fund of its other employees (paragraph 41).

Medical Facilities (Chapter XXXIX)

(161) Industrial staffs and their families should have the same facilities for medical care and treatment as non-industrial staffs (paragraph 5).

(162) The Central Government should have their own arrangements for the medical care of their employees in Calcutta. (paragraph 6).

(163) Medical facilities for all Central Government employees should be placed on a contributory basis, and the pattern of medical care and treatment should, wherever there is a concentration of employees, be broadly similar to that available under the Contributory Health Service Scheme in Delhi (paragraph 7).

Housing Facilities (Chapter XL)

(164) Government should have a comprehensive programme for housing their employees (paragraphs 3-4).

(165) There should be substantial expansion and acceleration of the present building programme, particularly in Bombay and Calcutta, and continuance of construction in Delhi on the present scale (paragraphs 11-13).

There should, in addition, be deconcentration of the Central Government offices from Bombay and Calcutta and any further concentration of offices in central parts of Delhi should be avoided (paragraph 14).

(166) Housing in small places where there is a large concentration of Central Government employees requires urgent attention (paragraph 15).

(167) Employees who are transferred from one station to another, should be given priority in housing (paragraph 16).

(168) Till the required number of permanent houses can be constructed, an emergent programme of construction of inexpensive, temporary, accommodation may be taken up (paragraph 17).

(169) Government should encourage and assist employees to build their own houses specially on a co-operative basis (paragraphs 7-8).

(170) The rent charged from the occupants of 'substandard' quarters, if any, should be appropriate to the accommodation provided. (paragraph 18).

(171) The standard rent should be calculated at 6 per cent. of the capital cost for all categories of employees in the Railway administration also (paragraph 21).

(172) The standard rent should be calculated after taking into account the cost of site (paragraph 22).

(173) The accommodation provided for Government servants in the highest pay ranges should not be of a type carrying a standard rent higher than 10 per cent of the occupants' pay (paragraph 23).

(174) The maximum rent recoverable from employees whose pay is below Rs. 150 per mensem, should be limited to 7½ per cent. of pay (paragraph 25).

Educational Assistance (Chapter XLI)

(175) In the interest of Central Government employees as well as of other floating population in the country, the growth of schools with common syllabus and media of instruction and moderate fees, should be encouraged (paragraph 6).

(176) The Railway scheme of setting up hostels, with concessional lodging and boarding charges at a graduated rate, should be extended for the benefit of other employees drawing pay not exceeding Rs. 300 per mensem (paragraph 7).

(177) A scheme of educational assistance, similar to the one in operation in the Railways, may be introduced for other Central Government employees whose salary does not exceed Rs. 300 per mensem, to enable them to send their children to boarding schools of their choice when suitable schooling facilities do not exist at the station where they are posted (paragraph 8).

Uniforms, Protective Clothing, etc. (Chapter XLII)

(178) Uniforms, etc., are essential equipment for duty and not fringe benefits. Washing allowance need not be given to all employees who are supplied with uniforms, but may be granted to those drawing basic pay not exceeding Rs. 150 per mensem (paragraphs 4 & 7).

Working Conditions; Canteen Facilities; Staff Welfare (Chapter XLIII)

(179) There should be a comprehensive examination of the rest house and retiring room facilities which operating staffs generally require. The difficulties of the R.M.S. staff call for particularly urgent attention (paragraphs 8 and 9).

(180) There should be a planned programme (and fair as among the Departments) of construction of office buildings to ensure that within a few years all offices are satisfactorily housed (paragraph 10).

(181) There is wide scope for improvement of working conditions, and immediate improvement is possible in various matters such as cleanliness, lighting, heating and cooling arrangements, and office furniture and equipment (paragraphs 11-12).

(182) At least a tiffin room should be provided wherever the number of employees is small, and a canteen where the strength of the staff exceeds 50. There should be a standard minimum provision of departmental assistance to canteens, tiffin rooms etc. A Government-wide plan for providing suitable accommodation for canteens should be prepared, and put into effect within a reasonable period (paragraphs 13-15).

(183) As a first step towards a co-ordinated welfare programme for the whole body of Central Government employees, there should be a central agency, or a committee drawn from different Ministries, to keep a general oversight on welfare activities and to maintain uniformity as far as possible (paragraph 22).

(184) In addition to social, cultural and recreational activities promotion of Co-operative Societies and schemes for relief to employees or their dependents in certain circumstances, deserve special attention (paragraph 23).

(185) Staff benevolent funds should be set up by the Departments on contributory basis (paragraph 25).

(186) The present expenditure on welfare activities should be substantially increased and the grant in different Departments should be more or less on the same scale (paragraph 27).

(187) A committee may be set up to make a review of the existing welfare arrangements and to make recommendations for their improvement (paragraph 28).

(188) Welfare measures should be administered with as full a participation of the staff as possible (paragraph 29).

(189) The working of the existing 'holiday homes' should be carefully examined before any new ones are started (paragraph 30).

Leave Travel Concessions (Chapter XLIV)

(190) The travel concession allowed to different Classes of Railway employees should be uniform, and in all cases reduced to one set of free passes and two sets of privilege ticket orders (paragraph 8).

(191) For other employees the present concession should be liberalised as follows: (a) It should be extended to such industrial and work-charged staffs as are entitled to regular leave. (b) employees who leave their families in their home towns may have the concession for themselves only, annually and (c) for employees unable to avail of the concession in a block of two years, the next block should count from the end of the first year; (d) an employee whose home place is not connected by rail should be allowed the concession also for journeys between his home and nearest railway station (paragraphs 12—16).

Promotion and Character Rolls (Chapter XLV)

(192) Revision of grade structures and complements may not be made merely for the purpose of increasing promotion opportunities (paragraph 12).

(193) With the exception of the upper division clerical cadre direct recruitment to the higher grades, where it is made at present, should continue (paragraphs 13-14).

(194) Merit should continue to be the criterion in making promotions at higher levels. At lower levels the principle of seniority-cum-fitness is appropriate (paragraph 15).

(195) For promotions to grades in which specialised knowledge is necessary, qualifying examinations designed to test working (not academic) abilities may be useful; but with this exception, examination need not be adopted as a general method of selection for promotion (paragraph 17).

(196) There should be a system of promotion by a special limited competitive examination to provide young officers in Class II and Class III services an additional opportunity to enter any of the Class I or Class II services to which there is direct recruitment by a competitive examination (paragraph 19).

(197) The form in which confidential reports are drawn up should be related to the nature of the work of the particular class of employees, but should otherwise be as uniform as possible, and so designed as to provide for assessment under a number of specified headings, including potentialities of the employees for assuming higher responsibilities, as well as a general summing up (paragraph 23).

(198) A general grading of employees by the first reporting officer should not be obligatory; such grading should be done at a higher level, preferably at the

level at which a whole cadre is dealt with for the purposes of promotion etc., (paragraph 23).

(199) Confidential reports should be scrutinised at each higher level as soon as they are received to make sure that they had been prepared in accordance with the relevant instructions, and should be returned for rectification where necessary (paragraph 24).

(200) Unless it is proposed not to enter it in an employee's character roll an irremediable as well as remediable defect should invariably be communicated to him (paragraph 25).

(201) The present arrangement of the immediate superior writing a confidential report may continue, but the next higher officer should be required to exercise a positive and independent judgment on the remarks of the reporting officer, and should clearly express his agreement or disagreement with the remarks particularly if they are adverse (paragraph 26).

Temporary Employees; Workcharged Staff; Casual Labour (Chapter XLVI)

(202) At present the number of temporary employees is disproportionately large, for which there appears to be no justification (paragraph 3).

(203) The permanent requirements of all categories of staff should be speedily determined and thereafter the margin of temporary posts should be the same for all Classes (paragraph 11).

(204) One or two official committees may be set up to examine the permanent requirements of different Departments and to ensure that the revised orders of Government are given effect to within 6 months to a year (paragraph 12).

(205) Workcharged staffs whose services are likely to be required on a permanent or semi-permanent basis, should be made permanent, or given semi-permanent status. They should be classified into industrial and non-industrial depending on the nature of their duties, and should have the same conditions of service as other industrial or non-industrial staffs (paragraph 16).

(206) Temporary workcharged staffs whose employment is not casual may have the benefits and concessions allowed to other temporary staffs, industrial or non-industrial, as may be appropriate (paragraph 16).

(207) Casual employment should be restricted to work of a truly casual nature; and in order to ensure that this is so there should be a review of the existing position (paragraph 20).

(208) The same rates of wages should be fixed for casual labour in "unscheduled employments" as are fixed for comparable "scheduled employments" under the Central Government (under the Minimum Wages Act). Or their wages may be fixed generally with reference to the minimum prescribed by the respective State Governments for comparable "scheduled employments" (paragraph 21).

(209) All casual labour under the Central Government, including those to whom the minimum wages law is not applicable, should have the benefits and safeguards provided by Rules 23—25 of the Minimum Wages (Central) Rules, 1950, relating to weekly holidays, working hours, night shifts, and extra wages for overtime (paragraph 22).

(210) Long experience as casual labour should be taken into consideration while making selections for appointment to regular establishments (paragraph 23).

Government Servants Conduct Rules (Chapter XLVII)

(211) Instead of placing a general ban on public expression of views and then providing for some exceptions (as is the case at present), a general freedom of intellectual expression should be recognised and only such specific restrictions should be imposed as are necessary to meet the requirements of the public service (paragraph 4).

Political Rights (Chapter XLVIII)

(212) Removal or relaxation of the existing restrictions on the exercise of political rights by employees would not be in the public interest, or in their own interest (paragraph 11).

Right of Association (Chapter XLIX)

(213) The membership of an unrecognised association should not as such be a disciplinary offence. But if such an association takes recourse to or assists in activities which if resorted to by individual Government servants would constitute a breach of a provision of the Conduct Rules the Government servants concerned may be required to withdraw their membership on pain of disciplinary action (paragraph 13).

(214) The rules of recognition of associations should be conceived and recognition granted in a liberal spirit (paragraph 13).

(215) Public servants should not resort to strikes or threaten to do so; but without amendment of the law a change should be brought about by the employees themselves abjuring the use of the strike weapon and demonstrations, and the Government accepting a convention that they would refer to arbitration any dispute concerning certain important matters which are not settled by negotiation (paragraphs 16-17).

(216) Reasonable facilities should be provided for trade union activities (paragraph 18).

Machinery for Negotiation and Settlement of Disputes (Chapter L)

(217) A Whitley type machinery, with a central joint council representing the whole body of Central Government employees, both industrial and non-industrial, should be set up for negotiation and settlement of disputes. A committee of the central joint council may deal with matters peculiar to industrial staffs (paragraphs 12-14).

There should be departmental joint councils also (paragraph 14).

(218) As a necessary complement to a joint machinery for negotiation, there should be provision for compulsory arbitration, open only to recognised associations and limited to pay and allowances, weekly hours of work, and leave, of employees not above the present Class II level (paragraphs 16-17).

(219) The Ministry of Labour should be closely associated with important matters concerning staff relations. It should, in particular, be associated with the

proposed central joint council, and should appoint the chairman of the board of arbitrators, should arbitration become necessary (paragraph 20).

Disciplinary Proceedings (Chapter LI)

(220) All memorials etc., as well as appeals, which come to the Central Government against imposition of major penalties, should be disposed of only in consultation with the Public Service Commission (paragraph 13).

(221) The power to withhold appeals, memorials or petitions under prescribed circumstances should be exercised by an authority higher than the one which had passed the orders against which the appeal, etc., is made (paragraph 13).

(222) A disciplinary enquiry should not be conducted by the immediate superior of the Government servant being proceeded against, or by an officer at whose instance the enquiry was initiated (paragraph 14).

Classification of Services (Chapter LII)

(223) The present classification of services and posts into four Classes—I, II, III and IV—should be abolished (paragraph 4).

Efficiency in the Public Service (Chapter LIII)

(224) The recommendations for improvement in the rates of pay and conditions of service have been made on the assumption that the employees will give, and the Government will take from them, a full day's work. It is suggested that an urgent and comprehensive review may be made of the whole problem of efficiency and productivity in Government offices, services (Railways, Posts & Telegraphs, etc.) and workshops.

Statistical Requirements (Chapter LIV)

(225) A systematic collection of data relating to wages, salaries and conditions of service in outside employment, and a continuous review of the data with reference to the rate of remuneration and service conditions etc., of Central Government employees, is recommended.

APPENDICES

Appendix I

(see Chapter "Procedure of the Commission")

INTERIM REPORT

By the Ministry of Finance Resolution No. 2474-Secy.(E)/57, dated the 21st August, 1957, a Commission of Enquiry consisting of the undersigned was set up, to enquire into, and report, inter alia, on the principles which should govern the structure of emoluments and conditions of service of the Central Government employees, and on changes in the structure of emoluments and conditions of service that were desirable and feasible. The Resolution further provided that the Commission might consider demands for relief of an interim character, and send reports thereon; and that in the event of the Commission recommending an interim relief, the date from which the relief should take effect would be indicated by the Commission.

2. We assembled on the 9th September, 1957, and, soon after, issued a notice in the Press inviting associations of Central Government employees, and other organisations, institutions, and individuals who might be interested to send to us memoranda of their views on matters covered by our terms of reference. We also addressed the Ministries and Departments at the Centre, the State Governments, and the Administrations of Union Territories, requesting them to furnish certain factual data essential for a proper consideration of the matters we had been asked to consider and report upon. We have received from various sources about 4,000 memoranda, including 50 on the question of interim relief.

3. It was, obviously, desirable that the examination of the question of interim relief should be completed as quickly as possible, and we, accordingly, gave precedence to this part of our enquiry.

4. After a preliminary examination of the memoranda dealing with interim relief, we considered it necessary to invite representatives of some major organisations of the Central Government employees, for an exchange of views and elucidation of certain factual statements made in some of the memoranda. Accordingly, towards the end of November we met the representatives of the following organisations: (i) The National Federation of Posts and Telegraphs Employees, (ii) The Civil Aviation Department Employees Union, (iii) The National Federation of Indian Railwaymen, (iv) The Central P.W.D. Workers Union, (v) The Federation of Workers of Government of India Presses, and (vi) the All-India Defence Employees Federation.

5. Most of the employees' organisations have asked for increase in the dearness allowance in accordance with the recommendations of the Central Pay Commission (1946), and with retrospective effect, the date suggested by most of the major organisations being the 1st January, 1957. It has, further, been asked that the increase be made available to all employees drawing basic pay upto Rs. 500/- per month.

6. Reading paragraphs 72 and 73 of the Central Pay Commission's Report with the correspondence on the subject that passed between the Government and the

Commission, and which is reproduced in Appendix 'C' to the Commission's Report, a dearness allowance of Rs. 25/- was payable to employees drawing a basic pay not exceeding Rs. 50/- while the all-India cost of living* index number was 285. For higher pay ranges, the Commission recommended larger slabs of dearness allowance, constituting, however, a diminishing proportion of the basic pay. The Commission further recommended that there should be a six-monthly review of the dearness allowance and if the index number for the last three months for which information was available showed a variation of 20 points, there should be a revision of the slab rates upward or downward, as the case might be.

7. The Government accepted the Commission's recommendations in May, 1947. In the meanwhile, the cost of living index had begun to rise; in November 1947, it had risen to 316, and was expected to rise further on account of the policy of decontrol. In February 1948, however, after considering all the relevant factors, the Government came to the conclusion that there should be no increase in the dearness allowance, but that the position should be kept under careful watch.

8. The question was considered again in January 1949, and the Government decided to grant, with effect from the 1st January 1949, an increase of Rs. 10 per month in the dearness allowance to all their employees drawing a basic pay not exceeding Rs. 250/-. In a press communique, the Government's decisions were announced in the following words:—

“On account of the increase in prices which occurred during the first nine months of the year 1948, there has been a persistent demand for a review of the Dearness Allowance in accordance with the recommendations of the Central Pay Commission. The Government of India have been giving careful consideration to this demand for the last three months. While they fully recognise the difficulties of workers on account of the increase in prices, they have had to take into account their financial position in coming to a decision on the question of Dearness Allowance. The possibility of increasing Dearness Allowance to the full extent of the increase in the cost of living index had to be ruled out, as that would result in serious deficits in the General and Railway Budgets, and intensify the forces of inflation, which it is the imperative duty of the Government to fight in the general public interest. It was even doubtful whether, in view of these considerations, any increase could be sanctioned at all; but the Government of India, after taking all factors into account, have come to the conclusion that it is necessary to give much needed relief to those sections of their employees who have been hit hardest by the rise in prices.

The Government of India have, therefore, decided to give all employees under the Central Government, other than Railway employees, who were drawing on January 1, 1949, a basic pay of less than Rs. 250/- p.m. an increase of Rs. 10/- in Dearness Allowance. Those employees of Indian Government Railways who are now in receipt of Dearness Allowance as admissible to other Central Government employees will also be entitled to the above increase. Railway employees who are in

*The Central Pay Commission (1946) used an index of cost of living worked out as an average of the serial for six major centres, based on August 1939=100. In 1953, the Ministry of Labour brought out an official All India Working Class Cost of Living index based on 24 centres, with 1944=100. This was replaced in 1954 by a new series, called the All-India Working Class Consumer Price Index, based on 27 centres, with 1949=100. To facilitate comparison, an index specially worked out by the Central Statistical Organisation by linking up the official series with the Central Pay Commission series based on August 1939, has been used in this report, and has been referred to throughout as the cost of living index.

receipt of Grainshop concessions will be given an increase of only Rs. 5/- p.m., but they will be given another chance, upto March 31, 1949, to opt out of the Grainshops scheme for full cash dearness allowance, in which case they will be entitled to the same dearness allowance as others and also lump sum payments to which they would have been entitled if they had opted out of the Grainshops before January 1, 1949."

The average index number during the year 1948 was 346, and in January 1949 the number stood at 356.

9. In June 1951, the Government decided to grant a further increase of Rs. 5/- per month to all their employees drawing basic pay not exceeding Rs. 250/-; and the decision was announced through a press communique, which ran as follows:—

"In January 1949, the Government of India sanctioned to all employees under the Central Government whose pay did not exceed Rs. 250/- per mensem an increase of Rs. 10/- per month in dearness allowance. This increase was sanctioned as an ad hoc measure designed to give some relief to lowpaid employees without overstraining the resources of the Government. It was hoped at that time that the price level would show a downward trend very soon thereafter. This hope has not, however, materialised. Rather, there has been an increase in the cost of living in recent months.

Government recognise the difficult position of their employees, especially in the lower pay groups, who suffer as a result of the increase in prices. At the same time, Government's sources are fully needed for the execution of the development projects, on the speedy execution of which the economic rehabilitation of the country depends. Additional taxation has been imposed in the current year's budget for financing these development schemes, and the Government of India have no doubt that their loyal employees fully share in the view that no action should be taken which would impede economic rehabilitation.

After a careful consideration of all the factors involved and on a review of the budget, the Government of India have decided that a further ad hoc increase of Rs. 5 per month in the dearness allowance may now be sanctioned to all Central Government employees whose pay does not exceed Rs. 250 p.m., including Railway employees who are in receipt of dearness allowance entirely in cash. Those Railway employees who are in receipt of grainshop concessions will not be entitled to this increase. The increase will take effect from June 1, 1951, and will be subject to review at the time of the next Budget."

The average cost of living index number during the year 1950 was 360 (1939 = 100); and in June 1951, the number stood at 371.

10. After June 1951, there has been no increase in the dearness allowance of the Central Government employees, though on the recommendation of the Dearness Allowance Committee, of which Shri N. V. Gadgil was the Chairman, half the dearness allowance was converted into pay for certain purposes, with effect from the 1st April, 1953. The cost of living has not remained stationary all these years. Till 1956, however, the fluctuation was in either direction, and compared to 1951,

the rise when it occurred was small. This will be evident from the average annual index numbers (worked out on the 1939 base) given below:—

1951	..	..	..	..	..	374
1952	..	..	..	..	..	367
1953	..	..	..	..	..	377
1954	..	..	..	..	..	360
1955	..	..	..	..	..	342
1956	..	..	..	..	..	374

In 1957, however, there has been a significant rise in the cost of living, as the monthly index numbers (worked out on the 1939 base) mentioned below, will show:—

January 1957	..	..	..	..	..	381
February 1957	..	..	..	..	..	381
March 1957	..	..	..	..	..	381
April 1957	..	..	..	..	..	384
May 1957	..	..	..	..	..	392
June 1957	..	..	..	..	..	399
July 1957	..	..	..	..	..	399
August 1957	..	..	..	..	..	402
September 1957	..	..	..	..	..	399
October 1957	..	..	..	..	..	395

It would, thus, appear that while there was no significant upward movement from 1951 to 1956 (the average index number both in 1951 and 1956 was the same), there has been such a movement during the present year, and that during the last months for which authoritative statistics are available, the index numbers have been substantially higher than the number for 1951—the year in which the last increase in the dearness allowance was granted.

11. The employees in the lowest pay range receive at present a dearness allowance (including dearness pay) of Rs. 40/- per month, made up of Rs. 25/- sanctioned in 1947, and Rs. 10/- and Rs. 5/- granted respectively in 1949 and 1951. If the Central Pay Commission's formula had continued to be followed, the dearness allowance of the employees in the lowest pay range would have been increased in all by another Rs. 10/- after the index number had reached 385 and remained at or above that level for three successive months; but there would be no further increase until there was another 20 point rise above 385—which has not so far occurred. As has been explained earlier, however, it was some nine years ago that Government came to the conclusion that they could not follow the Central Pay Commission's formula beyond a certain point; and the increases allowed in 1949 and 1951 were of an *ad hoc* nature, granted on a consideration of all the relevant circumstances, including the resources available to the Government. Moreover, we have noted that the slab rate recommended by the Central Pay Commission allowed to the employees in the lowest pay range a quantum of increase in excess of that required for full neutralisation of the increased cost of living. In the circumstances set out above, we cannot dispose of the demands for interim relief in terms of the Central Pay Commission's dearness allowance formula, without a full examination of some of the basic principles.

12. Determination of the principles which should govern the structure of pay and other emoluments of Government employees, is admittedly a difficult question,

involving consideration of many complex issues. This has necessarily to be examined in the context of developmental planning and the inflationary situation prevailing at this juncture. The issue of adjustment of salaries with the changing levels of prices and cost of living also needs a closer scrutiny. Our terms of reference, further, require us to take into account the disparities between the standard of remuneration and conditions of service of the Central Government employees on the one hand and of the employees of the State Governments, Local Bodies and aided institutions on the other. There is also the question of ascertaining the extent to which benefits can be given in amenities and facilities.

13. All these varied aspects of the problem cannot be examined in hurry and do not admit of any interim determination. We do not even have so far all the basic data necessary for the purpose. And yet if we are to make a recommendation for interim relief, as we think we should for reasons stated hereafter it would be appreciated that it can be only of an ad hoc nature and without commitment, at this stage to any definite views on the basic issues.

14. For reasons explained above, it would necessarily take us several months to reach final conclusions on the issues before us. During the last few months, however, there has been a significant rise in the cost of living which appears likely to persist. This must cause some hardship to the employees in the lower pay groups, which, in our opinion, calls urgently for a measure of alleviation. In taking this view, we have been influenced by the fact that even though the Government had decided that they could not continue to follow the Central Pay Commission's dearness allowance formula, recognising the hardship of their lowpaid employees the Government did grant ad hoc increases in the dearness allowance in 1949 and 1951. We, therefore, consider that a further increase of Rs. 5/- per month in the dearness allowance of all Central Government employees drawing basic pay not exceeding Rs. 250/- per month, is called for, and we recommend that such an increase should be granted. This will be of a temporary nature, and will enure only until we make a further, or a final report.

15. Taking into account all the relevant circumstances, including the movement of the cost of living index numbers, we, further, recommend that the increase should take effect from the 1st July, 1957. We, however, consider that in view of the lump sum that would become payable, it would be in the national interest as well as in the interest of the employees themselves, to pay the arrears in the shape of National Plan Savings Certificates; and we recommend accordingly.

16. The National Federation of Posts and Telegraphs Employees have asked that interim relief should be made available also to the Extra-departmental staff of the Posts and Telegraphs Department. The Extra-departmental staff stand on a separate footing, and their allowances, which are different from those of regular employees, are governed by certain special orders; and a separate enquiry into the system of Extra-departmental employment is in progress. We, therefore, refrain from making any recommendation regarding grant of interim relief to the Extra-departmental staff.

17. Demands for interim relief have also been made on behalf of those employed on (a) daily wages, or (b) piece-rate system; and (c) the staff of the Survey of India on "departmental leave". We are unable, on the basis of the information so far available to us, to recommend grant of any interim relief to such employees.

*Vide Government of India, Ministry of Transport and Communications, (Departments of Communications and Civil Aviation), memorandum No. 17/10/57-P & A, dated the 5th September, 1957.

18. It has been suggested by one of the employees' organisations that some relief should be granted also to pensioners whose pension does not exceed Rs. 150/- a month. We are of the view that this is a matter which might more appropriately be considered by the Government themselves.

19. In some of the memoranda received by us, interim relief has been sought also in the shape of increases in the house-rent allowance and the compensatory allowance, or as advance increments in the existing pay-scales.

These are, obviously, matters to be considered as a part of our wider enquiry, and are not such as can be dealt with in the context of interim relief.

(V. B. Gandhi)

(M. L. Dantwala)

(L. P. Singh)
Member-Secretary.

(H.F.B. Pais)
Associate-Secretary

(B. JAGANNADHADAS),
Chairman.

(N. K. SIDHANTA),
(Mrs.) M. CHANDRASEKHAR.

New Delhi, 14th December, 1957

Appendix II

(see Chapter "Procedure of the Commission")

QUESTIONNAIRE

I—GENERAL PRINCIPLES

1. What are the principles with reference to which the structure of emoluments and conditions of service of the Central Government employees should be determined?

2. The different principles suggested from time to time are: (i) that the Government should be a model employer, (ii) that the Government should pay what is necessary to recruit and retain an efficient Service, and (iii) that the primary principle should be fair comparison with the current remuneration of persons employed on broadly comparable work outside the Civil Service, taking into account all differences in other conditions of service, such as security of tenure, prospects of promotion, and retirement benefits. Do you consider any of these principles to be wholly, or partly, suitable in Indian conditions?

3. Do you think that the State as an employer should be distinguished from private employers? And if so, in what respects? In particular, do you think that the mutual rights and obligations of the State and its employees, and the general relationship between the two, should be governed by principles different from those applicable to private employment? And should the fact that as a rule private employers operate for profit, while State employees have to be paid out of public revenues make a difference to the principles on which the emoluments of the latter should be fixed?

4. Should there be any differentiation between the conditions of service of persons employed in the industrial establishments and commercial or semi-commercial Departments of the Central Government and those of their other employees? If so, what and why?

5. Should an attempt be now made to re-mould the structure of emoluments and conditions of service of the Central Government employees so as to reduce economic inequalities?

6. If a change is made in the pattern of emoluments in the Civil Service, without a similar change outside, what is likely to be the effect on the quality of recruits to the Service?

7. The Central Pay Commission (1946) thought that their recommendations had to be made within the framework of the existing socio-economic structure and that any attempt to remedy social inequalities should be made directly by the State by measures, such as taxation, that would embrace all classes of citizens. What is your view?

8. Should the maximum remuneration be a pre-determined multiple of the minimum, and if so, what multiple?

9. Or, should the maximum and the intermediate rates of remuneration be so designed as to ensure recruitment, at different levels of the Service, of persons with requisite qualifications and abilities?

II—MINIMUM REMUNERATION

10. What is your opinion about the concept of an absolute minimum wage? Is the capacity to pay a relevant factor?

11. Does the minimum wage principle involve uniformity of remuneration at the lowest level of employment in various sectors and in particular of the following: (a) organised industries; (b) small-scale and cottage industries; (c) agriculture and (d) Government service?

12. In a country like India where many self-employed persons and others working in farming and cottage industries are not assured of minimum remuneration, would the enforcement of minimum wages in other sectors of the economy be justified?

13. What priority would you attach to the granting of minimum wages? Does it, for example, have a priority over capital formation and thus over economic development and expansion of employment?

14. It has been stated that since the report of the Central Pay Commission (1946), there has been evolution of a national policy on minimum wages, culminating in the unanimous recommendation (reproduced in Appendix I to this questionnaire) of the 15th Session of the Indian Labour Conference held in July 1957, that the minimum wage should be such as to satisfy certain specified minimum needs. It has been urged by many of the employees' organisations that the minimum remuneration of the Central Government employees should be determined accordingly, and that the remuneration so determined should serve as the base for constructing the entire structure of remuneration. It is claimed that on the above basis, the minimum remuneration, variously calculated, ranges at the current prices from Rs. 110 to Rs. 137 per month.

Do you consider that having regard to the social desirability of ensueing a minimum living standard to the Central Government employees on the one hand, and the present level of national income and the need for promoting economic development and employment on the other, the minimum remuneration suggested is fair, reasonable, and feasible?

III—DEARNESS ALLOWANCE

15. Under the present system, the total remuneration of employees with basic salaries not exceeding Rs. 1,000 is separated into two elements: (a) a basic salary determined with reference to a cost of living figure in the range 160—175 (1939 = 100) and (b) a dearness allowance payable so long as the cost of living continues to be substantially higher than the above range. Do you consider that this system of separation of remuneration into two elements should continue in order to provide for price fluctuations? If so, up to what level of salaries?

16. What is the cost of living level with reference to which the basic salaries should now be determined, considering the movement of prices in recent years and the economic trends generally?

17. If a dearness allowance is to be paid so long as the cost of living remains significantly above the price level with reference to which the basic salaries are fixed, should the allowance be varied automatically in accordance with changes in the cost of living figures? Or, should variations be made on a consideration of all the circumstances prevailing at the time?

18. To what extent do the cost of living indices or consumer price indices provide a basis for adjustment of wages consequent upon changes in prices or value of money?

19. Does the 1949 series of Working Class Consumer Price Index faithfully reflect the change in the cost of living of say Class IV of Government Employees? If not what adjustments would you suggest and why?

20. Should the rate of increase in the dearness allowance be such as to neutralize the increased cost of living? It has been suggested that the rate should be a tapering one effecting full neutralization in the lower salary ranges and a diminishing rate of neutralization as the salary increases. What is your opinion?

21. Can you suggest the level of salary up to which neutralization should be allowed, the degrees by which the allowance should decrease, and the level of salary at which it should cease?

22. At what intervals, and for what duration and magnitude of fluctuation in the cost of living, should the dearness allowance be revised?

23. Can you suggest a device by which the family budgets (standard of living) of Government employees can be immunised from marked fluctuations in prices? Would it be advisable for the Government to supply to their employees, in the low pay ranges, essential consumer requirements such as food, clothing, etc., at fixed or subsidized prices?

24. Assuming it to be desirable, do you consider that it would be feasible to organize a satisfactory system of supply of subsidized food-grains and other essential articles? What precautions would you suggest for counteracting possible abusive practices in any such system?

25. The Central Government employees are distributed over the whole country and conditions of life and the cost of living vary from one part of the country to another to a greater or lesser extent. At present these variations are recognised mainly in the shape of grant of house rent and compensatory allowances in localities with certain prescribed minimum populations. Would it be more rational and equitable to provide for a regional or local differentiation in rates of dearness allowance as well?

IV—PAY STRUCTURE

26. Should salary differentials be based primarily on elements such as, education, training and skill required in, and responsibilities attached to, different positions, grades, and Services? Should not importance be attached also to elements such as, fatigue, hazards, unpleasantness, etc., associated with an employment?

27. There is a point of view that in spite of the increasing importance of non-clerical work, for instance, that of craftsman or technician, the traditional differential between the remuneration for clerical and non-clerical work is being continued. Do you consider this to be true and would you recommend any change?

28. Should differentials be used also to serve broad manpower policies, for instance, should better salaries be offered to scientists and technologists with a view to diverting a larger proportion of talented young persons to scientific and technological careers?

29. Having regard to the qualifications required for, and duties attached to, different services, grades and positions, do the existing relativities within a Service or Department, and between one Service or Department and another, require any modification; and if so, in what respects?

30. Do you, in particular, consider that there have been changes in the relative values of different professions or occupations outside Government service, or in the context of the changed economic conditions, which should be, but are not at present, reflected in the relative remuneration of different classes of employees?

31. Do you think that the general structure of emoluments of the Central Government employees satisfies the principle of 'equal pay for equal work', and work of comparable value and responsibility in different sectors of the public services is being remunerated on comparable scales? If not, can you indicate any departures?

32. There are approximately 25 scales and fixed rates of pay in Class I, 10 in Class II, 51 in Class III and 10 in Class IV of the Services under the Central Government (vide Appendix II). Do you consider these numbers to be excessive, too few, or about right?

33. It has been suggested by some employees' organizations that the number of scales in Classes III and IV should be reduced to 4 or 5, and that all employees at present in those Classes should be grouped into following four categories: (i) unskilled, (ii) semi-skilled, (iii) skilled, and (iv) highly skilled. What is your opinion about these suggestions?

34. It is said that wide differentials give rise to "class consciousness" in the Service, and are, therefore, particularly inappropriate in a country which aims at establishing a socialist society. On the other hand, it is argued that narrow differentials provide inadequate reward on promotion, and as such, reduce incentives. Do you agree with either of these propositions? And do you consider the existing differentials to be too wide, too narrow, or suitable?

35. It has been suggested that where there is no normal avenue of promotion to the next grade, the length of the time-scale may extend to 25 years, and where avenues of promotion exist but are not adequate, the length of the time-scale may be divided into two parts, each comprising a period of 15 years, and the later part treated as a selection grade. It has further been suggested that the incremental progression should be such as to enable an employee to meet his increasing family responsibilities and in the last part of his service to save for his old age. Have you any observations to make on these suggestions, or on the construction of time-scales generally?

36. Direct recruits to a Service normally enter at the minimum of the time-scale, but when a person is appointed particularly to a specialist Service, at a higher age, his additional experience may, at the discretion of the appropriate authority, be recognised by grant of advance increments. Do you consider that it is necessary to incorporate the principle of such advance increments as provisos to the relevant time-scales?

V—CONDITIONS OF SERVICE

37. The Central Government employees are divided into four Classes, I, II, III and IV; and though there were marked differences in the conditions of service of the different Classes in the past, the trend recently has been towards uniformity. Do you think any distinction should be made in the matter of conditions of service between one Class and another? And if so, what and why?

38. If there is virtual uniformity in the conditions of service and there is difference only in the rates of remuneration, is there any advantage in continuing the present system of classification of the Services?

39. For the bulk of employees the age of retirement is 55 years. Would you suggest any change in the age of retirement of the Central Government employees generally or of any section of them? If so, what are your suggestions?

40. Grant of pension and retirement gratuity are at present subject to an employee rendering satisfactory service; and even a sanctioned pension is subject to future good conduct. Some employees' organizations have asked that the retirement benefits should be recognized as "deferred pay", and made payable without any condition as to good conduct in service or after retirement. What is your opinion?

41. Under the existing rules pension contains two elements: (a) a recurring payment, and (b) a lump sum payment called "death-cum-retirement gratuity", which is calculated with reference to the length of "qualifying" service. In case of death after five years of "qualifying" service the family is eligible for a gratuity which is subject to a minimum of twelve months' "emoluments", and if death occurs after twenty years of "qualifying" service, the family is also eligible for a pension for a period not exceeding ten years, which is subject to a maximum of Rs. 150 per month. Do you consider any changes are necessary in the existing scheme of pensionary benefits, including the rate of pension, gratuity, and "qualifying" service? If so, what are your suggestions?

42. Are there any sections of employees who should have the benefit of Contributory Provident Fund in lieu of pension? Should specialists, who enter Government service late, have this benefit? Or, should the "qualifying" period for earning full pension be shorter for them?

43. It has been suggested that in addition a scheme of insurance against death, disability and prolonged sickness should be introduced. What is your opinion about this suggestion? If such a scheme is introduced, should it be contributory or non-contributory?

44. Apart from 15 days' casual leave and closed public holidays which vary from 12 to 23 days in a year, Central Government employees are eligible for various kinds of regular leave on full pay, average pay and half pay reckoned with reference to the period spent on duty; or if no leave is due, for extraordinary leave without pay. Do you consider the present leave terms adequate? If not, what changes would you suggest?

45. Have you any suggestions to make regarding working hours, weekly day off, number of public holidays, overtime duty and compensation for such duty?

46. What is your opinion about the suitability of the existing provisions governing disciplinary matters?

47. Do employees enjoy inadequate, or excessive, or about the right degree of protection in disciplinary matters? If you consider any changes necessary, please mention them.

48. Do you think it is desirable, or it would be appropriate, to provide for a judicial determination of the correctness of disciplinary orders, say, by administrative tribunals? If so, what are your suggestions?

49. Have you any suggestions to make regarding scope of promotion from one grade to another, or one Service to another, and the principles and procedures that should govern promotions at different levels?

50. A Central Government servant is prohibited from taking part in political activities, or in elections to any legislature or local authority. The only exceptions to this prohibition are: (i) that he may exercise his right to vote at an election, and (ii) he may, with the permission of the Government, offer himself as a candidate for election, to a local authority. What is your opinion about the desirability and propriety of relaxing or retaining the existing restrictions on the exercise of political and civic rights? In particular, should employees be permitted to contest elections to legislatures and local authorities, and if so, subject to what conditions, if any?

51. Should any distinction be made in the matter of political activity between one class of employees and another, for instance between industrial and non-industrial employees, or between those concerned with policy matters and others? And if so, what are your suggestions in this regard?

52. Should the Central Government employees have the unfettered right to form unions and associations? And if assured of their representative character, should the Government recognise all such organizations unconditionally?

53. It has been suggested that the Indian Trade Unions Act (1926) and the Industrial Disputes Act (1947) "should be made fully applicable" to all Central Government employees. Have you any comments to make on this suggestion?

54. What is your opinion about the provision in the Government Servants Conduct Rules prohibiting Government employees from participating in any demonstration or strike in connection with matters pertaining to their conditions of service?

55. Do you think there is need for setting up a co-operative machinery for prevention and settlement of disputes between the Central Government and their employees on matters relating to work, remuneration, and other conditions of service? If so, what are your suggestions? If such a machinery is set up, should it provide for reference to an arbitration tribunal of any differences that are not resolved through joint discussion or collective negotiation?

VI—FACILITIES AND AMENITIES

56. The Government provide residential accommodation to a proportion of their employees, generally at a rate of rent favourable to the employees; and additional Government residences are being built every year. Further, in cities with a population exceeding a lakh, a house rent allowance is paid to employees to whom Government residence is not allotted. The Government have not, however, accepted so far a general responsibility to provide residential accommodation to their employees. Do you consider any change in the existing policy to be necessary, and if so, what? In particular, what do you think of the suggestion that in their general

housing programme the Government should give preference to their low-paid employees?

57. What is your opinion about the adequacy of the medical aid at present available to the Central Government employees? What improvements would you suggest? Would you advise the setting up of a Contributory Health Service, as at Delhi, at all places where there is concentration of employees?

58. Should the Government provide any special facilities for school education to the children of their employees, and if so, what? Should they, in particular, grant a school education allowance? If so, what suggestions have you to make in this regard? Would you suggest any limitations?

59. A railway employee gets 3 to 6 free passes in a year for travel to any place in India and certain other travel concessions. Other Central Government employees also have recently been allowed certain leave travel concessions to enable them to visit their homes once in two years. Have you any observations to make regarding these facilities? Some employees' organisations have asked that the leave travel concession should be made available annually, and for travel to any place in India. What is your opinion about this demand?

60. Should subsidized meals be supplied to employees during working hours? Or, do you consider that the improvement and extension of canteen facilities on the existing lines would be sufficient?

61. Have you any suggestions to make regarding provision of any other facilities and amenities to the Central Government employees?

VII—ECONOMIC FACTORS

62. What is your view regarding the probable price trends and the inflationary conditions in general in the Indian economy at present?

63. What are the trends of wages, during the last 5 years in the private organized industrial and commercial sectors? Have they broadly kept pace with the rise in the cost of living?

64. It is suggested that any increase in the remuneration of Government employees can be only at the cost of development, and thus of growth of employment opportunities. Do you agree?

65. Will it be possible to meet the cost of an increase in the emoluments of low paid public employees without having to curtail the Five-Year Plan, or to spread its execution over a longer period?

66. Is there scope for curtailment of non-Plan expenditure at the Centre and in the States on a scale that would enable a substantial part of the cost of any increase in the remuneration of public employees to be met from the resulting savings?

67. Is there much scope for economy in Government expenditure through which the cost of higher remuneration to Government employees could be met?

68. It has been suggested that funds required to meet the cost of increase in remuneration of public employees can be found by additional taxation and/or by improving the levy and collection of public dues, both in the Central and State spheres. Do you agree?

69. What relation, if any, should salaries and wages have with the National Income? In particular, should minimum salaries and wages have any relation with per capita National Income?

VIII—GENERAL

70. Including the recent addition to the dearness allowance, the minimum remuneration of a Central Government employee is Rs. 75 per month. The minimum remuneration of employees of the State Government ranges from Rs. 40 to Rs. 70, but in a large number of States it is around Rs. 50. The minimum in the case of teachers of schools run by local Bodies or aided by Government ranges from Rs. 30 to Rs. 85, but in the majority of the States is around Rs. 45. There are disparities in remuneration at higher levels also. Are the existing disparities justified? If not, do you think it would be desirable, and feasible, to remove or reduce the disparities or at least to prevent their accentuation? If so, what, in your opinion, would be the best method of achieving these ends? (Estimates of the total numbers of employees of the Central and State Governments and of the Local Bodies and aided educational institutions are given in Appendix III).

71. In particular, should attempts be made to achieve some measure of parity in the minimum remuneration?

72. The financial capacities of Local Bodies and of the State Governments vary widely, and it is said that any attempt to introduce parity in the remuneration of the employees of different States etc. *inter se*, or as between their employees and the employees of the Central Government (which has far greater financial resources), would result in a scale of remuneration either too unfavourable to the employees, or crippling to the weaker employing units. What is your opinion?

73. It is said that the great majority of public employees whether under the Centre, the States, or the Local Bodies, are engaged on carrying out a National Plan, and that it is, therefore, reasonable and equitable that their remuneration and conditions of service should be determined on the same general principles. Differentiation, it is added, should be allowed only to the extent justified by differences in the conditions of employment such as the extent of liability to transfer. What is your opinion?

74. It has been pointed out that a vast number of employees are recruited and kept long on a temporary basis, and that the sense of insecurity and some unfavourable service conditions, such as restricted pensionary rights of such employees, are detrimental to the efficiency of the public services. Have you any suggestions to make as to how and to what extent the present situation can and should be improved?

75. There is a view that there has been excessive expansion of staff in recent years, and that a substantial reduction can be made without curtailment of any useful activity or loss of efficiency. Further, it has been suggested that such a reduction may be a means of improving the remuneration of, and providing additional amenities to the low paid employees without increasing the total cost of administration. What is your opinion?

76. Do you consider it desirable to institute a system of incentive awards under which cash grants will be made to employees who, by their suggestions, contribute to the efficiency, economy, or other improvement of Government operations? Have you any specific suggestions to make?

77. Have you any observations to make regarding the state of efficiency and morale in the public services under the Central Government and any concrete suggestions to offer for their improvement?

78. Are any features of the existing conditions of service proving harmful to efficiency and morale?

APPENDIX—I

Extract from Main Conclusions/Recommendations of the 15th Session of the Indian Labour Conference (11th and 12th July, 1957).

(1) While accepting that minimum wage was 'need-based' and should ensure the minimum human needs of the industrial worker, the following norms were accepted as a guide for all wage fixing authorities including minimum wage committees, wage boards, adjudicators, etc:—

- (i) In calculating the minimum wage the standard working class family should be taken to comprise three consumption units for one earner, the earning of women, children and adolescents being disregarded.
- (ii) Minimum food requirements should be calculated on the basis of a net intake of calories as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
- (iii) Clothing requirements should be estimated on the basis of a per capita consumption of 18 yds. per annum, which would give for the average worker's family of four a total of 72 yds.
- (iv) In respect of housing, the rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme should be taken into consideration in fixing the minimum wage.
- (v) Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent of the total minimum wage.

(2) Wherever the minimum wage fixed was below the norms recommended above, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the aforesaid norms.

APPENDIX II

Statement of revised scales of pay.

CLASS I Including super-time grades

Rs. 3,000.

Rs. 2,750.

Rs. 2,500.

Rs. 800-40-1,000-1,000-1,050-1,050-1,100-1,100-1,150-50-1,300.

Rs. 600-40-1,000-1,000-1,050-1,050-1,100-1,100-1,150-50-1,300.

APPENDIX II—contd.

Rs. 2,000-100-2,500	Rs. 800-50-1,150
Rs. 2,000-125-2,250	Rs. 600-40-1,000-1,000-1,050-1,050-1,100-1,100-1,150.†
Rs. 1,800-100-2,000-125-2,250	Rs. 720-40-1,000
Rs. 1,800-100-2,000	Rs. 600-40-1,000
Rs. 1,600-100-2,000	
Rs. 1,600-100-1,800	Rs. 350-400-450-450-500-540-30-600-EB-30-870-40-950.*
Rs. 1,300-60-1,600-100-1,800	Rs. 590-30-770-40-850
Rs. 1,100-50-1,300-60-1,600-100-1,800	Rs. 350-350-380-380-30-590-EB-30-770-40-850.†
Rs. 800-50-1,000-60-1,300-50-1,800*	Rs. 530-30-800
Rs. 1,300-60-1,600	
Rs. 1,000-50-1,400	

CLASS II

Rs. 650-30-800	Rs. 530-30-710
Rs. 500-30-800	Rs. 275-25-500-EB-30-650
Rs. 350-25-500-EB-30-800	Rs. 350-25-500-EB-30-620
Rs. 300-25-500-EB-30-650-EB-30-800	Rs. 275/325-25-500
Rs. 275-25-500-EB-30-650-EB-30-800	Rs. 260-15-440-20-500

CLASS III

Rs. 400-20-500	Rs. 150-7-185-EB-8-225
Rs. 370-15-400-20-500	Rs. 120-8-200-10/2-220
Rs. 360-20-500	Rs. 80-5-120-EB-8-200-10/2-220
Rs. 350-15-380-20-500	Rs. 125-6-185
Rs. 300-20-500	Rs. 100-5-125-6-155-EB-6-185
Rs. 250-10-300-15-450-25/2-500	Rs. 100-8-140-10-170
Rs. 200-15-380-EB-20-500	Rs. 64-4-120-EB-5-170
Rs. 250-10-300-15-450	Rs. 60-4-120-EB-5-170
Rs. 160-10-300-EB-15-450	Rs. 100-8-140-10-160
Rs. 310-15-400	Rs. 80-5-120-EB-8-160
Rs. 300-20-400	Rs. 100-5-125-6-155

*These scales are applicable to the Indian Administrative Service also.

†These scales are applicable to the Indian Police Service also.

CLASS III—contd.

Rs. 260-15-320-20-400	Rs. 120-5-150
Rs. 250-15-400	Rs. 60-4-120-EB-5-150
Rs. 280-15-370	Rs. 60-3-81-EB-4-125-5-130
Rs. 100 (Probation) 130-10-250-EB-15-355	Rs. 64-3-85-4-125
Rs. 260-15-350	Rs. 90-5-120
Rs. 200-15-350	Rs. 60-5/2-75-3-105
Rs. 160-10-330	Rs. 55-3-85-4-105
Rs. 250-15-325	Rs. 54-2-60-EB-5/2-75-3-90
Rs. 200-10-250-15-325	Rs. 60-5/2-80
Rs. 200-10-300	Rs. 50-2-60-5/2-80.
Rs. 160-10-300	Rs. 60-5/2-75.
Rs. 100-8-140-10-300	Rs. 54-2-60-EB-5/2-75.
Rs. 100-8-140-10-170-EB-10-300.	Rs. 50-2-60-5/2-75.
Rs. 200-10-250	Rs. 40-2-60-5/2-75.
Rs. 160-10-250	

CLASS IV

Rs.	Rs.
50-2-60	35-1-50
40-2-60	40-1-45
40-1-50-2-60	35-1-40
35-1-50-2-60	30- $\frac{1}{2}$ -35
45-1-50	20- $\frac{1}{2}$ -25 (Boy Peons in P. & T.).

APPENDIX III

Estimated Figures of Employees

Classification	Number of employees (in lakhs)
1. Central Government Employees	18.00
2. Employees of the State Government	21.00
3.* (a) Employees of Local Bodies (excluding school teachers)	12.00
(b) Teachers under Local Bodies	4.70
4.* Employees of Government aided educational institutions	4.15

*Estimates are only in respect of employees drawing pay not exceeding Rs. 250/- per mensem.

EXPLANATORY NOTES

1: The number of scales indicated in Appendix II to the questionnaire were based on the incomplete information available at the time of the issue of the questionnaire. According to information subsequently collected, it is noticed that the number of scales is as follows:—

Class I	99
Class II	91
Class III	214
Class IV	36
Industrial	77
	517

2. The estimates given in Appendix III to the questionnaire were based on the limited information then available. Revised estimates based on information subsequently collected or since available from other sources in regard to civilian public employment (excluding village officers) are given below:—

1. Central Government including quasi-governmental institutions sponsored by the Government of India	..	20 lakhs
2. State Governments including institutions run by them	..	20 „
3. Local Bodies including institutions run by them	..	16 „
4. Aided institutions	..	5 „
		61 „
Total		61 „

Appendix III

LIST OF PERSONS WHO GAVE ORAL EVIDENCE

A—Government Officials

MINISTRY OF RAILWAYS

Shri P. C. Mukerji, Chairman, Railway Board
Shri J. Dayal, Financial Commissioner
Shri K. P. Mushran, Member (Staff), Railway Board

MINISTRY OF WORKS, HOUSING & SUPPLY

Shri M. R. Sachdeva, Secretary
Shri J. M. Rijhwani, Chief Engineer, Central Public Works Department
Shri V. N. Rajan, Director General of Supplies and Disposals
Shri C. A. Subrahmanyam, Chief Controller of Printing and Stationery
Shri P. K. Sen, Deputy Secretary
Shri T. Gonsalves, Director of Administration, Directorate General of Supplies and Disposals

MINISTRY OF DEFENCE

Shri O. Pulla Reddi, Secretary
Shri R. P. Sarathy, Additional Secretary
Shri L. M. Nadkarni, Joint Secretary
Shri B. N. Verma, Joint Secretary
Shri S. D. Nargolwala, Joint Secretary.
Major General P. S. Chaudhri, Quarter Master General
Major General R. D. Nehra, Director, Ordnance Services
Major General Harkirat Singh, Director of Mechanical Engineering
Major General R. E. Aserappa, Engineer-in-Chief

Air Commodore E. W. Pinto, Air Officer (Administration)
Commodore A. K. Chatterji, Deputy Chief of Naval Staff
Rear Admiral D. Shankar, Director General, Ordnance Factories

MINISTRY OF TRANSPORT AND COMMUNICATIONS

(Department of Communications and Civil Aviation)
Shri M. M. Phillip, Secretary
Shri D. C. Das, Joint Secretary
Shri T. R. Mantan, Deputy Secretary.
Shri C. V. Cunningham, Senior Deputy Director General, Posts & Telegraphs
Shri S. K. Kanji Lal, Deputy Director General (Telegraphs)
Shri R. V. Marathe, Deputy Director General (Staff)
Shri B. D. Sud, General Manager, Posts & Telegraphs Workshops
Shri K. M. Raha, Director General, Civil Aviation
Shri N. Ramakrishna, Director of Administration
Shri M. G. Pradhan, Deputy Director General (T)
Shri C. R. Rao, Director of Communications
Shri P. J. Rodgers, Director General, Overseas Communications
Shri N. V. Pai, Director of Administration
Shri S. Basu, Director General of Observatories
Shri P. R. Krishna Rao, Deputy Director General of Observatories

MINISTRY OF TRANSPORT AND COMMUNICATIONS (DEPTT. OF TRANSPORT)

Shri R. L. Gupta, Secretary
Shri Nakul Sen, Joint Secretary.
Shri G. Venkateswara Ayyar, Chairman, Madras Port Trust
Shri M. S. Venkataraman, Administrative Officer, Cochin Port
Captain T. B. Bose, Chief Surveyor to the Government of India

**MINISTRY OF FINANCE
(Deptt. of Revenue)**

Shri A. K. Roy, Secretary
Shri E. S. Krishnamoorthy, Chairman, Central Board of Revenue
Shri V. V. Chari, Member (Income-Tax)
Shri B. N. Banerji, Member (Central Excise)
Shri K. S. Sundra Rajan, Member (Inspection and Estate Duty)
Shri D. P. Anand, Member (Customs)
Shri B. B. Barman, Member (Revenue Intelligence)

**MINISTRY OF FINANCE
(Deptt. of Economic Affairs)**

Shri H. M. Patel, Principal Secretary
Shri A. K. Roy, Secretary
Shri J. J. Anjaria, Chief Economic Adviser
Shri A. Bakshi, Joint Secretary

**MINISTRY OF FINANCE
(Department of Expenditure)**

Shri N. N. Wanchoo, Secretary
Shri G. Swaminathan, Joint Secretary
Shri S. Jayasankar, Financial Adviser, Defence Services
Shri R. Bhaktavatsalu, Joint Financial Adviser, Defence Services

Shri Phul Chand, Controller General of Defence Accounts

Shri J. B. Martin, Additional Controller General of Defence Accounts

MINISTRY OF FOOD & AGRICULTURE

(Department of Agriculture)

Shri K. R. Damle, Secretary
Shri M. K. Kidwai, Deputy Secretary
Shri B. R. Kapur, Under Secretary

MINISTRY OF HOME AFFAIRS

Shri B. N. Jha, Secretary
Shri V. Viswanathan, Special Secretary
Shri M. Gopal Menon, Joint Secretary

MINISTRY OF HEALTH

Shri V. K. B. Pillai, Secretary
Lt. Col. Jaswant Singh, Director General of Health Services
Major M. S. Chadha, Deputy Director General of Health Services
Shri Krishna Bihari, Deputy Secretary
Dr. C. G. Pandit, Director, Indian Council of Medical Research
Dr. T. R. Tiwari, Director, Contributory Health Service Scheme
Miss T. K. Adranvala, Adviser in Nursing
Dr. (Mrs.) S. Bhatia, Adviser Maternity and Child Welfare

MINISTRY OF SCIENTIFIC RESEARCH AND CULTURAL AFFAIRS

Prof. M. S. Thacker, Secretary
Dr. A. M. D. Rozario, Joint Educational Adviser (Cultural).
Shri L. S. Chanderkant, Deputy Educational Adviser (Technical)
Shri I. J. Broughton, Deputy Secretary
Shri A. K. Mustafy, Deputy Secretary
Shri K. G. Krishnamurthy, Deputy Secretary, Council of Scientific and Industrial Research

MINISTRY OF SCIENTIFIC RESEARCH AND CULTURAL AFFAIRS
(Contd.)

Dr. B. R. Nijhawan, Director, National Metallurgical Laboratory, Jamshedpur

Shri A. Ghosh, Director General of Archaeology

MINISTRY OF EDUCATION

Shri P. N. Kirpal, Secretary

Shri Nizamuddin Ahmed, Deputy Secretary

Shri M. C. Minocha, Under Secretary

Shri N. S. Bhatnagar, Under Secretary

MINISTRY OF INFORMATION AND BROADCASTING

Shri R. K. Ramadhyani, Secretary

Shri J. C. Mathur, Director General, All India Radio

Shri S. L. Bhalla, Deputy Secretary

MINISTRY OF LABOUR AND EMPLOYMENT

Shri P. M. Menon, Secretary

Shri S. A. Qadir, Director General, Resettlement and Employment

Shri B. N. Datar, Deputy Secretary

Dr. A. M. Lorenzo, Director, Labour Bureau

Shri H. Davenport, Director of Employment Exchanges

B—Service Associations and Representatives of Groups of Employees

RAILWAYS

National Federation of Indian Railwaymen

Eastern Railwaymen's Congress, Calcutta

Eastern Railwaymen's Press Workers' Union, Calcutta

South-Eastern Railwaymen's Congress, Calcutta

Southern Railway Employees' Sangh, Bombay

CENTRAL STATISTICAL ORGANISATION

Shri S. Subramanian, Joint Director

UNION PUBLIC SERVICE COMMISSION

Shri V. S. Hejmadi, Chairman

Shri P. L. Verma, Member

Shri S. H. Zaheer, Member

Shri C. Ganesa Aiyar, Secretary

PLANNING COMMISSION

Shri M. K. Vellodi, Secretary

Shri E. P. Moon, Adviser

Shri J. J. Anjaria, Chief, Economic Finance & Resources Division

Shri Tarlok Singh, Joint Secretary

Shri P. P. Aggarwal, Joint Secretary

Shri B. N. Datar, Director, Labour & Employment Division

COMPTROLLER & AUDITOR GENERAL

Shri A. K. Chanda, Comptroller and Auditor General

Shri A. K. Raman, Deputy Comptroller and Auditor General

Shri G. H. Po Saw, Additional Deputy Comptroller and Auditor General

Shri G. V. Chittal, Director of Co-ordination and Secretary to the Comptroller and Auditor General

Western Railway Mazdoor Sangh, Bombay

Central Railway Mazdoor Sangh, Bombay

Uttariya Railway Mazdoor Union, Delhi

North Eastern Railway Employees' Union, Lunding

North Eastern Railway Mazdoor Union, Gorakhpur

Eastern Railwaymen's Union, Calcutta

South Eastern Railwaymen's Union,
Calcutta
Western Railway Employees' Union,
Bombay
National Railway Mazdoor Union,
Bombay
Eastern and South-Eastern Railway
Class II Officers' Association,
Calcutta
Southern Railway Class II Officers'
Association, Madras
Central Railway Class II Officers'
Association, Bombay
Central Railway Officers' Association,
Bombay
Northern Railway Class I Officers'
Association, New Delhi
South Eastern Railway Officers' Asso-
ciation, Calcutta
Southern Railway Class I Officers'
Association, Madras
All India Railwaymen's Federation,
Bombay
All India Railways Ministerial Staff
Association, Vishakapatnam
Southern Railway Labour Union,
Tiruchirapalli
Northern Railwaymen's Union, Delhi.
Dakshina Railway Employees' Union,
Vijayawada

POSTS AND TELEGRAPHS DEPARTMENT

National Federation of P. & T. Emp-
loyees, New Delhi
Telegraph Engineers' Association,
Calcutta
Telegraph Communication Engineers'
Association, New Delhi
Telegraph Traffic Officers' Associa-
tion, New Delhi
All India Postal Employees' Union,
Class III, New Delhi
All India Postal Employees' Union,
Postmen & Class IV, New Delhi
All India R.M.S. Employees' Union,
Class III, New Delhi

All India R.M.S. Employees' Union,
Mail Guards and Class IV, New
Delhi
All India Telegraph Traffic Employees'
Union, Class III, New Delhi
All India Telegraph Traffic Employees'
Union, Class IV, New Delhi
All India Telegraph Engineering
Employees' Union, Class III, New
Delhi
All India Telegraph Engineering
Employees' Union, Linestaff and
Class IV, New Delhi
Postal Officers' Association, Director
Postal Services, Eastern Court, New
Delhi
All India Union of Postmasters, (Gaz-
etted and H.S.G.), Calcutta
Telephone Workers Union, District
and Workshops, Bombay
P. & T. Mazdoor Union, Calcutta
P. & T. Accounts Officers' Association,
Calcutta
P. & T. Industrial Workers' Union,
Calcutta
All India P. & T. Administrative
Offices Employees' Association,
Class III & IV, New Delhi
All India Postal Accountants' Asso-
ciation, Calcutta
All India R.M.S. Assistant Superin-
tendents' and Inspectors' Associa-
tion, New Delhi
Tele-Communication Engineering Super-
visors' Association, New Delhi
All India P. & T. (including R.M.S.)
Administrative Offices Association,
Calcutta

CIVIL AVIATION DEPARTMENT

Civil Aviation Department Employees'
Union, New Delhi
Civil Aviation Department Officers'
Association, Allahabad

CIVILIAN EMPLOYEES UNDER THE MINISTRY OF DEFENCE

All India E.M.E. Civilian Personnel
Association, Secunderabad
Association of Scientific Workers Ord-
nance Establishments, Kirkee, Poona

**CIVILIAN EMPLOYEES UNDER THE
MINISTRY OF DEFENCE (contd.)**

M.E.S. Employees' Union, Deccan Area, C/O G.E.'s Office, Mudfort, Secunderabad

Indian Naval Dockyard Workers' Union, Fort, Bombay

All India Association of N.G.O. of the Ordnance and Clothing Factories and Inspectorates, Cossipore, Calcutta

All India Defence Employees' Federation, Kirkee, Poona

M.E.S. Civilian Officers' Association, Engineer-in-Chief Branch, Army Headquarters, New Delhi

All India Association of Ordnance Officers Civilian (Direct) of Army Ordnance Corps, Gurgaon

Indian Navy Civilian Officers' Association, Naval Dockyard, Bombay

Armed Forces Headquarters Civilian Officers' Association, New Delhi

Indian Ordnance Factories, Gazetted Officers' Association, Calcutta

Military Lands & Cantonment Officers' Association, Lucknow

Armed Forces Headquarters Association, New Delhi

Armed Forces Headquarters Stenographers' Association, New Delhi

All India Association of Clerical Employees of Ordnance and Clothing Factories Headquarters Executive, Ammunition Factory, Kirkee, Poona.

All India Defence Civilian Clerks' Association, New Delhi

All India Army Ordnance Corps Clerks' Association, New Delhi

All India Air Force Unit Civilian Association, New Delhi

All India Association of Store-keepers and Storemen of Army Ordnance Corps, New Delhi

Air Force Storekeepers' Association, New Delhi

C.O.D. Karamchari Union, Central Ordnance Depot, Kanpur

GOVERNMENT OF INDIA PRESSES

Federation of Workers of Government of India Presses, Calcutta

Government of India Press Workers' Union, New Delhi

Indian Government Press Workers' Union, Calcutta

Government of India Press Workers' Union, Nasik Road

Government of India Forms Press Workers' Union, Calcutta

President's Press Workers' Union, New Delhi

United Press Employees' Union, New Delhi

Government of India Press Workers' Union, Simla

Government of India Press Workers' Union, Faridabad

Government of India Press Workers' Union, Nilokheri

Government of India Press Workers' Union, Aligarh

Rajikiya Press Mazdoor Sangh, Aligarh

Government of India Press Clerks' Association, New Delhi

Government of India Press Clerks' Association, Calcutta

Government of India Press Clerks' Association, Simla

Government of India Forms Press Clerks' Union, Aligarh

Government of India Publication Branch Staff Association, Delhi.

Government of India Forms Press (Non-Industrial) Workers' Union, Aligarh

Government of India Forms Stores and Press (Non-Industrial) Employees' Association, Calcutta

Government of India Stationery Office Employees' Association, Calcutta

CENTRAL PUBLIC WORKS DEPARTMENT

Engineering Service (Direct Recruits)
Class I Association, New Delhi
C.P.W.D. Engineers' Association, New
Delhi
C.P.W.D. Junior Engineers' Associa-
tion, New Delhi
C.P.W.D. Employees' Union, New
Delhi
C.P.W.D. Workers' Union, Delhi
C.P.W.D. Workers' Union, Simla
C.P.W.D. Staff Association (Eastern
Zone), Calcutta

INDIA GOVERNMENT MINTS

Calcutta Mint Employees' Union,
Calcutta
Calcutta Mint Workers' Union,
Calcutta
Tanksal Mazdoor Sabha, Bombay
The Bombay Mint Staff Union,
Bombay
India Security Press Mazdoor Sangh,
Nasik Road
India Security Press Rashtriya Kamgar
Union, Nasik Road
The Security Printing India Staff
Association, Nasik Road
India Security Press Ministerial Staff
Union, Nasik Road

AUDIT AND ACCOUNTS DEPART- MENT

Indian Defence Accounts Service
Association, New Delhi
Defence Accounts Association, (Cen-
tral Body), Poona
Defence Accounts Association, Cal-
cutta
Indian Audit & Accounts Service
Association, New Delhi
All India Association of Class II Offi-
cers of the Indian Audit and
Accounts Department, Bombay
All India Non-gazetted Audit and
Accounts Association, Bombay

South Eastern Railway Audit Clerks'
Association, Calcutta

Divisional Accountants' Association,
(A.G.C.R.), New Delhi

U.P. Divisional Accountants' Associa-
tion, Allahabad

The West Bengal Divisional Accoun-
tants' Association, Calcutta

Divisional Accountants' Association,
Bombay

Bihar Divisional Accountants' Asso-
ciation, Arrah District, Shahbad

Punjab Civil Accounts Class IV Emp-
loyees' Association, Simla

Accounts Offices Association of the
Members of the Class IV Services,
Calcutta

Non-gazetted Staff (Class IV Emplo-
yees) of the Office of the Account-
tant General, Andhra Pradesh,
Hyderabad

The Andhra Accountant General's Office
Class IV Staff Association, Madras

DEPARTMENTS UNDER THE CENT- RAL BOARD OF REVENUE

All India Federation of Income-Tax
Gazetted Services Association, Bom-
bay

Indian Revenue Service (Income-Tax)
Association, Bombay

Indian Revenue Service (Income-Tax)
Association, Calcutta

All India Central Excise Officers' Asso-
ciation, New Delhi

Indian Customs Service Association,
Calcutta

Central Excise Chief Accounts Officers'
Association, Baroda

The Bombay Customs Appraising Offi-
cers' Association

The Calcutta Appraisers' Service Asso-
ciation, Calcutta

The Bombay Customs Preventive Ser-
vice Association, Bombay

DEPARTMENTS UNDER THE CENTRAL BOARD OF REVENUE (contd.)

Calcutta Customs Preventive Service Association, Calcutta

The Madras Customs Preventive Service Association, Madras

All India Federation of Central Excise and Land Customs Non-gazetted Officers, Nagpur

Central Excise Non-gazetted Officers Association, Hyderabad

Central Excise Non-gazetted Officers Association, Allahabad Collectorate, Kanpur

Madras Central Excise Non-gazetted Officers' Association, Tiruchirapalli.

Bombay Central Excise Collectorate Non-Gazetted Executive Officers' Union, Bombay

Delhi Collectorate Central Excise and Customs Executive (Non-Gazetted) Officers' Association, New Delhi

Bombay Central Excise Collectorate Ministerial Officers' Union, Bombay.

Central Excise Class III Service Officers' Union, Baroda

Central Excise Nagpur Collectorate Class III Officers' Union. (Regional Union), Ujjain

Central Excise Non-Gazetted Employees' Union, Patna Collectorate, Patna

Central Excise and Land Customs (Non-Gazetted) Employees' Union, Calcutta.

Central Excise and Land Customs (Non-Gazetted) Employees' Union, Shillong Collectorate, Shillong

Central Excise Collectorate Class III Officers' Union, Nagpur

Bombay Central Excise Collectorate Class IV Officers' Union, Worli, Bombay

Central Excise Employees (Class IV Staff) Union, Baroda Collectorate, Ahmedabad

All India Income-tax Non-Gazetted Staff Federation, New Delhi

Income-tax Class III Officers' Association, Patiala

Income-tax Peons and Notice Servers Union (Amritsar) C/O Income-tax Office, Ludhiana

Income-tax Inspectors' Association, Calcutta

Income-tax Inspectors' Association, (Bombay City and Central), Bombay.

Central Board of Revenue Ministerial Officers' Union, Bombay

Cochin Customs Non-gazetted Officers' Association, Cochin

Customs Ministerial Officers and Record Suppliers' Association, Calcutta

REPRESENTATIVES OF EMPLOYEES OF OTHER DEPARTMENTS

Survey of India Class II Association, Dehra Dun

Survey of India Class III Service Association, Dehra Dun

Surveyors' Association, Survey of India, Dehra Dun

Survey of India Ministerial Staff Association, Dehra Dun

Survey of India Southern Circle Class IV Service Association, Bangalore

Zoological Survey of India Employees' Association, Class III and Class IV, Calcutta

Geological Survey of India Employees' Association, Calcutta

Government Metallurgical Inspectorate Employees' Union, Jamshedpur

Labour Ministerial Staff Union, Gorakhpur

Coal Controller (H.Q. Office) Employees' Association, Calcutta

Coal Superintendent Employees' Association, P.O. Dhansar (Dhanbad)

Indian Meteorological Department Gazetted Officers' Association, New Delhi

Indian Meteorological Department Non-Gazetted Staff Union, New Delhi

REPRESENTATIVES OF EMPLOYEES
OF OTHER DEPARTMENTS (contd.)

India Meteorological Workshops Union,
Delhi

Overseas Communication Service Engi-
neering Officers' Association, Poona.

Overseas Communications Service Staff
Union, Bombay

Central Secretariat Service Grade I
Association, New Delhi

Central Secretariat Service Grade II
Association, New Delhi

Central Secretariat Association, New
Delhi

Central Secretariat Service, (Direct
Recruits) Association, New Delhi

Central Government Clerks' Union,
New Delhi

Government of India Stenographers'
Association, New Delhi

Government of India Record Sorter and
Daftry Association, New Delhi

Central Government Staff Car Drivers
Union, New Delhi

Gazetted Officers' Association, Indian
Agricultural Research Institute, New
Delhi

Non-Gazetted Scientific Staff Associa-
tion, Indian Agricultural Research
Institute, New Delhi

Attached and Subordinate Offices Asso-
ciation (C.T.O. Branch), New Delhi

Class I (General) Central Services
Officers Association, Forest Research
Institute and Colleges, Dehra Dun

Class II Central Service Officers' Asso-
ciation, Forest Research Institute and
Colleges, Dehra Dun

Forest Officers Association, Forest
Research Institute and Colleges, Dehra
Dun

Technical Staff Association, Forest
Research Institute and College, Dehra
Dun

Ministerial Staff Association, Indian
Agricultural Research Institute, New
Delhi

Indian Veterinary Research Institute
Employees' Union, Izatnagar

Staff Association, Office of the Regional
Director (Food), Southern Region,
Madras

Regional Director (Food) Employees'
Association, Eastern Region, Calcutta.

Regional Director (Food) Employees'
Association, Western Region, Bombay.

Class IV Staff Association, Forest
Research Institute and Colleges,
Dehra Dun

Government of India Marine Surveyors'
Association, Bombay

Cochin Port Workers' Union, Cochin

Cochin Port Staff Association, Cochin

All India Government Medical Stores
Depot. Officials' Federation, Bom-
bay

All India Radio Engineers' Association,
New Delhi

The Government of India, Libraries
Association, New Delhi

Supplies and Disposals Employees' Asso-
ciation, Calcutta

Inspection Directorate Staff Association,
Calcutta

Chief Commissioner's Office Associa-
tion, Delhi

Delhi State IV Division Government
Employees' Association, Delhi

Delhi State Teachers' Association, New
Delhi

Employees of the Ministry of Health
(Doctors, Nurses, and Compounders
under the Contributory Health Ser-
vice Scheme)

Employees of:—

(i) Department of Archaeology

(ii) Zoological Survey of India

(iii) Department of Anthropology

Employees of the Ministry of Education
(Research Officers)

Employees of:—

(i) Press Information Bureau

(ii) Directorate of Advertising and
Visual Publicity

(iii) All India Radio

C—Prominent Public Men, Economists, Nutrition Experts, etc.

- Shri Harish Chandra Mathur, M.P.
 Shri H. C. Dasappa, M.P.
 Shri B. Shiva Rao, M.P.
 Shri S. A. Dange, M.P.
 Shri D. C. Sharma, M.P.
 Shri Frank Anthony, M.P.
 Smt. Sucheta Kriplani, M.P.
 Shri S. M. Bannerji, M.P.
 Shri P. N. Saprú, M.P.
 Shri Asoka Mehta, M.P.
 Shri P. J. Thomas, M.P.
 Dr. K. S. Krishnan, Director, National Physical Laboratory
 Shri S. Lall, ex-Assistant Secretary General, United Nations
 Shri Kanwar Sain, Chairman, Central Water & Power Commission
 Shri R. N. Banerjee, Ex-Chairman, Union Public Service Commission
 Shri E. da Costa, Editor, 'Eastern Economist'
 Shri V. K. R. V. Rao, Vice-Chancellor, Delhi University
 Dr. B. N. Ganguli, Director, Delhi School of Economics, Delhi
 Dr. Gyan Chand, Economist, Delhi
- Dr. P. S. Lokanathan, Director General, National Council of Applied Economics Research, New Delhi
 Dr. D. R. Gadgil, Director, Gokhale Institute of Politics and Economics, Poona.
 Dr. B. K. Madan, Principal Adviser, Reserve Bank of India
 Dr. M. H. Gopal, Professor of Economics, Madras University
 Dr. B. R. Shenoy, Director, School of Social Science, Gujarat University, Ahmedabad
 Dr. C. G. Pandit, Director, Indian Council of Medical Research, New Delhi
 Dr. V. N. Patwardhan, Director, Nutrition Research Laboratories, Coonoor.
 Dr. B. C. Guha, Head of the Department of Applied Chemistry, University College of Science and Technology, Calcutta
 Shri D. P. Mukherjee, Member, Indian Institute of Personnel Management, Calcutta
 Shri C. D. Deshmukh, Chairman, University Grants Commission
 Shri Khandubhai Desai
 Mr. Douglas Houghton, M.P. (U.K.) ex-Chairman, Staff-side, National Whitley Council

D—Chief Ministers, Finance Ministers and Representatives of State Governments

- Dr. B. C. Roy, Chief Minister, West Bengal
 Dr. Harekrushna Mehtab, Chief Minister, Orissa
 Shri Ghulam Mohammad Bakshi, Prime Minister, Jammu and Kashmir
 Shri K. Brahmananda Reddi, Finance Minister, Andhra Pradesh
 Shri Achuta Menon, Finance Minister, Kerala
- Shri Haribhau Upadhyaya, Finance Minister, Rajasthan
 Dr. Gopi Chand Bhargava, Finance Minister, Punjab
 Shri Charan Singh, Finance Minister, Uttar Pradesh
 Shri Mishri Lal Gangwal, Finance Minister, Madhya Pradesh
 Shri T. Mariappa, Finance Minister, Mysore
 Dr. Jivaraj N. Mehta, Finance Minister, Bombay

**D. Chief Ministers, Finance Ministers and Representatives of
State Governments—*contd.***

**Shri C. Subramaniam, Finance Minister,
Madras**

**Shri F. A. Ahmed, Finance Minister,
Assam**

**Shri B. Das Gupta, Secretary, Finance
Department, Government of West
Bengal**

**Shri P. Banerjee, Deputy Secretary,
Finance Department, Government of
West Bengal**

**Shri S. N. Singh, Secretary, Finance
Department, Government of Bihar**

**Shri Mahboob Alam, Deputy Secretary,
Finance Department, Government of
Bihar**

**Shri A. K. Ray, Chief Secretary, Mani-
pur Administration**

**Shri Bishan Chandra, Finance Secre-
tary, Tripura Administration**

Appendix IV

(see Chapter "Dearness Allowance")

COST OF LIVING INDEX NUMBERS IN INDIA

1.1 Cost of living index numbers in India have a history of near about half a century. The first known cost of living index was compiled by the Government of Bombay in respect of the Bombay city, with July 1914 as base. The series for Ahmedabad and Sholapur currently published by the Bombay Government have as base 1926-27 and 1927-28 respectively. The present index for Bombay city has 1933-34 as its base and those for a number of centres in Madras, Andhra and Mysore are based on 1935-36. Calcutta, Kanpur, Nagpur and a few other centres in Bombay and Kerala have August 1939 as base for their series, while Patna and some other centres in Bihar have 1938 as base.

1.2 The problems created by the second World War—the rising prices and the consequent demand for higher wages—gave an impetus to further development of cost of living index numbers in the country. For the first time, the Government of India entered the field in 1943 and appointed an officer for conducting family budget enquiries on uniform lines in a number of centres all over India. On the basis of the data collected in those surveys, the Labour Bureau of the Ministry of Labour built up cost of living index numbers in respect of 15 industrial centres in the country with the year 1944 as base. The former State of Hyderabad also initiated about the same time, cost of living index numbers for the city of Hyderabad and a few other centres in the State with 1943-44 as base. The Labour Bureau has since brought out some other series with more recent base-periods. A number of States, e.g., Assam, West Bengal, Punjab, Uttar Pradesh and Madhya Pradesh, have also brought out new series of index numbers. Much of the recent growth in the series of cost of living index numbers available in the country may be attributed to the enactment of the Minimum Wages Act, 1948. According to the Labour Bureau, there were 55 cost of living indices in the country in 1953. Later developments must have added substantially to this number.

1.3 The development of cost of living index numbers in India has been largely influenced by the growth of trade unionism and the resulting strength of the bargaining power of industrial labour. Cost of living index numbers found their greatest use in the adjustment of industrial wages and dearness allowances. Most of the available series have, therefore, been prepared in respect of industrial workers. Efforts have, however, been made here and there to build up series applicable to other classes of the population also. In West Bengal, middle class cost of living index numbers are being published in respect of Calcutta and Asansol with August 1939 as base. In Uttar Pradesh cost of living index numbers are being published in respect of certain categories of the middle class population as also of agricultural labour.

1.4 For purposes of the cost of living index, goods and services are classified into certain broad groups and index numbers are usually published in respect of each group, the most commonly adopted classification being:

- (i) Food;

- (ii) Fuel and lighting;
- (iii) Clothing, bedding & footwear;
- (iv) Housing;
- (v) Miscellaneous.

1.5 The index numbers are computed in the Laspayre's form

$$S(q_0 p_0) \left\{ \frac{P_1}{P_0} \right\} \div S(q_0 p_0) \text{ where } p_0 \text{ and } p_1 \text{ represent the base price and current}$$

price respectively, and q_0 the average quantity of the commodity consumed per family in the base year as revealed by a study of the family budgets. The index thus reflects the change in the cost of a fixed basket of goods and services representing the consumption pattern in the base period. In other words, it measures the average change over time in the prices paid by the consumer for the goods and services commonly consumed in his daily life. It does not measure the actual change in the cost of living, which is influenced not only by changes in retail prices but also by changes in the consumption patterns. To emphasize this point, the index numbers are currently being referred to as consumer price index numbers instead of cost of living index numbers.

2. THE ALL-INDIA COST OF LIVING INDEX

2.1 The need for an all-India cost of living index was seriously felt first in connection with the work of the Varadachariar Commission (1946-47). In the absence of a published all-India index, the Commission had to use a specially worked out average of the available working class cost of living indices for six major centres in the country viz., Bombay, Calcutta, Madras, Nagpur, Kanpur and Lahore. The Dearness Allowance Committee (1952) also felt the need for a reliable all-India cost of living index and made a positive recommendation that such an index should be prepared and published by a competent body. In the meantime, it had no alternative to using the Varadachariar Commission's index, brought up-to-date by replacing Lahore by Delhi.

2.2 In 1953, the Labour Bureau brought out an interim all-India working class cost of living index, worked out as a weighted average of the available series for 24 urban centres with 1944 as base. The year 1944 was, however, considered to be unsuitable as a permanent base in view of the abnormal conditions prevailing at that time. The index has since been revised and expanded slightly to cover 27 centres in all, and is now being published with the year 1949 as base, under the revised caption, "all-India average consumer price index for working class."

2.3 Each of the 27 constituent series has its own base period and its own weighting pattern based on family budgets collected at varying points of time. In the compilation of the all-India index, each of the 27 constituent series is shifted to the common base 1949, and combined into a weighted average, the weights being proportional to the factory employment at the centre, inflated by a factor representing the ratio of the factory employment in the State to the total factory employment in the centres selected from the State.

3. LIMITATIONS OF THE PRESENT SERIES

3.1 As pointed out above, the component series of the all-India index have varying base periods spread over nearly two decades. The indices for many of the important centres have pre-War bases, ranging from 1926-27 to 1939. The others

have War-time bases *viz.*, 1944 or 1943-44. The all-India index is, thus, an average of index numbers which have War-time or pre-War bases. The weighting diagrams used in the constituent series therefore reflect either the abnormal family expenditure of the War-time or the out-moded consumption patterns of the pre-War-period. The International Conference of Labour Statisticians has recommended that the weighting diagrams of cost of living index numbers should be revised at least once in ten years on the basis of fresh family budget enquiries. By this standard, every one of the series included in the all-India cost of living index is out-moded and requires to be replaced.

3.2. The all-India index is based on a number of series readily available and considered reliable. The centres included do not by any means form a "representative" sample of the urban areas—not even of the industrial centres to which the index mainly applies. While Bombay was represented by four centres, Uttar Pradesh and Madras were represented only by one centre each. The effect of this differential representation was meant to be offset by the weighting system that was adopted. The weighting system, however, is not entirely satisfactory:

Firstly, weights for index numbers should preferably be proportional to aggregate consumption and not to the population. The differential per capita levels of consumption as between the various centres get ignored in the present system of weighting.

Secondly, in the present system of weighting, the State average tends to be biased in favour of the larger industrial centres, Kanpur cannot claim to represent the whole of urban Uttar Pradesh or Madras city to represent the whole of the urban area in the Madras State. Even where there is more than one centre in a State, because of the purposive selection in favour of the larger centres, the weighted average tends to be heavily biased in favour of the larger centres.

Thirdly, the weighting pattern is based on the constitution of the States as in 1949. Since then there has been a re-organization of the States. The weighting pattern, however, has not yet been altered accordingly.

3.3. The constituent series of the all-India index are compiled by different organizations—some by the Central Government and some by the State Governments—and the methods adopted in the compilation of the indices are not always the same. The number of stores from which price data are collected varies from two in most of the smaller centres to 24 in Bombay City. The number of items covered also varies from centre to centre; but the variations do not seem to be based on any uniform principle. The index for Kanpur covers only 21 items, whereas the index for Hyderabad covers 73. The Bombay index covers 43 items.

3.4 The housing group is particularly deficient in all the available indices. In some cases e.g., Nagpur, the group is completely ignored. In most others, the group is retained and given a weight; but the index remains unaltered at 100 for want of subsequent data on house rents. In a few cases the relevant index is adjusted periodically; but the figures are not usually up-to-date.

3.5. The miscellaneous group of items is usually represented only by a few items such as bidis, pan, supari and soap. While the Bombay index includes seven items under the miscellaneous group (*viz.*, barber, washing soap, medicine, supari, bidis, travelling and news paper), the Ahmedabad index includes only two items (*viz.*, bidis and soap). Generally speaking, the coverage of this group seems to be inadequate.

3.6. Based, as it is, on the available urban working class cost of living index numbers, the present all-India index claims applicability to the urban working class population, and in particular to the factory workers, only. Even the available series concerning mining and plantation centres have not been included in the all-India index. Although in view of the fair identity in the consumption patterns of factory workers and other urban workers, the present index may, with reasonable caution, be considered applicable to the urban working class in general, the same cannot be said in regard to its applicability to the middle class population since the disparity in the consumption patterns of these two groups is substantial. However, the closeness of the series for the working class and middle class populations in Calcutta compiled by the State Government* suggests that the effect of the difference in the consumption pattern on the price index is perhaps not as great as is sometimes made out to be.

3.7. A criticism levelled against the consumer price index sometimes is that it does not take into account the changing consumption pattern of the population to which it refers. An index which is designed to measure changes in consumer prices should not be allowed to be affected by extraneous factors such as a change in the consumption pattern. Index numbers can, no doubt, be constructed in the Pasche's form using current weights instead of constant base weights. In this form, we evaluate the cost of the current consumption basket at base prices and compare it with the present cost. It takes into account the changing consumption pattern but retains the essential character of the price index. The comparison between any given period and the base period is, even in this case, based on a common consumption pattern—the current one—but the pattern assumed, differs from period to period. Price indices are, however, not usually compiled in this form because of the difficulty in securing current consumer expenditure data.

3.8. Whether, in principle, the Pasche's form is preferable to the Laspayre's form for a consumer price index which is meant for wage adjustments, is a debatable point. Consumption pattern change through the course of time for various reasons:

- (a) if incomes do not grow in proportion to the prices, people may be forced to adjust their consumption patterns by reducing expenditures on the non-essential items or replacing certain items by cheaper substitutes;
- (b) if the rise in incomes is higher than the rise in prices, people may prefer to consume more and more of the non-essential items and go in for better types of goods than they are accustomed to;
- (c) local shortages, transport difficulties and restrictions on the movement of commodities from one region to another or from one country to another may necessitate corresponding adjustments in consumption patterns;
- (d) consumption patterns may change because of changes in the fashions, changes in the types and models of goods produced and put up in the market from time to time;

*The index numbers (August 1939 : 100) for Calcutta are :

	1948	1949	1950	1951	1952	1953	1954	1955	1956
Working class .	339	348	349	370	351	349	327	321	347
Middle class .	338	350	350	356	340	337	333	322	347

- (e) as a result of economic development, goods and services not available in the past may become available and enter the family budgets;
- (f) growth in literacy and educational standards and the natural desire to improve one's level of living may increasingly influence the patterns of living.

Some of these changes may make themselves felt only in the long run, while others may be of short duration. The latter are, however, likely to be of a trivial nature and often unstable. The same cannot, however, be said of long-run changes in consumption patterns which are comparatively stable. The consumer price index which is used for adjustment of wages should not, therefore, be affected by short term changes in consumption patterns but must take into account the long-run changes. What period should be considered long and what should be considered short may, however, depend a great deal on administrative policies, the pace of economic change, etc. The International Conference of Labour Statisticians has suggested that the weighting pattern of consumer price index numbers should be changed at least once in ten years. While more frequent changes are not precluded, too frequent changes are not a practicable proposition.

4. CONCLUSION

4.1 Despite the limitations pointed out above, the all-India working class consumer price index, currently published, is perhaps the only convenient and suitable tool available for wage adjustments at the national level. While the deficiencies referred to, cannot altogether be ignored, it cannot be said with definiteness, which way the index will move if a corrective is applied in respect of the known deficiencies, and stated with precision what the magnitude of the overall change will be. Certain calculations made in respect of some of the principal series show that the effect of a change may be sometimes positive and sometimes negative. For instance, if the pre-War weighting diagrams of some of the principle centres are replaced by War-time weights, the indices are found to rise by about 3 per cent. If War-time weights are to be replaced by post-War weights, it is not unlikely that the effect will be different. If the weighting pattern adopted in the construction of the all-India index is adjusted to conform to the reorganised State boundaries, the index is found to move up by about 1 per cent. On the other hand, if the centre weights are altogether dropped to eliminate the bias in favour of the larger centres, the index is found to drop by about 3 to 4 per cent. These results are only illustrative.

4.2 It is understood that, in accordance with the recommendations of Technical Advisory Committee on Cost of Living Index Numbers, a new series of family living surveys have recently been taken up covering industrial working class families in 50 selected centres and urban middle class families in 45 centres. On the basis of the data collected in these two surveys it is proposed to build up new working class and middle class consumer price index numbers in due course. On the basis of the results of the All-India Agricultural Labour Enquiry, 1950-51, efforts are also being made to build up rural cost of living index numbers. The second Agricultural Labour Enquiry which has recently been completed is likely to facilitate revision of weights for these index numbers. It is expected that the efforts presently being made will pave the way for the initiation of a series of consumer price index numbers, which can be used with greater confidence for the adjustment of wages and salaries, than those available at present.

Appendix V

(see Chapter "Retirement Benefits")

SCHEME OF PENSIONS TO WIDOWS AND CHILDREN

(1) This scheme is intended to replace the current Family Pensions Scheme and will apply to all existing Government servants and to those who become Government servants in future.

(2) The pension to the widow and children are payable if an officer dies in service after becoming eligible for the grant of a pension or dies after retirement on pension.

(3) The pension to the widow is payable till death or remarriage. Any marriage of the deceased which might have taken place after he had ceased to be a Government servant will be left out of account for the purposes of this scheme.

(4) The pensions to the children are payable during their period of childhood and full-time education. In the case of a female child the pension ceases on her marriage. In no case will children's pension be payable after the attainment of the age of 18 years. Any child of the deceased conceived after the deceased had ceased to be a Government servant will not be eligible for the children's pensions and will be left out of account for the purposes of this scheme.

(5) The pensions to the widow and the children are in the proportions stated in (6) below of the pension which the employee was getting at the time of his death or would have got had he retired on the day following the date of death, subject to the following modification, viz., that for the purpose of this scheme when the employee's pension is

- (i) less than Rs. 30 per mensem, it is to be taken as increased by 50 per cent,
- (ii) less than Rs. 45 per mensem, and greater than Rs. 30 per mensem, it is to be taken as Rs. 45 per mensem.

(6) (i) Proportion of the employee's pension payable to the widow is 1/3.

(ii) Where the deceased leaves no widow, or if he leaves a widow, after her death, the proportion of the employee's pension payable to children is

- (a) 1/3 while there are three or more eligible children.
- (b) 1/4 while there are two eligible children.
- (c) 1/6 while there is one eligible child.

(iii) Where the deceased leaves a widow, the proportion of the employee's pension payable to children during her life is

- (a) 1/3 while there are four or more eligible children.
- (b) 1/4 while there are three eligible children.
- (c) 1/6 while there are two eligible children.
- (d) 1/12 while there is one eligible child.

(7) That part of the cost of this scheme that is to be borne by the employee will be secured as in (8) to (10) below.

(8) (i) At the time when this scheme is first made applicable to a person or within six months thereafter, he shall elect whether or not to make periodical contributions.

(i) Where a person who has no wife when this scheme is first made applicable to him marries thereafter, he shall, unless he has previously elected under (i) above to make periodical contributions, again elect, within six months of his marriage whether or not to make such contributions.

(ii) Contributions by a person

(a) shall be $\frac{2}{3}$ per cent. of the amount of the emoluments from time to time payable to him;

(b) shall be payable in respect of his emoluments from the date as from which his election to pay the contributions becomes effective until he ceases to be a Government servant, or until he completes 30 years of service, whichever is earlier.

An election by a person under (i) above shall be effective as from the date when this scheme is first made applicable to him and an election by a person under (ii) above shall be effective as from the date when he marries thereafter.

(9) (i) If

(a) when a person who has made periodical contributions ceases to be a Government servant, it appears that he has had no wife throughout the period for which this scheme was applicable to him; or

(b) a person who has made periodical contributions ceases to be a Government servant under such circumstances that he is not eligible for the grant of a pension

the whole of his periodical contributions shall be returned to him.

(ii) In any other case where a person ceases to be a Government servant after making periodical contributions, and has no wife when he ceases to be a Government servant, any contributions made by him after he last had a wife shall be refunded to him.

(iii) All refunds of contributions under (i) and (ii) above shall be with compound interest at such rates as the Government may determine from time to time.

(10) The gratuity payable under the existing Pension Rules in case of death in service or at retirement shall be reduced, in the case of every Government servant to whom it becomes payable, as given below:—

(i) The reduction shall be nil in the case of an employee who is bachelor when he ceases to be a Government servant or an employee who ceases to be a Government servant under such circumstances that he is not eligible for the grant of pension or an employee in whose case the period as defined in (iii) below is nil.

(ii) In all other cases the reduction shall be equal to $\frac{1}{90}$ th of the annual amount of the emoluments of the Government servant at death or retirement multiplied by the period in years defined in (iii) below.

(iii) The "period" referred to in (i) and (ii) above shall be:—

(a) If the Government servant has a wife when he ceases to be a Government servant, the number of years of service then completed by him;

(b) If the Government servant has no wife when he ceases to be a Government servant, the number of years of service he had completed when he last had a wife before that date;

reduced, in each case, by the number of years, if any, for which periodical contributions have been made by him and are not returnable.

(iv) Service after thirty years of service shall be left out of account for the purposes of ascertaining the "period".

(11) For the purposes of the periodical contributions as well as the cut in the gratuity, the emoluments to be taken into account consist of the amount of salary, dearness pay, etc., which count for pension or gratuity as the case may be, and are to be subject to a maximum of Rs. 1800 per mensem.

(12) In the case of Government servants to whom no gratuity is payable (under the "Pension Rules" applicable to them), the "benefits under this scheme" shall be reduced by 2/3rds and no contributions in any form shall be paid by them. "Benefits under this scheme" shall mean the benefits payable in their case if their pensions are recalculated at the rates prescribed for persons who are subject to the existing Pension Rules (Liberalised Pension Rules).