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Reports: Retrenchment Committees, 1931 & 32.

- X:99V, 54.224.N3t G1
- ✓ 1. Report: Mysore Retrenchment Committee, 1931. (Chairman: Diwan Bahadur K.S.Chandrasekhara Aiyar.) pp.150.
2. Report: Bengal Retrenchment Committee, 1932. (Chairman: J.A.L.Swan.) pp.181.
- India X:99V, 54.262.N3t G2
3. Report (Interim): General Purposes Sub-Committee of the Retrenchment Advisory Committee, Sept. 1931. Part I. (Chairman: Sir Sir Abdur Rahim.) pp.70.
- X:99V, 54.2.N3t G3-1
4. do. do. Part II. Dec.1931. pp.190. G3-2
- ✓ 5. Report: Indian Stores Department Retrenchment Committee, 1932. (Chairman: G.A.Natesan.) pp.63.
- X:99V, 54.2.N3t G2

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REPORT

OF THE

MYSORE RETRENCHMENT COMMITTEE

1931

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FROM

Rajadharmapravina Diwan Bahadur

K. S. CHANDRASEKHARA AIYAR Esq., B.A., B.L.,
Chairman, Mysore Retrenchment Committee.

TO

*The Chief Secretary to the Government of
His Highness the Maharaja of Mysore.*

SIR,

I have the honour to forward for the information of Government the Report of the Committee appointed under their Order No. 3614-73—C. B. 142-30-1, dated 17th March 1931, to examine the possibilities of effecting economies in expenditure and of improving the sources of revenue and to suggest ways and means of stabilizing the financial position generally.

As you are aware, the Government have been kept informed of proposals reached at successive sessions of the Committee, through detailed statements of suggested retrenchments, and occasionally through recommendations on specific points. The Report now submitted comprises in a consolidated form the results of the Committee's deliberations on the various matters referred to it.

The time originally fixed for the submission of the Report was extended by Government till the end of August; but it has been found possible to expedite the work to some extent. I wish, in this connection, specially to bring to notice the promptitude and care with which the printing of the Report has been executed in the Government Press.

I have the honour to be,

Sir,

Your most obedient servant,

K. S. CHANDRASEKHARA AIYAR,
Chairman.

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APPENDIX 1.

First interim report of the Stores, Printing and Stationery Sub-Committee, dated the 5th September 1931.

We have the honour to submit our *interim* report on the possibilities of Retrenchment in the Printing and Stationery Department for communication to the General Committee.

Proceedings of Sub-Committee.

2. We first met in Simla on the 28th May 1931 and held three meetings where we decided what reports and information should be supplied by the department. In addition to various published reports we were furnished with an exhaustive memorandum by the Controller of Printing and Stationery in India on the expenditure of the department with eight separate memoranda as its enclosures prepared by the officers in charge of the Calcutta, Delhi, Aligarh and Simla Presses, the Central Stationery Office, the Central Publication Branch, the Forms Press and Store and the Central Printing Office. Besides furnishing the memorandum the Controller met us at Calcutta where we held three meetings in July (23rd, 25th and 27th), inspected the local offices and examined the local officers. We again met the Controller in Delhi on the 28th August and continued our examination of both the Manager of the Delhi Press and himself. As a suggestion had been made that there was no necessity for two Presses so near each other as Delhi and Aligarh, we completed our enquiry by inspecting the Aligarh Press accompanied by the Controller and the Manager, Delhi Press. We then adjourned to Simla (31st August), inspected the Simla Press on the 1st September and then discussed the recommendations to be included in the *interim* report.

Acknowledgments.

3. We desire to record our appreciation of the help rendered to us during the progress of our enquiry by the officers of the department and our thanks are due to Mr. C. T. Letton, the Controller, for the manner in which he placed himself entirely at the disposal of the Committee and thereby considerably lightened our task.

Some general observations.

4. Our recommendations in this report are based on a general survey of the expenditure of the department. We have not attempted a detailed examination of, say, whether the industrial establishment employed is more than adequate for the plant or whether the plant is worked at the maximum efficiency and minimum cost, as firstly such examination cannot be undertaken within the short time at our disposal and secondly it could only be done efficiently by technical experts.

Further, we have not attempted an examination of the policy underlying the maintenance of so many Presses under direct Government supervision and whether it would not be more economical to have the work of paying departments done entirely by outside agency leaving work of non-paying departments and work of a confidential nature only to be done by Government Presses. But this should form the subject of a subsequent enquiry.

5. We should like to make another general observation. The value of a Committee like ours, largely consists in making the department hold a searching internal examination in order to justify all items of expenditure before a committee which cannot be expected to take a wholly departmental view of many things. As a result of such examination, the Controller has been able to suggest considerable economies in advance of our recommendations, as the following figures show :—

Gross expenditure of the department.

	Rs.	
Original budget grant, 1931-32 .. .. .	..	1,12,08,000
Reduced grant proposed by the Controller, 1931-32 .. .. .	..	1,01,72,900
	<i>Recoveries.</i>	<i>Modified</i>
	<i>Budget.</i>	<i>by Controller.</i>
	Rs.	Rs.
(a) Posts and Telegraphs	23,87,000	21,42,000
(b) Railways	10,96,000	9,98,000
(c) Military	13,90,000	13,15,000
(d) Others	26,000	26,000
(e) Local Governments, etc. (taken as revenue)	34,00,000*	34,00,000*
Total	82,79,000	78,79,000

Expenditure of the department (net).

	Rs.
1913-14	14,00,726
1931-32 (Budget)	29,29,000
1931-32 (revised by the Controller)	22,93,900

The figures for 1931-32 as reduced by the Controller require some explanation in order to enable the General Committee to appreciate the present position properly. The annual expenditure of the department includes since 1926-27 certain carryovers from previous years and after a thorough examination of the figures, the Controller has come to the conclusion that if the huge carryover of Rs. 12 lakhs from 1930-31 were paid in the current year, there will only be a normal annual carryover of Rs. 2 lakhs in future. The matter has been fully dealt with on pages 29 and 30 of the Controller's memorandum which has been circulated to members of the General Committee. If the necessary adjustments were made in the figure of Rs. 22.94 lakhs on account of these carryovers, the reduced grant for 1931-32 would stand at Rs. 12,97,900 a figure which compares very favourably with the pre-war scale of expenditure on the department. This result is mainly achieved by the transfer to the paying departments of the major portion of the gross expenditure incurred and shows that we should not expect any further major economies in the Printing and Stationery department and that for these one should go to the big consuming departments such as the Railways, the Military and the Posts and Telegraphs departments.

* The Controller has taken this as Rs. 34,50,000.

Our recommendations.

6. There are certain matters in regard to which we have come to definite conclusions, while there are others which call for further examination and in regard to which our recommendations can only be provisional. We clearly distinguish below these two classes of recommendations :—

(a) *Headquarters office (Delhi) and Central Printing office (Delhi).*—These two offices have recently been amalgamated. The superior staff consists of the Controller, a Deputy Controller and two Assistant Controllers. We examined the Controller on the necessity of four officers and we were informed that so long as one of the officers was required to move up to Simla with the Government of India, it would not be possible to effect any reduction in the number of officers. We found as a result of our examination of the Assistant Controller in Simla that the regulation of the flow of work from the departments of the Government in Simla does not occupy much of his time and that to keep him fully engaged work connected with the administration of the department and other matters comes to him from Delhi. We are unanimously of the opinion that if the Manager of the Simla Press is given discretion to undertake for the offices in Simla work of an immediate character which could not be sent to Delhi (to the Clearing Section of the Headquarters office) and if these offices were required to send as usual to the Central Clearing Section their other work, it would not be necessary for an Assistant Controller to move with a complement of staff to Simla every year. We realise that for carrying out this measure, the full co-operation of the departments sending work to the Press would be required and that suitable arrangements should be made for carrying on the work of the Central Duplicating Section which is now under the control of the Assistant Controller. The Section could be shifted to the Simla Press or if that were found inconvenient by the departments, it could be attached to one of the departments of the Government of India, say, the Industries and Labour Department, which could arrange for the duplicating work of other departments. We cannot believe that this will in any way add to the responsibility of the Industries and Labour Department, if definite instructions are issued regarding the classes of work which can be sent to the duplicating section. This section consists of a typesetter and two Gestetner attendants and we recommend that leaving this section, the rest of the Assistant Controller's staff and the Assistant Controller may be permanently located in Delhi. Our view is fortified by the suggestion which has already been made by the Controller for reducing the strength of the staff moving up to Simla in future and which has been accepted by the Government. The present cost of the move of the Central Duplicating and Printing Clearing Section is Rs. 6,000 annually and our recommendation will give a saving of an amount slightly less than Rs. 6,000 per annum.

From the recommendation made above follows the next recommendation we have to make, namely, the abolition of the post of Deputy Controller at Headquarters (Delhi). We consider that four officers at headquarters are really too many and we are unanimously of the opinion that in view of the amalgamation of the office of the Controller of Printing and Stationery and the Printing Clearing Office, as an immediate act of retrenchment, the

appointment of Deputy Controller at Delhi should be done away with. The number of Chaprasis can in consequence be reduced. The Controller preferred to retain the appointment of Deputy Controller and abolish one of the two posts of Assistant Controllers as an officer of the rank of Deputy Controller was required to deputize for him during his absence on tour. He also suggested that if one of the appointments of Assistant Controller was abolished, a post of Assistant on the usual rate of pay, namely, Ra. 120—8—160—10—350 should be created. We consider that an Assistant Controller will be able to deputize for the Controller as well as a Deputy Controller and in fact, we heard no complaint that the Assistant Controller at Simla was not either efficient or independent. As regards the additional appointment, we think that when the present staff of one Superintendent, and five clerks which moves to Simla is permanently located at Delhi, the need for the extra appointment will not be felt. Our recommendation will mean a saving of nearly Rs. 14,000 per annum on the average. In our opinion, a further saving should be effected by a reduction in the staff rendered possible by the stoppage of the move to Simla.

We have considered the question as to which should be the headquarters of the Controller. It has been suggested that Calcutta should be the Headquarters as a major portion of the expenditure of the department is incurred in Calcutta and that, at any rate, his move to Simla for three months in the year should be abolished. In view of our objective to have the Delhi Press as the main press of the Government of India, a point which we deal with more fully later on, we do not approve of the headquarters of the Controller being transferred to Calcutta. We recommend that the Headquarters be fixed permanently at Delhi and that the Controller should not be required to move to Simla for any fixed period during the stay of Government at Simla, though we have no objection to the Controller or his assistant being called to Simla occasionally by the Industries and Labour Department in accordance with exigencies of public service. We contemplate that the Controller though stationed in Delhi should make the necessary tours in which among others the inspection of the Calcutta offices should form a chief item.

(b) *Calcutta Main Press at Hastings Street.*—We have come to the provisional conclusion that it will be to the ultimate advantage of the Government and the tax-payer if the printing work of the Government of India were chiefly concentrated at one place, New Delhi, and if the machinery and staff at Calcutta Press were gradually reduced to meet the requirements of only Central Government offices at Calcutta. This would make it possible for the reduced Press at Calcutta being housed along with the Forms Press and Store at Dhurrumtolla and the valuable Hastings Street buildings being released for better utilization to the great financial advantage of Government. Further our proposal would enable the Delhi Press to cope with the heavy work at budget time, save overtime charges and also comply satisfactorily with the provisions of the Factory Act. We may add that it is the experience of some of us, which is also confirmed by the Controller, that old Press machinery can be sold at much above book values and that we therefore contemplate that some portion of the machinery at the Calcutta Press may be sold in Calcutta instead of being

freighted to Delhi, thus reducing to some extent the cost of the transfer. We are asking the Controller to prepare for us a statement of the financial effect of our proposal, including the capital cost of the extension of the Delhi Press buildings, which we find is adapted for considerable expansion, and the cost of additional buildings for providing residential accommodation for the staff. We desire in this connection to point out that in regard to quarters for workmen as much as 50 per cent. saving may be effected if a different type of building suited to the needs of workmen be adopted. We shall make a further report on this point later.

We observe that a sum of Rs. 28,000 per annum is spent on making blocks and colour printing by outside Presses for the Archaeological and Agricultural Departments in connection with various reports of those departments. We consider that considerable economies could be obtained in this item of expenditure if the departments concerned were made to pay the cost and we accordingly recommend that the item be transferred from the Printing and Stationery budget to the budgets of the departments for which the expenditure is incurred.

(c) *Forms Press and Store.*—We are unanimously of the opinion that the work done by the Deputy-Controller of Forms might equally efficiently be done by a lowest grade Manager as suggested by Mr. Ascoli in his letter to the Government of India, No. 16, dated the 26th June 1925. Mr. Lettore has suggested a pay of Rs. 600—40—800 for second grade Managers and the Manager, Central Publication Branch in future and subject to any changes in the scale as a result of examination of pay and allowances generally by the General Purposes Sub-Committee, we accept the scale of Rs. 600—40—800 for the officer-in-charge of the Forms Press and Store. This will mean a saving of Rs. 5,640 per annum on the average. When our proposal to reduce the size of the Hastings Street Press and remove it to Dhurrumtolla is carried out, we think that further savings can be effected by readjusting the superior staff.

We observe that the work of printing Posts and Telegraphs forms for the northern circles is being done at the Aligarh Press and that the printing work on similar forms required by other circles is let out on contract by the Forms Press and Store at Calcutta. The Army Department forms and other stock and standard forms required for Government departments are printed at the Forms Press assisted by the Hastings Street Press. Subject to what is stated below, we approve of the existing arrangements generally.

We consider that the tender system now in force is defective in that the period of contract which is fixed as 3 years does not give the contractors an opportunity to effect economies and quote sufficiently low rates to the Government. We therefore recommend that the period of contract be longer and the suggestions made by us in regard to the advertisement, receipt, opening and acceptance of tenders for stationery be followed in the case of tenders for printing work also. We further recommend that in order to induce a large number of contractors to tender, efforts should be made to split up contracts as far as possible.

We understand that tenders for tag labels, hitherto included in the printing contract, have been separately called for as these are properly included under

articles of stationery. We approve of this procedure which is anticipated to yield a saving of Rs. 20,000 to Rs. 30,000 per annum. We however recommend that in dealing with the tenders which have been called for simultaneously in England and India, effect be given to our recommendation under the heading 'Central Stationery Office' regarding price preference for Indian articles and that if satisfactory tenders are not forthcoming, the question of producing them at the Aligarh Press where they are now made for the Northern Circle be considered, especially as the Aligarh Press does not appear to be working to its full capacity.

In view of our proposal to reduce gradually the Hastings Street Press, the Controller considers that the time has come for trying again to give out Army forms work to contractors. Apart from the question of transferring a major portion of the Calcutta Press to Delhi, we consider that if the contract period were sufficiently extended and tenders were again invited for printing of Army forms, satisfactory tenders would be forthcoming. We recommend that this may be done.

(d) *Aligarh Press.*—After inspecting the Aligarh Press we have come to the conclusion that the Aligarh Press should be retained and that the printing of forms work now done at the Calcutta Presses should be transferred to Aligarh. We feel that the Aligarh Press ought to be made to work to its full capacity. This would enable the Government to make the most economical use of the machinery and also effect some saving in printing charges.

We heard a complaint at the time of our inspection that the electric charges of the Press are excessive and were informed that if the electric plant installed at the Press were sold and current taken from the local Electric Company, considerable saving in expenditure which may be as much as Rs. 30,000 per annum could be effected, even after allowing for the erection of a conversion plant at a capital cost of about Rs. 12,000. We discussed the matter with Mr. Pitkeathly, the Chief Controller of Stores and Mr. Khan, Deputy Director of Inspection. We recommend that the question of shutting down the existing electrical generating plant in the Aligarh Press and taking a supply of electrical energy from the Aligarh Electrical Supply Company be examined with the utmost expedition and if it is found that the supply of energy can be obtained from the Aligarh Supply Company at rates which will be economical to Government after taking into consideration the possible difficulties and loss which may be encountered in disposing of the generating plant in the Press, early arrangements should be made to open up negotiations with the Company. Otherwise the existing arrangements should be continued and the negotiations with the Company should be dropped.

(e) *Central Publication Branch, Calcutta.*—We are satisfied that on account of over-crowding of this Branch at the Calcutta Press (Hastings Street), stock taking is rendered impossible and additions to staff will become imperative. We recommend that the Branch be removed to the Press quarters in Old Delhi recently vacated by the Delhi Press. This would enable the staff to be better utilized and thus obviate any additions to staff. Further the portion of the Hastings Street buildings vacated by the Central Publication Branch may

be utilised by other Central Government offices at Calcutta. We have requested the Controller to supply us with a statement showing the financial effect of our proposal and we shall make a further report on this point.

We may add that if the Central Publication Branch were removed to Delhi, the small publishing branch at the New Delhi Press with its complement of staff might be transferred to the Central Publication Branch. In that case, about 1,000 square feet of space would be released at the New Delhi Press which might accommodate any new machinery purchased or transferred from other Presses. Further the amalgamation of the publishing branch of the Delhi Press with the Central Publication Branch might make a small portion of the clerical staff superfluous. We recommend that this question be considered by the Government in consultation with the Controller.

During our inspection of the Store of the Central Publication Branch at Hastings Street and also of the Forms Store at Dhurrumtolla we were surprised to find large stock of Army forms and publications which are of absolutely no use hereafter and which were ear-marked for being destroyed. We feel it our duty to bring this to the notice of the Army Department.

We also found that a large stock of several of the publications of Government was lying unsold. We suggest that a list of such publications at reduced prices be made and advertised as widely as possible.

(f) *Central Stationery Office, Calcutta.*—It is a matter for regret that a large sum (which was Rs. 12 lakhs in the last year) has been allowed to be carried over from year to year and that the figures of 1931-32 are swollen by this large carryover. We are glad to note that this matter has been the subject of careful consideration by the Controller and that the carryover in future will not be allowed normally to exceed Rs. 2 lakhs. This matter should be carefully watched by Government.

We are not quite satisfied with the existing procedure followed in the Stationery Office in dealing with tenders for paper and other articles of stationery. The tenders are not opened publicly and though the orders of the Controller are taken in the matter of accepting tenders, we think there is considerable room for improvement of the existing procedure. The advantages of improving and perfecting the machinery cannot be measured in rupees, annas and pies, but we are absolutely convinced that the removal of any defects in the machinery is bound to be of ultimate benefit to the tax-payer. We accordingly recommend that—

- (1) tenders should be widely advertised ;
- (2) sufficient interval should be allowed between the date of advertisement and the date of application ;
- (3) applications should be made by tenderers in sealed covers which should be opened publicly at the appointed time ; and the rates read to all the contractors or their agents present ;
- (4) with regard to tenders for supplies of articles or for work of a value exceeding Rs. 10,000, the Controller should be assisted in dealing with the tenders by a committee of two members, one an official and the other a non-official ; and

- (5) in the case of purchases by a system of simultaneous tenders in India and England a price preference of a prescribed percentage should be given to articles of Indian manufacture.

We feel certain that if the procedure we have suggested above be followed, it is bound ultimately to result in considerable financial advantage to the Government—not to mention the confidence which will be engendered in the minds of all contractors.

We find from the Table on page 23 of the Controller's memorandum that the value of stationery stores in stock at the end of March 1931 was about Rs. 15 lakhs and that it is hoped in the near future to reduce the balance to Rs. 13 lakhs. It is stated that the stock at the close of the year is at present fixed as not to exceed 3 months' supply. In view of the fact that of total purchases amounting to Rs. 62½ lakhs in 1930-31, about Rs. 59 lakhs were purchased in India, we are of the opinion that it is not necessary to have a three months' supply in stock and that the stock can be reduced further. We are taking up the matter with the Controller and shall make a further report on this point.

We observe that some saving in expenditure on articles of stationery, etc., can be effected if the departments of the Government of India and the offices subordinate to them were compelled to use articles which have been tested and found satisfactory by the Central Stationery Office without insisting on any particular make of articles. We invite a reference in this connection to paragraph 44 (b) of the printed proceedings of our sixth meeting at Calcutta wherein we have mentioned the case of one Railway administration insisting on the supply of a particular kind of tracing cloth and rejecting the supply of an equally efficient and less costly kind of cloth which had been found entirely satisfactory by another Railway administration. We recommend that strict and definite instructions be issued in this matter and departments be asked to co-operate with the Printing and Stationery department in reducing expenditure by accepting the supplies made by the latter department. We note that for various official and demi-official communications, different kinds of very costly paper is being used. We are strongly of opinion that considerable saving could be effected if a uniform kind of cheaper paper and envelopes were adopted. We find that this matter has already engaged the attention of both the Finance and the Industries and Labour Departments and our recommendation should therefore be easily accepted by all departments of Government.

During our inspection of the Central Stationery Office, we found that a surplus quantity of binding cloth, graph paper and flat duplicators obtained for the Army valued at Rs. 1.10 lakhs was lying unused for a long time and that it could be disposed of to other departments if the price were reduced. We recommend that a careful examination of all articles lying unused be made and steps be taken to utilize them as quickly as possible by adjustment of their prices with the sanction of the competent authority.

Our attention was drawn to the fact that the Publicity Officers of Railways do not purchase from the Stationery Office their requirements of printing paper for work produced for them at private presses. We recommend that the question be examined by the Government and that steps be taken to ensure

that all departments of the Government of India and offices subordinate to them obtain the benefit of the cheap rates secured by the Stationery Office by centralization of purchases.

(g) *Some general remarks about printing work.*—We have gone carefully into the question of paying overtime in the Government of India Presses and obtained information of amounts paid, the rate for calculation of overtime and the causes leading to overtime employment. We appreciate that the regular flow of work to the Presses ensured by the establishment of the Central Printing Clearing Section at headquarters prevents any avoidable overtime payments that might have been made in the past. The Controller has reported that the staff at present employed at the Presses is insufficient to cope with the quantity of work received and the expedition with which it is required and that the staffs have reached the stage where further retrenchment is impossible unless there is a substantial reduction in the amount of work sent by departments and unless what seems to be the general practice of marking requisitions as immediate and urgent, timed either to the day or the hour, is given up. We may add that one flagrant case was brought to our notice where a Report of over 600 foolscap pages was marked urgent by one department and 300 copies were called for within a week, though the department was satisfied with the supply of copies a week later. We have discussed the matter fully with the Controller and with the Managers of Presses, and we make the following recommendations :—

- (1) Heads of departments should give strict instructions to the officers under them that the amount of printing work sent to the Presses should be minimized as far as possible ;
- (2) no work sent to the Press should be marked urgent or immediate without the sanction of a competent authority ;
- (3) absolutely clean copy should be sent to the Press ;
- (4) where the Central Printing Clearing Section, or the Manager, Simla Press in cases of work received direct, considers that any of the above conditions have not been fulfilled, they should have the necessary authority to bring the matter to the notice of the head of the department concerned, who should give the matter his most serious consideration.

While recognising that efforts have been made to standardize forms as a means of economy we deem it necessary to state on the authority of some of the Managers of Presses that there is considerable room for further standardization and the Central Printing Office should continue to give further attention to this matter.

In view of the general trend of our recommendations, the Industries and Labour Department should keep a strict watch on further purchase of plant and machinery for extensions of the Government of India Presses.

(h) *Pay and allowances.*—As regards pay and allowances we are following the special procedure laid down by the General Committee and making a separate report to the General Purposes Sub-Committee. We may in this connection point out that even if the revised scales for the superior staff proposed by the Controller in Table B of his memorandum were adopted there would be an

ultimate annual recurring saving in expenditure of as much as Rs. 25,000. There would similarly be a saving of Rs. 25,000 per annum if the Controller's proposals regarding the scales of pay for the establishment at the headquarters office at Delhi be accepted.

Certain special enquiries.

7. We are also making certain special enquiries regarding particular matters, such as the comparative cost of Forms printing at Government Presses and at Contractors' Presses, the necessity for some of the smaller Presses, Indianisation of the staff, reduction of stores balances, etc., and if as a result of our enquiries any proposals for economy emerge, we shall include them in our final report.

Communications to other sub-committees.

8. We have drawn the attention of the Railway Sub-Committee to the following points that came to our notice in the course of our enquiry :—

- (1) Printing work given by Publicity officers to outside Presses in India and abroad ;
- (2) indent for machinery valued at Rs. 42,000 for the small E. B. Railway Press (we are informed that this matter will be considered by the Railway Board) ;
- (3) the unreasonable attitude of some of the Railway administrations in regard to articles supplied by the Printing and Stationery Department.

We have written to the Secretary, Public Works and Audit Sub-Committee suggesting that the question whether the Government of India buildings at Calcutta are utilized to the fullest advantage of Government might be examined.

We have also brought to the notice of the Postal Sub-Committee the large amount of expenditure on Postal and Telegraph forms.

9. We may now summarise the financial effect of our recommendations.

	In thousands of
	Rs.
(1) Savings proposed to be effected by the Controller himself ...	6,36
(2) Stoppage of the move of Assistant Controller and his staff to Simla.	6
(3) Abolition of the post of Deputy Controller at Delhi ..	14
(4) Substitution of the appointment of Deputy Controller of Forms at Dhurrumtoila by the appointment of a second grade Manager.	6
(5) Savings assumed by the Controller in the purchase of tag labels	20 to 30
	6,82 to 6,92

The figures of Rs. 6,82,000 to Rs. 6,92,000 does not include the possible savings that will be effected if the recommendations regarding cut in salaries which we are separately making to the General Purposes Sub-Committee be adopted, nor does it include the savings in the amounts payable to contractors for printing Posts and Telegraphs forms on account of the rates under the new contract being 40 per cent. cheaper than the old rates. We need not mention once again the savings which cannot immediately be measured in rupees, annas and pies but which will ultimately be effected by the adoption of our other recommendations, chiefly those regarding centralisation of all printing work at New Delhi, improvement of the existing method of receiving and accepting tenders including the appointment of a tender committee, reduction in payments made for overtime work and the adoption of cheap uniform paper and envelopes for all Government offices.

APPENDIX II.

Second interim report of the Stores, Printing and Stationery Sub-Committee, dated the 11th September 1931.

Having read the memoranda received from the various Chambers of Commerce and other public bodies and also from individual witnesses, having read also the pamphlet "The Indian Stores Department and assistance to Indian industries" furnished to the Committee by the Chief Controller, having examined the Deputy Director of Administration and Intelligence and the Audit Officer, Indian Stores Department and having discussed with the Chief Controller certain immediate retrenchments in the superior and clerical staffs in the Department which could be effected, the Committee recommend that the following reductions should be made forthwith :—

- (1) The appointment of Director of Purchase (headquarters) should be held in abeyance.
- (2) The appointments of Assistant Director of Purchase (Textile) and Assistant Director of Purchase (Engineering) should be abolished.
- (3) The appointments of Assistant Controllers of Purchase at Karachi and at Bombay should be held in abeyance.
- (4) The appointment of Controller of Inspection, Bombay Circle, should be converted into an appointment of Assistant Controller of Inspection.
- (5) The appointment of Assistant Controller of Inspection, Upper India Circle, should be abolished and one of the Assistant Engineers should be given a charge allowance of Rs. 100 per mensem.
- (6) The present charge allowance of Rs. 150 given to the Inspector in charge of the Cawnpore Branch should be reduced to Rs. 100.

As a result of recommendations Nos. 4 and 5, a saving should be effected in motor car and other allowances.

2. Small orders under Rs. 250 should not be sent to the Indian Stores Department except in the following cases :—

- (a) Articles for which the Indian Stores Department have rate of running contracts ;
- (b) Articles of a special or unusual character which indenting officers find difficulty in purchasing themselves ; and
- (c) Articles required by indenting officers situated in localities where there are no facilities for purchasing.

As a result of this proposal, appointments of 2 Inspectors, 8 Examiners, 22 clerks (Purchase Branch) and 24 clerks (Inspection Branch) should be abolished.

The Audit Officer, Indian Stores Department admitted that if the proposal to eliminate petty orders were accepted, there would be a saving of Rs. 50,000 per annum in the Audit grant.

3. The Committee is of opinion that the headquarters of the Department should be permanently located at Delhi. This recommendation does not mean that the Chief Controller of Stores or any of his Assistants should not be called to Simla when required, if the Government continued to move between Delhi and Simla and if the presence of the Chief Controller or his Assistants was necessary in the interests of public service. As a result of the permanent location of the office at Delhi, there would be an immediate saving of Rs. 40,000 per annum, *vide* paragraph 22 of Mr. Pitkeathly's note of 8th May 1931 already circulated. As a further result of the gradual replacement of the existing members of the clerical establishment by local men recruited on lower rates of pay, there would be an ultimate additional saving of Rs. 60,000 per annum.

4. In view of the request made by Sir George Schuster to the Chairman of the Committee for a note in regard to the savings that could be immediately effected in the expenditure of the Indian Stores Department, the Secretary was requested to communicate the above minutes to the Secretary, Retrenchment Advisory Committee.

5. The Committee made these recommendations subject to further and fuller investigation of the question of retaining the Indian Stores Department under present conditions of substantially modifying of the scope of the Department.

6. The total financial effect of these recommendations is summarized below :—

	Rs.	Rs.
1. Director of Purchase	12 × 2,253 =	27,036
2. Assistant Director of Purchase (Engineering)	12 × 1,169 =	14,028
	(a) C. P. F.	877
3. Assistant Director of Purchase (Textiles)	12 × 1,169 =	14,028
	(a) C. P. F.	877
4. Assistant Controller of Purchase, Karachi	12 × 876 =	10,512
	Allowances	625
5. Assistant Controller of Purchase, Bombay	12 × 876 =	10,512
	Allowances	2,550
	(a) C. P. F.	657
6. Reduction of staff on account of abolition of petty purchases .. (b)		1,10,000
7. Conversion of the appointment of Controller of Inspection into that of an Assistant Controller of inspection.		} 21,500
8. Conversion of Assistant Controller of Inspection, Lahore, into an Inspector with a charge allowance of Rs. 100 per mensem.		
9. Reduction of charge allowance of Cawnpore Inspector from Rs. 150 to Rs. 100.		
10. Reduction in motor car and other allowances		
11. Permanent location of the office of the Chief Controller at Delhi— immediately		40,000
plus ultimately (additional)		60,000
Total	Rs. 2,53,102 to Rs. 3,13,102	

(a) Contributory Provident Fund.

(b) Includes a saving of 4,000 under contingencies.

Enclosure I.

Note by Mr. B. Das.

In adding my signature to these halting and inadequately small measures of retrenchment in the Indian Stores Department, I do not wish to be misunderstood by the Legislative Assembly that I am for the continuity of the Department. In times of national crisis, any small measure of economy in an interim report, therefore, must meet my approval.

The Public Accounts Committee from year to year kept close scrutiny on the activities of the Indian Stores Department and felt convinced that the Department has failed in its objective. In 1929 the Public Accounts Committee definitely recommended to the Government of India as follows:—

“ We wish therefore to record a recommendation that if the Government are satisfied that the department is so organised that it is capable of purchasing stores with efficiency (as regards testing quality, etc.), and economy, on a standard comparable to that attained by the departments when purchasing on their own account, then the Government should issue orders that all stores (other than stores of a special technical nature) required by any Government Department should in future be purchased through the Indian Stores Department; and that if the Government are not so satisfied then they should appoint a Committee of the Legislative Assembly to enquire into the present position and working of the Indian Stores Department.”

The Public Accounts Committee has all along insisted that the Indian Stores Department must be self-supporting. The weighty recommendations quoted above, have not been given effect to, so far, nor have the Government of India come to any definite decision, about their store purchase policy. On the other hand, the Government of India in the Industries and Labour Department addressed a letter to the members of the Stores Retrenchment Committee stating that the Government of India (in all their Departments) propose to suspend the formulation of their views and intentions about their store purchase policy until they receive the advice of the Retrenchment Advisory Committee. These are well-known dilatory tactics. This is nothing but turning the table on the Legislature, a statutory committee of which, namely, the Public Accounts Committee has all along insisted, since 1926, that the Government of India should adopt definite store purchase policy and should see that the Indian Stores Department becomes self-supporting.

The Stores Purchase Committee of 1920 in recommending the organisation of the Indian Stores Department definitely laid down three great principles. These are:—

- (1) Centralisation of purchase of all stores of the Government of India through one Department—the Indian Stores Department and the abolition of the Stores Department in London;

- (2) Encouragement of Indian industries by the purchase of supplies required for the public services so far as possible in the country itself by purchase of articles of Indian origin; and
- (3) Preference to the employment of statutory natives of India as officers and staff of Indian Stores Department.

I have kept close scrutiny over the activities of the Indian Stores Department since I became a member of Assembly in 1924 and I feel it has failed all along to appreciate these underlying principles that would have governed its actions. I am still of the same opinion, as I have been all along in the Public Accounts Committee, that the Indian Stores Department cannot be a self-supporting department and therefore it is best to abolish it, unless the Government of India reach definite decisions in line with the recommendations of the Stores Purchase Committee regarding their Stores Purchase policy. This, I am afraid, the Government of India are not in a position to do owing to conflicting interests and inter-departmental jealousies.

I think my colleagues in the Committee feel that they will be able to influence the Government of India to reach definite conclusions in their stores purchase policy and they anticipate that their recommendations in their final report should be given effect to. I am firmly of opinion that my colleagues will be disillusioned in the end. However to give my colleagues a chance to re-construct the Indian Stores Department on real national lines I sign this *interim* report. I will go with them in the final report if they satisfy me, from definite information obtained from the Government of India, that the Indian Stores Department will be self-supporting at least and it will not land the taxpayers into an annual loss of Rs. 6,85,000 (in 1929-30) now reduced by Rs. 2 lakhs and 50 thousand if the recommendations of this *interim* report are given effect to by the Government of India.

Enclosure 2.

Note by chairman and the other members excluding Mr. Das.

A perusal of the *ad interim* recommendations of the Committee will clearly show that Mr. Das has not correctly stated the views of the majority of the Committee. The Committee has yet to examine the representatives of the various departments of Government as to their attitude towards the Indian Stores Department and also the Chief Controller of Stores and the respective heads of the organisations in the provinces as to further retrenchments that it may be possible to effect. If the Indian Stores Department is not to be saddled with the annual loss incurred by the Alipore Test House and if our recommendations regarding economies in the Department are carried out, it will be seen that the Indian Stores Department can continue to work without any appreciable loss. But even if the Department has to meet a small deficit, we have no hesitation in saying that the abolition of the department will be a serious blow to the development and encouragement of Indian industries.

APPENDIX III.

LIST OF WITNESSES WHO FURNISHED WRITTEN MEMORANDA.

A.—*Chambers of Commerce, business firms and other Associations.*

1. The Murarka Paint and Varnish Works, Ltd., Calcutta.
2. Chittagong Chamber of Commerce, Chittagong.
3. Delhi Piece-goods Association, Delhi.
4. Inderman, Lahore.
5. The Punjab Chamber of Commerce, Delhi.
6. The Employers' Federation of Southern India, Madras.
7. The Buyers' & Shippers' Chamber, Karachi.
8. Burma Chamber of Commerce, Rangoon.
9. The Karachi Chamber of Commerce, Karachi.
10. Calcutta Import Trade Association, Calcutta.
11. Gwalior Chamber of Commerce, Lashkar.
12. The Southern India Chamber of Commerce, Madras.
13. Calcutta Trades' Association, Calcutta.
14. Maharashtra Chamber of Commerce, Bombay.
15. The Chamber of Commerce, Bombay.
16. The National Dye & Waterproof Works, Ltd., Tollygunge.
17. The Madras Chamber of Commerce, Madras.
18. Wright Pinhorn & Partners, Ltd., Simla.
19. B. R. Herman & Mohatta, Ltd., Karachi.
20. Cocanada Chamber of Commerce, Cocanada.
21. Rangoon Trades' Association, Rangoon.
22. Cowasjee & Sons, Karachi.
23. Calicut Chamber of Commerce, Calicut.
24. The Marwadi Chamber of Commerce, Ltd., Bombay.
25. The Northern India Chamber of Commerce, Lahore.
26. Indian Chamber of Commerce, Calcutta.
27. The Marwari Association, Calcutta.
28. Bengal Chamber of Commerce, Calcutta.
29. The Bombay Shareholders' Association, Bombay.
30. Bombay Piece-goods Native Merchants' Association, Bombay.
31. D. Sasson & Co., Ltd., Bombay.
32. The Burma Indian Chamber of Commerce, Rangoon.

33. The Behar and Orissa Chamber of Commerce, Patna.
34. Upper India Chamber of Commerce, Cawnpore.
35. Bird & Co., Lahore.
36. Alfred Herbert (India), Ltd., Calcutta.
37. A. & J. Main & Co., Ltd., Calcutta.
38. The East India Carpet Company, Limited, Amritsar.
39. The Elgin Mills Co., Ltd., Cawnpore.
40. International General Electric Company, Bombay.
41. W. T. Henley's Telegraph Works Company, Ltd., Calcutta.
42. Angus Engineering Works, Angus (Bengal).
43. F. Harley & Co., Calcutta.
44. John Fleming & Co., Ltd., Bombay.
45. Birkmyre Bros., Calcutta.
46. Britannia Building & Iron Co., Ltd., Calcutta.
47. Howrah Oil Mills Company, Limited, Calcutta.
48. Greaves Cotton & Co., Ltd., Bombay.
49. Symington Cox & Co., Ltd., Bombay.
50. P. Mukerjee & Co., Ltd., Delhi.
51. The Indian Hume Pipe Co., Ltd., Bombay.
52. The Bangalore Woollen Cotton & Silk Mills Co., Ltd., Bangalore.
53. Silvertown Lubricants (India), Limited.
54. The Sir Shapurji Broacha Mills, Ltd., Bombay.
55. The Crittall Manufacturing Co. (India), Ltd., Bombay.
56. Standard Telephones & Cables, Limited, Calcutta.
57. The Buckingham & Carnatic Company, Limited, Madras.
58. The General Electric Trading Co., Karachi.
59. Bitumuls (India), Ltd., Calcutta.
60. Callender's Cable & Construction Co., Ltd., Bombay.
61. Heatly & Gresham, Limited, Calcutta.
62. Plummer Bros., & Co., Calcutta.
63. Jardine Skinner & Co., Calcutta.
64. William Jacks & Co., Karachi.
65. The Industrial Factory and Lock Works, Aligarh.
66. J. H. Johnson & Co., Aligarh.
67. Stewarts and Lloyds, Limited, Calcutta.
68. The Sirdar Carbonic Gas Co., Ltd., Bombay.

69. The Solem Hardware Mart, Bombay.
70. Napier Paint Works, Calcutta,
71. Best & Company, Limited, Madras.
72. Pohoomull Brothers, Karachi.
73. The " Sparling " Patent Lock Works, Aligarh.
74. The Standard Oil Company of New York, Calcutta.
75. The General Engineering Supply & Utility Co., Lahore.
76. The Tata Oil Mills Company, Limited, Bombay.
77. Jessop & Co., Ltd., Calcutta.
78. The North West Soap Company, Ltd., Calcutta.
79. The Dharamsi Morarji Chemical Co., Ltd., Bombay.
80. Sulzer Brothers, Calcutta.
81. The C. P. Cement Company, Limited, Bombay.
82. Tata Sons, Ltd. (Mills Department), Bombay.
83. Arnold & Co., Ltd., Bombay.
84. Calcutta Mineral Supply Co., Ltd., Calcutta.
85. Clark & Greig, Limited, Rangoon.
86. The Indian Aluminium Co., Ltd., Madras.
87. Godrej & Boyce Manufacturing Co., Bombay.
88. Bhagwan Dass & Sons, Calcutta.
89. Burn & Co., Limited, Howrah.
90. The Bengal Waterproof Works, Calcutta.
91. Bengal Glass Works, Limited, Calcutta.
92. Killick Nixon & Co., Bombay.
93. G. T. R. Company, Calcutta.
94. The Cement Marketing Company of India, Ltd., Bombay.
95. The New Premier Oil Mills, Cawnpore.
96. Irrawaddy Flotilla Company, Limited.
97. Braithwait & Co. (India), Limited, Calcutta.
98. Road Oils (India), Ltd., Calcutta.
99. The English Electric Company, Limited, Calcutta.
100. Perfect Pottery Company, Ltd., Jubbulpore.
101. Burmah-Shell Oil Storage & Distributing Company of India, Ltd.,
Calcutta.
102. Marker Goldsteane & Co., Bombay.
103. Nundun Bros. & Co., Calcutta.

- 104. The Indian Cable Co., Ltd., Calcutta.
- 105. S. C. Das & Co.
- 106. The Delhi Cloth & General Mills Co., Ltd., Delhi.
- 107. Mohamed Ahmed Md. Said, Delhi.
- 108. C. M. Hadow & Co., Srinagar.
- 109. Martin & Co., Calcutta.
- 110. Dey & Co., Calcutta.
- 111. Chatra Cottage Industrial Works, Calcutta.
- 112. The Lister Antiseptics & Dressings Co., Ltd., Calcutta.
- 113. The Crompton Engineering Co. (Madras), Ltd., Madras.
- 114. The Gourepore Company, Limited, Calcutta.
- 115. John King & Company, Ltd., Calcutta.
- 116. Ladakchand Oghaddas Vora, Bombay.
- 117. The Millowners' Association, Bombay.
- 118. S. D. D. Gilder & Co., Bombay.
- 119. The Ahmedabad Manufacturing & Calico Printing Co., Ltd.,
Ahmedabad.
- 120. Duncan Stratton & Co., Bombay.
- 121. J. N. Chondhury & Son, Calcutta.
- 122. Phillips Electrical Co. (India), Ltd., Calcutta.
- 123. Osman Chotani & Co., Bombay.
- 124. Bengal Chemical & Pharmaceutical Works, Ltd., Calcutta.
- 125. Aberthaw & Bristol Channel Portland Cement Co., Ltd., London.
- 126. S. Oppenheimer & Co., Ltd., Rangoon.
- 127. The Diamond Jubilee Lock Factory, Aligarh.
- 128. The Mysore Iron Works, Bhadravati.
- 129. The Indian Merchants' Chamber, Bombay.
- 130. The Acme Manufacturing Co., Ltd., Bombay.
- 131. The Karachi Indian Merchants' Association, Karachi.
- 132. The Grain Merchants' Association, Bombay.
- 133. Purison Typewriter & Supply Co., Ludhiana.
- 134. The Bengal National Chamber of Commerce, Calcutta.

B.—Other witnesses.

(1) *Officials*—

- 1. The Air Officer Commanding, Royal Air Force in India.
- 2. The Mint Master, Bombay.
- 3. The Superintending Engineer, P. W. D., Jaipur State.
- 4. The Master, Security Printing, India, Nasik Road.

5. The Director-General, Indian Medical Service.
6. The Agent, East Indian Railway.
7. The Mint Master, Calcutta.
8. The Secretary to the Chief Commissioner of Coorg.
9. The Flag Officer Commanding the Royal Indian Marine, Bombay.
10. P. N. Mukerjee, Esq., Deputy Chief Accounts Officer, East Indian Railway, Calcutta.
11. The Controller of Printing and Stationery, India, New Delhi.
12. The Agent, North Western Railway, Lahore.
13. The Director of Civil Aviation in India.
14. The Chief Engineer, Central Public Works Department.
15. The Agent, G. I. P. Railway, Bombay.
16. The Chief Engineer, Irrigation Works, Punjab.
17. The Chief Commissioner, North-West Frontier Province.
18. The Chief Engineer, Lloyd Barrage and Canals Construction, Karachi.
19. The Secretary, Railway Department (Railway Board).
20. The Engineer-in-Chief, Army Headquarters.
21. The Master General, Ordnance, Army Headquarters.
22. The Quarter Master General, Army Headquarters.
23. The Agent, Burma Railways.
24. The Commissioner, Northern India Salt Revenue.
25. The Secretary to the Government of Bihar and Orissa, Revenue Department.
26. The Superintendent, Government Test House, Alipore.
27. The Director-General, Posts and Telegraphs.
28. The Agent to the Governor General and Chief Commissioner in Baluchistan.
29. J. F. Summersgill, Esq., Assistant Engineer, Indian Stores Department, Bombay.
30. The Audit Officer, Indian Stores Department.
31. The Chief Commissioner, Andaman and Nicobar Islands.
32. The Secretary to the Government of Bombay, Political Department.
33. The Secretary to the Government of Assam, Finance Department.
34. The Secretary to the Government of the United Provinces.
35. The Secretary to the Government of Bengal, Commerce and Marine Departments.

36. The Financial Secretary to Government, Central Provinces.
37. The Secretary to the Government of the Punjab, Finance Department.
38. The Secretary to the Government of Madras, Finance Department.

(2) *Non-officials*—

1. Mr. Biharilal Batra, Calcutta.
2. Mr. A. M. Reith, Bombay.
3. Mr. N. P. Sujan, Metal and Hardware Merchant, Karachi.
4. Lieutenant-Colonel K. M. Kirkhope, C.I.E.
5. Mr. E. A. Currim, Calcutta.
6. L. Lahauri Mall, B.A., Army Contractor, Ludhiana.

APPENDIX V.

NOTE DATED THE 25TH SEPTEMBER, 1931, BY THE CHIEF CONTROLLER OF STORES IN REGARD TO INDIANIZATION IN THE INDIAN STORES DEPARTMENT.

At the time of its amalgamation with the Stores Department, the Inspection Branch consisted of the Government Test House, to which was attached a staff of Inspectors for the inspection of local manufactures on behalf of Railways in the Calcutta area, and the Metallurgical Inspectorate. It comprised 13 officers, of whom 11 were Europeans and 2 Indians.

The position today is a total staff of 53 technical officers, of whom 30 are Indians and only 23 are Europeans. One of the latter is due to retire on the 1st December 1931 and the question of terminating the services of another is under consideration, leaving a proportion of 30 to 21 in favour of Indians.

It has been possible to obtain this result only by making the utmost efforts to Indianize the Department even with some sacrifice of efficiency.

The technical staff of the Department includes specialists in various branches of engineering. Great difficulty has in some cases been experienced in obtaining suitably qualified Indians. I explain briefly the position in the various branches serially.

(1) *Metallurgists.*

Indians .. .. .	..	..	..	..	4
Europeans .. .. .	..	..	..	..	3

Out of a total of five appointments, there was only one Indian in this branch at the time of the constitution of the Department. At present four of the seven Metallurgists are Indians.

The last appointment of an European to this Branch was made in 1925 and all the recruits appointed since then have been Indians. I may here mention that the Government of India, in 1923, sanctioned a scheme for awarding scholarships to young Indians for the purpose of studying metallurgy in Europe. Since this scheme was introduced, four Indian students have been granted scholarships, three of whom have, on the completion of their training, been appointed to superior appointments in the Indian Stores Department. The fourth scholar is still under training.

(2) *Engineer Physicists.*

Indians .. .. .	..	..	..	..	2
European .. .. .	..	..	..	..	Nil.

There are two posts in this branch, both of which are now held by Indians.

(3) *Chemists.*

Indians .. .. .	..	..	..	..	3
European .. .. .	..	..	..	..	1

This branch has also been entirely Indianized, with the exception of the head of the Government Test House, who is a European and a chemist.

(4) *Electrical Engineers.*

Indians	3
European	N \bar{a} .

(5) *Textile Specialists.*

Indians	5
European	N \bar{a} .

The figures require no comment.

(6) *Mechanical and General Engineers.*

Indians	5
Europeans	13

(7) *Bridge and Structural Engineers.*

Indians	3 plus one probationer.
Europeans	3

(8) *Wagon and Rolling Stock Specialists.*

Indians	2 plus one probationer.
Europeans	3

(9) *Specialists in Foundry Work.*

Indian	1
European	1

The reason for comparatively small proportion of Indians in sections (6), (7), (8) and (9) is the difficulty in securing Indians possessing a wide theoretical and practical knowledge of these branches of Engineering. At the same time every effort has been made to recruit Indians for these posts whenever possible and no European officer has been recruited without first thoroughly exploring all possibilities of finding suitable Indians with the requisite qualifications.

The procedure is that the Public Service Commission through whom the recruitment is made is specifically instructed to invite applications only from statutory Indians. Then, if it is not found possible to effect recruitment in India owing to the lack of suitable candidates, the High Commissioner for India is instructed to give preference to all Indian applicants who possess the requisite qualifications. In the third place, a scheme has been in operation in the Department during the past four years for the training of Indians for employment in the Inspection Branch of the Department. Two Indians were appointed for this purpose on the recommendation of the Public Service Commission on a three years course. Unfortunately, one of them did not come up to expectation and his services were therefore terminated. He has recently been re-engaged in the subordinate ranks. After satisfactory completion of his training, the second candidate has been appointed to a superior post in the Department. Two other Indian probationers, also selected by the Public Service Commission, are at present under training, one in structural and bridgework and the other in the inspection of wagons.

On the recommendation of the High Commissioner for India, arrangements were made for the provision of facilities for training for an Indian Engineer who applied for one of the vacant posts in the Inspection Branch, but was not considered fully qualified. He has recently completed his training and joined the Department in a superior post as a Bridge and Structural Engineer.

I may add that with a view to enabling Indians to acquire a more advanced and up-to-date knowledge and experience of theoretical and practical engineering and so fit themselves to hold the higher posts in the Inspection Branch of the Department, the Government of India sanctioned the deputation to Europe of an officer of the Department in 1929 and also made arrangements with the High Commissioner to place facilities at his disposal for the acquisition of the knowledge and experience which were required.

It will be observed from what has been stated that every endeavour has been made to recruit Indians for service in the gazetted ranks of the Inspection Branch of the Department, and special facilities have been granted to Indians to fit themselves not only for the lower but for the higher posts in the Department.