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C O N T E N T S.

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 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

98157

# REPORT

OF THE

## MYSORE RETRENCHMENT COMMITTEE

1931

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BANGALORE:

PRINTED AT THE GOVERNMENT PRESS

1931

No. Fl. Ret. 285.

*Dated, Bangalore, 12th August 1931.*

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.*

X:99 V, 54.224. N3t

V22-3, 2:1 V 5:54. W3L

91  
9815

## TABLE OF CONTENTS.

SECTIONS	PAGE
1. Preliminary ... ..	1
2. The Financial Position and its Stabilisation ... ..	7
3. Salaries ... ..	26
4. Allowances in addition to Salary ... ..	31
5. Travelling Allowances ... ..	37
6. Administration ... ..	42
7. Office Establishments ... ..	46
8. Contingencies and Special Charges ... ..	48
9. General Suggestions ... ..	50
10. Leave ... ..	51
11. Land Revenue ... ..	52
12. Survey and Settlement Department ... ..	56
13. Forest Department ... ..	59
14. Sandal Oil ... ..	64
15. Excise Department ... ..	66
16. Income Tax .. ..	69
17. Stamps ... ..	72
18. Registration .. ..	74
19. Supervision of Mines ... ..	77
20. Comptroller's office ... ..	78
21. Muzrai .. ..	79
22. Geological Department ... ..	81
23. Museum .. ..	82
24. Stationery and Printing .. ..	83
25. Stores Purchase Committee and Trade Commissioner ... ..	85
26. Judicial Department ... ..	86
27. Jails .. ..	89
28. Police Department .. ..	90
29. Medical Department .. ..	92
30. Public Health ... ..	95
31. Public Works .. ..	97
32. Economic Development ... ..	102
33A. Education .. ..	103
33B. University ... ..	107
34. Agriculture ... ..	111

SECTIONS	PAGE
35. Botanical and other Gardens	115
36. Civil Veterinary Department	117
37. Amrut Mahal Department	119
38. Sericulture	120
39. Industries and Commerce Department...	122
40. Co-operation	128
41. Grants for Public Improvements	131
42. Kunigal Stud Farm	133
43. Railway Department	134
44. Electrical Department	137
45. Krishnarajasagara Irrigation Works (Revenue Account)	141
46. Mysore Iron Works	142

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## 1. PRELIMINARY.

1. The circumstances necessitating the appointment of this **Appointment of Committee** are thus stated in the Order of **Retrenchment Com-** Government, No. 3614-73—C. B. 142-30-1, **mittee.** dated the 17th March 1931 :—

“The position of equilibrium, on which the Budget Estimates for the current year counted, has been disturbed by the decline under some of the heads of revenue, due chiefly to economic depression, and it is unlikely that there will be any material improvement in the position in the next year. It is therefore necessary to adopt all possible measures for ensuring the balancing of annual budgets, and action in this direction is being taken by Government in connection with the framing of the Budget Estimates for the next year, which is now in progress. The problem for solution is, however, one of considerable importance, and Government consider it desirable that the possibilities of effecting economies and of improving revenues should also be explored by a Committee of officials and non-officials.”

2. The Committee was constituted as follows :—

**Its Constitution.****CHAIRMAN.**

*Rajadharmapravina Diwan Bahadur*

K. S. Chandrasekhara Aiyar, B.A., B.L.

**MEMBERS.**

The Revenue Commissioner in Mysore.

The Chief Secretary to Government.

The Financial Secretary to Government.

Mr. K. T. Satyanarayana Setty,

Member, Representative Assembly and Legislative Council.

Mr. D. H. Chandrasekharaiya, B.A., LL.B.,

Member, Legislative Council.

Mr. H. C. Dasappa, B.A., LL.B.,

Member, Representative Assembly and Legislative Council.

Mr. B. Sreenivasa Iyengar (of Anekal),

Member, Representative Assembly.

Mr. K. R. Krishnasami Aiyangar, M.A., B.L., Deputy Comptroller and Financial Assistant in the Electrical Department, was appointed Secretary to the Committee with effect from the 26th March 1931.

3. The terms of reference are contained in the following paragraph of the Order :—

**Terms of reference.**

“The Committee is requested to consider what is the excess of the present standard of expenditure over revenues, and what part of the excess may be taken to be temporary and what part is more or less of a permanent nature, and to suggest ways and means for stabilising the financial position. The economies and retrenchments possible under the various votable heads of expenditure may be examined, and methods of improving sources of revenue indicated.”

4. The Chairman entered on his duties on the 21st March, and presided at all the meetings of the Committee, 27 in number. These meetings consisted of a series of sittings or sessions, as shown below :—

**Meetings.**

FIRST SESSION.—8th, 9th, 10th and 11th April.

SECOND SESSION.—20th, 21st, 22nd, and 23rd April.

THIRD SESSION.—12th, 13th, 14th, 15th, 16th, 18th and 19th May.

FOURTH SESSION.—1st, 2nd, 3rd, 4th, 6th, 7th and 8th July.

FIFTH SESSION.—24th, 25th and 26th July.

SIXTH SESSION.—4th August.

SEVENTH AND FINAL SESSION.—9th August.

No meetings of the Committee could be held in June owing to the intervention of the Birthday Sessions of the Representative Assembly and Legislative Council, at which several of the members of the Committee (official and non-official) had to be present.

5. It would have been extremely convenient if, in the case of an enquiry of this magnitude and complexity, covering the whole field of the State's finances, and extending over every branch of administrative activity, an adequate preliminary investigation by a Special Officer had been previously instituted. This would have afforded the Committee a certain amount of useful and available material upon which to base its own more detailed examination of conditions.

**Desirability of preliminary investigation.**



As a matter of fact, this has been the procedure adopted in other administrations in British India. Thus a Special Officer was appointed some time ago by the Government of Madras, several months in advance of the sittings of the Finance Committee, to prepare a series of memoranda explaining the financial position in each department of Government, the rise or fall in expenditure with special reference to the recommendations of a previous Retrenchment Committee, and any other matters of a general nature arising for inquiry, and to lay them before the Finance Committee together with his own preliminary suggestions.

The absence of a preparatory process of this kind has placed the present Committee under this disadvantage, that it has had to plunge at once into the middle of its task, which has also been performed under a certain amount of strain, besides necessitating an extension of the time required for the final completion of its work, from the end of May to August.

6. The procedure to be adopted was discussed and settled at the first meeting of the Committee, in accordance with suggestions laid before it by the Chairman. He also explained the distinction, well recognized, between the examination of an existing system of administration, with a view to preventing waste and effecting economy, even if questions of principle have to be incidentally touched upon, and, on the other hand, the formulation of large and far-reaching schemes involving complete changes of policy not immediately connected with the stabilisation of the financial position. It was understood that, while questions of policy as such were for the exclusive consideration of the Government, the Committee was not precluded from indicating the nature of the economies which might be effected if particular policies were adopted, modified or abandoned.

7. The Government had themselves, in the first instance, called for proposals for retrenchments from heads of departments; and such as had been received were referred to the Committee, in some cases after they had been dealt with. The first step taken on behalf of the Committee was to call for detailed information from every department, bearing on the fluctuations in the revenue and expenditure of that department during the previous five years; and with special reference to the following points:—

(1) New activities undertaken during the period, or expansion of old schemes and activities; with the cost involved.

(2) Re-organization of establishments involving extra cost.

- (3) Explanation for increases under,
  - (a) permanent and recurring,
  - (b) temporary, non-recurring, and
  - (c) optional items.
- (4) Suggestions for possible economies in expenditure.
- (5) Possibilities of improving Revenue resources.

The above information was intended to elicit what, in the opinion of heads of departments, was the maximum amount of retrenchment feasible.

Over and above this, they were also requested, separately, to indicate how the activities of their departments would have to be curtailed or readjusted, supposing it was found necessary, on a consideration of the existing financial position and of the comparative needs of all the departments of the State, to work up to a certain percentage of saving (roughly put at 15 per cent) out of the present level of expenditure in each department. In other words, what were the economies which would probably have to be enforced, and in what relative order, if such a degree of retrenchment were found to be indispensable? The response to this additional inquiry was in many cases rather disappointing, even though officers were assured that the information asked to be furnished was meant simply as a help to the Committee in selecting various openings for retrenchment, and not with a view to commit departmental heads to the acceptance of any particular limit of retrenchment at that stage.

8. In two instances (namely, the High Court and the Police Department) full written answers were obtained in reply to questions relating to various points on which detailed information was required. In other cases, the heads of the departments concerned were invited for personal consultation with members of the Committee. The discussions as a rule were full, frank and exhaustive; and the opportunity was taken, wherever possible, not only to elicit information as to feasible ways of improving income and reducing expenditure, but also to examine principles and policies, as well as methods, organization and results, in relation to the various departments. Supplemental information was called for whenever necessary.

It may be stated that several of the measures of retrenchment adopted by the Committee were either suggested, or have been agreed to by the Heads of Departments themselves, rendering it unnecessary to set forth elaborate reasons.

The Committee is highly indebted to all heads of departments and other officers concerned for their very ready and willing co-operation in a task which cannot have been particularly agreeable to them, and for the promptness with which they have supplied all information at their disposal.

9. While the oral examination of witnesses was not part of the procedure contemplated in the order appointing the Committee, it was considered desirable (with the approval of Government) to invite a few prominent and representative non-official gentlemen to offer practical suggestions as to the general directions in which economies might be effected in public expenditure. Of the gentlemen addressed, those named below were kind enough to respond to the invitation; and a few others obligingly came forward with their individual opinions. The sincere acknowledgments of the Committee are due to them all severally

*Rajasabhabhushana* Diwan Bahadur  
Sir K. P. Pattanna Chetty, Kt., C.I.E.

*Rajasabhabhushana*  
K. E. Srinivasa Iyengar, Esq., M.A.,  
B. K. Garudachar, Esq.,

*Khan Bahadur*  
Mohamed Abbas Khan, Esq.,  
P. Subbarama Chetty, Esq.,  
M. T. Narain Iyengar, Esq., M.A.,  
Hosakoppa Krishna Rao, Esq.

10. It will be convenient at this point to note that the Committee's recommendations as set forth in the body of this Report represent only a modicum, duly sifted, of the mass of suggestions brought up for consideration, and that no suggestion offered from any quarter which could possibly tend to secure economy or improve revenue was left unconsidered, even though it might in the end have had to be rejected as being impracticable, impolitic or unnecessary.

The Committee, in the shaping of its own final proposals, has been influenced less by considerations of what may be ideally perfect than by the desire to seek solutions which should, at the same time, be reasonable and practicable and likely to command acceptance.

Its members have not hesitated, on occasion, to accept the largest common measure of agreement attainable rather than weaken the voice of the Committee as a whole by insisting on unessential points of disagreement.

11. The Committee has great pleasure in recording its appreciation of the valuable service rendered throughout the period of its work by the **Work of Secretary and Office staff.** Secretary, Mr. K. R. Krishnasami Aiyangar.

His sound financial knowledge and instincts, his painstaking accuracy and industry, and his ever ready and ungrudging efforts to facilitate the work before the Committee, have been of the greatest assistance. Special mention must also be made of the excellent and devoted labours of the staff of clerks and stenotypists deputed on special duty, who not only did not spare themselves in any way, but were sometimes even over-worked, during the period. The good work done by these officials, and of the senior clerk Mr. S. Krishnamoorthy in particular, deserves to be suitably recognized.

12. The Report is divided into a number of Sections, each dealing with a definite topic. The first is concerned with the important question, specially referred to the Committee by **Frame of Report.** Government, of the stabilisation of the financial position. This is followed by Sections treating, severally, of Salaries, Allowances in addition to Salary, Travelling Allowances, Administration, Office Establishments, Contingencies, etc. The remaining Sections are devoted to the various departments or heads of revenue or expenditure. The financial effect of the recommendations made in each Section is indicated in the statement at foot. It should be needless to point out that the economies likely to result cannot always be exactly calculated, and that the figures given should be regarded as approximations, as near and accurate as they can at present be made.

## 2. THE FINANCIAL POSITION AND ITS STABILISATION.

1. In order to appreciate better the position as it stood on the eve of the appointment of this Committee, it will be desirable to trace very rapidly the main variations in the public accounts from about a period of ten years preceding.

2. The fluctuations during this period, taken as a whole, are certainly striking. While the revenue ranged from Rs. 312 to 375 lakhs, the expenditure went up from Rs. 344 to 390 lakhs. In the very first year of the decade, 1920-21, the gap between revenue and expenditure was in the neighbourhood of Rs. 31 lakhs. In the last year, 1929-30, it was nominally about 15 lakhs; but if allowance be made for the reduction of Rs. 10½ lakhs in the amount of the Subsidy to the British Government, which accrued from 1928-29, the deficit condition at the beginning of the decade will be found more or less reproduced at the end of it.

3. The published figures do not clearly bring out this result, because of the fact that the Reserves were being drawn upon for financing Irrigation Works and otherwise supplementing deficiencies in the annual resources.

The true position in any year cannot, of course, be gauged unless attention be confined to the actual receipts and expenditure of the year. We have had the figures for the decade in question worked out on this basis, and these serve to establish that expenditure has throughout been in marked advance of the revenue.

4. We may also, with a view to a better appreciation of the general revenue position, consider the decennium in question in two periods of five years each.

### FIRST QUINQUENNium.

in lakhs.

Year	Revenue	Expenditure including contribution to Loan Sinking Fund	Deficit
1920—21	313'13	344'11	30'98
1921—22	312'06	344'27	32'22
1922—23	330'71	331'47	0'76
1923—24	332'57	338'03	5'46
1924—25	339'62	340'68	1'06
1925—26	346'37	347'89	1'52

5. It should be mentioned that the revenue position of the State, down to the year 1918-19, had been one of large and continuous surpluses. It then underwent a radical change owing to various causes, and a period of recurring deficits followed. The heaviest of these deficits,—exceeding Rs. 30 lakhs in each instance,—occurred during the years 1920-21 and 1921-22, necessitating the adoption of drastic retrenchments as well as of active measures for improving the revenue. A policy of financial rehabilitation was adopted in consultation with the Special Finance (Retrenchment) Committee, constituted in 1922; and, as a result, a position more or less of equilibrium between revenue and expenditure was reached within the three years following. The revenue as a whole showed a decided improvement, rising from Rs. 313.13 lakhs in 1920-21 to Rs. 339.62 in 1924-25, and to 346.37 in the year following. The growth of expenditure was also materially checked and the deficit almost wholly wiped out by the end of 1925-26.

6. When we turn to the second quinquennium commencing from 1925-26, we find that the total revenue continued steadily to expand, except in one year of drought, 1926-27, but that the advance in expenditure was much more rapid than the advance in revenue.

## SECOND QUINQUENNium.

in lakhs.

Year	Revenue	Expenditure including contribution to Loan Sinking Fund	Deficit
1925—26	346'37	347'89	1'52
1926—27	338'69	354'62	15'93
1927—28	360'81	367'41	6'60
1928—29	374'58	377'12	2'54
1929—30	375'40	390'10	14'70

7. Reverting now to our original ten year period, we find the following variations under the more important heads of revenue, that is to say, those yielding more than Rs. 10 lakhs a year:—

Department	1920—21	1929—30
Land Revenue	108'30	126'38
Forest	32'32	42'13
Excise	77'22	69'81
Income-tax	8'11	13'30
Stamps	15'70	20'99
Mining Revenue	14'82	12'40
K. R. S. Hydro Electric Works	17'13	32'18
Railways	10'91	20'93

8. It will be seen that, while Excise and Mining Revenue show a decline, all the other heads have steadily and perceptibly improved, the highest percentage of increase being recorded under Electric Works and Railways.

9. The relative growth of expenditure, on the other hand, under the principal heads, during the same decennial period, will be seen from the figures subjoined.

Department	1920--21	1929--30	Percentage of variation
Land Revenue ..	28'95	30'00	3'6
Forest ..	13'33	15'68	17'6
Interest and Sinking Fund ..	21'76	57'81	165'7
Palace ..	23'50	26'10	11'1
Administration ..	15'28	20'31	32'9
Pensions and Allowances ..	11'19	16'09	43'8
Courts of Law ..	10'33	11'11	0'8
Police ..	17'20	18'40	7'0
Medical ...	10'95	11'96	9'2
Public Works ..	37'17	35'99	-3'2
Education ..	48'02	54'32	13'1
Agriculture ..	7'90	13'04	65'1
Army ..	25'98	18'49	-28'8
Subsidy ..	35'00	24'50	-30'0

10. The largest increase, by rather more than 160 per cent, occurs under "Interest and Sinking Fund." Agriculture comes next, with 65 per cent, followed by Pensions and Allowances, Administration, Forest, and Education.

11. In almost all Departments, again, excepting Land Revenue and Excise, there has been a substantial increase of expenditure under Salaries and Establishment charges, as the result mainly of an expansion of departmental activities. The increase in this respect is most marked in the Judicial, Education and Agricultural Departments.

12. The position as rapidly sketched above has since become aggravated by the considerable, and in some instances even sudden, decline which has occurred under several of the major heads of revenue, as the result of a world-wide economic depression and other causes.

13. Coming on to the year 1930-31, we find that the budget estimates were originally prepared on an anticipated income of Rs. 379'82 lakhs, and provided for an aggregate expenditure of Rs. 379'26 lakhs chargeable to revenue, leaving a small surplus of Rs. 56,000. (This surplus, as a matter of fact, was only reached

by meeting a portion of the expenditure, to the extent of 6'50 lakhs, from Reserves.) The revised estimates point, on the one hand, to a rather disastrous shrinkage of the revenue to Rs. 342'20 lakhs, that is by quite Rs. 37'62 lakhs, and, on the other, to a material increase in the expenditure to Rs. 394'31 lakhs, or by Rs. 15'05 lakhs. The available revenue resources have thus fallen short of the year's requirements by the huge deficit of Rs. 52'11 lakhs, even after appropriating Rs. 5 lakhs from the Reserves.

14. The increase in expenditure was almost wholly due to interest and other charges incurred in connection with the new loans raised during the year, for which no provision had been made in the original budget.

15. The fall in revenue receipts is most marked under Land Revenue (14 lakhs), Excise (5 lakhs), Forest (7 lakhs) and Railways (11 lakhs). While it may with justification be hoped that the economic depression will not continue indefinitely, and that, with an amelioration of general conditions and a revival of trade as well as the stabilisation of prices, there will be an eventual improvement in the principal heads of State revenue including the earnings from Railways, no marked change in this direction can, with any confidence, be looked for during the next two or three years. It is safe to anticipate that a considerable proportion of the fall in revenue, say about one half, is likely to persist.

16. This is, in fact, the result to which we are led by a careful study of the financial position, past and present, and a forecast, as cautious as the data available will permit, of probable conditions in the near future. In subsequent Sections of this Report, we hope to furnish some idea of what the normal level of the income may be expected to be under each of the principal heads. This normal level, it should be observed, includes all such improvements of resources as we have been able to suggest or take note of, to an aggregate extent of Rs. 4½ lakhs.

17. At this stage, it will be useful, as affording a comprehensive view of the probable future revenue position as a whole, to refer to Statement No. I, which gives in parallel columns the quinquennial average figure, last year's budget and revised estimates, the estimates for 1931-32, and the probable average income for the next three years, under the several heads of revenue. This Statement shows that the aggregate revenue of the State for the next three years may be taken to be about Rs. 362'22 lakhs (C). Since the revenue according to the budget for 1930-31 as originally framed is Rs. 379'82 lakhs (A), and the revenue according to the revised budget for 1930-31 is Rs. 342'20 lakhs (B), the difference



between the first two figures (i. e., A minus C) is almost one-half of the difference between the second two figures (or A minus B)—which incidentally confirms our anticipation that about one-half of the fall of revenue during 1930-31 may be treated as more or less stationary.

18. Turning now to the side of expenditure, we have to add two new items to the budgeted expenditure for 1930-31 before we shall arrive at what is called in the Order of Reference "the present standard of expenditure."

These two items are :—

- (a) 7.13 lakhs, for an increase of interest charges on account of the floatation of the new loans; and
- (b) 2 lakhs, for the net increase in salaries due to variations in the pay of officers on a time scale.

Adding these to the budgeted expenditure of 385.76\* lakhs, we arrive at the figure 394.89 lakhs as representing the present level of expenditure. This level will be seen to be in excess of the probable level of revenue by (394.89 - 362.22 or) Rs. 32.67 lakhs; and it is this gap which has to be filled by the devising and enforcing of rigid economies in all possible directions. The gap is really larger, but part of it has been sought to be bridged by improvements separately suggested or anticipated under Revenue.

19. It is well to note at this point that the limitation of the scope of the reference to "the votable heads of expenditure" considerably narrows the scope of the scrutiny exercisable by this Committee. Taking the budget figures for the year 1930-31—as we have done throughout as a convenient starting point for our enquiries,—it may be observed that, out of a total expenditure of 385.76 lakhs budgeted for, over one-third, or quite 137.48 lakhs, is absorbed by

**Range of Scrutiny of Expenditure.**

**Fixed and Obligatory Charges :—**

	Lakhs.
Interest and Sinking Fund ...	60.75
Palace Civil List ...	26.10
Subsidy to British Government ...	24.50
Pensions and allowances ...	15.63
Remuneration to Shanbhogs and Patels	10.50
Total ...	137.48
<b>Other non-votable Items :—</b>	
Army ..	18.26
Staff and Household of His Highness the Maharaja. ...	4.68
Grand Total ...	160.42

\*Includes Rs. 6.50 lakhs, being part of the expenditure on Irrigation works expected to be financed from Reserves.

fixed and obligatory charges, while a further sum of nearly 23 lakhs relates to other charges of a non-votable kind; *vide* particulars given in the margin. Scrutiny of expenditure with a view to economy is thus limited, so far as this Committee is concerned, to about 225 lakhs. To this, of course, has to be added some 50 lakhs representing working expenses under Railways, Electric Works, etc., which are now taken as deductions on the revenue side of the Budget.

20. The succeeding Sections of this Report will be devoted to a detailed exploration of the possibilities of effecting economies and retrenchments in expenditure, as well as of improving and enlarging the sources of available revenue.

**Net result.**

A comprehensive statement showing the total extent of the economies and retrenchments which we have been able to suggest or taken note of is appended. (Statement No. II). The net result stands as follows:—

Total of Retrenchments suggested	...	37'14 lakhs
Excess of existing level of expenditure over probable level of revenue.		32'67 "
		4'47 "
	Surplus	...

In other words, the existing level of expenditure will be reduced to Rs. 357'75 lakhs (394'89—37'14), as against 362'22 lakhs, being the probable average revenue for the next three years. This means not only that the gap has been filled, but that a sum of 4'47 lakhs is left over by way of surplus.

21. The question now arises whether this is a sufficient surplus, or whether we should not, in view of the broad variations usually noticed between budget estimates and actuals, aim at a somewhat higher margin. In this connection we have also to bear in mind the possibility that some of our proposals may not meet with full acceptance from Government, and that, in regard to others, especially such as may entail permanent reductions in staffs and establishments, a certain interval of time may be necessary before they can be completely carried out.

Apart from these considerations, and the necessity for avoiding any dislocations in the budget, there is the question how far recurring provision must be made for certain general objects of an essential or quasi-essential character lying outside the scope of the regular departmental services and activities. This takes us to the subject of Financial Reserves as an element of a standard budget.

22. It will be useful at this point to touch briefly on the **Financial Settlements.** attempts made in the past to regulate the distribution of the annual resources of the State, and incidentally also to standardise departmental expenditure, by means of Financial Settlements so called.

23. The practice originally was to frame the budget of each year mainly with reference to the year's receipts and the expenditure considered necessary or desirable to be incurred during the year. Under such a practice the expenditure had, naturally enough, a tendency to increase in favourable years to such an extent as to cause embarrassment in ordinary years and at all events in years of deficit.

24. The necessity for following definite principles in framing the annual budgets from year to year, in order to secure stability, economy and efficiency in financial administration, was first emphasized in the Review submitted in August 1905 by the then Comptroller Mr. N. G. Basu. Therein he elaborated the elements of a "financial settlement" and in that connection he made the following proposals :—

(1) All expenditure on administration should be met entirely out of the ordinary normal revenue ;

(2) The Mining Revenue should be wholly set apart for financial reserves, namely, famine reserve, railway capital reserve, and reserve for special non-recurring expenditure ; and

(3) The Cauvery Power Revenue should be used entirely for building up the depleted cash balances and for further outlay on new installation.

25. The general principle of a financial settlement was accepted by the Government in their Order of 6th February 1907, which at the same time endeavoured, tentatively, to work out a standard budget on the basis of the existing resources, as more or less representing the broad features of a financial settlement so far as it could then be forecast.

26. No definite action in this direction was however taken until the year 1917, when Mr. K. L. Datta, the Special Financial Officer, recommended a scheme of his own of which an essential feature was a system of "departmental settlements." After first providing for certain necessary financial reserves, a particular proportion of the normal revenue together with a defined share of the annual growth of such revenue was to be allotted to each department ; unspent balances being carried forward from year to year to the credit of the department concerned, instead of being allowed to lapse. The major budget heads were

to be classified into four groups of revenue-producing departments and eight groups of spending departments; and the standard of normal revenue was to be fixed under each major head. Also, a certain portion of the Mining Revenue of each year was to be invested at interest and allowed to accumulate, so as to take the place of the Mining Revenue when it should itself disappear in course of time.

27. This scheme was in its turn accepted by the Government. But before it could be given a full trial, the finances underwent serious deterioration, necessitating the appointment of a Special Finance Committee in 1922 to advise as to ways and means of stabilizing the dislocated finances.

28. That Committee stressed, among other things, the importance of differentiating between the stable and the unstable sources of revenue in the matter of their utilisation for permanent and recurring expenditure, and the impolicy of mixing up the income from fluctuating sources as well as receipts of a capital nature with the general revenue account.

29. The outline of a policy of "financial rehabilitation," based more or less on Mr. Datta's scheme and consisting mainly in a classification and grouping of resources and expenditure, was adumbrated by Dewan Sir A. R. Banerji in his speeches to the Representative Assembly in 1922 and 1923. Thus, normal revenue and service expenditure were grouped under one head; uncertain revenues and capital receipts under another; and revenue from financial investments and productive works and debt service charges under a third. This arrangement was, in effect, a convenient presentation of the financial elements of the budget under a few classified groups and an endeavour to balance these groups as well as the budget as a whole. It does not appear to have influenced financial policy to any appreciable extent.

30. Beyond a separation of revenue and capital accounts, the budget as now being framed does not profess to be governed either by the principle of departmental settlements, or by any consideration of the expediency of having rigid, self-contained, and self-supporting groups. Revenue is arranged on one side and expenditure on the other, each under a large number of heads. But, for all practical purposes, the revenue resources are all pooled together, and departmental expenditure (provided it is considered desirable in itself) permitted up to the full extent of the resources.

31. No scheme of financial settlement is of the slightest use unless it is simple and workable; and unless  
**A Standard Budget.** also it is strictly adhered to for a certain

definite term, at the end of which it may again be examined and suitably revised.

32. It is, in our opinion, most important for a proper appreciation of the budget position in each year, that revenue from taxation should be kept entirely distinct from receipts from productive works and financial investments, and that the accounts relating to the latter should be maintained separately from the rest of the revenue accounts. The main object of this classification is to ensure that the undertaking of capital works—however necessary in themselves—from borrowed funds does not unduly cripple the resources available for the needs of administration and of material and moral development. But, on the other hand, where productive works, after meeting all legitimate demands on their receipts, can afford to contribute a share of their net earnings for purposes of ordinary administration, there can be no objection to such appropriation, especially where this will tend to ease the burden of taxation.

33. Accordingly, we think it is necessary, and at the same time sufficient, that the Budget should hereafter be prepared,—or a *pro forma* account maintained,—in two parts; one part comprising the ordinary revenues as well as service and departmental expenditure; and the other part confined to transactions relating to interest on financial investments and net receipts from productive works, as well as the interest payable on debts and other obligations, and the contribution to the loan sinking fund. Each part should be self-contained, and each must be separately balanced. A statement thus exhibiting what may be called a “standard” budget in two distinct parts is appended. (Statement No. III).

34. Part I should provide for a small balance or surplus, sufficient not only to counteract unforeseen variations in normal revenue and expenditure, but also to form a special reserve for non-recurring expenditure of an unexpected character which, being individually of some magnitude, say, above Rs. 20,000 in each instance, cannot ordinarily be financed from the year's revenues without disturbing the budget equilibrium. A sum of Rs. 2\* lakhs is considered sufficient to be set apart as the maximum annual contribution to this Reserve. Apart from this, the steady and normal growth of the ordinary revenues of the State should provide for and determine the natural and regular expansion of administrative activities in the direction of material and moral progress as in other respects. A study of past actuals warrants

Surplus required  
under Part I.

\*Mr. D. H. Chandrasekharaiya thinks that 8 lakhs would be a more “decent” provision.

the assumption that this annual increment of revenue may be put roughly at 5 or 6 lakhs. We are not now referring to special schemes of development entailing large recurring expenditure, which must necessarily depend on fresh resources being available, through increased taxation or otherwise.

35. Coming to Part II, the first charge on the income falling under it consists, of course, of the Debt Service charges (connected with the interest payable on loans and the sinking fund), and the next, the prescribed contributions to the various departmental Depreciation Funds. It has been suggested that, out of the surplus that may remain under this Part, a portion not exceeding 5 lakhs may be treated as a Reserve to meet deficiencies in the interest charges on capital works newly undertaken, to the extent to which such interest charges cannot be met by the revenue from productive works, the balance, if any, being transferred to Part I for general departmental purposes. There is much to commend in this suggestion; and if the surplus ordinarily accruing will allow of a separate reserve of this kind being formed and maintained, there can be no objection to its being adopted.

36. The public debt of the State (inclusive of the Railway Sterling Debenture Loan) amounts at present to Rs. 842.36 lakhs, entailing an annual liability of Rs. 38.52 lakhs on account of interest. If the interest charges on the unfunded liability funds (comprising liabilities on account of Insurance and Provident Funds, Savings Bank Deposits, Endowments, etc.) are included, the interest charges will be increased by Rs. 16.65 lakhs more. Leaving out of account the Railway Sterling Loan, which is payable at the option of the State and for the discharge of which adequate provision has already been made, the total interest charges on both classes of debts now amount to Rs. 48.77 lakhs, and may be expected during the next few years to exceed half a crore.

37. The position as set forth is serious, and warrants the Committee in strongly deprecating any further resort to public borrowing for at least a term of years. All future programmes of capital works should be carefully scrutinized with reference to their productive character; and the annual outlay on them must be limited to a maximum of Rs. 40 lakhs, or such lesser amount as may be available out of the liability funds, after the prescribed proportions thereof are duly invested under the orders in force. In the case of works which are necessary but are not immediately productive, the interest charges in the initial stages may be met,

as already observed, from out of the surplus at credit of Part II, and particularly out of any separate reserve formed out of such surplus in this behalf.

38. Three of our colleagues (Messrs. H. C. Dasappa, K. T. Satyanarayana Setty and D. H. Chandrasekharaiya) consider that the reserve just mentioned should be so expanded and enlarged as to include an adequate provision year by year for the systematic development of nation-building activities under Education, Sanitation, Agriculture and so on. In the view taken by these members, the total surplus under Parts I and II together should not be less than 10 lakhs; and as the surplus so far reached as the result of the Committee's recommendations is only about four lakhs, they urge that the deficiency should be made good by a percentage reduction from the salaries of Government officials according to a sliding scale. A separate minute of dissent recorded by these members is appended, as also a brief note of the views expressed *contra* by another member, Mr. B. Srinivasa Iyengar (of Anekal).

The general question of Salaries is being dealt with in the next following Section. Here it will be sufficient to state that, in the view of the majority of the Committee, a proposal to make a percentage cut in the salaries of Government officials is both unjustifiable in itself and unnecessary in the existing circumstances. An extreme measure of this kind, involving a question of principle as difficult as it is important, would only be justifiable in an exceptional emergency,—such as has not yet arisen in the Mysore State,—calling for sacrifices from all sections of the community in proportion to their income. To repeat the weighty observation of the May Committee on the British National Finances,—“If it were possible to arrange that all classes of the community should suffer an all-round reduction in income, whether derived from earnings or investments, the majority would not hesitate to ask for the sacrifice, but they could not justify the singling out of public servants and pensioners for special sacrifices.”

39. In the view of the majority, a total surplus of seven lakhs under both parts of the Budget will, under present conditions, be sufficient for all practical purposes, and can be attained within a period of two or three years. By that time Land Revenue will, it is permissible to hope, have definitely improved by three to four lakhs. But till the full level of the required surplus is attained, the formation of one or the other of the reserves mentioned above or, in the alternative, the contribution now

being made to the Electrical Department Depreciation Fund, may be suspended temporarily for a maximum period of three years.

40. This view is not acceptable to Messrs H. C. Dasappa, D. H. Chandrasekharaiya, and K. T. Satyanarayana Setty, who have recorded this note of dissent :

“ We are emphatically of opinion that the suspension of the contribution to the Electrical Department Depreciation Fund is not justified in the circumstances of the case. There are large schemes of development in the Department which are likely to be taken up. In all probability the amount at the credit of the fund, namely 63 lakhs, would be insufficient for the purpose. In the Report the Committee observes: ‘Although with the large supplies of power available for sale, there would seem to be considerable scope for an expansion’ of revenue, the capital cost involved in taking the power supply lines over long distances sets a limit to the progress of electrification schemes.’ Apart from this we hear that there is a scheme for transferring the Hydro-Electric Works from Sivasamudram to Mekadatu which is expected to cost a crore of rupees. In view of these schemes under contemplation we cannot fully visualise the requirements for capital expenditure in a department like this, and we therefore cannot subscribe to the easy device of suspending annual contributions to this fund.”

It is due to the majority of the Committee to state that, beyond certain possibilities mentioned in the course of discussion, no definite information has been placed before the Committee about there being any *scheme* under contemplation for transferring the Hydro-Electric Works from Sivasamudram to Mekadatu. The undertaking of any such scheme is of course necessarily contingent on its being previously examined and worked out, and also shown to be financially sound. In any case, it is obvious that the cost of a *capital work* of that kind cannot be met from a Fund intended primarily as contribution *to meet the cost of renewals and replacements*. So far as this, the sole and primary purpose of such a contribution is concerned, the suspension of an annual contribution of five lakhs for a short term of years will in no way affect the position or sufficiency of the Electrical Depreciation Fund, which, as a matter of fact, has already a sum of Rs. 63 lakhs accumulated to its credit.\*

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\* The Chief Electrical Engineer has, it may be added, agreed to this temporary suspension.



41. The above recommendation obviates the need for recording a definite decision with reference to the standard of annual contribution to be made to the Sinking Fund, which now stands at 18·78 lakhs. There is, of course, no doubt or dispute as to the imperative necessity for maintaining an adequate and properly secured Sinking Fund, or as to the annual contribution thereto being the first charge upon the surplus of each year. But there may be room for some difference of opinion as to the extent of such contribution and the basis on which the actual amount should be determined,—points upon which it is needless now to expatiate.

42. Before taking leave of this part of the subject, the **Subsidy and Imperial Customs.** Committee as a whole wishes strongly to emphasize the very great importance of two points which have been borne in upon it during the course of its examination of the finances.

The first is the necessity for securing from the Government of India a substantial measure of relief in the matter of the Subsidy payable by the State, as well as of its own legitimate share of the revenue from Imperial Customs. Such relief is, indeed, highly essential for building up the finances of the State on a stable foundation.

43. The other point has reference to the necessity for adequate safeguards for maintaining the equilibrium of the finances, and, what is no less important, for securing a certain measure of independent financial scrutiny and advice. A standard budget or a scheme of financial settlement is only of value if its principles are rigidly adhered to. In the view that we take of the matter, no proposal for fresh or additional expenditure,—whether it be on account of a new work of some magnitude, or the undertaking of a new form of activity, or the expansion of an existing activity, involving additional expenditure, or a material revision of establishment,—should be sanctioned by Government until such proposal shall have been referred to and considered by an independent Standing Committee constituted for the purpose, and consisting of both officials and non-officials. Proposals for reappropriation of budget grants of or exceeding Rs 20,000 in amount may also be placed before such a body.

44. Our non-official colleagues consider that the existing Standing Committee for Finance, duly strengthened and re-constituted, with the addition of one or two outside experts if necessary, may very well perform the functions we have in

contemplation. The suggestion is respectfully commended for the consideration of Government.

45. Whatever the eventual form or constitution of the Standing Committee, it will, of course, only be an advisory body, and it will always be open to Government to overrule its advice in any case for reasons which should be recorded and communicated to the Committee. But the interposition of such a body will introduce an element of confidence and stability into the situation, and will even bring to the decisions of Government a measure of added firmness, especially where it may be desirable to turn down inconvenient proposals for additional expenditure.

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#### *Minute of Dissent.*

We are constrained to append the following minute of dissent with regard to the question of stabilising our financial position, at any rate, as far as it relates to the immediate future. The Committee itself says, when considering the question of the need for aiming at a higher margin in view of the broad variations usually noticed between the budget estimates and actuals, as follows :—

“ In this connection, we have also to bear in mind the possibility that some of our proposals may not meet with full acceptance from Government, and that in regard to others especially such as may entail permanent reductions in staffs and establishments, a certain interval of time may be necessary before they can be completely carried out.”

The surplus arrived at as per Statement No. II is Rs. 4,40,000. It should be obvious that it is impossible to arrive at this surplus in the very immediate future, and we have, in all probability, to be prepared to face deficits unless those reductions which take ‘ a certain interval of time ’ to come into operation are made up by other retrenchments of a temporary character. We do not consider it advisable that the Government should utilise any part of the loan funds to run the current administration. There may not be a more unwise policy than that. The Committee has considered practically all possibilities of retrenchments, but no alternative is suggested as to the best means of restoring the balance during that interval of time which they say is necessary and indispensable before some of the permanent reductions are completely carried out. We have our own fears that Government may not be prepared to accept in full our recommendations for retrenchment.

We therefore consider that the only means of preventing a deficit in the near future is to resort to a percentage cut\* in the salaries of Government officials which will not touch the lower paid among them on the one hand, and on the other will not materially affect those who are called upon to bear the cut.

* [Salaries above Rs. 100 and up to Rs. 200, to be		
	reduced by ....	5 %
„ above Rs. 200 and below Rs. 500	„ ....	7½%
„ Rs. 500 and above	„ ....	10%]

This procedure of having recourse to a percentage cut in salaries is not either extraordinary or unusual. Taken as a whole the salaries of Mysore officials are much above what should ordinarily prevail having regard to the existing resources as well as the general standard of life that obtains in the State. We are accustomed to see comparisons made between the salaries of Mysore officials and the British Indian officials. We do not think that the comparison is either fair or that it is the only comparison that can be made. For one thing, the resources of British India are any day greater than that of Mysore. For another, different policies have actuated the Government of India and the Provincial Governments to keep the level of salaries very high from what should guide us in a national State like Mysore. The existence of a strong contingent of British officials is directly responsible for the higher level of salaries in British India. This in its turn has had its repercussions on some of the Indian States. Comparisons could more profitably be made with a most modern progressive and efficient administration such as that of Japan, where the standard of life is any day higher than that in Mysore, and with the revenues of which our own revenues bear no comparison whatsoever. We learn that the salary of the Prime Minister in Japan is £1,200 per annum and that of a Minister is £800 per annum. Those of Judges, Professors, etc., are even less. In spite of this extremely low level of salaries, the Government of Japan, in order to meet the extreme emergency of the State due to the heavy deficit in the State Budget, have resorted to a ten per cent cut in salaries all round. In slightly different circumstances New Zealand has voted for a similar cut in salaries. There are other countries also which have either voted for a percentage cut or are considering seriously proposals in the direction. We are not suggesting this remedy merely on account of the fall in prices or the appreciation in the value of the rupee. It is because the standard of salaries in Mysore is not very low and because the needs of the State are paramount

and there are no other means of restoring the balance in the budget for the present, that we suggest a cut in salaries. After all, the cut that we have proposed is so low that it is not going to make the position of Mysore officials materially worse. Besides we think we will be only setting a very fine example to the rest of India as to what a national Government can do by way of coming to the help of its State in such extreme circumstances as we are faced with at present.

We cannot also fail to note that the present grades of salaries were fixed at a time when it was difficult to attract competent hands to service. Such a situation has long passed since, and it is quite possible to secure the services of the best men for the State on reduced grades of salaries. Viewed from all points, we feel that there could not be a more justifiable occasion than the present one to adopt a percentage cut in salaries as proposed.

H. C. DASAPPA.

D. H. CHANDRASEKHARAIYA.

K. T. SATYANARAYANA SETTY.

*Note.*—Mr. B. Srinivasa Iyengar (of Anekal) wishes to state that, as compared with British India, the standard of salaries in Mysore is very low, that the salaries of higher officers have practically remained at the same level for the last two decades and were not raised when prices went up in the past, that their standard of personal expenditure has considerably risen after the advent of motor cars, etc., that it will not be either desirable or expedient to shake the faith of the officers in the security of Government service by arbitrarily reducing their salaries merely on account of a fall in prices which might after all be temporary, and that no real emergency has arisen to justify the adoption of this extreme course.

STATEMENT No. I.  
(Actual and Probable Level of Revenue.)

In Lakhs.

Head of Revenue	Average for the quinquennium ending 1925-30.	Budget	Revised	Budget	Probable average for the next three years.
		1930-31	1930-31	1931-32	
		Rs.	Rs.	Rs.	Rs.
I. Land Revenue ... ..	126.26	129.62	115.67	123.02	128.00
II. Forest ... ..	42.20	41.84	34.40	40.08	40.11
III. Excise ... ..	65.99	72.02	67.48	62.23	60.00
IV. Income-tax ... ..	14.66	12.08	12.18	13.55	14.00
V. Stamps ... ..	50.85	21.45	19.37	19.00	19.00
VI. Registration ... ..	3.64	3.80	3.20	3.25	3.50
VII. Assigned Tract Revenue... ..	2.77	2.60	2.92	3.11	3.11
VIII. Mining Revenue ... ..	12.91	12.11	10.74	11.11	11.11
IX. Interest ... ..	9.41	9.11	19.68	16.46	14.94
X. Scientific and Miscellaneous Departments	.16	.15	.17	.16	.16
XI. Pensions and Allowances ... ..	.61	.54	.68	.64	.54
XII. Stationery and Printing ... ..	.64	.60	.60	.60	.60
XIII. Miscellaneous ... ..	2.53	3.23	1.76	2.48	.98
XIV. Courts of Law ... ..	.42	.44	.49	.49	.49
XV. Jails ... ..	.02	.01	.01	.01	.01
XVI. Police ... ..	.69	.11	.13	.12	.12
XVII. Medical ... ..	.43	.45	.40	.51	.51
XVIII. Sanitation and Vaccination ... ..	.23	.28	.25	.25	.25
XIX. Civil Works					
XIXA. Communications } ... ..	3.23	5.23	5.63	7.36	5.56(a)
XX. Education ... ..	2.07	1.97	2.05	2.09	3.84(b)
XXI. Agriculture ... ..	.69	.60	.62	.60	.63
XXII. Industries and Commerce ... ..	.12	.13	.19	.19	.19
XXIII. Army ... ..	.86	.87	.92	.72	.72
XXIV. Railways (Net Receipts) ... ..	22.32	25.81	14.94	24.22	22.73
XXV. Krishnarajasagara Hydro-Electric and Irrigation Works (net receipts) ... ..	26.81	34.06	33.11	39.09	34.02
XXVII. Iron Works ... ..	-1.67	Nil	-5.89	Nil	-3.00
XXVIII. Kolar Gold Fields Water Supply (Net receipts) ... ..	.60	.70	.71	1.13	.70
XXIX. Industrial Works ... ..	-.28	.06	-.01	.86	-.09
Total ... ..	350.22	379.33	342.20	373.76	362.22

(a) Does not include the contribution of over (one lakh) expected from the Government of India on account of Petrol tax.

(b) Includes 1.25 lakhs on account of Middle school fees.

STATEMENT No. II.  
(Retrenchments).

DEPARTMENT	AMOUNT
	Rs.
1. Land Revenue .. .. .	50,340
2. Survey and Settlement ... .. .	78,696
3. Forest ... .. .	3,81,441
4. Excise ... .. .	21,680
5. Income-tax ... .. .	6,720
6. Stamps ... .. .	500
7. Registration ... .. .	4,280
8. Supervision of Mines .. .. .	2,400
9. General Administration .. .. .	1,20,308
10. Comptroller's Office ... .. .	35,211
11. Muzrai ... .. .	5,910
12. Geology ... .. .	7,000
13. Museum ... .. .	2,000
14. Stationery and Printing .. .. .	99,347
15. Judicial ... .. .	26,385
16. Jails ... .. .	11,995
17. Police ... .. .	1,00,715
18. Medical ... .. .	1,32,299
19. Public Health ... .. .	27,686
20. Public Works ... .. .	5,50,000
21. Economic Development ... .. .	87,000
22. Education ... .. .	3,48,873
23. University ... .. .	2,25,000
24. Agriculture .. .. .	1,05,861
25. Gardens .. .. .	41,220
26. Civil Veterinary .. .. .	1,81,375
27. Amrut Mahal .. .. .	4,510
28. Sericulture ... .. .	25,121
29. Industries and Commerce .. .. .	1,46,087
30. Co-operative Societies .. .. .	34,266
31. Grants for Public Improvements ... .. .	1,48,683
32. Kunigal Stud Farm ... .. .	45,000
33. Electrical .. .. .	5,48,689
34. Krishnarajasagara Irrigation (Revenue Account) .. .. .	22,400
35. Railways ... .. .	4,75,600
Total ... .. .	<u>41,05,298</u>
Army (excluding Kunigal Stud Farm.) { Reduction effected in the Budget for 1931-32	1,65,200
Estimated additional savings under Travelling Allowances (due to reduction of rates) ... .. .	3,00,000
Estimated savings under Duty and other allowances .. .. .	1,00,000
Estimated savings by reduction under Ministerial and Menial Establishments .. .. .	<u>2,00,000</u>
Grand total .. .. .	<u>48,70,498</u>
Deduct reductions noted under working expenses pertaining to Railway, Electrical, Krishnarajasagara Irrigation, and Sandal Oil, which are taken as deductions from Revenue on the receipt side of the Budget .. .. .	<u>11,56,689</u>
Total of reductions on the expenditure side of the Budget ... .. .	<u>37,13,809</u>

or 37 14 lakhs

## STATEMENT No. III.

(Standard Budget in two parts.)

RECEIPTS.		EXPENDITURE.	
	Rs. (In lakhs)		Rs. (In lakhs)
Part I.—All heads, except interest on financial investments and net receipts from productive works ...	292'93	Part I.—All heads, except Sinking Fund and Interest on Debt and other obligations ...	289'87
		Surplus ...	3'06
	<u>292'93</u>		<u>292'93</u>
Part II.—Interest on financial investments and net receipts from productive works ...	69'29	Part II.—Sinking Fund and Interest on Debt and other obligations ...	67'89
		Surplus ...	1'41
	<u>69'29</u>		<u>69'29</u>
Total of Parts I & II ...	362'22	Total of Parts I and II ...	357'75
		Surplus " " ...	4'47
	<u>362'22</u>		<u>362'22</u>

### 3. SALARIES.

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1. The bulk of the increase of charges in recent years has occurred under the head of Salaries. It is the result partly of additional staffs and establishments consequent on new schemes or extensions of departmental activity, but mainly of substantial improvements in the pay of some Gazetted and most of the non-Gazetted services. The improvement in the case of the higher class of officials, wherever effected, has generally taken the form of the conversion of grade scales of pay into incremental time-scales. Increases of prices as well as other reasons have also necessitated relief to subordinate establishments; this has usually been in the shape of temporary allowances followed by permanent revisions, often on a time-scale basis. There has lately been a marked fall in the cost of living, but it is too soon to say how far this will be maintained; even if it should persist, it would not be advisable to go back on the revised scales. If economy is required, it is preferable to reduce the number rather than the pay of subordinate establishments.

2. Confining ourselves for the moment to the general question of the normal standard of emoluments for the higher classes of officials, we may start with the proposition,—laid down for British India by the Public Services Commission—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 services. Such a criterion obviously holds with not less force with regard to the employees of our own State. On principle, the rates of salary fixed should be such as are sufficient, and not more than sufficient, to attract Indians of suitable qualifications, preferably the best men of the country, to the service of the State, and this without any reference to the pay, on the one hand, of European members of the Indian Civil Service, and, on the other, of services in other parts of the world where the conditions (political, cultural, and economic) may be very widely different. The case of foreign employees, again, stands on a footing of its own, for the sufficient reason that the entertainment of foreigners in a small service like that of Mysore ought to be limited to



specialists and experts who cannot be conveniently replaced by local men on lesser pay. The employment of Indian agency in any department at an unnecessarily high rate of remuneration, without a corresponding addition to duties or responsibilities, is undoubtedly harmful. It places an unjustifiable burden on the State revenues, and reacts injuriously on the level of emoluments in other departments.

3. It has been said, with regard to the salaries paid to officers in the higher ranks of the service, that they are in many cases above the general level of income, not only of the classes of society from which such officers are usually drawn, but also of the professional classes of the same standard of general education but not employed in Government service.

4. There is, no doubt, a certain amount of force in the observation. If salaries were to be fixed for the first time now, and in accordance with ideals which are shaping themselves under the influence of nationalistic feelings, and the severe stress of unemployment among educated youth, there is little doubt that public servants no less than popular sentiment would readily acquiesce in a lower range of salaries than that which now prevails.

5. But it is one thing to evolve an ideal scheme for entirely new circumstances, and quite another to have to deal with an established order of things. There can be no doubt that, in Mysore as in the adjoining provinces of British India, there have been in operation, during a series of decades, tendencies which have established a particular level of official emoluments, as well as brought about certain standards and modes of living among both officials and the non-official learned professions, and also among the educated classes generally.

6. The fact, too, ought not to be overlooked that officers of Government have often to adopt a standard of living somewhat higher than the ordinary non-official standard, and that, in regard to appointments of and above district rank, it may even be necessary to observe an official rather than a personal standard.

7. The conditions in Mysore in this respect are also, perhaps, to some extent exceptional. The continued association with Europeans on equal and friendly terms in official, business and social life, has naturally favoured a tendency towards Western conceptions of individual and domestic comfort and convenience, as well as modes of dress, etc. And whatever one's own opinion may be as to the desirability of a reversion to the simpler ideals of the East in these matters, due allowance must be made for ways and habits which have found adjustment during a fairly long period of years. To mention one striking instance, the

advent of the motor-driven vehicle within recent years has so revolutionized people's conception of time and of the facilities needed for locomotion, that it is difficult to contemplate a general reversion to the use of the horse-carriage and the country cart.

8. Speaking solely with reference to the conditions which have prevailed in Mysore for the last half a century and more, and without having in contemplation extraordinary exigencies which may call for special sacrifices from all classes of wealth-producing persons, it cannot be said, with justice, that the scales of salaries which have obtained for many years in the case of appointments on the general cadre err on the side of undue extravagance.\*

It is true that the emoluments of newly created appointments show an occasional tendency in that direction, especially where the employment of specialists has been in question. But what is really required at the present time is not an indiscriminate cutting down of official salaries throughout the State, but a certain measure of desirable uniformity in the scale of salaries of the different services, and the checking of any prevalent abuses in the matter of direct and indirect additions to emoluments in the shape of duty and travelling and other allowances. Reserving the latter topic for separate treatment, we will now proceed to the question of the uniformity of salaries.

9. We are not referring, of course, to those half a dozen or so appointments at the top rungs of the official ladder, as to which the correct principle is to keep their emoluments at such a level (consistently with the State's finances) as ought to ensure, not only the proper maintenance of the dignity of these offices, but also the absence of all material incentives to further advancement. In this view, the present normal rate of pay of the Dewan, (Rs. 4,000), and that of the Chief Justice, (Rs. 2,000), seem sufficient and not more than sufficient for a State like Mysore. As regards Members of Council, their position and functions in the scheme of administration are important and responsible; and having regard also to the reduction in their number which has recently become necessary, no diminution of their salary (Rs. 2,000) seems called for. An independent Judiciary is an asset to the State, and its accustomed dignities, rights and emoluments ought not to be lightly disturbed. The pay of Puisne Judges has always stood at Rs. 1,500, and may well remain at that level.

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\*Messrs. H. C. Dasappa, K. T. Satyanarayana Setty and D. H. Chandrasekharaiya do not subscribe to this sentence.

10. Passing on to the general body of the official service, one is struck by the considerable and often inexplicable differences in the rates of pay annexed to posts of similar classes in different branches of the public service. Speaking generally, we think that the guiding principle here ought to be that officers of similar rank should, as far as possible, receive a similar rate of pay, this being determined, not by the value placed upon their individual duties, but mainly on the basis of the qualifications ordinarily required of officers in that rank of the service—qualifications which must naturally be of a somewhat high order. The application of the principle suggested would remove competition and heart-burning as between the different branches of the service, and tend to attract men of similar ability to all departments.

11. It is possible and desirable to classify all the gazetted appointments, strictly so called, under a few comprehensive groups, each group carrying a common scale of pay. A tentative scheme, which, of course, is susceptible of improvement, is suggested below, as indicating the lines on which such a classification may proceed.

*Class I*, carrying a fixed salary of Rs. 1,400, should be confined to the heads of the principal departments, as well as to the tenure appointment of Chief Secretary to Government.

(The appointment of Vice-Chancellor of the University, if held by an officer in service, may come within this class; if not, it may be a special post carrying a suitable honorarium).

*Class II* may be in three grades, carrying pay at Rs. 800, Rs. 1,000 and Rs. 1,200, respectively, and may comprise other Heads of Departments, Secretaries to Government other than the Chief Secretary, Deputy Commissioners, District and Sessions Judges, and officers of corresponding rank.

In like manner, gazetted officers in the lower ranks may be broadly grouped under three classes, typically represented by (III) Senior Assistant Commissioners and Sub-Judges, (IV) Assistant Commissioners and Superintendents of Police, and (V) Amildars,

12. The incremental time scale of pay should be abandoned as far as possible. It tends to increase cost in several ways and weakens the incentives to special zeal and effort. In all departments where there are at least 3 or 4 officers who can be brought under the same class, they may be placed in different grades on fixed pay within that class, promotion being earned according to vacancies. But in the few technical Departments or offices

where, owing to the very small number of places, the chances of promotion are rare, it may be necessary to retain the time scale. But for all such cases, there should be a uniform rate of increment, so fixed as to ensure that the maximum is not reached too soon.

13. A similar scheme of standardisation of salaries for **Salaries of ministerial and menial Staffs.** ministerial officers and menials is equally necessary. There are at present wide and needless differences that should be eliminated.

*Note.*—Messrs. H. C. Dasappa and K. T. Satyanarayana Setty are of the opinion that the pay of Class I may be fixed at Rs. 1,200 instead of Rs. 1,400, and that Class II may comprise three grades, on Rs. 800, Rs. 900 and Rs. 1,000.

Mr. D. H. Chandrasekharaiya, while agreeing with them as to this, wishes to add, as regards future entrants, that even the salaries in Classes III and IV are capable of proportionate reduction; and he suggests that a separate Committee may be appointed to go into the question as early as possible.

#### 4. ALLOWANCES IN ADDITION TO SALARY.

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1. How far allowances are to be recognised as desirable and appropriate additions to salary is a question which has often been considered. Any difficulty felt has reference, not so much to the general principles underlying it, as to the application of principles to the various circumstances that arise. It is obvious that, unless rules framed are comprehensive, and are also strictly and consistently applied, anomalies and even abuses are apt to appear.

2. As a matter of fact, an examination of the official lists and manuals of appointments discloses a very large number of allowances of various kinds, not always referable to clear-cut or intelligible principles, and occasionally presenting inexplicable diversities in rates and amounts.

3. It is, in our opinion, highly necessary, in view not merely to effect temporary economies in the cost of administration, but even more to place the whole matter of legitimate additions to salary on a clearly defined basis, that all allowances of every kind now being disbursed should be carefully re-examined on their merits, with a view to see how far they are in conformity with accepted principles, and, where the grant of an allowance is found to have justification, how far its amount is reasonable or in excess of requirements.

4. In making such a re-examination, it is important to bear in mind the one general principle, of which all others are particular applications, namely, that reflected in the fundamental rule\* :

"Unless in any particular case it be otherwise distinctly provided, the whole time of a public officer must be held to be paid for by the State, and he may be employed in any manner required by proper authority within his own branch of duty, without claim for additional remuneration.

5. The pay or salary of an office should be deemed to have been fixed on a consideration of the nature of the duties annexed to the office, as well as of the circumstances in which those duties have to be performed. It must also (unless and until circumstances call for a revision) be understood to cover a certain amount of

\* (Vide Art. 48 (a) of the Mysore Service Regulations).

variation in the nature of the duties themselves. The view cannot be accepted that special pay, or compensation by way of an allowance, should be granted as a matter of course whenever duties of a somewhat more arduous nature than usual have to be performed.

6. It is, indeed, a cardinal rule that every Government Officer to whom a variety of duties is assigned, or to whose post a number of different duties is attached, should carry out those duties without extra remuneration, unless they involve more than a reasonable day's work, and that, if the volume of work assigned to an officer is more than a full day's work, the proper method of dealing with the case is, where possible, either to increase the staff, should the amount of work justify a fresh whole-time appointment, or to redistribute the work among the members of the sanctioned staff. An allowance should only be granted when neither of these alternatives is possible.

7. An exception to this rule may be allowed in those cases in which it may be necessary to employ officers of Government on additional work entirely outside their normal duties, provided such additional work can be done without prejudice to the performance of their ordinary duties. Instances of such cases are those of Surgeons on hospital duty employed on lecturing work in the Medical College outside of their normal hours of duty, and of College Professors deputed to take classes in institutions situated at some distance from their College, without any diminution or loss of efficiency in the College work regularly expected of them.

8. Officers belonging to a general cadre are bound to serve in an appointment borne on that cadre to which they may be drafted, without claim to an allowance. Accordingly, an officer of one Department transferred or lent to another for employment within his branch of duty is not entitled to an allowance.

9. The expediency of annexing an allowance to Secretariat or headquarters work requires, we think, to be reconsidered. Duties at headquarter offices or in the Secretariat are not in themselves necessarily more arduous, responsible or expensive, than duties elsewhere; and even if otherwise, they have compensations of their own. The obligation to serve in any department of Government is, after all, part of the conditions of service of officers in the general cadre; and we see no particular reason why service at headquarters or in the Secretariat should receive differential treatment in the matter of emoluments. Similar remarks apply

to the so-called construction allowances granted in the Public Works and Railway Departments.

10. At the same time, the grant of allowances in respect of posts to which special responsibility is attached is not unsound. But such appointments must necessarily be very few, and these should be listed, and no additions made to the list without careful examination and formal orders of Government in each case. The same remark applies to appointments involving work of a specially difficult and arduous nature or specific risk or danger to those engaged. In both these cases, the preferable course may generally be to treat the appointments as tenure appointments or appointments carrying a special salary, in which case no question of an allowance arises.

11. Additions to pay may also be allowed, but with proper discrimination, in cases where an officer is employed on arduous work outside his ordinary sphere of employment, or on temporary detached duty involving responsible and heavy work.

12. Again, the pay of a post is presumably fixed with reference to the qualifications required therefor. The fact that an officer possesses qualifications of a special character conducing to superior eligibility is a circumstance that may weigh in his favour either at the initial stage of selection or for purposes of promotion to higher grades. It is in itself no ground for a special allowance. The absorbable personal allowances now being granted to certain medical officers below the Surgeon's grade, in consideration of their possessing European qualifications, should, in this view, be discontinued.

13. Allowances which are granted as personal to officers are really in the nature of additions to pay. They are meant, not as rewards or incentives, but solely as compensation for loss of emoluments unwittingly suffered, as where the post held by an officer is abolished, or the pay attached to it is reduced.

14. There are at present a large number of officers in receipt of personal allowances, as to whom we have not ourselves the information to judge how far they satisfy the strict condition of eligibility. In any case, these allowances will and should be absorbed at the earliest opportunity.

15. There appears to be no valid reason to support the system of local allowances on account of the unhealthiness of a locality or of the expensiveness of duty therein, since pay, as already

observed, is presumed to be fixed with regard to the nature of the duty and the conditions of its performance.

16. As a matter of fact, the grant of local allowances to gazetted officers stationed in the Malnad and other relatively unhealthy tracts has been of late discontinued; and the concession is only shown in the case of a few lesser paid non-gazetted officials.

17. No officer should as a rule be permitted to draw more than one kind of allowance at a time, even

**Limit of Allowances** where this would be otherwise admissible. In the exceptional cases in which a conveyance or other fixed allowance is considered necessary in addition to some other allowance that is permissible, both the allowances should be consolidated and the total subjected to a maximum limit.

18. It is desirable also to fix a reduced scale of duty or extra duty allowances where their grant is permissible.

Taking the University staff by way of example, we think the Principal of a First Grade College need not receive more than Rs. 100 a month as allowance for being in administrative charge of the College, and the Superintendent of an Intermediate College or a Women's Institution more than Rs. 50. Where an extra allowance for teaching work is justified, it should be limited to Rs. 75 in the case of a Professor, to Rs. 50 in the case of an Assistant Professor or Lecturer in a First Grade College, and to Rs. 40 or Rs. 30 (according to status and circumstances) in the case of a College Lecturer or Demonstrator in the Medical School or in an Intermediate College.

19. The allowances given to non-gazetted officers do not appear to be generally excessive. It is however desirable to fix a maximum, which may be Rs. 30, as the aggregate limit up to which allowances of any kind may be given to non-gazetted officers.

20. The grant of a conveyance allowance is based on the principle that an officer, having to make within a limited area frequent journeys for which ordinary travelling allowance would not be admissible, is entitled to some compensation for meeting his out-of-pocket expenses.

**Conveyance Allowances.** 21. If the pay of an appointment has been fixed after taking into account this factor, there is no need for the grant of a separate conveyance allowance. Also, in fixing the amount of the allowance regard should, of course, be had to the nature of the conveyance required to be maintained by the Officer.



22. Under present conditions, and in view of the more extensive use of motor vehicles and the increased facilities of accommodation in Travellers' Bungalows, the grant of tentage allowance is unnecessary. The allowance given to Survey Officers should be abolished as recommended elsewhere, suitable arrangements being made for providing them with Government tents and office accommodation.

**Tentage.**

23. The system of providing free quarters, and of granting a house rent allowance in lieu, obtains in certain Departments, such as the Medical, Education, University, Railways, Police and Military.

**Free quarters and House Rent Allowance.**

24. Free quarters and house rent allowances are undesirable on principle, and in the case of Officers on high salaries (such as Principals of Colleges) also unnecessary. The concession of free quarters and of house rent in lieu may, therefore, be withdrawn as a general rule.

25. Instances requiring special treatment should be very rare. Such are the cases of employees in hospitals and in charge of prisons or hostels, whose duties compel them to "live in." In cases of this kind, where it is not possible to provide an officer with free quarters, a reasonable allowance by way of rent may sometimes be given; but this should be made conditional on his providing himself with quarters in the near vicinity of the institution concerned.

26. Officers who are entitled to free quarters as part of their terms of employment stand, of course, on a special footing.

27. We obtained from the Audit Office lists, purporting to be more or less complete, of the various kinds of allowances now drawn by officers, and we referred them to a small Sub-Committee of our own for careful examination and scrutiny in the light of the above principles. The detailed recommendations of this Sub-Committee were afterwards reviewed in full Committee and adopted with certain modifications. The lists as finally revised, with remarks indicating which allowances may be abolished and which may be reduced in amount, are appended. (Appendix I).

28. We think it is highly desirable that a self-contained order should issue, setting forth the general principles governing the grant of allowances in future, and embodying a complete schedule of allowances so granted; and that no allowance not

included in the schedule by formal order of Government should be permitted hereafter to be drawn.

29. The general principles laid down should, of course, apply to all Departments alike, in supersession of any special rules or rates that may at present be in vogue in the Railway, Police, Military or other Departments.

30. If the proposals made by the Committee are accepted, there will be a saving of more than one lakh of rupees per annum ultimately. But it may be necessary to give effect to them in such a manner as to avoid undue hardship to officers at present in receipt of allowances. Following the arrangement adopted in the past, allowances proposed to be abolished or reduced, if they have been in the nature of direct additions to salary (such as duty or extra duty allowances, construction allowances, etc.) may be reduced immediately by one half, and to the full extent on a change of incumbents at the earliest opportunity. In other cases (such as local allowances, conveyance allowances, house rent, tentage, etc.) where they are in the nature of perquisites or privileges which are adjudged to be unnecessary, the retrenchment may be effected at once.

## 5. TRAVELLING ALLOWANCES.

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1. The total expenditure on account of travelling allowances of Officers and Establishments during the last five years has been as follows :—

Growth of Expenditure.	Year.	Lakhs.
	1926—27.	11·42
	1927—28.	13·22
	1928—29.	13·62
	1929—30.	10·19
	1930—31. (Revised)	14·30

This expenditure has been steadily growing, and now stands at a level which seems to be much higher than is warranted in public interests. While the total cost of the pay of officers and establishments in the State has increased by about 14 per cent from 1926-27 to 1929-30, the travelling allowance charges have gone up by 42 per cent in the same period.

2. Though it would be too much to say that travelling is in all cases a source of profit, it is impossible to doubt that in many cases this is really so. Touring, again, is often uneconomically arranged, so as to necessitate long and frequent journeys by railway or by motor car. The prospect of earning mileage by road, for distances over 20 miles, is a temptation that some officers cannot apparently resist, and is a frequent source of abuse. Some District Officers and heads of Departments not infrequently cover as much as 50 to 60 miles by motor car on each day of out-door inspection. In several cases, too, officers leaving their headquarter station return to it the same day after "earning" road mileage for 40 or 50 miles. There is no doubt that the advent of the motor car has led to more "intense" touring with a corresponding increase in travelling allowance charges. The purpose of long and rapid marches by road is sometimes described in the travelling allowance bills as "Inspection of avenue trees," "Inspection of Village Panchayets," "Enquiry about seasonal conditions and crops," "Inspection of sanitary conditions in (roadside ?) villages," "Inspection of buses," "Inspection of Forests," "Inspection of roads," (Public Works Department) etc. It cannot be denied that, in many of these cases, the real benefit

derived from such hurried inspections is not commensurate with the heavy road mileage paid.

3. It is impossible to devise any system of travelling allowance that will be proof against all abuse. The aim should be to reduce the opportunity for abuse to the minimum, while enabling legitimate touring to be done without personal loss to officers. The present rule, which allows the full rate up to 50 miles and three-fourths of it for the excess above 50 miles, is found to be rather too liberal. With a view to discourage the tendency to long and rapid journeys by motor car, we recommend that, for road marches exceeding 50 miles on one and the same day, mileage for the distance in excess of 50 miles be allowed at two-thirds only of the ordinary rate.

4. Journeys by train used to be one of the main sources of profit. But the opportunities for this, in the case of the higher grades of officers, have been of late minimised by replacing the right to receive double the first class fare by the grant of a single fare of that class and a single fare of the next lower class. The same principle may be extended generally to officers of all classes, by laying down a simple and uniform rule, *viz.*, that the allowance admissible to an officer in superior service will be one and a half times the fare of the class to which he is entitled. It may also be explicitly laid down that, wherever concession rates are allowed by railways, a corresponding reduction should be made in the claim for travelling allowance.

5. Generally, as regards the rates of travelling allowances drawn by the different classes of officers, it seems to be sound in a matter like this to take into consideration not only their official status, but also, to a certain extent, the ordinary customs and practice of the class from which they are usually drawn, and to provide as far as possible for the same scales being adopted when such officers travel on public service as they themselves would do when travelling on private business. In this view, we recommend the following classification of officers for purposes of railway fare:—

	<i>Railway fare.</i>
(a) Officers whose salary exceeds Rs. 600 ...	First Class.
(b) Officers whose salary is Rs. 150 or more but does not exceed Rs. 600 ...	Second Class.
(c) Officers whose salary is Rs. 100 or more, but less than Rs. 150 ...	Intermediate class if available. Other- wise, third class.
(d) Officers whose salary is less than Rs. 100	Third class.

**Mileage.** 6. The mileage rates may also be reduced as follows :—

(a) Officers whose salary is Rs. 800 or more	Six annas.
(b) Officers whose salary is more than Rs. 450 but less than Rs. 800 ... ..	Four annas.
(c) Officers whose salary is Rs. 250 or more up to Rs. 450 ... ..	Three annas.
(d) Officers whose salary is less than Rs. 250	Two annas.
(e) Officers in inferior service ... ..	Six pies (No change.)

7. In proposing the above-mentioned reductions in rates, it is not the Committee's intention that the allowances payable for journeys on transfer should be prejudicially affected.

8. If two or more officers travel in one conveyance, only one officer should be allowed full mileage, others being allowed daily allowance only.

9. The claims on account of road mileage in the Railway Department are unduly heavy. The occasions for road journeys by officers of the Railway Department should be rare, and road mileage for such journeys should only be admitted with the special sanction of Government.

10. As regards the rates of daily allowance, we do not recommend any change, especially in view of the material reductions proposed under railway fare and road mileage.

**Daily Allowance.**

The special rates allowed for journeys and halts in "special tracts" may however be discontinued.

11. Another direction in which economy may be effected is by reducing the present maximum rate of conveyance allowance for the maintenance of a bicycle from Rs. 7-8-0 to Rs. 5, which latter is nearer the actual cost.

**Bicycle Allowance.**

12. Contingent expenditure incidental to touring is high, and the rates of cart hire may therefore be reduced from 4 and 3 annas to 2½ and 2 annas per mile in the Malnad and the Maidan respectively.

**Cart hire.**

13. Further economies in travelling allowance charges may be effected—

**Further economies.**

(a) by discontinuing the grant of travelling allowances for journeys of officers attending the annual or general meetings of certain Associations (*vide* Art. 632 B. of the Mysore Service Regulations), and

(b) by suspending the holding of periodical Departmental Conferences for a few years.

14. The payment of a fixed monthly allowance, in the nature more or less of a contract grant, for meeting the travelling expenses of touring officers, has various advantages. Not only does it obviate clerical labour in the preparation and check of elaborate travelling allowance bills, but it also saves the time of superior officers who would otherwise have to scrutinise such bills. It reduces also work in the Treasuries and in the Audit Office; and, what is even more important, it facilitates control over budgeted expenditure and discourages unnecessary travelling. It is therefore desirable to extend, as far as possible, the system of granting fixed travelling allowances to all officers who have regular touring work to do, especially where this has to be done within a comparatively limited area, which may be a Taluk, a District, or even two contiguous Districts.

15. In fixing the scale appropriate for the different classes of officers, it is necessary, on the one hand, that the total cost should be kept well within the amount of the ordinary travelling allowances which would otherwise have to be paid to the officers in question, and, on the other, that the scale should not be unduly lowered to the prejudice of *bona fide* and efficient touring. It is necessary, at the same time, that there should be sufficient safeguards provided against fixed allowances being drawn by officers as a matter of course, without reference to the adequacy of the touring done by them during a given period. While many heads of Departments are against the extension of the system, some, who do not object to it on principle, are for the monthly rates being fixed on a fairly liberal scale so as to avoid undue hardship to officers. This, of course, is a point that must be kept in view. The reduction in the rates of ordinary travelling allowance proposed above is also a point to be taken into consideration. Under all the circumstances, it seems best to defer the general extension of the system until the financial effect of the reduction of the rates of ordinary travelling allowance on the average monthly claims of the different classes of officers can be more nearly estimated. In the meantime, with a view to keep expenditure within reasonable limits, we would suggest the desirability, as a tentative arrangement, of fixing a maximum monthly limit for each particular class of officers beyond which claims for travelling allowance ought not to be admitted in the absence of acceptable explanations and without the sanction of Government.

16. Rates of fixed travelling allowances that are already in force, such as those applicable to Amildars and Deputy Amildars of the Revenue Department, and to District Officers of the Survey, Education and Public Works Department, are, in our opinion, susceptible of an immediate reduction from 10 to 20 per cent according to circumstances, so as to correspond with the reductions already recommended in the rates of ordinary travelling allowances.

17. The financial effect of the revision of rates, etc., herein recommended will, according to the estimate obtained from the Comptroller, work up to a total reduction ranging from 18 to 41 per cent. for the different classes of officers. Accordingly, over and above the general 10 per cent. cut adopted in the grants of all Departments, a further aggregate saving of about Rs. 3 lakhs is expected to accrue, and this figure is shown in Statement No. II (*Vide* Page 24) as "Estimated *additional* savings under Travelling Allowances.

## 6. ADMINISTRATION.

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1. The personnel of Government now consists of the Dewan and three Members of Council. The strength of the Council has varied at different times, but has generally stood at two, and it was again increased to three in 1927. Though the present strength may be justified by the increase of work resulting from the natural growth of administrative business, as well as the increased activities of the Representative Assembly and Legislative Council, the straitened condition of the State's finances points to the expediency of a reduction in the number of Members from three to two as a desirable measure of economy. A suitable redistribution of portfolios, coupled with all possible relief to Members from purely routine work and from avoidable minor distractions, should, in our opinion, make it possible for Government to carry on with the reduced number, at all events until conditions materially improve.

2. Till very recently, there were five Secretaries to Government. The number has, since the commencement of the deliberations of the Committee and on its recommendation, been reduced by one. The place that has actually been selected by Government for abolition is that of the Law Secretary. As regards the Secretaries generally, we think that the volume of their work may be reduced materially by relieving them of all such routine and relatively less important items as can be left to experienced and capable Assistant or Under Secretaries, and also by an increased delegation of powers to Heads of Departments. In these ways, it may even be possible to reduce the number of Secretaries by one more; but there may perhaps be practical difficulties in carrying out this suggestion, which is only put forward for consideration if further exigencies require its adoption.

3. While on the subject of decentralisation, we would recommend that the process in question be generally accelerated in all Departments, so that it may ultimately lead not only to economy, but also to quicker disposal of business.



4. We recommend that one more appointment in the grade of Assistant Secretaries including the Chief Reporter be retrenched, in addition to the abolition of the place of Financial Under-Secretary already ordered. The posts of Personal Assistant to the Dewan and Assistant Publicity Officer may also be abolished.

5. The ministerial establishment may be brought under reduction in accordance with the general principle we have suggested elsewhere. The Chief Secretary concedes that, by suitable changes in the method of work, it will be possible to effect some reductions.

6. The Multigraph Section may be abolished, the machines being transferred to the Government Press.

7. One non-official gentleman invited to favour the Committee with his opinion as to retrenchment has made the interesting suggestion that the Legislative Council may be abolished and its powers transferred to the Representative Assembly. It may be that, by abolishing one of the two bodies and retaining the other, there will be an appreciable saving in cost, as well as of public time, and so on. The question is, however, one not merely of retrenchment, but also of high policy on which there is likely to be a certain difference of opinion. And the Committee as a whole has felt that it is for Government to consider, if they think fit, the important and far-reaching constitutional issues involved in a proposal of this kind.

8. We recommend that the supply of lunch to members free of charge at the Representative Assembly and Legislative Council meetings be discontinued, proper arrangements being, however, made for providing the members with good catering on payment.

9. The Publicity Office may be wound up, as there are sufficient facilities otherwise for giving due publicity to administrative measures of general interest.

10. The scheme of Inspection of Office Systems and Revenue Audit is not calculated with the present meagre staff to yield much appreciable benefit. As it is obviously not possible under existing financial conditions to strengthen the staff, we recommend that the scheme be abolished.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
12. GENERAL ADMINISTRATION—		
2. Dewan and Members of Council. Salaries ... ..	24,000	Pay of one Member of Council.
3. Legislative Council and Representative Assembly and Publicity Office. Establishment— Publicity Office ..	4,944	By abolition.
Miscellaneous— Legislative Council and Representative Assembly.	10,000	Lunch charges.
4. Civil Secretariats. Salaries .. ..	10,200	By abolishing the post of Under Secretary, Finance.
	14,400	By reducing the number of Secretaries by one.
	4,500	By retrenching one Assistant Secretary or Chief Reporter.
	2,400	By abolishing the post of Personal Assistant to the Dewan.
Travelling allowance. Officers ... ..	1,072	
Establishment ... ..	6,000	
Special charges—Bicycles and Typewriters ...	1,500	
Library charges ... ..	3,500	
Contingencies ... ..	6,000	
Multigraph Section ...	1,200	By winding up the Section.
ESTABLISHMENT.		
Personal Allowance to a Superintendent ... ..		
Lumpsum for temporary establishment ... ..	600	
One First Division Clerk and one Senior Stenographer ... ..	2,000	
	2,448	Due to reduction of one Member of Council and one Secretary.

Budget head and particulars	Amount of reduction	Remarks
Personal Assistants to the Members of Council ..	768	By replacing the two Personal Assistants of First Division cadre by Second Division clerks.
Establishment transferred from Central Recruitment Board ...	864	
Mutchies and attenders ..	1,500	By reducing total number by five.
Peons 16 (11) .. ..	2,112	Due to reduction in the number of officers.
Fire Protection Jamedar ..	300	
Assistant Store Keeper, one Camp Mutsaddi and four Lascars ... ..	1,200	By abolishing these six posts.
Duty allowance to the three Personal Assistants to the Members of Council ..	1,200	By retrenching the allowance.
Central Recruitment Board-Temporary Second Division Clerks.	500	
6. Inspector of Office Systems and Revenue Audit.—		
Establishment ...	7,100	
8. Durbar Presents ..	10,000	
Total reduction ...	1,20,308	

## 7. OFFICE ESTABLISHMENTS.

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1. As a result of a general examination of office work and establishments, made in the course of our departmental enquiries, we are led to think that the strength of ministerial establishments in most offices in the State is in excess of real requirements. We think that, with careful selection of men and a proper apportionment of duties, it should be quite possible to reduce the aggregate strength by about 10 per cent on the average, though we are not prepared to say that the same average rate of reduction can be uniformly applied to all cases. Other things apart, large offices employing, say, a dozen hands or more, can *prima facie* bear a higher percentage of reduction than offices with less. The actual reduction feasible in each office is best determined as the result of a detailed examination of the nature and volume of work by an experienced Special Officer, who will presumably be instructed to take into account, and make due allowance for, retrenchments that may have already been effected in recent years.

2. Another point which requires to be noticed is that the fixed scale of pay has, in recent years, given place in almost all departments to the progressive scale. We do not think this is an advantage either in public interests or in the interests of economy. Incremental pay does not furnish the same incentive to good work as a system of regular promotion from grade to grade according to quality of work and to vacancies. Most of the men, again, soon reach the top of the incremental scale as a matter of course, and remain there more or less stagnated. We prefer in every way a gradual reversion to the earlier system of grade to grade promotion, the pay being fixed on a reasonably generous basis. An exception may be allowed in the case of those few self-contained offices which possess only a small staff, and where, therefore, the chances of promotion are bound to be limited. Also, wherever a time-scale is considered absolutely necessary, the maximum pay should always be taken for calculating the cost.

3. The whole question of orderlies and peons requires re-examination in the light of present conditions. The Government passed certain orders in 1922 on the recommendations of the Special

**Ministerial.**

**Menial.**

Finance Committee; but these orders do not seem to have gone far enough, even if they have had their full effect, and the position at present is still far from satisfactory. There are too many menials in most offices, and in not a few cases they are employed on private work of the officers to whom they are attached, at any rate on duties which have no direct connection with the discharge of Government work.

There is no apparent necessity, from the point of view of public interests, why peons should be provided at Government expense for duty solely at the residence of officers. It was one of the recommendations of the Special Finance Committee that the privilege should, under strict limitations, be continued only in respect of high functionaries and officers having executive duties which bring them in contact with the general public; and that it should be gradually done away with even in these cases in course of time. As far as can be seen, no progress worth mentioning has been achieved in this direction.

There is much to be said, not only on grounds of principle, but also for urgent reasons of economy, for doing away once for all with the system of giving home orderlies to officers. Even if this cannot be done at once, the majority of the Committee is decidedly in favour of confining home orderlies solely to officers of and above a certain rank, whose position and duties are such as to render a rigid distribution of their time between official and private business more or less impracticable, and who come in frequent contact with the public and are expected to receive visitors and transact official business at their residences; such as the Dewan, the Members of Council, the Chief Justice, the Heads of the principal Departments, and the Deputy Commissioners of Districts. The number of menials so employed may be limited to 2 or 3 according to the circumstances of each case. Messrs. S. P. Rajagopalachari and N. Madhava Rao consider that the scale allowed in the Government Order of 1922 is suitable and may be adhered to.

4. Apart from home orderlies, a material reduction in the number of menials employed in offices also seems possible. The Committee is unanimous in recommending that the total strength may be reduced by ten per cent on the average, as recommended in the case of ministerial establishments. With a view, however, to minimise hardship, the reductions in the case of both classes of employees may be effected gradually, and by keeping vacancies unfilled as they arise.

5. For purposes of calculation, we have tentatively estimated the total saving, on account of a ten per cent reduction under both Ministerial and Menial Establishments, at two lakhs.

**Saving.**

## 8. CONTINGENCIES AND SPECIAL CHARGES.

1. The growth of expenditure under each of these two comprehensive, if not non-descript, heads is shown by the following figures.

		In lakhs.	
		1925-26	1929-30
Contingencies	...	5.91	7.34
Special charges	...	18.73	20.86

There must be considerable scope for economy in both these classes of charges, especially on account of the general fall in prices all round. The extent of possible reduction will necessarily vary from office to office, and it is not feasible to adopt any uniform percentage of retrenchment.

2. We have not had the time or the materials for a detailed examination of contingent expenditure. But we think such an examination, especially in the case of the larger headquarter offices, will disclose various means of effecting desirable economies. The fact that the budget estimate for each year is based more or less on the figures of actual expenditure of previous years offers inducements to unnecessary and even wasteful expenditure, especially at the close of the year, with a view to work out the full budget allotment. If there is any direction in which economy could be immediately and effectively enforced with the least interference with the course of official business, it is in the contingent expenditure of offices.

Taking all circumstances into consideration, we have adopted a general scale of reduction at 10 per cent under Contingencies in all departments, except where a larger decrease was justified by the revised estimates for 1930-31 or was agreed to by the head of the Department. The same principle has been followed, as far as possible, in effecting reductions under Special Charges also.

3. A not inconsiderable amount is now being spent on rent for offices located in private buildings; and this is so not only in the cities of Bangalore and Mysore and in District headquarter stations, but also in other towns and villages. As rent does not figure as a separate

item in the departmental budget but is included under Contingencies, it is quite possible for individual instances of excessive rents escaping notice.

4. Apart from possible reductions in rent, a systematic examination of the distribution of accommodation among the various offices located in Government buildings is likely to disclose a substantial margin of space which may be utilised for offices now located in rented buildings.

5. Where offices are abolished, or staffs reduced, there will usually be available some furniture which can be spared for use elsewhere.

**Furniture.**

## 9. GENERAL SUGGESTIONS.

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1. While the interests of economy demand that early effect should be given to the abolition of appointments decided upon, it is desirable that the process should be so regulated as not to cause undue hardship to employees in service. To secure this end, it is necessary that the grant of extensions to superannuated officers should be stopped as long as there are supernumeraries awaiting absorption. It is understood that the power delegated to certain heads of Departments, of granting extensions of service to their subordinates, has been temporarily resumed to Government.

2. All permanent officials thrown out of employ may be treated as supernumeraries, unless they have reached the superannuation limit or have put in 25 years service. In both the latter eventualities, they may be retired on pension. We should like to recommend that even temporary hands with a continuous service of three years and more should, as far as possible, be shown the same consideration as permanent men affected by retrenchment.



**10. LEAVE.**

The existing rules do not appear to be over-generous, when compared with those obtaining in British India, and we do not recommend any change on grounds merely of economy. But, as far as possible, no acting arrangements involving extra cost should be made in vacancies of less than a month's duration.

## 11. LAND REVENUE.

1. Contributing as it does more than a crore and a quarter net every year to the Treasury, Land Revenue is the mainstay of the State's resources. Apart from variations under minor heads and the usual fluctuations under collections due to seasonal conditions, it is for the most part a stationary head of revenue. Resurvey and revision of settlement have been completed for all the taluks of the State, thereby fixing the maximum leviable on the occupied area till such time as a fresh settlement becomes due. Till then, the only means of increasing the revenue from land are—

- (i) improved collections, and
- (ii) an increase in the extent of fresh land taken up for cultivation.

2. As regards expansion of cultivation, past experience points to an average increase of about 20,000 acres per year; but, in the natural course of things, there cannot be an indefinite expansion at the same rate year by year, so long that is, as there is simultaneously no material accession to the available culturable area.

Special importance attaches, therefore, to the efforts that are being made to render available all such portions of Amrut Mahal Kaval lands as are not absolutely needed for the use of the cattle maintained by that Department, and also, though probably to a less extent, such lands as can be eliminated from the lists of date reserves through a policy of concentrating the needs of the Excise Department on a smaller area formed into blocks. It is desirable that the process of selection of lands to be thrown open to cultivation should be expedited, and that there should also be a re-examination of all reservations once in every three or five years.

3. Owing to the prevailing trade depression and the sharp decline in prices, there has been a heavy fall of nearly 15 lakhs in the collections during 1930-31. We cannot say what the trend of agricultural and other prices will be during the coming years; and it is as yet too early to forecast with any approach to certainty the state of the revenue collections during the official year which has just commenced. On the other hand, we must, as a Committee of

Retrenchment, confine our attention to conditions actual or probable. Contingencies which cannot be anticipated, such as a severe drought or widespread distress, or a continuous and persistent fall in the prices of agricultural crops, tend to upset ordinary calculations, and may necessitate exceptional and even drastic measures of economy and curtailment of normal activities. We therefore leave out of account any need for extensive suspensions or remissions of revenue. On the assumption that prices, instead of improving, will continue to remain at the present low level for another year or two, the Revenue Commissioner has stated it as his considered opinion that the estimates for 1931-32 and the next two years may be taken at Rs. 128-02, 131-60 and 134-09 lakhs, respectively. He thinks that conditions will gradually readjust themselves in conformity with the general fall in prices, that the percentage of collections will also go up and tend towards the normal, and that the average revenue under present conditions may, at a conservative estimate, be taken at Rs. 130 to 132 lakhs. While generally agreeing in the reasons for anticipating a steady improvement in revenue, the Committee as a whole thinks it would be safer to calculate on a somewhat more cautious estimate of Rs. 128 lakhs, for the coming years. No particular account has been taken by us in this connection of the gradual increase of revenue to be looked for from the expansion of cultivation.

[Messrs. H. C. Dasappa and D. H. Chandrasekharaiya do not agree with the Revenue Commissioner in the reasons for anticipating a steady improvement of revenue collection in spite of the prices continuing at the present low level, and would prefer to put it at Rs. 126 lakhs.]

4. We have considered how far the existing number of **Sub-Divisions and Taluks.** Taluks and Sub-Divisions in the State can bear reduction in comparison with corresponding charges in the neighbouring Presidencies of Madras and Bombay. We have no doubt that some reduction is feasible, but are not in a position to make any definite proposals. The matter is one that is best examined in all its details by a small Committee. This Committee may also with advantage examine the possibilities of a simplification of system and of a reduction of unessential work in the Revenue Department.

5. Government have already decided on the abolition of **Sub-Taluku.** all Sub-Taluku as such. It is desirable that immediate effect be given to the decision by absorbing the existing Sub-Taluku in the neighbouring Taluku.

6. The Special Finance Committee of 1922 considered the **Re-distribution of Districts.** question of reducing the number of Revenue Districts by one or two, but refrained from making any recommendation, partly because

the net savings resulting therefrom would be small, but mainly on account of the disturbance which it would cause to long established territorial arrangements and machinery for land revenue and judicial administration. This last reason, in so far as it can be allowed to prevail, acquires, no doubt, increased force with the efflux of time; but when set against paramount considerations of financial necessity, it can hardly be allowed to decide the issue by itself. The districts in the Mysore State are by no means as large as the average districts in British India under the jurisdiction of a Collector; and though it is the reverse of advantageous to have charges beyond the capacity of an ordinary capable District Officer to know intimately and manage with ease, it must be conceded that most districts here (*i.e.*, all except Bangalore, Mysore and Shimoga) are well within that limit. In the course of our examination of this subject, it was brought to notice that there was already a proposal under the consideration of Government for the bifurcation of the Mysore District, and that the whole question of the re-distribution of Districts would naturally be taken up in that connection. Questions of sentiment and tradition apart, it seems quite feasible to amalgamate at least the Hassan and Kadur Districts into one, thereby saving about Rs. 24,000 per year in the budget of the Land Revenue Department. As a matter of fact, some of the non-official gentlemen whom we had the advantage of consulting have expressed themselves decidedly in favour of such a step as one really necessary in the interests of economy. This may be considered in connection with the contemplated readjustments of district boundaries in the near future.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
<b>1. LAND REVENUE.</b>		
1. Revenue Commissioner :—	Rs.	
Travelling allowance—Officers ...	840	
Contingencies ...	250	
2. Charges of District Administration:		
(i) General Establishment—		
Establishment—General Department.		
Revenue Probationers ...	2,320	The Revenue Commissioner proposes that fresh batches of Revenue Probationers need not be entertained during 1931-32.

Budget head and particulars	Amount of reduction	Remarks
For training recruits ...	2,000	
Travelling allowance— Officers ...	10,000	
Establishment ...	2,300	
Cost of cash chests ...	2,000	
Contingencies ...	3,000	
(ii) Taluk Establishment :—		
Village Establishment — Probationary Revenue Inspect- ors ...	5,630	The Revenue Commis- sioner proposes that fresh batches of Pro- bationary Revenue Ins- pectors need not be entertained during 1931-32.
For opening Training Schools for Patels and Shanbhogs.	1,000	
Buying up of inam villages forfeited for arrears of reve- nue.	5,000	
Survey training of Amildars and Deputy Amildars.	3,000	
Abolition of Sub-Taluks (7)..	13,000	The saving is roughly estimated.
Total reduction ..	50,340	

## 12. SURVEY AND SETTLEMENT DEPARTMENT.

1. Now that revision settlement operations have been completed for the whole State, the activities of the Department consist mainly of miscellaneous survey work in the districts, as well as of special work connected with the introduction of the scheme of Record of Rights.

**General.**

2. The superior staff appears to be in excess of requirements. For the normal work of the Department, 4 District Officers ought, in our opinion, to suffice as a permanent arrangement. Any extra staff required in connection with the scheme of Record of Rights should be kept on a purely temporary basis, the number of extra officers being adjusted to the programme of work from year to year. For the present, however, the number of gazetted subordinates may be reduced from nine to seven by a suitable readjustment of territorial charges.

**Gazetted Staff.**

3. The decrease in the gazetted staff allows also of a corresponding reduction in the Field establishment, as well as in the ministerial and menial staff. The extent of such reduction is a matter for separate detailed investigation, in accordance with the general recommendations made by us elsewhere. We have also taken into account a saving of Rs. 8,736 resulting from the absorption of supernumeraries in the Department. Further, the number of peons employed under the Taluk Measurers is capable of being reduced from 76 to 50.

4. The "Tentage" allowance of Rs. 75 paid to District Survey Officers is, it is stated, meant to cover the charges incurred by them for providing office accommodation and furniture at their own expense. There may have been some justification for a contract grant of this kind during periods of Resurvey and Settlement, when Survey Officers with a large field establishment had to camp out continuously for about 8 months in the year and then return to and remain at Bangalore for the rest of the year. But Resurvey operations have since been completed, and the officers concerned are now stationed at district headquarters to all intents and purposes, only touring out when occasion arises, like other District Officers. That being so, there is no longer

**Tentage.**

**Non-Gazetted and Menial Establishment.**

any need to continue the old arrangement. "Tentage" may accordingly be abolished, the cost of office accommodation and furniture being borne by Government. It has been urged that the grant of tentage to Survey Officers is more economical than the provision of rented accommodation at headquarters and the supply of Government tents for camp work. But the office establishments in the Districts being small,—not more than half a dozen hands,—the necessary accommodation can in most cases be easily provided in the District Office or other Government building, or, where that is not possible, procured on hire at not much cost. It should also be possible to reduce the expenditure on Government tents if a suitable arrangement be adopted to pool the tents of all officers in a District for being made use of by them as and when required.

5. This institution was started in 1928 as an experimental measure for training recruits selected for "Record of Rights" work. The number of men so far trained in Survey work is presumably sufficient for the needs of the Department for at least the next two or three years. The school may accordingly be suspended for the present, or until an addition to the number of trained men becomes necessary.

6. The 'Survey of Malnad Coffee Estates' is not a work of an urgent nature, and may well be held in abeyance.

7. As Survey and Settlement are mainly ancillary to the interests of land revenue, and revision operations have been completed for the time being, we doubt the necessity for maintaining a separate Survey and Settlement Department from the point of view either of efficiency or of economy. We have carefully considered the feasibility of merging it in the Revenue Department as a branch of it; and the following resolution, separately communicated to Government, embodies the considered views of the Committee:—

"The Survey Department may be placed under the direct charge of a technical Officer, who may be of the grade of the old Deputy Superintendent of Survey, the administration and supervisory control being vested in the Revenue Commissioner. For various reasons, it is desirable that Muzrai administration should continue to be under the Revenue Commissioner, unless experience shows that some relief is required by that officer".

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
1. LAND REVENUE.		
4. Revenue Survey.—	Rs.	
Salaries ... ..	10,800	By abolishing the post of Superintendent, and placing the Department under the Revenue Commissioner. By retrenching two officers.
	4,800	
Fixed Travelling Allowance ... ..	1,840	do
Tentage       8 (75) ... ..	7,800	By abolishing "tentage."
1 (50) ... ..		
Menial Establishment.—		
Peons to Taluk measurers ... ..	3,120	By retrenching 26 peons
Supernumeraries ... ..	8,736	
Travelling Allowance .. ..	650	
Special Charges.—		
Boundary marks ... ..	15,000	
Purchase of Stores and repairs of furniture ... ..	300	
Contingencies ... ..	150	
Topographical Survey ... ..	18,000	
Survey of Malnad Coffee Estates	3,000	
Permanent Survey Training Class	4,500	
Total reduction ... ..	78,696	



### 13. FOREST DEPARTMENT.

#### I. REVENUE.

1. The Forests of the State are a valuable asset, constituting a rich source of revenue next only to Land Revenue and Excise. In fact, while Excise revenue is bound to decline steadily, and the growth of Land Revenue can only be slow and inappreciable in rate, there is considerable scope for improving the yield from forests, with increased attention to their proper conservation and regulated development.

2. Forests should be classified, as far as possible, into "remunerative" and "unremunerative" including protective. All forests other than protective should be placed on a commercial basis, those which are neither protective nor remunerative being disreserved. Such a classification is, it is stated, attended with practical difficulties peculiar to Mysore owing to sandal trees being found interspersed everywhere. We think, however, that the principle suggested should be kept in view, and given effect to as far as possible.

3. Owing to the general trade depression, there has been a decline of nearly six lakhs in Forest Revenue (exclusive of Sandal) as compared with the budget anticipations for 1930-31. The revenue from timber alone has fallen by Rs. 3½ lakhs. The Chief Conservator's view is that the fall is only temporary, and that the timber revenue will probably reach the level of 11 lakhs with the return of normal conditions.

4. We understand that, while the domestic consumption of fuel is theoretically estimated at six million tons annually for the whole State, the Department is realising (from fuel supply) only the value of 50,000 tons roughly, or about a lakh of rupees. It should be possible to create facilities for making fuel easily available to the people, so as to meet their needs more adequately and thus ensure a larger revenue.

5. So also in regard to timber, of which there is a considerable quantity imported from outside. With such large forest areas as there are in Mysore, the State should be practically self-supporting in regard to timber requirements within its borders.

There seems to be a general feeling that the demands of trade do not meet with prompt and businesslike response on the part of departmental officers. The great importance of increasing the timber revenue should be impressed on them, and effective steps taken for ensuring larger sales.

6. Greater attention may also, with advantage, be paid to the exploitation of minor forest produce, such as tupre leaves, gall-nuts, etc.

**Minor Forest Produce.**

7. We recommend that the seigniorage on cart-loads of green and dry fuel removed from forests be enhanced from eight to ten annas per cart-load. This is expected, according to the Chief Conservator, to bring in about Rs. 25,000 as extra revenue.

**Seigniorage on Fuel, etc.**

Game license fees may also be enhanced; and in this respect proposals have, we understand, been already made by the Chief Conservator for the orders of Government.

Suggestions for levying a seigniorage of six pies each on head-loads of fuel and for an enhancement of grazing fees from four to five annas per head of cattle per year, were also considered by the Committee; but as these measures, though estimated to yield an additional revenue of about Rs. 10,000 and Rs. 15,000 respectively per annum, would prejudicially affect the poorer classes, they have not been adopted. At the same time, the Committee is of opinion that the exercise of raiyats' privileges in forests should be properly scrutinised, with a view to obviate abuse and the consequent loss of legitimate forest revenue.

8. The Iron Works at Bhadravati are not now paying any seigniorage on firewood (aggregating some 120,000 tons every year) taken by them from the Forest Department. We are told that the Works reimburse the charges (amounting to about Rs. 40,000 a year) incurred by the Forest Department on account of the establishment employed for collecting and supplying the firewood. But they do not pay anything towards the value of the wood itself, owing, it is stated, to certain practical difficulties in assessing the same with anything like precision. It is further contended that the large demand for firewood has indirectly benefited the Forest Department by enabling the latter to work the forest area for purposes of timber also. This consideration can hardly, we think, justify the procedure followed. Seigniorage, at some reasonable rate to be fixed with reference to all the circumstances of the case, should be charged to the Iron Works, so that the real

position may be correctly exhibited in the accounts of the Works as well as of the Forest Department.

9. The expenditure under "Conservancy and Works" reveals a tendency to grow without any apparent relation to the revenue realised. We learn from the Chief Conservator that there is no

**Expenditure.** maximum limit prescribed, as a working rule, to regulate the proportion of annual expenditure to revenue, and that there are, in his opinion, practical difficulties in fixing any such proportion owing to the necessity for large amounts being spent occasionally on conservancy and other works of a capital nature, which may take several years to yield an increased return. We are by no means opposed to any expenditure that is calculated to provide a good return, in a Department like this which is essentially a revenue-earning one. We consider, however, that before any material extension of departmental operations is embarked upon, the financial results likely to accrue must receive careful consideration. In the next place, it seems to us clear that, under present conditions of financial stringency, which are not unlikely to continue for some more years, the annual grant for the Department (excluding Sandal operations) will have to be temporarily reduced to not more than 13 lakhs. And, lastly, it is desirable also to lay down as a general rule that working expenses (exclusive of fixed establishment charges and expenditure of a capital nature) should not exceed a prescribed proportion of the revenue yield. Forty per cent, which is about the proportion indicated by past experience as sufficient, may be tentatively adopted, but subject to further verification and reduction. It would be an advantage if the working rates for each Division were periodically investigated, if possible, by an independent officer, so as to ensure the utmost economy in the operations of the Department.

## II. RETRENCHMENTS.

10. We feel that the number of superior posts in the Department is too many. A considerable increase is noticeable, particularly under **Gazetted Staff.** Gazetted staff, since 1924-25. In a Department which is worked on a commercial basis, there ought to be admittedly some sort of correspondence, however rough, between the revenue return and expenditure on establishment. The Chief Conservator does not concur in this view, and the reduction agreed to by him under "establishment" (including travelling allowances and contingencies) amounts only to Rs. 26,241, which works out to less than  $4\frac{1}{2}$  per cent as against a decrease of more than 20

per cent under "Works". As the departmental grant will continue to remain at a reduced level for some years to come, a corresponding reduction of establishment charges must be made possible. And we accordingly recommend further retrenchments in staff in the following directions:—

(a) The post of Conservator of Forests, which is of recent origin (created in 1926), should, in our opinion, be abolished. We are told that this officer is in charge of four Districts, sharing the administration with the Chief Conservator. We are not convinced of the necessity for such bifurcation of jurisdiction or for having an intermediary between the Divisional Officers and the Head of the Department.

(b) There are now two Senior Assistant Conservators on Rs. 500-50-600, while the other Assistant Conservators are in the grade Rs. 250-25-450. These posts were created in view to secure a flow of promotion to the officers in the Department. We consider that the retention of the post of Deputy Conservator is sufficient for this purpose. In the interests of economy, we would recommend the replacement of the two posts on Rs. 500--50--600 by an equal number in the lower grade.

(c) The Chief Conservator has agreed to a reduction in the number of temporary Sub-Assistant Conservators by four.

(d) In view of the reduction of work all round that must necessarily accompany and result from the contraction of activities pending a complete revival of trade and normal conditions, the number of divisions may easily be reduced from ten to eight by a suitable redistribution of charges.

(e) Travelling allowance charges (other than fixed travelling allowance) in this Department are particularly high and show, a tendency to increase. The grant on this account, (Rs. 80,000 according to the budget for 1930-31) is susceptible of reduction by at least Rs. 10,000, the reduced grant being suitably allocated among the various officers of the Department. A reduction of about Rs. 6,000 is likewise possible under Contingencies.

(f) The practice of deputing officers for foreign training has been in force for some time past. It may be assumed that the number of trained officers now available will suffice for the existing needs of the Department. We would suggest the discontinuance of further deputations for a time.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
<b>2. FORESTS.</b>		
1. Conservancy and Works ...	1,95,000	According to the Chief Conservator.
2 Establishment (including Travelling Allowance and Contingencies)	26,241	
Deputation charges ...	10,000	By abolishing the post.
Conservator, (Shimoga Circle).	12,000 (present cost.)	
Senior Assistant Conservators 2 (500-50-600) ...	4,200	By replacing them by two Assistant Conservators.
Assistant Conservators 2 (250-25-450) ...	9,000	By reducing the number of Divisions.
Divisional Office Establishment including Contingencies. ...	7,000	Do
Travelling allowance ...	5,000	Besides Rs. 5,000 included in item 2.
Contingencies ...	3,000	Besides Rs. 3,000 included in item 2.
<b>Total reduction ...</b>	<b>2,71,441</b>	

*Additional Revenue Rs. 25,000*

## 14. SANDAL OIL.

	Year.	Net receipts.
		Lakhs.
Revenue Variations.	1925-26	21·51
	1926-27	20·30
	1927-28	23·01
	1928-29	26·79
	1929-30	23·33
	1930-31	20·71
	(Revised.)	

1. The above figures indicate wide fluctuations in the receipts from Sandal Oil. The position is undoubtedly one which demands careful enquiry and scrutiny with a view to devising special measures for countering the continued decline in demand and in price subsequent to 1928-29. The Director has furnished us with a note dealing with the matter in some detail, and incidentally illustrating the risks and uncertainties to which the State is exposed in having to carry on commercial business depending very largely on foreign markets; but as the note goes necessarily into matters of a somewhat confidential nature, we do not refer to it here. It is enough for our purpose to state that, till special measures are devised and put into effect, the normal revenue from Sandal Oil cannot safely be put higher than 21 lakhs, affected as it is by economic conditions in Europe, America, Australia and Japan.

2. As one of the more obvious measures for countering the decline in revenue, we suggest that all possible economies should be effected in the working expenses. The Chief Conservator of Forests has agreed to a reduction of Rs. 50,000 under "Charges for extraction of Sandalwood and for sowing and planting" by the curtailment of operations. This is satisfactory as far as it goes. But it is noticed that the average rate (per ton) of charges incurred on the collection of sandalwood has, since 1925-26, increased by about 50 per cent; and this requires to be investigated by the Department with a view to reduce the cost.

3. A sum of about Rs. 40,000 is being expended annually on a special establishment (both Police and Forest) employed for preventing sandalwood smuggling. The work is doubtless important, though it is difficult to say how far the results actually achieved are commensurate with the cost of the Special Staff employed. It certainly seems unnecessary to maintain a separate large Police Staff (costing about Rs. 33,000) for this work, which

is one that might easily be entrusted to the regular police. To this latter course, the Inspector General of Police is agreeable. Even if, as he thinks, the ordinary police will have to be strengthened somewhat to cope with the additional work, there must be a net saving in any case of at least Rs. 23,000 by the abolition of the Special Police. Our remarks do not apply to the Special Forest Staff, which has to work in constant and close co-operation with the Police in the detection and prevention of smuggling, and has accordingly to be retained.

4. A provision of Rs. 50,000 is made in the Budget for 1930-31 on account of charges for the investigation of spike disease in Sandalwood. A special technical staff is employed on this investigation which has been going on since 1927-28, but has not yet brought a practical solution within sight. In the present condition of the finances of the State, we cannot support the continuance of such a costly scheme of research. It is, however, represented that the abolition of the *whole* staff might lead to even the results so far obtained (meagre though they are) being lost to the Department. In deference to this view, and after obtaining also the opinion of the Director of Agriculture in the matter, we recommend the continuance of the Forest Section costing about Rs. 13,000, and the disbandment of the rest.

5. The recent closing down of the Sandal Oil Factory at Bangalore has allowed of substantial reductions being made in the staff. We are informed by the Director of Industries that the posts of Assistant to the Director and Manager are among those which will be retrenched.

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
II. Forests.	Rs.	
I. Sandal Oil—Working Expenses.		
3. (a and b) Charges for extraction of sandalwood and for sowing and planting ...	50,000	
4. Charges for prevention of sandalwood smuggling ...	23,000	
5. Charges for the investigation of Spike Disease in Sandalwood.	37,000	
Total reduction ...	1,10,000	

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## 15. EXCISE DEPARTMENT.

### I. REVENUE.

1. The Excise revenue, which stood at Rs. 77.22 lakhs in 1920-21, decreased to Rs. 62.72 lakhs by **Revenue Variations.** 1926-27, but went up again during the next three years, reaching a total of Rs. 69.81 lakhs. Owing, however, to the general depression in trade and economic conditions, and to some extent also to the recent movement in various parts of India to enforce temperance by picketing, there has been lately a sudden fall in the revenue. As against Rs. 72.02 lakhs anticipated in the Budget for 1930-31, the revised estimates for that year indicate a considerable decline to Rs. 67.48 lakhs. A further shrinkage of more than five lakhs is expected during 1931-32, and the Budget estimate is accordingly taken at Rs. 62.23 lakhs only.

2. The Excise Commissioner states that the normal level of Excise revenue may be taken at Rs. 65 lakhs from 1932-33. But owing to the gradual permeation of habits of moderation and abstinence among the masses, and the increasing activities of temperance organisations in the same direction, the State must be prepared for a further eventual fall in Excise revenue. We do not therefore think it safe to count on an average revenue of more than Rs. 60 lakhs during the next three or four years. It seems advisable, at the same time, that systematic provision should even now be made, if possible, to build up out of the annual revenue surpluses some substitute for the Excise revenue as it dwindles down.

3. As a measure of improvement of resources, it is desirable that the system of working selected **Scope for improvement.** date blocks by periodical rotation should be pursued steadily and energetically. This will benefit both the Excise Department, the needs of which will thereafter be satisfactorily met by a smaller but more compact area of date reserves, and the Land Revenue Department, which will obtain a substantial extent of land for cultivation by raiyats. We understand that the scheme has been generally sanctioned by Government, and that the Excise Commissioner has sent up proposals for reservation, in the first instance, of two blocks involving a release of 965 acres of land included in date reserves. This is



expected to bring in an income of about Rs. 16,000 in the shape of upset price and Rs. 650 in that of (annual) land revenue. The complete working of the scheme may be expedited.

4. We have examined the feasibility of increasing the toddy revenue by an enhancement of tree-tax; but as this will entail a corresponding fall in shop rental, we do not recommend any increase.

5. We have also considered the two alternative modes of sale of shops, *viz.*, by auction and by inviting tenders. But the present practice is elastic enough to comprehend both the methods, and does not require change.

## II. EXPENDITURE.

6. Out of the five posts of District Excise Officers, one is for the charge of the Central Distillery and two have recently been abolished. The remaining two officers are in charge of Kolar and Mysore Districts respectively. In the Bangalore District, the "Civil Officer" looks after Excise also, while in the other five districts, the Excise work is entrusted to the Revenue Sub-Division Officers.

7. We understand that, on account of the large Excise revenue derived from the Kolar Gold Fields area and the cultivation of Ganja under departmental control, there is need for a separate Excise Officer for the Kolar District, and that, as regards Mysore, the great size of the district and the necessity for co-ordination of work over a large area render it inexpedient at present to distribute the duties now performed by a single District Excise Officer among a number of Revenue Sub-Division Assistant Commissioners. But in view of the probable decline of Excise revenue in the coming years, the necessity for eventually devolving Excise work in all the Districts on Revenue Officers is a contingency that has to be kept in view.

8. This had been recommended for abolition by the Special Finance Committee of 1922. But we are now assured that the staff in question (which costs annually about Rs. 4,000) has been of material use in the collection and dissemination of information regarding organised and other Excise offences. In the circumstances, we do not recommend its abolition.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
<b>3. EXCISE.</b>		
	Rs.	
2. District Executive Establishment.—		
Salaries ... ..	9,000	By abolishing the District Excise Officers of Shimoga and Hassan.
Taluk Establishment.—		
Probationary Inspectors 3 (50)...	1,800	By discontinuing the entertainment of fresh probationers.
2 Inspectors at Rs. 60 plus 25 F. T. A.	4,464	By abolishing Hosanagar and Belur Ranges and a Sub-Range in Tumkur District.
1 Assistant Inspector on Rs. 30 plus 10.		
2 Clerks at Rs. 25 each		
4 Tree Markers [2 (13) and 2 (12)]		
5 Peons [3 (11), 2 (10)], (Contingencies, House rent and Malnad Allowance, Rs. 9).		
Special Charges.—		
Carriage of liquor from Distillery to Bonded Depots.	65	By abolishing the Bonded Depot at Kunigal.
3. Distillery.—		
Maintenance ... ..	3,000	
Travelling allowance (under all heads).	2,270	
Contingencies (under all heads).	1,081	
Total reduction ...	21,680	

## 16. INCOME-TAX.

### I.—REVENUE.

1. The revenue under this head is marked by sharp fluctuations during recent years. It went on growing till 1925-26, reaching its highest level that year at Rs. 21·29 lakhs. But next year there was a violent fall of nearly 7 lakhs; part of this is to be accounted for by the absence of special collections of arrears, part was consequent on the abolition of excise duty on cotton goods (the receipts from which were being booked under this head), and the remainder was due to general trade depression coupled with the decline in the assessable profits of the Gold Mining Companies. The taxable profits of these Companies have not been steady for some years past, and, as a matter of fact, they now exhibit a downward tendency. It does not seem at all likely that trade conditions will improve very much in the near future.

2. But meanwhile the general revenue position of the State is seriously disturbed, and as the annual budget must be balanced at all costs, we have examined (among other things) various possibilities of improving the revenue from income-tax. We are not oblivious of the fact that the taxable capacity of the people of the State as a whole is not high. The Central Government in British India, it is true, have recently had to increase the rates materially; and though the adoption of a similar scale of increase in Mysore would quite likely bring in an additional revenue of about Rs. 10 to 11 lakhs, we feel that such a measure is ruled out by local circumstances. We have considered the advisability of lowering the minimum assessable limit from Rs. 2,400 to Rs. 2,000, which is also the British Indian limit. This will probably result in an additional revenue of Rs. 30,000, and the Mysore Taxation Enquiry Committee seems to have favoured such a step at one stage, but finally abandoned it. The present Committee refrains from making a recommendation, the balance of opinion among its members being against any lowering of the assessable limit likely to press hard on people of moderate means.

3. As regards the higher grades of income, the Committee is unanimously of the opinion that the rates hitherto in force are susceptible of some increase. The schedule as it stands,

**Increase of rates.**

particularly in respect of the intermediate scales, seems to be lacking in easy progression, and is also liable to be charged with a certain degree of inequality in the incidence of taxation. All things considered, we unhesitatingly urge the adoption of the rates recommended by the Mysore Taxation-Enquiry Committee, which has carefully examined the whole question in the light of the economic condition of the people and arrived at conclusions marked by studied moderation. We do not propose any increase over the rates recommended by that Committee, although present financial conditions might even justify a slightly higher scale. The existing minimum limit may be maintained, and the rate of assessment on incomes below Rs. 5,000 left untouched.

4. Shortly, our recommendation is :—

1. that the rates of income-tax be raised as recommended by the Mysore Taxation Enquiry Committee;
2. that the limit of income assessable for super-tax be lowered from Rs. 50,000 to Rs. 30,000;
3. that the exemption now allowed to undivided Hindu families, in respect of the first twenty-five thousand rupees of the excess over the assessable limit prescribed for Super-tax, be withdrawn.

5. We have considered the question of the withdrawal of the exemption of Co-operative Societies from Income-tax. The Registrar of Co-operative Societies is not in favour of the suggestion, and thinks it will affect both their popularity and their financial resources. We defer to his opinion, more especially as some of the other fiscal privileges heretofore enjoyed by these societies are to be withdrawn, in whole or in part.

6. The Commissioner of Income-tax has stated as his opinion that the level of Income-tax revenue under normal conditions may be taken at Rs. 12½ lakhs. Accepting this, the estimate will, of course, have to be increased by the additional revenue (of about 2½ lakhs) derivable from the slight enhancement of rates we have recommended. On the whole, it would be safer to take the average revenue for the next few years at Rs. 14 lakhs only.

7. We notice that the arrears of income-tax that stood over at the close of the year 1930-31 amounted to more than Rs. 74,000, a fact which indicates the necessity for prompt collection.

## II. EXPENDITURE.

8. The Committee has had under serious consideration the abolition of the post of Deputy Commissioner of Income-tax, in view of the imperative need for economy. But the Commissioner is

strongly for retaining this post and for retrenching the post of the Assistant Commissioner in preference, for the reason that cases of higher taxable incomes are numerous in the cities of Bangalore and Mysore, and require the attention of an officer of sufficiently high status, and further that the Special Deputy Commissioner has to hear appeals in income-tax cases, which cannot be done by the Assistant Commissioner. We understand that the Special Deputy Commissioner will also assist the Commissioner in the administration of the stamp laws generally. In these circumstances, we defer to the views of the head of the Department, and recommend the retrenchment of the post of Assistant Commissioner of Income-tax.

**LIST OF RETRENCHMENTS.**

Budget head and particulars.	Amount of reduction.	Remarks
	Rs.	
<b>3. A. INCOME-TAX.</b>		
Salaries—		
Assistant Commissioner           ...	5,100	By abolishing the post.
Establishment—		
Training of Probationers           ...	720	By reducing the number from 6 to 3.
Travelling allowance               ...	700	
Contingencies                       ...	200	
Total reduction               ...	6,720	

*Additional Revenue Rs. 2,50,000.*

## 17. STAMPS.

### I. REVENUE.

1. The revenue under this head, which had maintained consistent progress for the last ten years —  
**Revenue Variations.** from 15·70 lakhs in 1920-21 to 21·96 lakhs in 1928-29—has, in common with the other principal heads, suffered a serious set back since 1929-30. The revised estimate for 1930-31 indicates a deterioration by more than 2½ lakhs as compared with 1928-29. The fall being due to adverse economic conditions, the Commissioner of Stamps considers that the situation will right itself in the course of a year or two, and that the normal level may be taken at 21 lakhs. We think that, under all the circumstances, it would be safer to estimate the average normal revenue for the present at 19 lakhs.

2. We are not in favour of any further increase in the rates of stamp duty, which were only recently enhanced. We would, however, make the following recommendations for improving the revenue in other respects.

(a) At present documents executed by or on behalf of Co-operative Societies are exempt from stamp duty. The Commissioner of Stamps considers that Societies have enjoyed this concession for a sufficiently long period, *i.e.*, for well nigh a quarter of a century, and that though it may have been necessary for fostering the growth of the Co-operative movement in its early stages, the exemption may now be withdrawn. The Registrar of Co-operative Societies, on the other hand, is strongly opposed to the withdrawal of the concession, which he even considers as the mainstay of the Societies. We have carefully examined both sides of the question, and we recommend that, in view of the present adverse condition of the State's finances, and as a measure of fiscal necessity, documents executed in favour of Co-operative Societies by their constituents be charged *half* the stamp duty, while documents executed by Societies *inter se* may continue to enjoy full exemption. The additional revenue derivable from this measure is estimated at Rs. 10,000.

(b) Another concession granted to Co-operative Societies is that they are liable to pay only *one-fourth* of the prescribed Court fee on suits filed by them in the Registrar's Court. We recommend, with the concurrence of the Registrar, that *half*

Court fee may be levied in such cases instead of one-fourth. This will yield an additional revenue of about Rs. 6,000.

(c) We recommend the withdrawal of the exemption from stamp duty now accorded to documents executed by Government Officers (drawing a pay of Rs. 250 or less) who are granted house-building advances.

(d) The stamp duty in respect of "On Demand Promissory Notes" is now fixed at a uniform rate of one anna irrespective of the amount. We recommend that the duty may be raised with reference to a graduated scale as in British India, *i.e.*,

Up to Rs. 250	..	...	One anna
Above Rs. 250 and up to Rs. 1,000.			Two annas.
Above Rs. 1,000	..	...	Four annas.

This is a class of instruments freely resorted to by the commercial public, and we are satisfied that the measure will bring in an appreciable increase of revenue.

(e) The recovery of institution fees in pauper suits appears to be tardy. The arrears on 1st July 1930 amounted to quite Rs. 76,000. Brisker collection should be enjoined, and every care taken that dues do not become irrecoverable by mere reason of delay.

(f) In regard to the rate of discount paid to stamp vendors, it is a question why the same rate as was paid before the enhancement of stamp duty should be continued after the increase. We would suggest that this question may be separately examined with a view to see if there really exists a case for an addition to the profits of stamp vendors.

## II. EXPENDITURE.

3. A reduction of Rs. 500 is proposed under "Superintendence—Contingencies".

*Additional Revenue Rs. 16,000.*      Reduction Rs. 500.

## 18. REGISTRATION.

### I. REVENUE.

1. There has been recently a reduction in the total number of documents registered and a corresponding decrease in the receipts. The causes of the fall are purely temporary in their nature, such as tightness of the money market, depression of trade, fall in the price of foodstuffs, and adverse seasonal conditions. The position may be trusted to right itself with the return of ordinary conditions. The normal revenue from this source may safely be taken at Rs. 3½ lakhs, which includes the result of our recommendations *infra*.

2. Comparing the revised estimate for 1930-31 with the actuals for 1925-26, we find that, while establishment charges have increased by about Rs. 20,000, the revenue has diminished to the extent of about Rs. 26,000. We have considered whether the scale of Registration fees may be enhanced so as to cover the increase of charges; but as they were already raised so recently as 1922, we refrain from proposing any further enhancement at present.

3. (a) The State is now losing nearly Rs. 20,000 a year on account of entire or partial exemptions from registration fees on documents relating to Co-operative Societies and other instruments. **Measures for Improvement.** Having regard to the fact that registration is really an item of service rendered at the cost of the State, we consider that there is hardly any case for these exemptions and none at all for their indefinite continuance under the present conditions of financial stress. We should ourselves have favoured the immediate withdrawal of all such exemptions; but in deference to the opinion of the Registrar of Co-operative Societies, and as a preliminary step towards a complete withdrawal, we recommend that documents executed by or in favour of Co-operative Societies be charged *half* the scheduled rate of fees. The additional revenue derivable from this measure is estimated at Rs. 9,000.

(b) We likewise recommend that the exemption granted in respect of documents executed by Government Officers



(drawing a pay of Rs. 250 or less) who are granted house-building advances be entirely withdrawn.

(c) Full registration fees are not now paid on Bank Memoranda of Deposits of Title-deeds. We are not convinced of the reason for this partial exemption. It may be that such memoranda are merely filed in Registration Offices and do not involve any copying work unlike other documents tendered for actual registration. But the levy of fees is not governed merely by the quantity of work each document involves, but rather by the advantage conferred by its registration and roughly measured by its money value. The filing of these memoranda in the books of Registration Offices is as good as regular registration, and the parties get the full benefit of it. In this view there is no reason for foregoing registration fees in such cases; and agreeing with the Inspector-General of Registration, we recommend that the concession now obtaining may be withdrawn.

## II. EXPENDITURE.

4. There is little scope in this Department for retrenchments in expenditure, which is mostly on account of Sub-Registry Offices and their establishments. While the policy should be to increase and not unnecessarily to restrict the facilities for registration, we consider it possible to effect a certain degree of economy by the abolition of such special Sub-Registry Offices as do not pay their way, as well as by the amalgamation of offices which are so closely situated that they may be combined without serious inconvenience to the public.

5. The Inspector-General of Registration is agreeable to some additional work being given to those Sub-Registrars whose work does not occupy them fully. Our recommendation in this behalf will be found in the section pertaining to the Judicial Department.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
5. REGISTRATION.	Rs.	
2. District charges.—		
Establishment.—		
Sub-Registrars 2 (50) ...	}	By abolishing the Special Sub Registry Offices at Holalkere and Alur.
Attenders 2 (15) ...		
Peons 2 (10), 2 (9) ...		
Less allowance to Sheristedar (10).		
Do allowance to Deputy Amildar (15).	}	By reducing the number to 3.
Probationers 6 (40) ...		
Travelling allowance ...	250	
Contingencies ..	874	
Total reduction ...	4,280	

(Additional Revenue ... Rs 9,000.)

### 19. SUPERVISION OF MINES.

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Having obtained particulars of the duties respectively assigned to the Chief Inspector and the three other officers under him, we are unable to agree with the Chief Inspector's opinion that the staff as a whole has more than enough work to do. We consider, on the contrary, that the Inspector of the last grade, namely, the Junior Inspector on Rs. 125-25/2-250, may be retrenched without impairing efficiency, and the work redistributed.

Reduction Rs. 2,400

## 20. COMPTROLLER'S OFFICE.

1. We have examined the duties assigned to the various **Gazetted Staff**, and consider that the number of officers is capable of being reduced by one, without material loss of efficiency, by a suitable redistribution of work.

2. In the ministerial ranks also, the establishment is susceptible of reduction, and accordingly the **Non-Gazetted Staff** number of hands may be reduced by 10 per cent, vacancies as they occur being left unfilled in the lower grades until the reduction of 10 per cent is fully effected.

3. The Comptroller is agreeable to the proposal to suspend, for a time, the scheme of deputation of officers to Bombay and Madras, and also that of training Assistant Commissioners in the **Deputations**, the officers now under training being absorbed in the regular cadre of the Department.

### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
12. General Administration.	Rs.	
5. Comptroller's office—		
Salaries .. .. .	5,100	By retrenching one Assistant Comptroller.
Assistant Commissioners under training (2) .. .. .	10,500	
Establishment .. .. .	12,000	By suspending the scheme of training.
Cost of deputing a Superintendent to Bombay, and a Gazetted Officer and a Superintendent to British Indian Accounts Offices, Madras.	4,347	By reducing 10 per cent in the number of hands in the last grade.
Lumpsum for Temporary Establishment .. .. .	1,000	
Peons for Assistant Commissioners under training (2) .. .. .	364	By suspending the scheme.
Travelling Allowance .. .. .	1,000	
Books and Periodicals for the Library Types and Multigraph accessories, Contingencies .. .. .	1,000	
Total reduction .. .. .	35,211	

## 21. MUZRAI

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We have generally examined the scope for reduction of the grants under "Endowments and Charitable allowances." As was explained by the Muzrai Commissioner, most of the grants to institutions are based on old Sannads of the Inam Commissioner which have legal force, and there is otherwise little scope for curtailment except perhaps in respect of grants sanctioned by Government in recent times on account of high prices of food stuffs, etc.

**2. Policy.** The policy of the Muzrai Department is to see that the grants are utilised properly and with due regard to their original objects; and in fact there is an officer on special duty for examining this matter with a view to the withdrawal of grants wherever they are not properly applied. Resumptions of grants when made are added on to the corpus of a fund, styled the "General Muzrai Fund," which is applied to the improvement of Muzrai institutions and to allied purposes of a beneficent nature.

**3.** Incidentally, the broad question as to how far it is necessary for the State at the present time to concern itself with the management of Muzrai institutions to the extent it has been doing, was discussed by us. And it was resolved that a recommendation be made to Government for the appointment of a special Committee to consider how far Government may divest itself of the management of Muzrai Institutions by decentralization of powers and otherwise, and also to examine the application of Muzrai Funds, particularly the Chattram Savings Fund.

**4.** The question of abolishing this institution was considered by the Committee, but opinion thereon was closely divided. Messrs. D. H. Chandrasekharaiya, H. C. Dasappa and K. T. Satyanarayana Setty are in favour of its abolition on the ground that there is no need for two such institutions, one at Mysore and another at Bangalore. Mr. N. Madhava Rao agrees in this view as a matter purely of retrenchment. On the other hand, Messrs. S. P. Rajagopalachari, B. Srinivasa Iyengar of Anekal and B. Srinivasa Iyengar (Financial Secretary) are opposed to the proposal, for reasons based on the past history and present position of the institution.

The Chamarajendra Sanskrit College is a memorial of His Highness the late Maharaja, established since several years for imparting instruction not only in Sanskrit learning but also in the ancient sacred lore and ritual. The existing arrangement under which the Veda Patasala is separated from the College proper was a final solution arrived at after much controversy and deliberation. From the point of view of retrenchment also, the money value is not material enough to warrant the subversion of an order of things which appears to satisfy public sentiment and policy alike. On these various considerations, the Chairman agrees with the members who are against the abolition.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
13. Muzrai Institutions.—	Rs.	
1. Superintendence.—		
Travelling allowance and		
Contingencies ...	110	
3. Construction and repairs ...	5,800	
Total reduction ...	5,910	

## 22. GEOLOGICAL DEPARTMENT.

1. The Director has proposed the retrenchment of a Field Assistant, and a reduction of Rs. 5,000 in the grant for "Mineral Survey and Prospecting work" and of Rs. 300 under "Contingencies." These items, together with a ten per cent cut under Travelling Allowance, amount to Rs. 7,000.

2. We have discussed with the Director the possibilities of further economy. No further reduction in the staff is, according to him, feasible without a serious impairment of efficiency, and the curtailed provision of Rs. 5,000 for "Mineral Survey and Prospecting Work" is barely sufficient to carry on the activities of the Department in this field. The Department has also been earning a substantial revenue from Chrome mining operations during the past three or four years. In the circumstances, we do not propose any further cuts.

### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
14. SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.	Rs.	
1. Geological Department. Establishment ..	1,200	By retrenching one Field Assistant.
Travelling Allowance ...	500	
Contingencies ...	300	
Mineral Survey and Prospecting Work. ...	5,000	
Total reduction ...	7,000	

**23. MUSEUM.**

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The provision for "Purchase of Specimens" may be reduced by Rs. 2,000.

Reduction Rs. 2,000.



## 24. STATIONERY AND PRINTING.

1. This head of charge records a steady increase year after year. The increase is presumably due to the growth of business in all the branches of administration. It should, however, be possible to reduce charges to some extent by a proper scrutiny of the matter that is sent to be printed, and by the exercise of strict economy in the use of stationery. We understand that a special Committee was appointed by Government in June 1929 to examine the whole question and that after searching enquiry they made detailed suggestions for effecting economies in all possible ways. Their recommendations, including those in regard to the particular classes of printing work that might with advantage be entrusted to private presses, may be given effect to in full and as early as possible.

**General.**

2. Under "Cost of printing paper and stationery" we have proposed a reduction of Rs. 50,000. Owing to the fall in prices, it may even be possible to effect some further reduction.

**Retrenchments.**

3. It is understood that no fresh Probationers will be entertained, and that there will be no further deputations of officers.

4. Some measure of economy can also be secured by reducing the number of Gazette copies supplied to Government Offices, such as by the issue of a single copy for common use among a certain number of them situate in the same station, and by supplying some of the smaller offices with only such parts of the Gazette as immediately concern them.

### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
<b>16. STATIONERY AND PRINTING.</b>		
<b>1. Stationery Depot.—</b>		
Cost of printing paper and stationery ...	50,000	
<b>2. Printing and Gazette Office.—</b>		
Press Probationer ...	900	By absorption.
Piece Work Establishment ...	14,380	
Overtime allowance ...	2,500	
Travelling Allowance ...	300	

Budget head and particulars	Amount of reduction	Remarks
Special charges :-		
Purchase of machines ...	22,000	
Purchase of materials and types. ...	4,000	
Deputation charges ...	4,267	
Contingencies . . .	1,000	
Total reduction ...	99,347	

## 25. STORES PURCHASE COMMITTEE AND TRADE COMMISSIONER.

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1. The necessity for two agencies,—the Trade Commissioner and the Stores Purchase Committee,—for what might appear to be more or less identical purposes, was examined. It was understood that the Trade Commissioner, who was also stated to be in charge of all foreign purchases, was indispensable in the interests of the Sandal Oil trade, and that this arrangement was at the same time more economical than the utilisation of a private agency on payment of commission, the amount of which might exceed the pay of the Trade Commissioner and his office.

2. It seems possible to reduce somewhat the pay of the Assistant to the Trade Commissioner at the next change of incumbents.

3. Assuming that the Stores Purchase Committee has a distinct and useful function to discharge, it should no doubt have the assistance of a Secretary. But as this officer will not have sufficient work for about four months in the year, he may well be entrusted with some additional work of a suitable nature.

4. The possibility of a reduction in the office establishment of this Committee may be considered in accordance with the general principle suggested by us elsewhere for all Departments.

## 26. JUDICIAL DEPARTMENT.

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1. There is not in the Judicial Department much scope, in the nature of things, for effecting drastic economies of a kind which will not react prejudicially on the working of the Courts and on the interests of parties and the public. The point of view of administrative efficiency has already been explored in recent years by the Laws Delays Committee as well as by the Judges themselves; and any further inquiry required as regards a reduction in the number of Courts, the simplification of methods of work, retrenchments in establishments, etc., is best conducted by a separate special Committee, presided over by a Judge of the High Court.

For the purpose of our own inquiry, we have had a full and detailed consultation with the High Court on a number of relevant matters; and it will suffice to indicate below the few points on which we think our observations or recommendations are called for.

2. The scheme of itineration for Magistrates' Courts has only been recently brought into operation, and it is too soon to strike a balance as regards its utility and advantages. Both the High Court and the District Magistrates are in favour of its continuance; and, in the circumstances, we have no recommendations to offer from the point of view of economy.

3. The combination of Civil and Criminal (Magisterial) functions in the same Court is being tried for some years past; and if experience should tend to justify the experiment from the point of view of judicial administration, we have little doubt that its general extension will also ensure the interests of economy. For the present, we recommend that in every place where the work, criminal or civil, is sufficiently light, both the functions be combined under a Munsiff-Magistrate, subject, of course, to such safeguards as the High Court may consider necessary to prevent either class of work being unduly delayed or prejudiced.

4. The system of Circuit Sessions has had a long trial, but opinion as to its practical utility is not quite uniform. It entails additional cost, involves expenditure of time in travelling, and

disturbs the regular routine of judicial work. But it has incidental advantages, affecting the convenience of witnesses, providing occasions for inspections of subordinate courts, and so on, which have generally turned the scale in its favour. Having regard, in any case, to the comparatively small saving that may be expected to result from its abolition, we prefer to leave the system alone.

5. The High Court is of opinion that, until financial conditions improve, the orders of Government in regard to payment of fees to Assessors and Jurors may be suspended, and we accept the opinion.
 

**Jurors' Fees.**
6. As regards the feasibility of abolishing the post of Deputy Registrar of the High Court, we are inclined, after examining the duties now assigned to that officer and taking into consideration the opinion of the High Court, to defer to the view of the Judges that the place cannot be abolished without detriment to important and necessary work.
 

**Post of Deputy Registrar.**
7. We are satisfied that no appreciable reduction can be made in the strength of this establishment without prejudicially affecting the efficiency of the service of process and of the execution of decrees.
 

**Process Serving Establishment.**
8. Wherever Sub-Registrars are not fully occupied with their regular work and are qualified to exercise magisterial functions, it would be desirable to appoint them to Bench Courts where they exist.
 

**Sub-Registrars as Honorary Magistrates.**
9. There has been a tendency to engage the services of Public Prosecutors, as well as to appoint Special Public Prosecutors, for cases which may well be looked after by Prosecuting Inspectors. In the interests of economy, we would suggest that such occasions should be very rare.
 

**Special engagement of Prosecuting Counsel.**

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks.
18. COURTS OF LAW.—	Rs.	
1. High Court.—		
Establishment—		
Civil Court Auditor (160-10-250	2,772	Due to retrenchment of the Civil Court Auditor.
Peon (11) plus D. A. 50		
Travelling Allowance—		
Officers ...	300	
Establishment ...	700	
Purchase of books ...	300	
Contingencies ..	300	
2. Law Officers—		
Contingencies ...	100	
3. District and Civil Courts—		
Establishment—		
Lumpsum for allowances to temporary hands appointed in place of recruits ...	1,000	
For increase to Process Service Establishment of First Munsiff's Court, Bangalore ...	2,000	
Travelling allowance ...	550	
Contingencies ..	3,500	
4. Criminal Courts—		
Establishment—		
For the revision of the ministerial establishment of Special Magistrates' Courts in the State ...	4,200	
Travelling allowance ...	1,163	
Travelling allowance for Village officers ...	8,000	
Contingencies ...	1,500	
Total reduction ...	26,385	

## 27. JAILS.

1. In view of the small number of prisoners and the nearness to Bangalore by rail, we consider that a separate Jail at Mysore is not necessary. The jail there may be reduced to a lock-up, and the prisoners transferred to the Central Jail at Bangalore. This measure, to which the Inspector-General of Prisons is agreeable, will probably result in appreciable saving; but we have tentatively taken note only of the retrenchment of the posts of Superintendent and Jailor.
- Mysore Jail.**
2. The provision for "Rations and Dietary charges" is capable of reduction by at least 10 per cent in view of the general fall in prices of food stuffs.
- Rations and dietary charges.**
3. The provision for contingencies may be reduced to Rs. 250, the budget grant of Rs. 3,225 for 1930-31 being mostly intended for charges of a special non-recurring nature.
- Contingencies.**

### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
<b>19. JAILS.</b>	<b>Rs.</b>	
2. Jails and Lock-ups :—		
Superintendent, Mysore Jail (200-10-250) ...	2,640	} By abolishing the posts.
Jailor, Mysore Jail (75-5-100) ...	1,080	
Rations and Dietary charges	5,300	
Contingencies	2,975	
Total reduction ...	11,995	

## 28. POLICE DEPARTMENT.

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1. Protection of life and property being one of the "essential services" of Government, the scope for retrenchments in this Department is comparatively limited.

2. We accept the reduction, proposed by the Inspector-General of Police, of the total strength of the Constabulary by 346 men, resulting in a saving of Rs. 63,000 on account of their pay and clothing, together with a further *temporary* reduction of Rs. 12,000 under "Clothing."

3. The Inspector-General has also indicated possibilities of retrenchment to the extent of 25 per cent in the strength of Inspectors by suitable adjustments of territorial charges. The matter, **Inspectors.** was examined by us in some detail; but as the proposals for reduction were coupled with, and made contingent on, other proposals for reorganisation which involved some material questions of policy requiring separate consideration, we have preferred not to take account of the suggested possibilities from the point of view of retrenchment, but to leave the matter open for examination on the merits.

4. We agree, however, with the opinion of the Inspector-General of Police that 18 out of 28 Prosecuting Inspectors may be replaced by an equal number of Sub-Inspectors. And we suggest that it is worth while examining whether a whole-time Prosecuting Inspector is really necessary for each individual Court, and whether, where the work of prosecution is light enough, the same official may not attend to it in all the Courts in a given station. **Prosecuting Inspectors.**

5. The strength of the Railway Police appears susceptible of some reduction. The Inspector-General has agreed to its being reduced by one Sub-Inspector and two Head Constables. **Railway Police.**

6. The staff of the Police Training School seems somewhat in excess of requirements. At least one of the Inspectors may be retrenched; and to this the Inspector-General is agreeable. **Police Training School.**

7. We consider that it is no longer necessary to have an officer of the grade of District Superintendent of Police at Davangere, and that he may be replaced by an Assistant Superintendent, thus reverting to the old arrangement. **Davangere Police.**



8. We have separately considered and accepted the suggestion made by the Inspector-General of Police as regards the special staff employed for prevention of sandalwood smuggling. The replacement of an Assistant Superintendent at Thirthahalli by an Inspector, and the abolition of a Sub-Inspector in the Eastern Range, are taken note of, and the result included in the saving of Rs. 23,000 indicated under the Forest Department, to which these special police charges are debited.

9. There are probably other ways of effecting economy without real loss of efficiency in this as in other Departments. As the Inspector-General has incidentally observed, "systematic examination of the actual needs of the Department will probably result in further reduction in expenditure." As we cannot ourselves make the detailed enquiry needed within the time at our disposal, we commend the observation for the consideration of Government.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
20. POLICE.		Rs.
3. Police Force		
Salaries ...	1,740	By replacement of the District Superintendent at Davangere by an Assistant Superintendent.
Establishment		
Prosecuting Inspectors ...	5,000	By replacement of 18 Inspectors by as many Sub-Inspectors.
Constables, (pay and clothing).	63,000	By reducing the number of Constables including those of the Railway Police by 346.
Equipment and clothing ...	12,000	Temporary reduction.
4. Police Training School		
Establishment ...	900	By retrenching one Inspector.
6. Railway Police		
Establishment ...	1,740	By retrenching one Sub-Inspector and two Head Constables.
Travelling Allowance and Contingencies (under all heads).	16,335	
Total reduction ...	1,00,715	

## 29. MEDICAL DEPARTMENT.

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1. This is a developing Department, with a tendency to grow beyond the strict limits of absolute necessity and economy. The level of expenditure, which stood at Rs. 10 lakhs in 1925-26, has since risen by nearly 25 per cent. The increase in expenditure is almost wholly under salaries, allowances, and establishments. Retrenchment must thus be mainly through a revision of the level and amount of emoluments (with particular reference to the justification and necessity for various duty and other allowances which are a noticeable feature of this Department), as well as through a reduction in the strength of the subordinate establishments. Having regard to the mass of details to be looked into, and the variety of points to be considered, it is desirable to entrust the work of scrutiny to a small special Committee.

2. The feasibility may be considered of a suggestion which we have seen put forth elsewhere, namely, that the medical profession may be more closely associated with the City hospitals and medical institutions through the appointment of honorary surgeons and physicians, who will take over a number of beds, deliver lectures, and discharge the full duties attaching to their posts. The suggestion, if otherwise found feasible, will have obvious advantages from the side of economy also.

3. We recommend, with the concurrence of the Senior Surgeon, that the fee in the case of out-patients whose monthly income is above Rs. 50 be increased from two to four annas per head, that children be levied half that rate, *viz.*, two annas, and that the system be extended to the hospitals and dispensaries in all District headquarters.

4. In the interests of economy, we recommend that the deputation of officers for foreign training be suspended for some time. The practice of granting absorbable allowances (varying from Rs. 50 to Rs. 150) to officers returning with European qualifications should be discontinued. Such qualifications are no doubt an element in individual efficiency, to be considered if need be, in making selections, and so on, but do not require to be separately rewarded.

The charge allowance given to Sub Assistant Surgeons in charge of dispensaries may be discontinued.

5. The average daily attendance of patients in some of the Malnad Improvement Dispensaries would seem to be too low to warrant their continuance. There are at present eight such dispensaries which may well be closed down, a course to which the Senior Surgeon is agreeable.

6. These grants, primarily intended to encourage private initiative in regard to philanthropic objects, cannot be indefinitely continued, and we recommend, with the concurrence of the Senior Surgeon, that they may now be withdrawn. Our remarks do not apply to the case of the Pasteur Institute at Coonoor.

7. In view of the general fall in prices of food stuffs and other commodities, we consider that a reduction of 10 per cent under "Diet of patients" and of 5 per cent under "Hospital necessaries" may be effected.

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
<b>21. MEDICAL.</b>	Rs.	
1. Superintendence.		
Deputation charges	8,630	
2. Hospitals and Dispensaries.		
Travelling allowance under "District Hospitals" and "Local Fund Dispensaries".	4,290	
Purchase of medicines and hospital necessaries (under the various Hospitals).	3,475	
Diet of patients (under the various hospitals).	15,550	
(vii) District Hospitals.		
Ayurvedic and Unani Dispensary at Shimoga.	1,569	By closing the dispensary.
(xii) Grants to Hospitals and Dispensaries.	9,100	
(xiii) Local Fund Dispensaries.—		
For opening new Dispensaries (State Grant).	8,000	

Budget head and particulars	Amount of reduction	Remarks
(xiv) Malnad Improvement Dispensaries.	18,000	By closing certain dispensaries.
Contingencies and other charges.	15,000	Do do
3. Medical Stores.— Europe Medicines and Instruments.	40,000	
5. Medical School.— Scholarships for Sub-Assistant Surgeons.	1,160	By reducing the number.
Scholarships for Compounding, Midwives and Nurses.	1,440	Do do
Contingencies (under the various minor heads other than Malnad Improvement Dispensaries).	6,085	
Total reduction ...	1,32,299	

### 30. PUBLIC HEALTH.

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1. The Sanitary Department of Mysore has had a somewhat chequered career. It has more than once been detached from the Medical Department, and afterwards recombined with it. **Sanitary Department.** The maintenance of a separate Department of Public Health involves considerable additional expenditure, especially on the higher staff; and it is obvious that, so long as sufficient funds cannot be made available for an effective scheme of sanitary improvement for the State, neither economy nor public interest is properly served by the effort to keep up a separate organisation at high cost. Having regard, however, to the facts that this Department was only recently organised on a somewhat comprehensive basis, that it is now working in active association with the Rockefeller Foundation, and that public health questions are becoming of increasing practical importance to the well-being of the people, we do not think that a reversion to the old system is desirable.

At the same time, we consider that the ultimate objective should be the transfer to local bodies of the entire control of sanitation and vaccination in their areas, thereby diminishing administrative centralisation, and allowing of a material reduction in the staff of higher-paid officers, besides ensuring a sufficiency of attention to local needs.

2. For the present, we recommend that the post of Health Officer for Mysore District be retrenched, **Retrenchments.** the work being entrusted to the District Medical Officer, and that the grant of 'fellowships' may be suspended for some time, after the existing commitments are discharged.

3. The Director has qualified almost all the reductions proposed by him under Salaries and Establishment with an observation that the vacancies may be kept unfilled *for one year temporarily*. The places of two Health Officers (2nd class) and one Publicity Officer are among these reductions in the higher grades. We do not accept the temporary limit of one year. The appointments in question should not, in our opinion, be filled up until financial conditions distinctly improve, if they cannot be abolished altogether.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
22. PUBLIC HEALTH—		
1. Director of Health—		
Establishment		
1 Typist (35) ..	420	
Fellowships tenable in India ...	2,000	
Travelling allowance and Contingencies.	300	
2. Public Health Institute—		
Establishment—Temporary		
Chemist (150) ...	840	By appointing a Chemist on Rs. 100, instead of Rs. 150, and retrenching one attendant.
Attendants 2 (20) ...		
Special charges—		
Apparatus and chemicals ...	400	
Contingencies ...	1,000	
Installation of refrigerating plant.	1,400	Non-recurring charge
3. Vaccine Institute—		
Travelling allowance ..	100	
Special charges—		
Cost of calves and experimental animals.	1,500	
Feeding charges ...	200	
Contingencies ..	450	
4. District charges—		
Salaries—		
Health Officers, 2nd class 2 ...	4,800	
Health Officer, Mysore District	3,840	
(i) and (ii) Bureaus of Health, Education and Epidemiology—		
Publicity Officer (100) ...		} 2,352
Stenographer (50) ...		
Clerk (35) ...		
Peon (11) ...		
Health Officer, 3rd class ...	900	
(iii) Bureau of Rural Health—		
Sweepers 4 (12) ...		} 864
Peons 2 (12) ...		
Establishment of Health Probationers—		
Clerks 2 (30-1-35) ...	720	
Travelling allowance ..	800	
Contingencies ...	3,000	
5. Bureau of Sanitary Engineering—		
Other charges ..	1,800	
Total reduction ...	27,686	

### 31. PUBLIC WORKS.

1. Speaking broadly, expenditure on Public Works is expenditure which is optional in character, in the sense that it may be increased or diminished according to the resources available. The essential condition of economy is thus to place a maximum limit on the Public Works grant. Such a limit need not be permanent; but once fixed, it must be operative for at least a period of five years at a time.

2. The budget provision for 1930-31 on account of Public Works charged to Revenue funds was Rs. 35.50 lakhs, made up of 10 lakhs for "Civil Works", 14.50 lakhs for "Irrigation Works charged to revenue," and 11 lakhs for "Communications." The Committee has had a full discussion with the Chief Engineer in the matter, and in the result recommends that the normal Public Works grant for the next five years be limited to Rs. 30 lakhs *inclusive* of establishment charges. The amount of the grant will then be distributed somewhat as follows:—

Irrigation	....	10 to 13 lakhs.
Communications	....	11 to 12 „
Civil Works	....	6 to 8 „
Total to be limited to....		<u>30</u> „

It is understood, at the same time, that if an additional sum of 3 to 4 lakhs were provided from current revenues for a few years, certain irrigational works now in progress could with advantage be completed earlier.

3. The proportion which establishment charges at present bear to the total expenditure on civil works and repairs is as much as 34 per cent, which is obviously excessive. Every effort should be made to keep down establishment charges to within 20 per cent of the grant for works, so that, taking the normal grant for public works at Rs. 30 lakhs as above recommended, 25 lakhs would be for works alone (including repairs), and one-fifth of this or 5 lakhs would represent establishment charges.

4. **The transfer of roads, and if possible of buildings, to Local Roads and buildings.** Funds has been looked upon in other parts of India as a most desirable measure of decentralization and economy. This, however, is not immediately feasible in Mysore, since the resources at the disposal of these bodies are by no means adequate. As a matter of fact, the construction and repair of even purely District Fund Roads (of an aggregate length of about 3,500 miles) are at present being executed on behalf of the Boards concerned by the Public Works Department. This is in addition to about 2,000 miles of roads maintained wholly from State revenues. The existing mileage allotment of Rs. 250 for the repair of provincial roads is probably too low, as urged by the Chief Engineer; but an increase in the rate would only be possible by resorting to additional taxes on vehicular traffic, and is in any case a matter not directly within our purview. We are however given to understand that an annual contribution of more than a lakh will be received from the Government of India towards the State's share of the proceeds of the petrol tax, thus materially augmenting the resources available for the construction and improvement of roads.

5. **On principle it is inadvisable that the heads of large spending Departments should also be in the position of advisers to Government as to questions of policy, and as to the manner in which their functions as heads of such spending Departments have been exercised.** In the interests of economy no less than of efficiency, it would seem that there should be a definite separation between the technical head of the Department and the officer who performs the duties of Secretary to Government in that Department. But it so happens that the exigencies of Public Works administration and the large financial and other interests involved have necessitated the separation of the Krishnarajasagara Works from Public Works proper, apparently as a temporary measure, and the placing of each under a separate Chief Engineer, who also functions as Secretary to Government in his Department. Unless, therefore, some means can be found, without entailing extra cost, of definitely separating the technical headship of these two departments from the duties of a Secretary to Government, the present arrangement has, it would seem, to be continued.

6. **The grade of Superintending Engineer has been time and again abolished and revived.** Of the three **Superintending Engineers.** Circles of Superintendence, the one temporarily created for the Krishnarajasagara Works is no longer necessary in view of the approaching completion of the Tunnel and other works, and of there being a



separate Chief Engineer for the Works as a whole; and the same will, it is understood, be abolished presently.

7. As regards the other two Circles, Mysore and Shimoga, though something might have to be said against their revival if the question was still open, the Committee as a whole (with the exception of Messrs. H. C. Dasappa, K. T. Satyanarayana Setty and D. H. Chandrasekharaiya, who are for their immediate abolition) does not feel that it would be expedient to disturb the arrangement now. The Circles in question have only been recently formed. Also the normal grants for works, exclusive of establishment charges, cannot perhaps be reduced below Rs. 25 lakhs consistently with the efficient maintenance of the existing roads and other works as well as the needs of normal development. And, further, the Chief Engineer, Public Works Department, as long as he is also Secretary to Government in that Department, is not himself in a position to exercise adequate control and supervision over the District Engineering staff, in the absence of the intermediary offices of Superintending Engineers.

8. There is at present a Personal Assistant (of the Assistant Engineer's grade) to each of these Superintending Engineers of Circles. It is urged in favour of this arrangement that an Engineering Officer is necessary to render assistance to the Superintending Engineer on the technical side of his work. But technical supervision strictly so called ought, in our opinion, to be done by the Superintending Engineers themselves. The appointments of Personal Assistants are unnecessary and may be abolished.

9. We understand from the Chief Engineer for Krishnaraja Divisions and Sub-Divisions. Sagara Works that it will be possible to amalgamate the Upper Channels Division with the Dam Construction Division after the capital works in the latter reach completion in two or three years. Such an amalgamation might be effected even earlier, if a larger grant could be made available immediately to allow of the Dam Capital Works being completed within the current year.

10. We do not recommend any reduction in the permanent divisions in the Public Works Department. It is however unnecessary to continue the Special Division at Mysore, which, it is understood, will be abolished presently.

11. The number of Sub-Divisions seems to be in excess of requirements; and with a material decrease in the departmental grant, it ought to be possible to reduce the number by at least three, in addition to the reduction of one agreed to by the Chief Engineer.

12. We accept the Chief Engineer's proposal to convert the **Travellers' Bungalows.** six Travellers' Bungalows noted in the margin, which are not frequently visited

District			by the public, into
Bangalore	... 2nd Class T. B. at Hoskote.		Inspection Lodges,
Mysore	... Do Somanahalli.		thereby effecting a
"	... Do Antarasanthe.		saving of Rs. 1,584
Kolar	... 1st Class T. B. at Robertsonpet.		under establishment
Shimoga	... 2nd Class " Kumsi.		charges.
"	... Do Agumbi.		

13. A Consulting Engineer for the Bangalore Water Works is a superfluity. It is understood that the **Consulting Engineer.** monthly honorarium of Rs. 300 paid on this account will have ceased at the end of 1930-31.

14. A sum of Rs. 300 is being debited to the Public Works **Consulting Architect.** Department budget every month on account of a portion of the pay of an officer, who combines in himself the functions of Consulting Architect to Government, Town Planning Expert, Director of Horticulture, and Economic Botanist. The appointment, which carries a consolidated salary equal to that of one of the major heads of Departments, would seem to be more or less of a superfluity even in ordinary times, in view of the ample departmental agencies otherwise available to Government. Its further continuance in the present conditions of financial stringency cannot be justified. The recommendation as regards the abolition of the specific post of Director of Horticulture is repeated elsewhere.

15. The Chief Engineer has agreed to a reduction of **Establishment.** Rs. 75,000 being effected under "Establishment."

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
23. Irrigation Works Charged to Revenue.	5,50,000	By limiting the total annual grant to 30 lakhs (inclusive of Establishment charges)
24. Civil Works		
24A. Communications		
Total reduction	5,50,000	
Salaries and establishment	75,000	According to Chief Engineer's proposal.
Do	9,600	By abolition of the posts of Personal Assistants to the two Superintending Engineers.

Budget head and particulars	Amount of reduction	Remarks
Salaries and establishment ...	12,000	By reducing the number of Sub-Divisions by 3. By amalgamating the Upper Channels Division with the Dam Works Division.
Do ...	15,000	
Travellers' Bungalows-Establishment.	1,584	Included in the reduction of Rs. 5,50,000, in the total grant for the Department.
Total ...	1,13,184	

### 32. ECONOMIC DEVELOPMENT.

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1. The Economic Conference was created in May 1911, with the idea of associating non-official gentlemen with the officers of Government in deliberations connected with the economic progress of the State. The expenditure, which was at first below Rs. 40,000, rose to 1.79 lakhs by 1919-20. It was thereafter reduced to some extent, and during the past four years has remained at about one lakh.

2. At present the Conference as a whole is expected to meet twice a year, and its Standing Committee thrice. Having regard to the nature of the subjects usually considered at these meetings, and to the fact that many of them would appear to fall directly within the province of other departments, we do not think there can be any serious objection to the abolition of the Conference, especially as this would afford a welcome measure of financial relief. An exception may perhaps be made in the case of the Boards of Industries and Commerce, Education and Agriculture. These, if continued, may remain as advisory bodies, without, however, any special paid staff or establishment or separate grants for "developments" so called. The only expense would be on account of the travelling allowance of non-official members, which need not exceed Rs. 3,000 a year.

3. The places of District Economic Superintendents have since been abolished, thereby saving an expenditure of half a lakh. If, as suggested above, the Conference itself, apart from the Departmental Committees, be dispensed with, a further saving of Rs. 37,000 may be effected.

4. The grants, amounting to Rs. 10,000, now being paid to Local Bodies for works of economic development may be retained.

Total reduction: Rs. 87,000.

### 33(A). EDUCATION.

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1. The level of expenditure on Education generally (including University Education) has steadily risen during the last ten years. It grew from Rs. 41.81 lakhs in 1921-22 to Rs. 45.10 lakhs in 1925-26, and since then has mounted up to 53.67 lakhs, which is the grant for 1930-31. Education thus absorbs a considerable and increasing proportion of the total revenues of the State. Having regard to the important share of education in promoting the progress and welfare of the people, it cannot be said that even the amount now spent is in itself excessive. But just as it is true of other nation-building Departments, so is it true of Education, that, if it be impossible to make normal revenue cover normal expenditure in any other way, it is necessary even in an essential service to make a temporary reduction. It is certainly desirable to reduce expenditure on the less essential branches of it in order to make provision for advance under the more essential ones.

2. One way in which State expenditure on education may well be minimised is by giving practical scope and effect to the general principle of the responsibility of local bodies in the matter of primary education. Local bodies may be trusted to take an increasing interest in primary education when the responsibility therefor is definitely vested in them, along with the technical assistance and the financial resources necessary for its proper discharge. As a matter of fact, it has already been decided to hand over the administration of primary education to local authorities, subject to the general control of Government. The scheme adopted involves, however, the result that the State will have to bear, not only the charges which are *now* being incurred on primary education to the extent of about Rs. 20 lakhs, but also a proportion (between 50 and 60 per cent) of the cost of further expansion which may ultimately go up to some Rs. 40 lakhs more. The scheme is in any case one that requires practical experience of its working before its exact implications can be properly realised, and in the circumstances we do not think any further examination is now called for.

3. It is being generally recognized that the main possibility of economy in regard to secondary education lies in the increasing withdrawal of Government from the management of High Schools

in favour of private bodies or of Municipalities, greater assistance where required being given to private effort by means of increased grants-in-aid. This, however, is a policy for which there is at present little scope in Mysore. There are very few aided institutions, outside the two premier cities, which can adequately take the place of State High Schools. And it is only as and where such institutions develop that it will be possible to abolish existing Government schools in the same locality.

4. Without denying the importance of Women's education and even the necessity for special measures for its promotion, it may be doubted how far its real interests are served by the maintenance of a number of separate institutions for girls (some of them with very few pupils) from the lowest to the highest grades. So far as primary schools for children are concerned, co-education has already made marked progress in the State; and once this is made the general rule, it will allow of the abolition of the larger number of schools (nearly 600) now maintained for girls only, thereby promoting both economy and efficiency. We admit that co-education is not at present a practicable measure in Middle and High Schools and possibly in the Intermediate classes of Colleges. But there seems no reason why it should not be more largely adopted in the First Grade Colleges, where the pupils are generally older, and where it would be possible to arrange for proper supervision, separate hostel accommodation and other conveniences. As a matter of fact, a considerable proportion of girl students would seem to prefer studying in men's colleges to joining a purely Women's institution. In this view, and having regard to the small number of pupils studying in the Maharani's College and the comparatively large sum annually spent on it, it seems desirable to enquire whether, if a separate College is necessary, it may not be specialised by providing instruction therein in subjects which are not taught in the men's Colleges.

5. An expenditure of Rs. 4'09 lakhs is now incurred on Muslim education; and of this, 2'90 lakhs is on account of primary education for boys and girls. Except in the primary stages where the medium of instruction has necessarily to be Urdu, it seems unnecessary to maintain separate schools for Muhammadan pupils. As regards pupils of Depressed classes, the prejudice against their admission into the ordinary State or State-aided schools is fast disappearing; and the time has come when the money now spent in maintaining a number of small institutions for special communities, may be more usefully employed in granting additional scholarships to poor pupils of such communities.

6. The amount at present spent on the training of teachers is approximately 2 24 lakhs, which on the face of it seems somewhat disproportionate. We are not now in a position to suggest ways in which such expenditure may be reduced or eliminated. The question is one which requires to be separately investigated.

7. The working of Adult Night Schools has been noticed to be, generally speaking, unsatisfactory, and some of them have been already abolished. Expenditure on these institutions seems more or less of a waste; but in deference to the strong wishes of the Director, and in order to give a chance to some of the better managed institutions of the class to establish themselves properly, we recommend that a reduced provision of Rs. 10,000 be retained for the present.

8. The charge of industrial as of other forms of special education is best left with the Education Department. Our recommendation on this point will be found in the Section pertaining to the Department of Industries and Commerce.

9. Primary education in Mysore is altogether free, and rightly so. Equally rightly, University and Secondary education entails the payment of fees, at present fixed on a scale which cannot by any means be characterised as excessive, and the burden of which is further lightened by a liberal system of general and communal scholarships.

Fees in Middle Schools were abolished eleven years ago. Whatever may have been the justification for this step when it was taken, it is difficult to justify its continuance at a time when the needs of the State require stringent economies in all directions as well as a due improvement of existing resources. After all, the fees that were being charged in Middle Schools in Mysore were low enough compared with those charged elsewhere; and if care be taken to temper the incidence of fees by a generous and discriminate system of poverty scholarships, there is no reason whatever to anticipate any real hardship from their reimposition.

The Committee, by a majority, accordingly recommend the restoration of the levy of fees in Middle Schools, Messrs. H. C. Dasappa, K. T. Satyanarayana Setty and Anekal Srinivasa Iyengar dissenting.\*

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\* Mr. D. H. Chandrasekharaiya wishes it to be stated in the Report that, "though [he had] at first agreed to the imposition [of these fees] under certain conditions, yet subsequently, in due deference to the large volume of public opinion which has expressed itself definitely against it, he thinks fit to suggest that the recommendation originally made need not be adopted by the Government."

10. Having regard to the low economic condition of the people of India and the expensiveness of higher education under modern conditions, it is not surprising that expenditure on scholarships appeals to Governments, no less than to private philanthropists, as a useful and desirable mode of fostering the progress of education. But in the present state of the public finances, even this desirable form of encouragement on the part of the State has to be curtailed, at any rate, as a temporary though unavoidable measure of economy. We therefore recommend that a 25 per cent reduction be made in the total provision for scholarships of all classes made in the Budget for 1930-31, the reduction having reference to the amount and not necessarily to the number of scholarships awarded.

**Scholarships.**

11. On the same consideration, we suggest the reduction of the total provision for grants-in-aid from Rs. 3,82,524 to 3 lakhs.

**Grants in-aid.**

12. Besides the Director of Public Instruction, there are three Deputy Directors. Two of them hold divisional charges; but the administrative work of the Circles cannot be heavy enough to require two such highly paid intermediary officers, especially after the transfer of the control of elementary education to local authorities. We think that the Deputy Directors in charge of the Circles may be abolished without inconvenience, and that, with the aid of the other Deputy Director attached to headquarters and the Personal Assistant in charge of the Office, the head of the Department ought to be able to cope effectively with the work of direction and superintendence. The place of Lady Assistant is not necessary, and may be abolished.

**Directorate.**

13. The work of these officers, especially in the matter of inspection, must be considerably reduced with the transfer of primary schools to local control, and it should not be difficult for one educational officer to look after two Districts. Their number may therefore be reduced from 8 to 4.

**District Educational Officers.**

14. The scale of pay of the Inspectors to be transferred to the District Boards under the new Elementary Education Scheme need not, in our opinion, exceed Rs. 125 to Rs. 200.

**Inspectorate.**

15. There has been no apparent gain to the cause of girls' education generally by the appointment of a special staff of Lady Inspectresses and Assistant Inspectresses. And apart from the special case of Hindustani Girls' Schools, we think the rest of the

**Women Inspectorate.**



staff, namely, that intended for Kannada schools, may be abolished, a course to which the Director is agreeable.

16. We understand from the Director that the scheme of medical inspection of schools will be abolished generally, wherever it is not self-supporting.

**Medical Inspection.**  
17. It seems quite possible to reduce somewhat the number of teachers, especially in High Schools, by a suitable increase in the average number of teaching hours or periods per teacher. The matter, it is believed, is being taken up in the Department.

**Teaching Staff.**  
18. This institution, it is understood, will be abolished in due course, the sale of departmental publications being entrusted to private agencies on commission.

**Government Central Book Depot.**  
19. It seems necessary to place some check on the tendency to go in for more expensive and elaborate types of school buildings than are warranted by the absolute requirements of school instruction. We appreciate the necessity for good and sanitary buildings; but over-elaboration should be avoided, and the accommodation provided should have some relation to the ordinary standards of life of the pupils.

**School Buildings.**  
20. This is a non-voted head of expenditure, and we can only suggest, for earnest consideration, the desirability, in the interests of retrenchment, of a material reduction-in the amount of grant, from Rs. 50,000 to (say) Rs. 20,000.

### 33(B.) UNIVERSITY.

21. We have carefully considered the question of what allotment it will be possible to make to the University out of the annual revenues of the State in the next few years, and have reached the conclusion that it will not be possible to put the grant at higher than Rs. 9½ lakhs at the utmost, due regard being had to other requirements of administration which are at least as essential or

	lakhs.
Normal expenditure (i.e., excluding casual or new items in the University Budget for 1931-32) ...	13'11
Deduct 10 per cent for retrenchments to be effected ...	1'31
Reduced expenditure ...	11'80
Deduct receipts of the University...	2'27
Balance required from Government	9'53 or 9½ lakhs

desirable. This involves at least a 10 per cent retrenchment in the existing scale of expenditure, as shown in the margin, and we do not think there ought to be any insuperable difficulty in finding suitable ways of economy to this extent in a budget comprising so many and varied items.

22. We cannot ourselves undertake this task within the limited time at our disposal and without some preliminary inquiry by a smaller body. The details are best left to be worked out by the University itself before being submitted to Government.

23. We will only mention by way of example a few directions in which retrenchments seem capable of being effected; such as, a suitable revision of the scale of pay of the teaching staff, especially in the higher grades; a reduction in the number of the teaching staff both in the higher and in the lower grades by a readjustment of duties and some increase in the hours of work; the curtailment and simplification of the existing courses of study; and the closing down of certain of the less important institutions such as the Intermediate Colleges in the mofussil.

24. We are also suggesting a general revision of the system and scale of allowances in addition to salary, and this, when extended to the University staff, must necessarily result in appreciable saving.

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
26. EDUCATION.		
1. Mysore University ...	2,25,000	
2. Supervision—		
(i) Direction—		
Salaries—		
Lady Assistant to Director ...	6,000	By abolishing the post.
Establishment—		
Sub-Engineer (150 plus 30) ...	1,200	By abolishing the post and appointing a clerk instead on Rs. 80.
Temporary Establishment—		
Visual Instruction Clerk ...	600	By abolishing the post.
Travelling allowance to Officers, Establishment and Text Book Committee.	2,500	
Contingencies ...	1,000	

Budget head and particulars	Amount of reduction	Remarks
(iii) Inspection— Salaries and Establishment ..	29,976	By abolishing the two Deputy Directors of Circles and their offices.
Do do ...	27,280	By reducing the number of District Educational Officers from 8 to 4. (The amount of consequent reduction in the office staff (ministerial and menial) is roughly taken at Rs. 10,000 for four Districts, the exact number of hands to be retrenched being left to be determined by the Director of Public Instruction.)
Kannada Women Inspectorate...	7,000	By abolition.
Urdu Inspectors' Clerks ...	600	
Travelling allowance to Officers and Establishment.	3,000	
Contingencies ...	1,000	
4. (i) High Schools— Teaching Staff and Establishment in High Schools.	10,000	By reduction of the staff
Two Inspectors of Physical Education.	2,040	By abolition.
4. (i) (b) High Schools for Girls— Allowance to Warden attached to Vani Vilas Institute.	300	By reduction from Rs. 50 to Rs. 25 per month.
5. Middle Schools— (ii) Grants to aided middle schools—		
Grant ...	4,000	
Hostel grants ..	1,000	
6. Primary Education— (ii) Grants to non-Government Primary Schools ...	5,000	
Grants to aided Village Elementary Schools. ..	11,000	By reducing the rate by Re. 1 per month for each school.
7. Special Communities Education— Adikarnataka Schools— Boarding and other charges ...	7,000	
Adikarnataka Middle Schools ...	5,000	By amalgamation with Kannada Middle Schools
Hindustani and Adikarnataka Adult Night Schools ...	5,000	By abolition.
Free supply of books and slates to Depressed classes ...	2,000	

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
Adult Night Schools ...	15,000	By limiting the grant to Rs. 10,000.
8. Training Institutions— (iv) Allowances to substitutes ...	10,000	
9. Technical Schools— (iv) Grants-in-aid ...	500	
10. Scholarships excluding (v) (b) Stipends ...	50,000	
Scholarships (v) (b) Stipends to private candidates in training institution ...	2,667	By abolition of stipends.
11. (b) Building grants ...	10,000	
12. Libraries— Grants to Libraries ...	2,500	
13. Miscellaneous— (i) Book Depot— Encouragement to authors ...	3,000	The reduction includes the subscription for Children's magazine.
Books and Maps ..	3,000	By discontinuance of the subscription for Vidya-dayini.
Contingencies ...	1,000	
(ii) Contributions— Indian Institute of Science ...	30,000	
Karnataka Academy and Mythic Society ...	1,800	
(iii) Examinations— Fees to Examiners ...	10,000	By reducing the rates.
(iv) Miscellaneous grants-in-aid ...	2,000	
Medical Inspection of schools ...	12,080	(Net cost according to the Budget for 1930-31).
Boys Scout charges ...	4,000	
Visual Instruction ...	5,472	
Contingencies under the various minor Heads (other than "2 Supervision" and "13 (i) Book Depot" ...	11,834	
Grants-in-aid under the several minor heads.	41,524	Further reduction by limiting the total grant to Rs. three lakhs, the amount already reduced under the respective minor heads above being Rs. 41,000 (Vide page 185 of the Budget for 1930-31, where the grand total is shown as Rs. 3,62,524).
Total reduction ...	5,73,873	

*Fees in Middle Schools :—*

Additional Revenue ...

... Rs. 1,25,000

### 34. AGRICULTURE.

1. The expenditure of the Agricultural Department proper has risen from Rs. 3.72 lakhs in 1926-27 to Rs. 5.15 lakhs according to the Budget for 1930-31. Out of this amount, more than three lakhs of rupees is absorbed by salaries of gazetted staff and establishments: 1.16 and 1.85 lakhs respectively, and another lakh by travelling allowances and contingencies.

**Nature of expenditure.**

2. While it may be true that expenditure on agricultural objects having to do with research, experiment, demonstration and propaganda is in the broadest sense productive, there is a limit to what the State can afford for such purposes at any given time. It is always important that mere organisation should not outgrow the possibilities of practical development, and it is specially necessary during this time of financial difficulty to limit departmental activities, as far as possible, to the immediate needs and requirements of the agricultural population.

**Limitation to immediate requirements.**

3. The Department is presided over by a Director who receives, in a grade special to himself, a salary of Rs. 2,500. Apart altogether from the personal qualifications of the present holder of the office, the salary paid is distinctly above what the State can afford to pay for the head of its Agricultural Department. There is no reason why it should ordinarily be higher than that paid to the head of any of the major departments.

**Staff.**

4. Immediately below the Director and in charge of the Office, there is a Deputy Director who receives Rs. 900, also in a special personal grade of Rs. 700-50-1,000. It appears to us wholly unnecessary to have a highly paid Deputy Director mainly for office work. The Director agrees that an officer on smaller pay will suffice, but considers that he should be drawn from the technical line. We are strongly of opinion that the grade of this appointment should be reduced to that of an Assistant Commissioner, *i.e.*, Rs. 250-25-450. We also consider that there is no need for the Director to have two Office Assistants, and accordingly recommend that the post of Financial Assistant be retrenched.

5. Of the two posts of Senior and Junior Artists, we recommend that the former be abolished, as one such official would seem to be sufficient.

6. The Scientific Sections also are susceptible of material reduction. Without entering into an examination of the intrinsic value or utility of the work turned out in these sections, we consider that the continuance of these sections on the liberal scale which was sanctioned at a time of financial affluence cannot be justified when the considerations of economy are paramount. At least one Assistant from each of the Scientific Sections should be retrenched.

7. On similar considerations, we recommend that one of the places of Deputy Directors of Circles be abolished.

8. The Kar-ragi Breeding Station, which has been recently established, may be suspended for some time.

9. There are now four farms, *viz.*, those at Hebbal, Babbur, Marthur and Nagenahalli. All these are experimental. We recommend the closing down of the farm at Nagenahalli, which is a paddy breeding station started so recently as in 1928-29, especially since the same work could be done at the new farm started under the Irwin Canal in Mandya Taluk. We recommend also the reduction as far as possible of the maintenance charges of the other farms, as, for example, by restricting the operations in the Babbur farm primarily to the cotton section.

10. Expenditure on Agricultural schools can be justified to the extent that the instruction given is of a kind directly adapted to train the pupils for an agricultural life, so that the trained men may not merely look up to Government service for livelihood. There are now four schools entailing an expenditure of about Rs. 43,000. The school at Hassan, which was opened only two years ago and which has not more than a dozen pupils, may be abolished, and the other three schools, *viz.*, those at Hebbal, Ramakrishnapur and Chickanahalli, retained.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
27. AGRICULTURE—		
1. Agricultural Department.		
(i) Direction.		
Salaries.		
Director (2,500) ...	13,200	By reducing the scale of pay to Rs. 1,400.
Headquarter Deputy Director (700-50-1000) ...	6,300	
Financial Assistant to Director (250-25-450 plus D. A. 50). ...	4,500	By replacing this officer by an Office Assistant on a lower pay.
Senior Artist (100-20-200 plus C. A. 20). ...	2,640	
Travelling allowance ...	500	
Contingencies ...	800	
(ii) Scientific Assistants—		
Salaries.		
Senior Assistant Chemist, Botanist, Mycologist and Entomologist, 4 (150-20-350) ...	12,960	By reducing one Assistant in each of the 4 Scientific Sections.
Establishment ...	2,496	
Travelling allowance ...	1,550	By abolishing the Kâr-ragi Breeding Station.
Special charges :		
Apparatus and chemicals ...	2,500	
Kâr-ragi breeding station ...	10,000	
Other charges ...	400	
Contingencies ...	800	By abolition.
(iii) Agricultural Instruction—		
Short course expenses ...	500	
Books and journals ...	100	
Contingencies and other charges ...	400	
Building and other charges ...	9,000	Mostly non-recurring expenses.
Agricultural school at Hassan ...	3,000	
(iv) Demonstration and Experiments—		
(a) General Demonstration Work ;		
1. Agricultural Section.		
Salaries ...	8,400	By abolishing one of the Deputy Directors' posts.
Travelling allowance ...	3,300	
Contingencies ...	500	

Budget head and particulars	Amount of reduction	Remarks
2. Live Stock Section—	Rs.	
Travelling allowance ...	350	
Sheep Breeding Farm ...	1,200	
Dairy and Breeding Station	600	
Improvement of cattle ...	1,000	
3. Agricultural Engineering Section—		
Travelling allowance ...	200	
Contingencies and workshop materials.	3,000	
(b) Farms.—		
(1) Hebbal Farm.—		
Cooly labour ...	1,000	
Seeds and plant ..	100	
Tools and other charges ...	20	
Purchase of stock ..	60	
Feed of cattle ...	200	
Contingencies ..	110	
Repairs to buildings ...	4,000	
(2) Babbur Farm.—		
Special charges—all items except "Assessment".	1,665	
(3) Nagenaballi Paddy Breeding Station ...	5,900	By winding up the station.
(4) Marthur Farm.—		
Labour ...	}	
Feed and cattle ...		
Seeds and manures ...		610
Short course expenses ...		
Bullocks and carts ...		
Implements and machinery ...		
Contingencies ...	1,200	
(v) Miscellaneous.—		
Remedial measures against Insect pests.	800	
Total reduction ...	1,05,861	



## 35. BOTANICAL AND OTHER GARDENS.

1. The Director has assured us that no new schemes involving additional expenditure are being undertaken in the Gardens Department, and that the expenditure estimates for the current year are intended to cover only the maintenance of those schemes on which money has already been spent. We are also informed that the Sales Depot in the Lal-Bagh is more than self-supporting, and that the Budget does not represent the correct position.

2. The place of Director of Horticulture is one recently created. There is no real necessity for such a costly appointment, and we recommend that it be abolished.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
27. AGRICULTURE.		
2. Botanical and other Public Gardens.		
(i) Superintendence.		
Salaries ... ..	16,800	By abolishing the post of Director of Horticulture.
Technical Establishment ...	2,040	By keeping the vacancy of Garden Assistant on Rs. 150 plus C. A. 20 unfilled.
Travelling allowance ...	450	
(iii) Botanical Gardens, Lal-Bagh, Bangalore.		
Menagerie and Aviary ...	2,000	
(iv) Parks and Minor Gardens.		
Improvements and other charges ... ..	5,000	

Budget head and particulars	Amount of reduction	Remarks
(v) New Mansion Grounds— Laying out Gardens ...	8,000	
3. Horticultural Farm— (iii) Scholarships in the Horticultural School. ...	900	By discontinuing the grant of fresh scholar- ships.
(v) For acquisition of lands	2 400	
(vii) Economic Development Work	3,000	
Contingencies (under all heads)	630	
Total reduction ...	41,220	

### 36. CIVIL VETERINARY DEPARTMENT.

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1. **Dispensaries.** Veterinary dispensaries are, it would seem, becoming increasingly popular. The opening of new dispensaries should, however, be suspended until financial conditions improve.
2. **Scholarships.** Owing to the liberal scheme of scholarships that has been in force for some time past and the improvement recently effected in the prospects of the staff, there will no longer be any difficulty in obtaining qualified men for charge of dispensaries. The grant of fresh scholarships may well be suspended for some years.
3. **Temporary Mobile Corps.** We are informed by the Director that an annual expenditure of about Rs. 7,400 incurred on account of the temporary mobile corps for combating rinderpest could be retrenched "if reduction is absolutely necessary". We think this is so, and accordingly recommend the reduction.
4. **Divisions.** The number of Divisions may be reduced from four to two without loss of efficiency in supervision.
5. **Staff, etc.** The scale of pay of the Superintendent may be reduced to Rs. 250—25—450.
6. A charge allowance of Rs. 10 is granted to Veterinary Inspectors placed in charge of Hospitals or Dispensaries. Such charge is really part of their normal duties, and any addition to pay on this account cannot be justified. We recommend that the allowance be discontinued.
7. The expenditure on account of "Training classes for Salustries and Compounders" may be stopped for some years.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
27. AGRICULTURE.	Rs.	
4. Veterinary charges.—		
(i) Superintendence.		
Salaries.		
Superintendent (300-25-500 plus P. A. 100) ...	2,700	By reducing the scale of pay.
Assistant Superintendents 2 (150-10-200). ...	4,320	By reducing the number of Divisions.
Establishment ...	2,000	do
Travelling allowance ...	1,800	do
Contingencies ...	1,000	do
Scholarships ...	19,200	
(ii) Civil Veterinary Hospitals and Dispensaries		
Establishment—		
Charge allowance to Veterinary Inspectors. 57 (10)	6,840	
Mobile Corps for combating rinderpest ...	7,400	
For training classes for Salustries and Compounders.	2,245	
Travelling allowance ...	3,200	
Breeding Bulls ...	5,000	
Buildings ...	500	
Contingencies ...	1,850	
Serum ...	20,000	
Serum Institute ...	52,020	
For New Hospitals ...	8,000	
(iii) Breeding Operations—		
Cattle Breeding Station ..	43,300	
Total reduction ..	1,81,375	

### 37. AMRUT MAHAL DEPARTMENT.

1. The Amrut Mahal Department is now worked at a loss. We gather that, with the development of the cattle breeding station at Ajampur, it is under contemplation to wind up the Department. This measure, however, is likely to take some time to carry out—probably four or five years. As regards its eventual result, it will tend to release some 200,000 acres of Amrut Mahal Kaval lands and make them available for cultivation. It is estimated that about 20 to 25 lakhs of rupees will thereby be realised by way of upset price, and that an increase in the annual revenue of about one lakh may be secured, when all these lands are sold out. The measure proposed is a desirable and even necessary one, and its adoption should be expedited.
2. We understand that a proposal to relinquish 17,000 acres of kaval lands in the first instance is already before Government; this, if sanctioned, will help to realise a sum of nearly Rs. 1,70,000 by sale of lands, besides securing Rs. 10,000 by way of annual assessment.
3. There seems to be no necessity for two separate appointments, of Amrut Mahal Superintendent and Live Stock Expert. The duties of both can well be combined under a single officer and a saving of Rs. 3,300 effected.
- Release of Kaval lands.**
- Staff.**

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction
<b>27. AGRICULTURE.</b>	<b>Rs.</b>
4. Veterinary charges :—	
(iii) Breeding operations.	
Amrut Mahal Department—	
Salaries                   ...     ...	3,300
Travelling allowance     ...     ...	350
Kaval and other charges  ..     ...	700
Contingencies           ...     ...	160
Total reduction           ..     ..	4,510

### 38. SERICULTURE.

1. The reductions proposed by us in addition to those agreed to by the Director of Industries are under Travelling Allowance, Contingencies and Special charges.

2. The three Probationers (on Rs. 100) should be absorbed in vacancies in the regular sanctioned scale of the Department.

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction
<b>27. AGRICULTURE :—5. Sericulture.</b>	<b>Rs.</b>
<b>I. Direction : Superintendence.</b>	
Travelling allowance ..	150
Contingencies ...	200
Special charges.	
Purchase of books and preparation of Bulletins and other charges... ..	400
Minor capital expenditure of Filature ..	7,750
<b>II. Demonstration and Experiments.</b>	
Travelling allowance ... ..	85
Labour ... ..	300
Contingencies ... ..	100
Exhibitions, Competitions and Demonstrations ... ..	900
Other charges ... ..	1,000
<b>III. Organisation and Assistance.</b>	
(a) Sericultural Instruction.	
Central School, Sericulture-Scholarships.	480
(b) Sericultural Co-operation.	
Travelling allowance ... ..	250
(c) Supply of mulberry cuttings etc.	
Rearing appliances ... ..	200
(d) Subvention on sales of domestic basins ..	100
(e) Encouragement for formation of mulberry topes ... ..	250
(g) Seed campaign.	
Travelling Allowance ... ..	500
(h) Propaganda work.	
Establishment ... ..	1,356
Travelling allowance ... ..	500

Budget head and particulars	Amount of reduction
IV. Farms.	Rs.
Travelling allowance ... ..	250
Farms Section.	
(A) Garden.	
Manure ... ..	200
Labour ... ..	500
Extending and improving gardens...	500
Irrigation expenses ... ..	1,000
(B) Bearing.	
Labour ... ..	400
Contingencies ... ..	150
Buildings and Repairs ... ..	2,100
Grainage Section.	
Purchase of cocoons ... ..	2,000
Contingencies ... ..	100
Appliances and Chemicals ... ..	1,100
Buildings and Repairs ... ..	3,000
Total reduction ... ..	25,121

### 39. INDUSTRIES AND COMMERCE DEPARTMENT.

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1. This Department was formed tentatively in 1913, and subsequently organised on a permanent basis in 1917. The objective of the Department has been, mainly and professedly, the stimulation of private enterprise and private initiative in furtherance of an active policy of fostering and developing the industrial growth of the State.

2. As regards large industries established or capable of being undertaken by private capital and enterprise, the functions of the State are necessarily limited. They do not generally seek Government help, nor can the State be expected to render any material aid beyond interesting itself generally in the promotion of such industries, as by procuring technical advice or lending expert service, if available with Government. The development of such industries has therefore to be, and may safely be, left to private enterprise.

3. As regards minor industries, Government may itself, in well selected cases, undertake some pioneer industries with the object of ascertaining whether they can be made commercially profitable; but it should not indefinitely continue them. Where commercial success is proved, the enterprise should be disposed of as advantageously as possible and transferred to private hands; if commercial success is out of the question, the experiment should be terminated. Research and experimental work in connection with industrial concerns should be left to the Department most nearly concerned.

4. We find that so far, as a result of the activities of the Industries Department, mechanical knowledge has been to a certain extent disseminated, primary industries have been modernised by introduction of power, and industrial education has been generally promoted. The hand loom weaving industry is now placed on a satisfactory basis.

5. Mysore is primarily an agricultural country. If an industrial atmosphere is to be created, it can best be done by the development of rural, cottage and home industries, and those that are subsidiary to agriculture. At all events, under the present trade and financial conditions, the scope of the Industries Department cannot usefully extend beyond giving



somewhat elementary advice and help to small industrial concerns and cottage industries, mainly in the direction of collecting information and making it readily available to those in need of it. The policy of giving loans in deserving cases is being pursued, and will no doubt be continued.

6. When the industrial policy of the State has to be thus limited and circumscribed, we doubt the necessity for maintaining a separate and costly Department solely for Industries, and particularly at this time of great financial pressure. At the same time, there is much that is in common—a close affinity of purpose and of method— between the Departments of Industries and Co-operation; such as the carrying on of propaganda, the diffusion of useful information and advice, the affording of sympathetic encouragement to private enterprise, the grant of small loans, the organisation of Co-operative Societies for workmen and artisans, and so on. It would be a great advantage in several respects, and not least from the standpoint of economy, to co-ordinate the activities of the two Departments; and we strongly recommend that they may be combined under the administrative charge of a single officer.

7. The control of technical and industrial education is now divided between the Education and Industries Departments. The administration of education in all fields, special as well as general, is best left with the Education Department, and we accordingly recommend the transfer of the charge of all industrial schools to the Director of Public Instruction.

8. We are distinctly of the opinion that uncertain explorations and costly experiments in the way of

**New Undertakings.** new industrial research or activities should not be undertaken by the State in the present condition of its finances. Two new enterprises have been recently projected, namely, the Porcelain factory and the installation of Silk Throwing plant. The Director assures us that the former is likely to be a good commercial proposition from the very beginning. The latter scheme is rather more doubtful; and with a view to examine its financial implications, we obtained from the Director some additional information, which leads us to think that the scheme may not begin to pay unless additional capital is invested, and that even otherwise it will entail initial loss for at least a year or two. No additional capital should be invested on this concern without further expert examination and assurance.

9. We are told that there will be some temporary additional expenditure on account of Boiler Inspection from 1931-32. The scale of fees now prescribed is too low, and indeed much

**Boiler Inspection.**

below that obtaining in Madras ; and in order to make the scheme more self-supporting than it is, we recommend that the scale of fees be doubled, the Regulation being suitably amended, if necessary.

10. The Soap Factory is one of the few industrial concerns started by Government that are working at a profit. It has demonstrated the possibility of soap-making as a profitable business. Strictly speaking, therefore, it has ceased to be a pioneer industry and should be transferred to private enterprise. But until it is possible to dispose of it on advantageous terms as a going concern, it must no doubt be retained under State management. The manufacture of high grade glycerine as a by-product would seem to require some further development of the factory. The annual profits of the factory are now separately funded, for appropriation exclusively on developments and experiments. While this procedure may have been permissible under other circumstances, it is not altogether defensible in the present position of the State's finances. We therefore recommend, with the concurrence of the Director, that 50 per cent of the annual net profits should be taken on to the general revenues.

11. For a like reason, 50 per cent of the annual profits of the Chamarajendra Technical Institute workshop may be similarly appropriated.

12. This institution, even on its present reduced scale as a weaving school, is scarcely paying its way, and the number of students undergoing instruction is disproportionate to the cost entailed. We understand from the Director that it is under contemplation to absorb the school in the proposed Technological Institute, as to the financial implications of which, however, we have not sufficient information.

13. The Central Industrial Workshop, which is the only institution of its kind in the State, is reported to be more or less self-supporting, though it has not been quite a success from the commercial point of view. It is in the charge of a highly paid Industrial Engineer (on Rs. 525-25-700), who is also in control of the well-boring section. There is, besides, an Assistant Superintendent of the Workshop on Rs. 150-15-300. We are recommending a material curtailment of well-boring operations, which will result in substantial relief to the Industrial Engineer. Besides, it is necessary that an institution run on professedly commercial lines should be worked with all possible economy. In this view two officers are unnecessary for the Workshop, and we

accordingly recommend that at least the place of the Assistant Superintendent of the Workshop may be abolished.

14. The manufacture of fresh drills should be stopped for some years. The services of the present **Well Boring.** costly Engineer on Rs. 500, who is on temporary contract, may be dispensed with, and an Inspector on less pay employed if necessary. In view of these retrenchments and limitation of operations, we recommend the reduction of the total grant for well-boring from Rs. 1,14,000 to Rs. 54,000.

15. An expenditure of about Rs. 6,000 is incurred on account of the collection of statistics of road-borne trade. This should be regarded as a purely temporary work, and the provision therefor discontinued at the end of two or three years. **Collection and Com-  
pilation of Statistics.**

16. While recognising the importance of industrial education, we feel that the need for retrenchment is imperative and cannot be met except by the strictest economy under all optional items of expenditure. The schools at Chitaldrug, Chikmagalur, Hassan and Shimoga do not seem to yield results commensurate with the heavy outlay incurred on them, and may in the circumstances be closed. We also recommend, with the concurrence of the Director, the following retrenchments in grants-in-aid:—

- (1) Discontinuance of the grants of Rs. 1,320 and Rs. 1,020 to the schools at Melkote and Hole-Narasipur respectively;
- (2) Reduction of Rs. 8,000 under grants to District Industrial Schools.

17. We recommend that steps may be taken to make this annual function self-supporting, as regards **Dasara Exhibition** both expenditure directly incurred on the Exhibition and incidental charges of other departments participating therein, and that, if it be not possible to do so, the Exhibition may be arranged to be held once in two or three years instead of annually.

18. The Industries Department, the scope and magnitude of which must have some relation to the **Staff.** industrial awakening of the people and the response made by private enterprise, is at present overmanned. There are two ministerial Gazetted Assistants to the Director, *viz.*, the Industrial Assistant and the Superintendent of Commercial Intelligence. The Committee (by a majority) considers that there is no necessity for two office Assistants

under present conditions, that the duties of both these officers can well be combined in a single officer, and that the other place should be retrenched. (Messrs. S. P. Rajagopalachari and B. Srinivasa Iyengar of Anekal dissent from this view, and Mr. N. Madhava Rao remains neutral.)

19. There is a qualified Industrial Chemist (400-50-700) in charge of the Soap Factory, and he also does occasional chemical investigation for the Department. We consider that it should be possible to assign to this highly paid technical officer some additional work of an appropriate kind.

20. With the closing of the Weaving Factory, the necessity for a Textile Assistant on Rs. 200-10-400 ceases. We accordingly recommend the abolition of this post.

21. The post of Commercial Assistant (on Rs. 150-10-200), which has been vacant for some time, may also be abolished, as agreed to by the Director.

22. An Auditor on Rs. 100 plus Rs. 7-8-0 seems to be a superfluity when there is a highly paid Commercial Accountant on Rs. 200-20-300. The industrial concerns in the Department are by no means so many in number as to require the services of two Accounts Officers. We recommend the abolition of the place of Auditor.

23. We have considered the possibility of reducing the number of Superintendents of Industries, of whom there are three, and whose duties (which mainly relate to the erection and supervision of private industrial installations) must have considerably decreased owing to economic depression all round. But we make no recommendation, as we find that certain additional duties (such as those under the Factories Regulation and the Motor Vehicles Regulation) have been entrusted to these officers.

24. With the contraction of activities in the Department, a material reduction is, it is suggested, possible in the establishments under "Demonstration and Experimental Work" and "Well Boring Sections."

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
Rs.		
<b>28. INDUSTRIES AND COMMERCE.</b>		
<b>1. Direction.</b>		
Salaries.—		
Assistant Superintendent, Central Industrial Workshop (150-15-300).	10,080	By abolishing the posts.
Textile Assistant (200-20-400).		
Superintendent of Commercial Intelligence (200-20-300).		
Establishment.—		
Commercial Assistant (150-10-200).	3,690	Do
Auditor (100 plus C. A. 7-8-0).		
Scholarships ...	9,365	
Travelling allowance ...	3,000	
Scholarships in the Art Workshop. ...	2,000	
Contingencies ...	1,500	
<b>2. Minor Industries.—</b>		
Capital Account ..	2,000	
<b>3. Minor Industries—</b>		
Revenue Account.		
(Sugarcane Mills) ...	300	
<b>4. Demonstration and Experimental Work.—</b>		
(iv) Experimental works ...	1,000	
(v) Experimental industries ...		
(c) Manufacture of Electric Insulators ...	10,000	
6. Well boring Section ...	60,000	
7. (ii) District Industrial Schools ...	24,000	By abolishing four schools.
Scholarships ...	7,912	Do
Grants ...	8,000	
(iii) Taluk Industrial Schools ...	1,420	By discontinuing the grant (Rs. 1,320) to Melkote School, and omitting the lumpsum provision of Rs. 100.
Tools and Machinery ...	800	
(iv) Weaving Schools.		
Grant to Hole-Narasipur School.	1,020	
Total reduction ...	1,46,087	

## 40. CO-OPERATION.

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1. The Co-operative Department has now been in existence for over a quarter of a century, during which period its energies have been directed towards familiarising the people with the economic advantages of co-operation. Non-official interest in the movement has been widely roused, and we must look chiefly to non-official rather than to official influence for further impetus and development. It cannot be denied that the over-stimulation of the movement by official agency ought to be guarded against, and that it is undesirable to give the impression that the Government is in any way responsible for the security of deposits kept in Societies by their clientele and others. Apart from statutory functions, and from general supervision, inspection, and audit, the growth of the movement may well be left in an increasing measure to non-official agency. There is, for instance, the Co-operative Propagandist Institute, which is in receipt of a small Government grant, and which, with increased resources in the shape of voluntary contributions from Societies and otherwise, may well be entrusted with much of the work now performed departmentally which is not of an administrative character.

2. The administrative work of the Department consists chiefly of propaganda and the encouragement of co-operative methods. The principles of co-operation, as presented to the mass of the population, are neither abstruse nor technical. The question therefore arises whether the purely propaganda portion of the activities of various departments—Agriculture, Co-operation, Industries, Public Health, and so on—cannot with advantage be performed by the same agency, instead of requiring the maintenance of separate establishments. There is, moreover, a very close affinity between this Department and that of Industries and Commerce in several respects. In view of this fact and of the need for retrenchments, we have proposed elsewhere the combination of the two Departments last mentioned under one administrative head.

3. After consulting the Registrar and examining the practice in other parts of India, we have arrived at the conclusion that it is unnecessary in existing conditions to alter the practice under which

### General Policy.

### Administration.

### Co-operative Suits.

suits relating to Co-operative Societies are withdrawn from civil courts.

4. As observed elsewhere, it is no longer necessary to continue in full measure the present exemptions from stamp duty, court fees and registration fees in favour of Co-operative Societies. **Withdrawal of Exemptions.** Our recommendations in this matter will be found under "Stamps" and "Registration."

5. The present staff of the Department is, we think, capable of some reduction. A separate Deputy Registrar seems to be superfluous unless the post of Registrar is combined with that of Director of Industries and Commerce, as recommended by us. The duties of that officer, in connection with both the Land Mortgage Bank and office work at headquarters, may well be performed by the Registrar himself, whose work, under a suitable system of delegation to Assistant Registrars, cannot be so onerous as to require the help of a Personal Assistant. The Co-operative movement after so many years of experience may be presumed to rest on a more or less sound basis, and it cannot need as much detailed supervision now as might have been necessary in the initial stages. That being so, we feel convinced that the Gazetted staff of the Department may very well be reduced. The total number of Assistant Registrars (including the officer to whom the duties of the Deputy Registrar are to be assigned) may therefore be reduced from seven to five by a suitable redistribution of charges. The scale of Assistant Registrars will, according to our recommendations, stand as follows:—

One from the Civil Service, on Rs. 250-25-450,

Two, outside the Civil Service, on Rs. 200-25-450, and

Two, also outside the Civil Service, on Rs. 150-10-250.

6. There are at present nearly 2,200 Societies, including some which are not working satisfactorily, and which may be expected to improve under closer supervision. **Inspection.** Allowing one Inspector for every 50 Societies on an average, the present number of Inspectors (42) is *prima facie* not excessive, though as the Societies grow in experience and stability, and as non-official organisations become available, it should be possible gradually to reduce the number of the inspecting staff.

7. In this connection, we may observe that there are even now several stable and well-managed Societies in the larger towns, in regard to which it would be sound policy to diminish the extent of departmental attention as far as possible, thereby minimising

interference from outside and promoting a healthy sense of internal responsibility. On the other hand, there are a number of Societies which exist only in name and whose retention for purely statistical purposes is apt to give a misleading and exaggerated idea of the volume of work devolving upon the Department. There should be no hesitation in winding up such moribund societies.

8. The reductions suggested above in the number of superior officers and consequently in the number of divisions will allow of a corresponding reduction in the ministerial and menial establishments now attached to them.

9. It is understood that the Government contribution towards the working expenses of the Land Mortgage Bank is temporary, and we have therefore no remark to make on the point.

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of Reduction	Remarks
	Rs.	
<b>29. CO-OPERATIVE SOCIETIES.</b>		
Salaries—		
Registrar (1,200) ...	14,400	By combining the Co-operative and Industries Departments under one administrative head.
Assistant Registrars ...	11,700	By retrenching two Assistant Registrars (one on Rs. 250-25-450 and one on Rs. 200-25-450), and by replacing another on the latter grade by one on the lower grade of Rs. 150-10-250.
Establishment—		
Temporary Assistant Inspectors 4 (40) ...	1,920	
Temporary Agricultural Inspector (75-5-100) and one peon (11) ...	1,284	
Menials 4 (11), 3 (12) ...	960	
Travelling Allowance ...	2,850	
Travelling Allowance to Honorary Organisers ...	1,000	
Development of Depressed class societies ...	500	
Contingencies ...	352	
<b>Total reduction ...</b>	<b>34,966</b>	



## 41. GRANTS FOR PUBLIC IMPROVEMENTS.

1. Works of "public improvements" so called, however desirable in themselves, are often in the nature of avoidable luxuries which can only be afforded when the finances are flourishing.

**Expenditure.** As a matter of fact, the expenditure under this head, according to the Budget for 1930-31, is as much as Rs. 7,20,000, being nearly double of what it was in the year 1925-26. A good proportion of this expenditure is of an optional character and, as such, rightly and easily dispensable in a time of financial stringency.

2. One of these optional items is the recurring grant of one lakh of rupees made year by year for the **Mysore City Improvement Trust.** "Mysore City Improvement Fund". The Improvement Trust Board has been at work for nearly three decades, engaged, among other things, in improving, extending and beautifying the capital city in various ways. It may be taken that its main functions in these directions have been sufficiently carried out by this time. Its work now consists chiefly of minor schemes such as drainage and sanitary improvements, which are within the competence and statutory powers of the Mysore City Municipal Council, a body with which the Trust Board shares a President and several members in common. In all the circumstances, we are of opinion that the Trust Board, as a separate institution, is no longer required, and that its functions may be merged in those of the Municipal Council. In order, however, to help the latter to complete any works already undertaken by the Trust Board and still in progress, a grant of half a lakh of rupees may be given for another three years, after which the Municipal Council must be left to make its own arrangements.

3. The grant of Rs. 30,000 for "Bangalore City Improvement" may be discontinued for some time; and that for "Improvement of Towns and Minor Municipalities" reduced from Rs. 75,000 to Rs. 50,000.

**Bangalore City Improvement.**

4. Under "Rural reconstruction" the grant may be reduced from 1,03,000 to Rs. 77,417, this comprising the amount required for assignments to Village Panchayets (Rs. 50,000) and the cost of establishments (Rs. 27,417).

**Rural Reconstruction.**

5. Our recommendations in regard to the grant for "Tube Wells" are indicated in the Section on **Well Boring.** Industries and Commerce under "Well-boring."

6. The provision for "Works" under "Malnad Improvement" may be reduced by Rs. 18,100. This **Malnad Improvement.** will be in addition to the reduction of Rs. 33,000 proposed under "Malnad Improvement Dispensaries" in the Medical Budget.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
30. GRANTS FOR PUBLIC IMPROVEMENTS.		* If the reduction of Rs. 33,000 taken into account against "Malnad Improvement Dispensaries" under "21 Medical", and that of Rs. 60,000 against "Well-boring Section" under "28. Industries and Commerce", are included here, the aggregate reduction under "30 Grants for Public Improvements" will be Rs. 2,41,683.
1. Bangalore City Improvement. ...	30,000	
3. Improvement of Towns and Minor Municipalities....	25,000	
4. Mysore City Improvement Fund. ...	50,000	
5. Rural Reconstruction ...	25,533	
7. Malnad Improvement ...	18,100	
Total of reduction ...	1,48,683*	

#### 42. KUNIGAL STUD FARM.

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1. As far as we are able to see, this institution serves no essential or even very useful purpose. It does not provide remounts for the State Troops, nor does it help to improve the breed of ponies generally in the State. It has throughout its existence entailed continuous and recurring loss in the neighbourhood of half a lakh every year. Its abolition was very strongly urged by the Special Finance Committee of 1922; and in present circumstances this is, in our opinion, an indispensable measure of economy.
- Abolition recommended.**
2. The abolition of the Farm will at once effect an annual saving of about Rs. 45,000, besides setting free a large extent of valuable land for agricultural purposes.
- Financial and other results.**

Total Reduction Rs. 45,000.

### 43. RAILWAY DEPARTMENT.

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1. This is one of those departments which are understood to be worked on commercial lines. The receipts of the State-worked Railways have, however, been showing a marked tendency to decline both under coaching and under goods. There has been a drop of more than Rs. 4 lakhs during 1930-31 as compared with the previous year. This is attributed mainly to the general trade depression and partly also to the increasing competition from motorbuses. The proper co-ordination of railway and bus service, so that the latter may supplement the former and act as a profitable feeder to the railway, is a matter requiring very early attention in the interests of State Railway Revenue. This is apart from the necessity for improving and popularising the railway service in all possible ways so as to attract more passengers and goods traffic.

2. The working expenses of State-worked lines, which show a decided tendency to increase, compare very unfavourably with those of the lines under the Madras and Southern Mahratta Railway Company, and also with those of other Railway Administrations with a mileage corresponding to ours. In the case of railways with large mileage and through traffic, the expenses will, no doubt, be much less in proportion to earnings than in the case of railways with a comparatively small mileage, mostly in detached bits. The Agent considers that with the resumption of the Bangalore-Harihar line, it might be possible to bring down the percentage of working expenses to gross earnings. But this is not a contingency that need be waited for. It is possible and it is necessary even now to introduce economies in the various items that go to make up the total.

3. The number and emoluments of officers in the higher grades in each of the sections appear to be fixed on a rather liberal scale. The Agent and Secretary, whose services have been lent by the Government of India, receives a salary of Rs. 1,900, which is obviously much higher than that allowed to the heads of the major departments in the State. We think the pay of the appointment may be reduced to Rs. 1,400 on the expiry of the term of contract of the present incumbent. The Personal Assistant to the Agent draws a pay of Rs. 850 plus 50. There is no

need for such a costly place when there is a separate Office Assistant; and even as regards the technical engineering assistance required by the Agent, there is the Superintendent, Way and Works, available for the purpose. The present Loco and Carriage Superintendent draws a salary of Rs. 1,200 in the grade 900—150—1,200. The scale of pay as also of the increments is here also excessive, and may well be reduced to that of an Executive Engineer (500—25—850). There is a Chief Store Keeper on Rs. 250—25—450, and in addition a Stores Inspector on Rs. 100 rising to 200. There seems to be no necessity for the latter appointment, which may be abolished. The clerical staff of the Railway Audit Office may be reduced by 10 per cent, vacancies being kept unfilled as they arise till the full percentage is reached. We recommend, with the concurrence of the Agent, that the post of Assistant to the Superintendent, Way and Works, be abolished.

4. Reductions to the extent of Rs. 2,31,000 under "ordinary working expenses," of Rs. 1,85,000 under "contribution to Depreciation Fund", and of Rs. 30,000 under 'replacements and renewals' of branch lines worked by Government, have been effected in the current year's Railway Budget. The reductions under the last two heads should be considered as purely temporary; and the contribution to the Depreciation Fund, in particular, should be restored immediately financial conditions permit.

## LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
XXIV. Railways—Working Expenses.	Rs.	
Railways worked by Government.— Ordinary working expenses ...	2,31,000	By reducing the grant from 23'17 (for 1930-31) to 20'86 lakhs. (Includes the pay of the Personal Assistant to the Superintendent, Way and Works—to be abolished).
Contribution to Depreciation Fund.	1,85,000	By temporarily reducing the contribution from 5 to 3'15 lakhs.
Replacements and renewals of Branch lines worked by Government.	30,000	By temporarily reducing the grant from Rs. 65,000 to Rs. 35,000.

Budget head and particulars	Amount of reduction	Remarks
Administration—		
Salaries—		
Agent (1900) .. ...	6,000	By reducing the scale of pay to Rs. 1,400.
Personal Assistant to the Agent (800 plus 50).	10,200	
Establishment—		
Stores Inspector (100—200) ...	2,400	
Loco—		
Salaries—		
Superintendent (Loco, Carr, and Waggon) (900—150—1,200).	6,000	By reducing the scale of pay to that of an Executive Engineer on 500—25—850.
Audit Office—		
Establishment ...	5,000	By reducing the number of hands by 10 per cent.
Total reduction ...	4,75,600	

#### 44. ELECTRICAL DEPARTMENT.

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1. This is a commercial Department, which is earning a gross income of about half a crore of rupees. The working expenses, including the annual contribution of nearly 5 lakhs to the Depreciation Fund, amount to about Rs. 16 lakhs, leaving a net income of Rs. 32 to 33 lakhs per year. More than 40 per cent of the receipts is obtained by supply of power to the Kolar Gold Fields Mining Companies. Although, with the large supplies of power available for sale, there would seem to be considerable scope for an expansion of revenue, the capital cost involved in taking the power supply lines over long distances sets a limit to the progress of electrification schemes. As a matter of fact, the rural electrification schemes so far undertaken do not seem to be yielding an adequate return, and the Chief Electrical Engineer does not expect even a return of 5 per cent on the capital outlay during the first two or three years.

**Revenue.**

2. As the result of personal discussion with the Chief Electrical Engineer, and with his concurrence, we recommend that the contribution to the Depreciation Fund be temporarily suspended until financial conditions should show some improvement. This, it is needless to observe, must be regarded solely as an emergency measure; and the contribution should be restored at the earliest possible opportunity.

**Retrenchments.**

3. Having regard to the fact that this is a revenue yielding department, with potentialities for rural development, we have very carefully examined the scope and possibilities of retrenchments therein with reference to their direct and indirect effects on the working of the department as a whole. We consider that the number of highly paid appointments in the Electrical Department is striking; and the scale of pay also is, as a rule, much higher than in other departments.

**Staff.**

4. The reorganisation of the department sanctioned in 1921 appears to have provided for a fairly liberal scale of establishment in view of the fact that heavy capital works including additional installations were in progress or contemplation at the time. We feel that, under present conditions, a contraction particularly in the higher gazetted staff is justifiable and necessary.

5. There is, besides, a good deal of diversity and overlapping as regards grades of incremental pay. There was probably a certain amount of justification for the higher level of salaries paid during the early stages of the organisation of the Department, and especially at a time when the employees had not the benefit of either pension or provident funds. Conditions have changed since then, and in view of the material improvement of service conditions following on the introduction of the Provident Fund Scheme, there is no real justification for retaining salaries at the former high level. We therefore recommend that the grades of pay in this Department may be suitably revised so as to bring them into line with those obtaining in the Public Works, Railways and other departments.

6. The Chief Electrical Engineer has at present some half a dozen assistants in the Headquarter office, not including the Accounts Assistant recently abolished; that is to say:—

- (1) An Assistant Chief Electrical Engineer;
- (2) A Technical Assistant;
- (3) A Research Assistant;
- (4) A Chief Stores Officer;
- (5) A Public Works Assistant Engineer;
- (6) A Financial Assistant;
- (7) An Accounts Assistant.

The last of these has since been ordered to be abolished. We recommend, with the concurrence of the Chief Electrical Engineer, that the post of Research Assistant, which has remained vacant for some time past, be abolished.

7. At the same time it seems quite possible to retrench one out of the following three appointments by a suitable redistribution of duties:—

- (1) Assistant Chief Electrical Engineer.
- (2) Technical Assistant
- (3) General Electric Inspector  
(There is also an Assistant General Electric Inspector.)

8. As regards the staff at Sivasamudram, there are, besides the General Superintendent on 800—50—1,200 and the Assistant General Superintendent on Rs. 750—50—1,000, also a Hydraulic Assistant and an Electrical Assistant on 280—40—600 each, as well as a number of Operators and other subordinates. One of the higher posts, say, that of Hydraulic Assistant, may well be abolished and his duties combined with those of the Assistant General Superintendent. We also recommend, with the concurrence of the Chief Electrical Engineer, that the post of Supervisor (for buildings) at Sivasamudram be retrenched.



9. Proposals regarding the reduction of duty and conveyance allowances now granted to officers of the Electrical Department, are included in our general recommendations on the subject of Allowances elsewhere.

10. The scheme for sending out officers on deputation may well be suspended for a few years.

**Deputations.**

11. The Chief Electrical Engineer has agreed to a reduction of Rs. 4,800 under "Generation—Special charges."

**Special charges.** We consider that a general reduction of 5 per cent may be effected in the other items under this minor head, and also under "Transmission and Distribution" (excluding Salaries, Establishments, Travelling Allowance, Contingencies, and Subsidy to patels and shanbhogs) in view of the general fall in prices and the need for all possible economy. Similarly, a reduction of 10 per cent is recommended under Travelling Allowance, Contingencies, Printing and Stationery, and "other charges" pertaining to "Administration."

12. The annual payment of Rs. 13,500 to Messrs. John Taylor and Sons is one that is *prima facie* eligible for discontinuance, should there be no definite commitment in this respect. It is since understood that Government have reduced the amount to one-half by negotiation with the firm.

**LIST OF RETRENCHMENTS.**

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
XXV. Krishnarajasagara Hydro-Electric Irrigation works—		
(1) Power—Working expenses ...		
(i) ADMINISTRATION—		
Salaries		
1. Assistant Chief Electrical Engineer (750-50-1000).	13,920	By abolishing one of the first three and the last two posts.
2. Technical Assistant (400-50-750).		
3. General Electric Inspector (350-50-650) and C. A. 35.		
4. Accounts Assistant (250-25-350).		
5. Research Assistant (150-25-300).		
Deputation charges ..	6,700	

Budget head and particulars	Amount of reduction	Remarks
	Rs.	
(ii) GENERATION.—		
Salaries of Executive Officers.		
Hydraulic Assistant (280-40-600) ...	7,200	
Supervisor (Buildings) (100-10-150 plus C. A. 30) ...	2,160	
SPECIAL CHARGES.—		
Maintenance of buildings ...	1,500	
River conservancy ...	500	
Repair of roads ..	1,000	
Sanitation and conservancy.	500	
Medical Stores ..	500	
Other items ..	800	
Maintenance of Plant, Maintenance of Channels, Water-supply, and Tools and Plant.	4,325	
(iii) TRANSMISSION AND (iv) DISTRIBUTION.		
Maintenance charges (other than salaries, establishment, travelling allowances, contingencies, subsidy to patels, and subsidy to John Taylor and Sons) ...	9,334	
Subsidy to John Taylor and Sons ...	6,750	
(iv) Depreciation contribution ...	4,87,800	
Travelling allowance and contingencies under all the heads, (including "printing and stationery" "laboratory" and "other charges" under "Administration")...	5,700	
Total reduction ...	5,48,689	

## 45. KRISHNARAJASAGARA IRRIGATION WORKS.

### REVENUE ACCOUNT.

1. These Works taken by themselves have not yet begun to pay their way. And the position, as understood from the Chief Engineer (Krishnarajasagara Works), will apparently continue to be so until there is a material development of irrigation under the Irwin Canal. An area of about 20,000 acres is expected to be brought under irrigation in the course of the current year.

2. A reduction of Rs. 17,400 has been effected under "Other Charges for work outlay." The abolition of the circle of the Superintending Engineer, Krishnarajasagara (*Vide* Section on Public Works), will lead to a saving of about Rs. 25,000, out of which only, Rs 5,000, or 20 per cent will accrue to the Revenue Account, the balance of Rs. 20,000 going to the credit of the Capital Account.

#### LIST OF RETRENCHMENTS.

Budget head and particulars	Amount of reduction	Remarks
XXV. KRISHNARAJASAGARA HYDRO-ELECTRIC AND IRRIGATION WORKS.	Rs.	
2. Irrigation works—		
Working Expenses—		
Other charges for work outlay	17,400	
Salaries and Establishment ...	5,000	By abolition of the office of Superintending Engineer, Krishnarajasagara Circle.
Total reduction ...	22,400	

## 46. MYSORE IRON WORKS.

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1. The position of the Iron Works at Bhadravati was considered at more than one meeting of the Committee. The members have also had the benefit of perusing the Chairman's Note of his "Impressions of a Visit to the Mysore Iron Works."

2. Without going into particulars, it will suffice to observe that the sanguine hopes with which this great industrial concern was inaugurated, and which in large measure have served to justify the heavy sacrifices which its carrying on in the face of continuously adverse conditions has entailed, have not been altogether fulfilled. The concern has been working ever since its commencement at a loss. At the same time, there has been a steady diminution in the demand for its products—pig iron, pipes, acetate and the rest,—and a heavy and persistent fall in prices, with the result that these products are practically unsaleable, and there is a large and increasing accumulation of stocks. It is to be apprehended that the position in the coming years will, if anything, be worse. Keener competition and lower prices are possibilities which cannot be discounted. In the circumstances, it is quite clear that the State cannot possibly continue to carry on the Works on the present lines.

3. The pros and cons of various alternative courses have been considered and weighed by the Committee. The idea of closing down the Works does not commend itself as in any way desirable or necessary. What the present juncture requires is not hasty action dictated by counsels of despair, but remedial measures the feasibility of which is properly examined and established.

4. From this point of view, there is something to be said in favour of the proposal to keep the Works going with the minimum dislocation and loss until financial and other conditions should distinctly improve,—meanwhile reducing operations to the utmost possible extent (as by the replacement of the furnace process of making charcoal by the pit process, the suspension of wood distillation, the temporary stoppage of mining for ore, and so on), and at the same time effecting all feasible economies in working expenses and retrenchments in staff. Reductions and economies are, in any case, necessary and essential, in view of the hitherto unprofitable character of the undertaking and also of the present difficult financial position.

5. How far a policy of mere contraction of operations would be sufficient to save the situation is, however, a more difficult question, which takes us to the other alternative available, *viz.*, the Scheme for the making of basic Steel. The particulars of this scheme were explained to the Committee by the General Manager of the Works during his examination, and are also described in some detail in a Memo furnished by him. The production of this material as early as possible is, it has been represented, the essential condition for the continuance of the Works, being the only means that can be relied on for the disposal of that part of the pig iron produced which cannot be sold as such or as pipes and other castings.

6. The scheme entails an initial expenditure of some 16 lakhs on machinery and buildings, besides working expenses. If it could be assumed that the data and the calculations on which it is based are full and accurate, it would no doubt be permissible to hold that the scheme, if not positively remunerative, offers at any rate an acceptable way out of the present serious situation.

7. This, however, seems to involve a number of difficulties and uncertain factors which call for caution and deliberation. The scheme is, in itself, one which requires to be subjected to independent expert examination in all its details before the State would be justified at the present time in embarking on the heavy initial expenditure involved,—expenditure which cannot from the nature of the case be charged to current revenues.

8. Assuming, without anticipating, that the result of competent investigation is favourable, and that the scheme, even if it be not immediately profitable, will tend appreciably to minimize losses, the Committee can see no objection to its being seriously taken up and proceeded with, provided that the amount required can be found without any addition to the already heavy burden of public debt, and that the needful annual provision for interest and depreciation charges can be made without disturbing the equilibrium of the State Budget.

*Note of Dissent by Mr. H. C. Dasappa.*

I have considered the question very carefully, and see no reason to change my opinion expressed on other occasions that there could not have been a more inopportune time to embark on the Steel scheme than the present one when the price of steel has fallen very low and our own finances are in very straitened circumstances. Admittedly the scheme would continue to result in losses for some years in the beginning, and I am not sure whether the scheme worked on the proposed lines by the present

management would not continue to result in losses for very many years thereafter. The question that the scheme should be financed from borrowed funds instead of from current revenues is of not much consequence as the burden would fall on the taxpayer all the same. The matter would have assumed a different complexion if the State had surplus funds at its disposal. In view of the extreme financial stringency, the doubtful nature of the scheme, and what is worse, the state of extreme slump of the Steel market, I am decidedly of opinion that there is no justification for launching on the Steel scheme at the present time.

I have my own fears that the scheme ultimately would cost much more than the present estimate which it may be noted, does not take into account the amount necessary for the working expenses.

As regards the alternative, I am of opinion that there is still a great deal of room for retrenchment and all possible retrenchments should be effected, and we must wait for better times, both of our own financial condition as well as of the Steel market, to undertake the new scheme. I am not also averse to an attempt being made to transfer the concern to a private agency, which should not be considered difficult especially in view of the assurance held out that the Works would prove a success with an additional capital investment of only 16 lakhs of rupees on the Steel scheme.

(Sd.) H. C. DASAPPA.

*Note by Mr. D. H. Chandrasekharaiya.*

The consideration of the various issues involved in the matter brings me to the conclusion that the closing down of the works is out of the question, at any rate for the present, which means that the Works will have to be continued. But as the continuance of the Works on the present basis for a long time is beset with serious difficulties, it seems desirable to try the steel scheme as a last hope, with a minimum capital outlay. Having regard to the present financial position of our State which I am privileged to study as a member of the Retrenchment Committee, it is my humble suggestion that we should wait till our finances are somewhat rehabilitated by the adoption of several measures in view so as to bear the additional burdens that might be placed upon them. But if the Government can find money without creating a situation for borrowing and additional taxation and also without starving the existing administration any further, there can be no objection for the earlier adoption and execution of the Steel scheme.

(Sd.) D. H. CHANDBASEKHARAIYA.

IMPRESSIONS OF A VISIT TO THE MYSORE IRON WORKS.

(Note by the Chairman.)

As desired by my colleagues on the Retrenchment Committee, and on the invitation of Government, I paid a visit to Bhadravati and halted there for two days (16th and 17th July). Though my stay was short, I was able to make a fairly comprehensive inspection of the Works, besides discussing the situation generally with the officers directly in charge of the various sections, and also paying a running visit to the main source of supply of ore at Kemmangundi hill.

The object of the visit was not, of course, to discover any new facts or circumstances not otherwise obtainable, but to have a clearer understanding, at first hand, (through personal observation on the spot, and through contact and discussion with those actually at work) of the conditions under which the undertaking is carried on. Naturally, I feel I am now in a rather better position to apprehend and weigh the salient features of the situation than if I had to depend entirely on the recorded material and on the opinions of others.

A face to face study of conditions enables one to realize that, apart from such obvious circumstances as the enormous capital sunk in the concern, the continuous loss entailed in its operations during all these years, and so on, the Works themselves as they are there, being run every day at Bhadravati, are a great and monumental organization of industry, that, in spite of the misfortunes and even perhaps through the miscalculations which have attended its career, it has enabled the State and the people of the State to purchase invaluable experience of the conduct of an altogether new and important large-scale industry, and that that organization and that experience are something tangible to set against the financial losses and disappointments of hopes suffered.

In the next place, even apart from the organization and the experience, the mechanical side of the Works represents even now an effective fixed capital of quite one crore of rupees and a quarter in a visible form, which cannot lightly, and without the most anxious thought and searching examination, be abandoned, or dissipated through neglect or lack of funds.

Apart from the indirect effects on trade and traffic, on forest exploitation, on the movement of population, on town extension, and so on, there is the fact that the Works in themselves are not dead stock, but represent an organized living community of skilled work and expert talent, giving direct employment to

several hundreds of men, many of whom have been trained there to skilful labour, and that those in the higher grades are specialists doing valuable work in their own fields. To watch a body of men brought together and engaged in business on this scale in order to promote a great industrial enterprise is itself an instructive experience, altogether irrespective of financial calculations as to the resulting profit or absence of profit. One becomes less inclined to think lightly of disbanding a mechanical and human organization of this magnitude, till at all events every other alternative has been weighed and found to be impracticable.

Mysore should be proud, and with good reason, of the vision, enterprise and patient courage which have gone to the building up of the Bhadravati Iron Works. Ill-success should not make us ungrateful, and should not impel to hasty action based on counsels of despair. It should, rather, harden the resolve to turn the heritage of the past (including as well the mistakes as the lessons) to useful account in the years that lie in front.

The position at present stands thus. There is on the spot a valuable and effective plant worth over one and a quarter crore, and a staff of experts (chemical, mechanical, commercial) controlling a large body of men employed and trained to work it during a number of years. The concern has been till now engaged in the systematic production of pig iron, from ores which are practically inexhaustible, and capable of being readily conveyed from mines in the near neighbourhood. But owing to unforeseen conditions of the market,—the inadequate demand, the rapid and continuous fall in prices, and so on—it is found that the pig iron manufactured at the Works and the by-products evolved during the process are practically unsaleable, and that large stocks of all of them have been accumulating.

Various remedies have been tried, but without in any way easing the position. The question, however, just at present is not simply how to minimize losses, but the more fundamental one of how to make the Works pay by producing something which will satisfy an actual demand.

I have looked through some of the available literature on the subject, but have not so far come across any helpful suggestion which deserves to be considered in the same breath with the proposal, supported by the Board of Management, for the installation of a steel manufacturing plant.

How far the manufacture of steel is likely to be commercially profitable is, of course, a matter for experts to determine. On the one hand, the cost of erecting and working the additional plant required has to be accurately estimated. On the



other hand, a careful forecast has to be made of the cost of production and the extent of probable demand for the articles intended to be produced, and so on. Such an investigation is for the Government to undertake, and we may trust our Government not to be unmindful of so important and obvious a requirement.

It is not for us, sitting here as a Committee of Retrenchment, to offer opinion or advice on the purely technical aspect of the proposed scheme. Our primary concern is with its possible repercussions upon the general finances of the State, and it is from this point of view that I should myself like to offer a few observations.

It may be, though personally I think this rather unlikely, that the suggested investigation will establish the total or virtual futility of the Steel Scheme. In that case, the only course,—unless some new facts or factors should emerge—would presumably be to close down the Works. But this is not a contingency to be lightly contemplated. Even the most pessimistic of those who have bestowed some real thought on the matter must admit that the shutting down of the Works, especially at the present juncture, is undesirable from any point of view, if not indeed a piece of calamitous folly. It may help rival concerns in other parts of India by eliminating a formidable source of competition, but this is hardly a recommendation from our point of view. Even a material slowing down of the chemical plant might, it appears, lead to its deterioration and eventual destruction. Labour which has been enlisted at such trouble and trained at such cost would be dispersed, rendering it most difficult to get it together again. It admits indeed of no doubt that, once the Works were shut down, only a very strong combination of circumstances could prompt and justify its being opened again, and when it was so re-opened the cost of working it would necessarily be higher than before.

It is much more to our purpose to turn to the other and likelier contingency, of the investigation by Government pointing to the manufacture of steel not only as being feasible and desirable, but as the only alternative available at present for the disposal on a profitable basis of the whole or a larger portion of the output of the furnaces.

Even from the financial point of view, there is force in the contention that the proposal to instal additional plant must not be judged as if it amounted to the starting of a totally new and unconnected industry. The object really is to add an extra unit to the existing plant in order to supplement it and make it more effective, thereby improving materially the financial position of an industry already at work. The scheme,—always assuming it

to be technically sound—will also be financially unobjectionable if, as claimed for it, it will help to enable the Works to prepare, instead of crude intermediate products that are unsaleable, a variety of articles which will find a ready and profitable market in India.

Incidentally it may be noted that, though the present proposal is limited to the making of ordinary steel, the success of the experiment will no doubt lead to and justify an extension in the direction of the manufacture of special or high grade steel.

Now if, as seems to have been always recognised, the manufacture of steel has been the ultimate aim of the Works; if, moreover, the installation of the additional plant necessary for such manufacture is shown to offer a ready and feasible means of disposing of the accumulating output, thereby obviating continuous loss and the lock-up of capital; and if, as is strongly represented to be the case, delay in coming to a decision may render the position worse and weaken the staying power of the Works; there really seems to be no sort of advantage, but, on the contrary, real prejudice to the ultimate interests of the concern, in indefinitely postponing the inevitable decision.

One piece of advice which I have seen given is that our State may wait till the tariff policy of the Central Government of the future is settled, somewhere in 1934! I do not think there is anything to commend this suggestion. Instead of building our hopes on the chances of securing protection to our industries in the uncertain future, we shall do well to confine our attention to facts and data which are more nearly calculable and ascertainable. We shall have less risk of disappointment in any case.

The only possible justification I can see for the policy of waiting for circumstances to change for the better is that the present position of the finances is so serious and difficult that the State cannot afford the capital cost of about 16 lakhs\* involved in the scheme. This statement of the financial position is unfortunately true enough. As a Committee of Retrenchment, engaged in bridging a huge deficit of over 50 lakhs, we cannot suggest the possibility of finding the large capital required from the current revenues. But there are other means of raising money available to the State in a case of imperative necessity, and particularly for what are known as protective purposes. The safeguarding of a great key-industry on which some hundreds of lakhs have been spent may well be deemed to be a protective purpose. It is true that the

\* (Out of the total estimated cost, 10 lakhs are stated to be required during the current financial year, and the balance in the year following.)

raising of a loan will entail provision for interest and sinking fund charges ; but this will be a less onerous burden, spread as it will be over a number of years, than the effort to meet the whole cost out of the revenues of a couple of years, at the risk of further dislocating the financial position and seriously disorganising the ordinary administration. And if, as seems quite possible, the required amount can be advanced from funds deposited with Government in the ordinary course, even the resort to a loan may be unnecessary.

Besides the financing of the Scheme for installing Steel making plant, there is of course the standing question of retrenchments in the working expenses at Bhadravati. About the need for rigid economy in all possible directions there can be no possible doubt ; as a matter of fact, various economies are understood to have been effected in recent years, and the possibility of more will no doubt be kept in view by the management. Apart from all this, there would seem to be available, just at present, at least two directions in which a substantial, if temporary, reduction of expenditure is feasible. One is the replacing of the costly process of making charcoal in retorts by the appreciably cheaper method of making it in pits, a course which will also allow of the suspension of wood distillation and other by-processes. The other is the temporary suspension of mining operations for a year or two. There is, as a matter of fact, a considerable quantity of ore already collected, sufficient to keep the Works fully going for more than a year. Each of these measures will allow of an immediate saving of expenditure of probably three quarter to over a lakh of rupees, an important consideration at the present time.

(Sd.) K. S. CHANDRASEKHARA AIYAR

22-7-31.

This report was signed on Sunday, 9th August 1931.

K. S. CHANDRASEKHARA AIYAR.  
(Chairman.)

S. P. RAJAGOPALACHARI.

N. MADHAVA RAU.

B. SREENIVASA IYENGAR.

K. T. SATYANARAYANA SETTY.

D. H. CHANDRASEKHARAIYA.

H. C. DASAPPA.

B. SREENIVASIENGAR, (of Adekal.)

K. R. KRISHNASAMI AIYANGAR,  
(Secretary.)

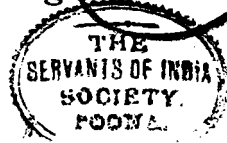
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Part.



Government of Bengal

2



Report of the  
Bengal Retrenchment  
Committee

1932

Calcutta  
Bengal Government Press  
1932

X:99V,54.262.Nst

V200, 10. 11. 1954

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## Contents.

Chapter.	Page.
I. Introductory .. .. .	1
<b>PART I.</b>	
II. Land Revenue .. .. .	7
III. Excise and Salt .. .. .	11
IV. Stamps .. .. .	18
V. Forests .. .. .	19
VI. Registration .. .. .	24
VII. Scheduled Taxes .. .. .	31
VIII. Irrigation .. .. .	32
IX. General Administration—	
(a) Staff and Household of the Governor .. .. .	41
(b) Members of Council and Ministers .. .. .	42
(c) Legislative Council .. .. .	43
(d) Secretariat .. .. .	44
(e) Hill Exodus .. .. .	48
(f) Board of Revenue .. .. .	50
(g) Local Fund Audit .. .. .	52
(h) Commissioners .. .. .	52
(i) District Administration .. .. .	55
X. Administration of Justice .. .. .	63
XI. Jails .. .. .	70
XII. Police—	
(a) Bengal Police .. .. .	73
(b) Calcutta Police .. .. .	79
XIII. Education .. .. .	84
XIV. Medical .. .. .	98
XV. Public Health—	
(a) Engineering Branch .. .. .	105
(b) Public Health Branch .. .. .	106
XVI. Agriculture—	
(a) Veterinary .. .. .	109
(b) Agriculture .. .. .	111
(c) Sericulture .. .. .	114
(d) Botanical and other Gardens .. .. .	115
(e) Co-operative Societies .. .. .	115
XVII. Industries .. .. .	117
XVIII. Commerce and Marine Departments .. .. .	121
XIX. Public Works .. .. .	124
XX. Stationery and Printing .. .. .	132
XXI. Miscellaneous Grants and Allowances .. .. .	136

## PART II.

Chapter.	Page.
XXII. Pay of the Services .. .. .	138
XXIII. Special Pay .. .. .	144
XXIV. Compensatory Allowances .. .. .	154
XXV. Travelling Allowance .. .. .	158
XXVI. Contingent Expenditure .. .. .	163
XXVII. Leave and Holidays .. .. .	166
XXVIII. Compulsory Retirement .. .. .	169
Supplementary Notes .. .. .	171
Notes of Dissent .. .. .	175
Appendix .. .. .	181



## CHAPTER I.

### Introductory.

1. The Bengal Retrenchment Committee was appointed by Resolution No. 2431F.B., dated the 25th April 1932, which is reproduced below:—

“In the last session of the Bengal Legislative Council several resolutions were tabled recommending to Government the desirability of appointing a Retrenchment Committee. The one that was actually put to the vote and carried without a division was moved by Mr. J. N. Gupta. It runs as follows:—

“This Council recommends to the Government that a Committee of Retrenchment be appointed for the province to examine and consider all possible retrenchments of the administration both in the Reserved and the Transferred sides, and to recommend to Government to take suitable action either in their own competence or by reference to the proper authority with a view to effect a substantial reduction in the cost of the administration.’

“On the 16th March the Hon’ble Mr. Marr informed the House that the present Government were in favour of appointing a Retrenchment Committee as early as possible, but they were of opinion that the final decision on this question must be left until the arrival of the new Governor.

“(2) His Excellency the Governor in Council and acting with his Ministers having considered the recommendation of the Legislative Council is now pleased to appoint a Committee consisting of the following gentlemen:—

Mr. J. A. L. Swan, C.I.E., I.C.S., *Chairman*,

Mr. J. N. Basu, M.L.C.,

Mr. H. Birkmyre, M.L.C., and

Khan Bahadur Maulvi Azizul Huque, M.L.C.,

to constitute a Committee, with Mr. S. K. Haldar, I.C.S., as their Secretary.

“The following are the terms of reference:—

“To review the expenditure of Government and make recommendations as to any economies which in their opinion might reasonably be effected in view of the present financial situation.’

"His Excellency hopes that the Committee will be able to submit their report for the consideration of Government by the end of August next."

2. We decided that our first step should be to obtain, from the departments of Government, complete information as to the growth of expenditure during the last ten years and any suggestions they might be able to make regarding possible economies. We also invited the public to furnish us with their views. We have received and considered 190 memoranda, and examined 81 witnesses. In all, we have held 107 meetings. Our proceedings have been confidential.

3. We are indebted to the non-official associations and individuals who furnished us with written memoranda and oral evidence for many valuable suggestions, and we desire also to acknowledge the ready co-operation we have received from the departments of Government and individual officers.

4. In view of the financial history of Bengal since the introduction of the Montagu-Chelmsford reforms, we felt that the task before us was a difficult one. The following table shows the revenue receipts of Bengal compared with those of other provinces, in the first year of the present constitution:—

(The figures in columns 2, 3 and 4 are in thousands of rupees.)

Province.	Actual revenue in 1921-22.	Contribution to Government of India.	Net revenue.	Population at census of 1931.	Net revenue per head of population.
1	2	3	4	5	6
	Rs.	Rs.	Rs.		
Bengal ..	8,94,82	63,00	8,31,82	46,694,536	1.7
United Provinces	12,38,83	2,40,00	9,98,83	45,375,787	2.2
Madras ..	15,39,31	3,48,00	11,91,31	42,318,985	2.8
Bihar and Orissa	4,42,32	..	4,42,32	34,002,189	1.3
Punjab ..	8,64,41	1,75,00	6,89,41	20,685,024	3.3
Bombay ..	13,26,03	56,00	12,70,03	19,348,219	6.5
Central Provinces	4,93,61	22,00	4,71,61	13,912,760	3.4
Assam ..	1,96,64	1,500	1,81,64	7,606,230	2.4
Burma ..	9,78,67	64,00	9,14,67	13,212,000	6.9

From the outset it was clear that the Meston Settlement had done a grave injustice to this province, and the first budget presented to the

Legislative Council showed a gap of Rs. 120 lakhs between the revenue receipts and the expenditure required merely to carry on the administration. This was admitted by the Government of India. In September 1921, Sir Malcolm Hailey, then Finance Member of the Government of India, in moving a resolution to remit the Bengal contribution of Rs. 63 lakhs, told the Legislative Assembly: "We (Government of India) have examined the case both narrowly and critically, and it appears certain that, with every economy, Bengal must have a deficit of not less than Rs. 120 lakhs. Even if we make no allowance for any extra expenditure for improvements in transferred subjects such as are desired by Ministers—improvements which, we are told, are necessary if the Reforms are to be a success—Bengal would have that deficit, even if it provided only the bare minimum expenditure required to carry on the ordinary administration of the province."

5. The total revenues of the Government of India in the same year, 1921-22, amounted to Rs. 64,52,66,000, of which Bengal contributed no less than Rs. 23,11,98,000. Its unfortunate position, therefore, was due, not to the natural poverty of the province, but solely to the method of allocating the total revenues of India between the provinces and the Central Government. The difficulties of the Government of Bengal were enhanced by the fact that the sources of revenue assigned to it were inelastic and gave little prospect of expansion in the near future.

6. The remission of the contribution of Rs. 63 lakhs payable to the Government of India gave the province some relief. The Government, however, had still to face a large deficit, and in 1922 they presented three Bills to the Legislative Council, one of which provided for the taxation of amusements and betting, and the other two for the increase of court-fees and of stamp duties. A substantial increase of registration fees was also imposed a little later by executive order. At the same time Government closely scrutinised their expenditure and effected retrenchments amounting to Rs. 70,52,000 in 1921-22 and to Rs. 48,88,895 in the following year. In 1922-23 a Retrenchment Committee was appointed to explore the possibilities of further economies. The ultimate result of their recommendations was a saving of Rs. 37,50,000. These measures did not entirely relieve the Government of Bengal of their anxieties. Though retrenchments were possible in some directions, in others an increase of expenditure was unavoidable. In particular, the post-war revision of pay had added to the cost of every department. From 1925-26 onward, however, the position improved slightly, and Government were able to carry on for some years without seriously trenching on the provincial balance. The general economic depression then began to affect the revenue receipts, which fell from Rs. 11,35,00,000 in 1929-30 to Rs. 9,66,00,000 in 1930-31. The Government of Bengal again took up the question of

retrenchment, and in that year and the next, they effected further economies to the extent of Rs. 44,28,000.

7. The following table shows the estimated receipts and expenditure of the provinces of India in 1931-32:—

(The figures in columns 2 and 3 are in thousands of rupees.)

Province.	Estimated revenue.	Estimated expenditure.	Total population at census of 1931.	Revenue per head.	Expenditure per head.
1	2	3	4	5	6
	Rs.	Rs.			
Madras ..	18,29,70	18,22,12	46,740,000	3.9	3.8
Bombay ..	15,20,47	16,23,39	21,931,000	6.9	7.4
Bengal ..	10,52,42	11,68,82	50,114,000	2.1	2.3
Punjab ..	11,84,08	12,91,12	23,581,000	5	5.4
United Provinces	13,26,50	13,35,39	48,409,000	2.7	2.7
Bihar and Orissa	5,75,00	6,01,05	37,678,000	1.5	1.5
Burma ..	10,35,69	11,04,27	14,667,000	7	7.5
Central Provinces	5,12,15	5,01,07	15,508,000	3.3	3.2
Assam ..	2,66,91	2,70,68	8,622,000	3	3.1

It will be seen that the relative position of Bengal had not materially improved during the preceding ten years. To appreciate the full significance of the figures, it is necessary to bear in mind that, except Bombay, no other province has to provide for the needs of a great city like Calcutta.

8. With these facts before us, we entered on our task with little expectation of being able to suggest immediate economies sufficient to bridge the gap between revenue receipts and expenditure, which, in the current year, is estimated at Rs. 1,59,36,000, nor have we been able to do so. We have made a detailed investigation into the expenditure of every department of Government, and have finally been able to propose retrenchments which, if our suggestions are accepted *in toto*, will lead to an ultimate saving of Rs. 1,84,96,000. Some of our recommendations, however, can only take effect gradually, in particular those relating to the pay of Government servants, and it is clear to us that retrenchment alone cannot place the province in a position of solvency. Nor will further taxation provide a solution. Existing taxes cannot be increased, and from a perusal of the Federal Finance Committee's report it is clear that new sources, if any can be found, are

likely to yield comparatively little revenue. Bengal must, therefore, look for relief to an equitable revision of the financial settlement. We need not discuss the recommendations of the Federal Finance Committee. These, if accepted, would perpetuate the present position, but we trust that the representations which the Government of Bengal have made will command attention, and that, on the introduction of the new constitution, Bengal will be given a revenue commensurate with its wealth and with its needs.

9. Many of the recommendations which we make in the following chapters will, to some extent, impair the efficiency of the departments affected, but we consider that, in the present circumstances, the province must be satisfied with a somewhat lower standard. We have endeavoured to frame our proposals in such a way as to avoid revolutionary changes in the existing system of administration. Such changes would, in our opinion, be unwise on the eve of important constitutional reforms.

10. In the following pages, we have first dealt with the expenditure of Government, department by department, and have then proceeded to consider general questions such as pay, allowances and contingent expenditure. At the end of each chapter we have given an estimate of the ultimate savings which will be effected if our proposals are accepted, and the results have been tabulated in an appendix to the report. The figures are approximate, but we believe that they are conservative. In some cases, where we have made recommendations of a general nature, it has not been possible to calculate the savings which may result from them. We have, in a few instances, gone somewhat beyond our terms of reference by recommending an increase in the charges payable to Government. All savings due to proposed reductions in the pay of the services have been shown under the chapter on the "Pay of the Services."

11. We regret that owing partly to causes outside our control, and partly to the mass of material with which we have had to deal, it was not possible for us to complete our report by the end of August as requested by Government. We are aware that this will cause some inconvenience, as it reduces the time available for the consideration of our recommendations before the budget estimates for 1933-34 are framed. We were able, however, before the offices closed for the Pujah holidays, to furnish Government with advance copies of the earlier chapters of our report which had been finally approved and signed by us.

12. We were informed that, under the orders of the Secretary of State, official members of retrenchment committees are not permitted to take part in any recommendations regarding the scales of pay or the general strength of the cadres of services, of which the control is vested

in the Secretary of State in Council. It should, therefore, be understood that the general recommendations regarding all-India services made in the report are those of the three non-official members of the Committee, and that the Chairman does not take part in them. The prohibition does not extend to individual economies, such as the substitution of an officer of a different class for an all-India officer, or the pay of a particular post, and for all such recommendations the Chairman shares responsibility with the other members of the Committee.

13. We wish to record our indebtedness to our Secretary, Mr. S. K. Haldar, I.C.S., for the invaluable assistance he has given us. His duties have been heavy, but he has performed them promptly and efficiently. He has spared no trouble to obtain all the information we required, and his recent experience as Deputy Secretary in the Finance Department has been of great use to us.

## Part I.

### CHAPTER II.

#### Land Revenue.

14. **Recovery of the cost of major settlement operations**—Major settlement operations are now in progress in the 24-Parganas, Malda, Burdwan-Hooghly, and part of Rangpur. They have still to be taken up in Howrah, Dinajpur, and two blocks of Rangpur. A considerable portion of the cost of these operations is eventually recovered. In the first place, a direct charge of 75 per cent. of the cost of each operation is realised from the landlords and tenants. In practice, this works out at about Re. 1-8 per acre, of which generally the landlords pay 14 annas and the recorded cultivators 10 annas. For this charge they receive copies of the khatians and maps relating to their lands. These are certified as true copies, they are exempted from court-fees under section 35 of the Court Fees Act, and they are presumed to be correct in the law courts, until the contrary is proved. In addition to this direct levy, settlement operations bring in considerable revenue to Government in other ways. The sale of extra copies of maps and khatians, which practically cost nothing except the price of paper, yields about Rs. 75,000 a year. A very considerable revenue is also derived from the sale of court-fee stamps for use in settlement cases, of which only one-fourth is at present set off against the cost of the settlement. It is thus clear that Government are actually out of pocket by a good deal less than 25 per cent. of the cost of these operations. On the other hand, recovery does not ordinarily start till the third year of the operations, and Government make no charge on account of interest on the very considerable expenditure incurred up to that stage.

15. The Retrenchment Committee of 1922 recommended that the percentage of cost directly recoverable should be raised from 75 per cent. to 95 per cent., on the ground that the benefit accruing to Government would be more correctly represented by a contribution of 5 per cent. than of 25 per cent. Government, disagreeing with this opinion, did not accept the recommendation of the Committee. It is, of course, impossible to assess with any accuracy the proportion of benefit derived by Government, landlords and tenants from settlement operations. But it is indisputable that they are a great and immediate benefit to landlords and tenants, while the benefit to Government is mainly

indirect. We think that the amount of recovery may reasonably be raised to 87½ per cent.

**16. Postponement of major operations.**—Even if this recommendation is accepted, Government will not be relieved of the necessity of financing these operations for two or three years before they get any recoupment. Although the Committee fully appreciate the value of major settlement operations, they consider that this expenditure is not justifiable in the present circumstances, and recommend that Government should confine themselves for the present to completing the major settlements now in progress, and should not initiate any new operations until the financial position has materially improved.

**17. Land revenue settlement operations.**—This recommendation does not apply to land revenue settlement operations. These have in the past proved highly remunerative, and it is estimated that they will continue to be so, as will appear from the following statement of some of the operations recently taken up, or to be taken up in the near future:—

District under land revenue settlement operation.	Total estimated cost.	Estimated increase in land revenue per year.	
		Rs.	Rs.
Midnapore .. ..	4,50,000	1,00,000	
Jalpaiguri .. ..	6,80,000	2,20,000	
Noakhali .. ..	3,75,000	66,000	
Pabna .. ..	1,33,000	57,000	
Dacca .. ..	1,23,000	22,000	
Mymensingh .. ..	1,83,000	17,000	

So much has been said and written about the permanent settlement of Bengal, and the inelasticity of its land revenue, that the fact is frequently lost sight of that about 27 per cent. of the total land revenue is subject to periodical revision. It is important that revisions should be carried out as they fall due, and we do not suggest any curtailment in the programme of these operations. Nor does our recommendation apply to revisional operations under section 101 of the Bengal Tenancy Act, the whole cost of which is realised from the parties interested.

**18. Staff for settlement work.**—At present the cadre of the Indian Civil Service provides five officers for employment on settlement work, namely, the Director of Land Records and four settlement officers who may be either members of the Indian Civil Service, or Provincial Service officers holding listed posts. This cadre was fixed in view of a four-party major settlement programme, and as a consequence of our recommendation it should now be reduced to three officers in all. A large reduction can also be made in the cadres of deputy and sub-deputy collectors. These provide posts for 13 deputy collectors and 53



sub-deputy collectors (including leave reserve) for employment in settlement work. Owing to the reduction in the settlement programme the number is already much in excess of requirements. It was fixed on the assumption that the four-party programme would continue to the end of 1934, and that thereafter the revisional programme would be taken up. Owing to the financial position there is no prospect of revisional operations, other than land revenue settlements and those under section 158A of the Bengal Tenancy Act, being taken up in the near future. In view of these facts and of the recommendations we have made, the number required will be still further reduced.

19. **Settlement kanungos.**—The present elaborate system of field bujharat by the agency of kanungos was introduced to deal with the complicated land tenure system of Eastern Bengal, particularly in the district of Bakarganj. The land system elsewhere is much simpler, and we have evidence that the work can be done adequately by a less highly qualified and less expensive staff. We understand that this has been tried on an experimental scale, and that one kanungo and four sardar amins have been found capable of replacing four kanungos without serious detriment to the quality of the work. We, therefore, recommend that, for bujharat work, the above system be introduced. We understand that this will result in a reduction of at least 20 per cent. in the number of settlement kanungos.

20. **Stamp fee on applications.**—At present applications can be made prior to draft publication of the settlement record, either orally or by petition, without payment of court-fees. We recommend that all applications made after the bujharat stage should be in the form of stamped petitions. At the attestation stage the parties to a dispute get a decision based on a careful examination of evidence, and there is no reason why they should get this at the expense of the general taxpayer and of those who have to contribute to the cost of the settlement.

21. **Departmental suggestions for retrenchment.**—We note that the Revenue Department has made the following cuts in its budget provision for the current year:—

	Rs.
1. Management of Government estates—Collection of revenue—Supplies and Services—Road and Public Works ceases .. .. .	80,000
2. Outlay on improvements in Government estates .. .. .	82,136
3. Colonisation of Sundarbans—Agricultural improvements .. .. .	7,301
Total .. .. .	1,69,437

22. **Land acquisition work done for railways.**—When land is required for railways, the cost is recovered from the Government of

India, only if a special establishment is employed for the work. We are unable to understand the reason for doing this work free of cost when it is carried out by the ordinary district staff, and we recommend that a percentage should be added to all estimates for the acquisition of land for railways to cover the cost of the staff.

23. **District kanungos.**—There are at present 59 posts of district kanungos. These officers are supposed to have a knowledge of survey work (although we are told that this is in many cases not a very thorough knowledge), and they are generally employed on miscellaneous enquiries connected with such matters as khas mahal cases, alluvion and diluvion, and civil suits to which Government are a party. As a rule, very little supervision is exercised over their work, and doubts have been expressed as to whether they are fully employed. We think that many of the enquiries made by these kanungos can be done by circle officers, and where a knowledge of survey is required, the work would be much better done by sub-deputy collectors. It should be possible to arrange that one of the sub-deputy collectors posted to the headquarters of each district should be an officer with a knowledge of survey. In our opinion, the number of kanungos can safely be reduced to 35, which allows one for each district, and eight officers who may be posted where they are required and will at the same time form a leave reserve.

24.

Item.	Estimated	
	Savings.	Increase of revenue.
	Rs.	Rs.
Increase in the rate of recovery	.. ..	1,12,000*
Settlement officers	.. .. 39,300	..
Settlement kanungos	.. .. 30,000	..
Court-fee on application	.. .. ..	15,000
Departmental suggestions	.. .. 1,69,400	..
Land acquisition for railways	.. .. ..	2,000
District kanungos	.. .. 33,700	..
	2,72,400	1,29,000
<b>Total</b>	.. ..	<b>Rs. 4,01,400</b>

\*Non-recurring. Will continue for about five years, making a total of Rs. 5,60,000.

*Note.*—There will be a saving of Rs. 73,28,000, spread over five or six years, on account of the postponement of major settlement operations. This has not been shown, as 87½ per cent. of this amount would have been recovered subsequently.

## CHAPTER III.

### Excise and Salt.

25. **Growth of expenditure.**—The revenue and expenditure under this head from 1913-14 are shown in the following statement. The payment to the Government of India on account of the cost price of opium was shown in the excise budget for the first time in 1925-26 and has been omitted from the figures for facility of comparison:—

Year.	Revenue.		Expenditure.		
		Rs.		Rs.	
1913-14	..	..	..	1,53,88,017	6,26,780
1914-15	..	..	..	1,53,59,916	6,94,214
1915-16	..	..	..	1,51,30,570	9,61,890
1916-17	..	..	..	1,44,07,668	10,95,128
1917-18	..	..	..	1,56,25,391	11,62,467
1918-19	..	..	..	1,76,38,246	12,22,123
1919-20	..	..	..	1,81,08,448	13,38,308
1920-21	..	..	..	1,96,33,317	13,80,717
1921-22	..	..	..	1,83,50,896	16,04,858
1922-23	..	..	..	2,01,17,030	16,06,092
1923-24	..	..	..	2,09,66,085	14,19,199
1924-25	..	..	..	2,15,53,443	13,45,651
1925-26	..	..	..	2,28,44,009	14,51,714
1926-27	..	..	..	2,25,55,658	15,29,926
1927-28	..	..	..	2,24,69,057	15,21,327
1928-29	..	..	..	2,25,61,040	15,93,875
1929-30	..	..	..	2,26,47,923	16,20,441
1930-31	..	..	..	1,80,28,339	15,73,136

Up to 1914-15 the excise work in the districts was managed by deputy collectors under the supervision and control of Collectors. In some districts the work took up the whole time of an officer, and in the rest his excise work was combined with other duties. In that year the department was reorganised. The grade of deputy inspectors was abolished, and separate services of superintendents and inspectors of excise were formed, to take the place of the whole-time and part-time deputy collectors and of the deputy inspectors. As will be seen from the figures given above, the reorganisation immediately led to a considerable increase in the expenditure of the department, which rose from Rs. 6,94,000 in 1914-15 to Rs. 9,61,000 in 1915-16 and to Rs. 10,95,000 in 1916-17. The cadre of deputy magistrates and deputy collectors, however, was at the same time reduced by ten posts.

Subsequently, the general revision of pay and the introduction of time-scales for all services in the post-war years led to further increases, till in 1922-23 the expenditure reached Rs. 16,06,000. As the result of the recommendations of the last Retrenchment Committee it fell to about Rs. 13,45,000 in 1924-25, but again increased, largely on account of the accrual of increments under the time-scales, to Rs. 15,73,000 in 1930-31—the last year for which exact figures are available.

26. **Fall in receipts.**—The revenue rose steadily from Rs. 156 lakhs in 1917-18 to Rs. 228 lakhs in 1925-26, but fell again to Rs. 180 lakhs in 1930-31, and preliminary figures show that in 1931-32 it dropped practically to the figure of 1917-18. The rise in receipts from 1917 onwards is mainly attributable to the introduction, in that year, of the fixed-fee system of licensing and control, and to the general prosperity of the post-war years. The recent fall is due mainly to economic conditions, but also to some extent to the growth of the temperance habit and to the non-co-operation movement. Even if these causes are removed, we believe that the excise revenue will only expand slowly, and we are doubtful whether it will ever attain its former dimensions.

27. **Suggested reorganisation of the department.**—The Committee have given very careful consideration to the possibility of making over the excise work in the districts to the Subdivisional Officers working under the general supervision of the Collector. Finally, however, we have come to the conclusion that this is not advisable. The savings which will be effected depend largely on the extent to which Subdivisional Officers may be able to undertake this additional work without further assistance. They could undoubtedly do so in many subdivisions, but in others, Subdivisional Officers are already overworked and could not unaided take over the management of excise work without detriment to their other duties. We apprehend that in many cases there would be a demand for additional staff, and this would be difficult to resist in view of the fact already mentioned that, when a separate service of excise superintendents was created, the cadre of the Bengal Civil (Executive) Service was reduced by ten. The witnesses best qualified to speak on the subject are strongly opposed to the idea of transfer on the ground that a specially trained staff is required for the department. They hold the view that if the work is handed over to officers with many other important duties to perform and with no special knowledge of excise work, it will not receive the attention it needs and that illicit practices will increase, and the excise revenue be thereby endangered.

28. **Amalgamation of excise charges.**—After very full consideration the Committee have finally come to the conclusion that a more certain saving can be effected by reducing the number of excise districts, and by extending the present practice of placing the less important of these in the charge of senior inspectors who are given a

duty allowance of Rs. 50 in addition to their grade pay. The table printed as an appendix to this chapter shows the staff and the volume of work in each district except Calcutta during the year 1930-31. It will be seen that it varies largely, and that many superintendents of excise must have very light charges. The number of shops, the excise revenue and the number of excise prosecutions are the best criteria of the amount of work to be done. If one officer can manage the work of a district like the 24-Parganas which had 532 shops, a revenue of over Rs. 20 lakhs, and 339 excise prosecutions in 1930-31, it is clear that an officer cannot be fully occupied in a district like Nadia with 140 shops, a revenue of Rs. 2,40,000, and 128 prosecutions, or like Faridpur with 74 shops, a revenue of Rs. 1,95,000, and only 2 prosecutions. There is no reason why each excise district should be coterminous with a revenue district. It is convenient, but it must be justified by the amount of work. Already the districts of Noakhali and Tippera are amalgamated for excise purposes, and we consider that the amalgamation of districts can be largely extended without endangering the revenue. We recommend that the excise charges outside Calcutta should be reduced from 26 to 16 as shown in the following statement:—

- |                       |                                  |
|-----------------------|----------------------------------|
| 1. Burdwan.           | 9. Mymensingh.                   |
| 2. Birbhum.           | 10. Faridpur-Bakarganj.          |
| 3. Bankura-Midnapore. | 11. Chittagong-Noakhali-Tippera. |
| 4. Hooghly-Howrah.    | 12. Pabna-Rajshahi.              |
| 5. 24-Parganas.       | 13. Malda-Dinajpur.              |
| 6. Nadia-Murshidabad. | 14. Jalpaiguri.                  |
| 7. Jessore-Khulna.    | 15. Rangpur-Bogra.               |
| 8. Dacca.             | 16. Darjeeling.                  |

29. **Replacement of superintendents by inspectors.**—We consider that the policy of placing inspectors in charge of the less important districts can be greatly extended. Excise work must be done with care and thoroughness, and some expert knowledge is necessary, but it is chiefly of a routine nature. It is not work in which new and difficult problems are constantly arising and prompt decisions must be taken. The Collector is still responsible for the excise work in his district, and the superintendent or inspector in charge can always resort to him for advice or instructions if he is in difficulties.

30. At present 14 out of 25 district charges are held by superintendents of excise. We consider that only 6 out of the 16 charges proposed by us, namely, Burdwan, Bankura-Midnapore, Hooghly-Howrah, 24-Parganas, Jalpaiguri and Chittagong-Noakhali-Tippera, are of sufficient importance to require a superintendent. The other ten charges can safely be entrusted to senior inspectors.

31. **Deputy Commissioners of Excise.**—There are at present two Deputy Commissioners of Excise, and we are satisfied that both of

them are fully occupied in the performance of very responsible duties. We do not recommend any reduction in their number, especially in view of our subsequent recommendation that the charge of the Registration Department should be made over to the Commissioner of Excise.

**32. Cadre of superintendents of excise.**—There are three posts of superintendents sanctioned for Calcutta, to hold charge of licensing, detection and distilleries respectively. At present one officer is temporarily in charge of both detection and distilleries. On the evidence we have received, we are satisfied that this arrangement can be continued permanently, and we recommend the abolition of one post of superintendent.

**33.** The sanctioned strength of superintendents of excise is 21. Under our proposals the number will be reduced to nine as follows:—

Officers in charge of districts	... 6
Personal assistant to the Commissioner of Excise	... 1
Superintendents in Calcutta	... 2

It is unnecessary to provide any leave reserve as inspectors can be appointed to act in leave vacancies.

**34. Excise Intelligence Bureau.**—The Excise Intelligence Bureau is a detective department, for special work outside Calcutta, and it is responsible for compiling the Excise Intelligence Gazette. The Superintendent of Excise, Detection Department, Calcutta, is in charge of the bureau, which has a staff, distributed throughout the province, of three inspectors, five sub-inspectors, 24 petty officers and 51 peons. The last Retrenchment Committee recommended that the Excise Intelligence Gazette should be dispensed with. We have again considered the matter, but are of opinion that the gazette serves a very useful purpose and should be retained. The Commissioner of Excise has suggested that the parties working under the bureau in the districts of North and East Bengal can be supervised by the local excise officers, while the parties nearer Calcutta can work under the direct supervision of the superintendent of excise, Detection Department. We agree with this proposal which will enable Government to abolish two posts of inspector and three of sub-inspector.

**35. Cadre of inspectors.**—The sanctioned cadre of inspectors is at present 61. We are of opinion that three of these posts, one at Jalpaiguri and two at Mymensingh, can be abolished. The work in these districts is not sufficient to require an intermediary between the superintendent or inspector in charge and the sub-inspectors. This service includes a leave reserve of three for the cadre of superintendents and three for its own cadre. Leave vacancies in the cadre of inspectors can always be filled by the temporary promotion of sub-inspectors. Three of these posts can, therefore, be abolished and replaced by three posts of sub-inspector. We have recommended that there should be no

extra post of superintendent as leave reserve. A superintendent who goes on leave will be replaced by an inspector whose place will in turn be taken by a sub-inspector. The other three posts may thus also be abolished, and one additional post of sub-inspector created. The net result will be the abolition of six posts of inspector and the creation of four posts of sub-inspector. We accordingly recommend that the cadre of inspectors should be reduced from 61 to 50 as follows:—

Inspectors in charge of districts	... 10
Other inspectors	... 40
	—
	50
	—

36. **Sub-inspectors and petty officers.**—Turning to sub-inspectors, we are of opinion that the cadre is capable of some reduction. No excise charge should normally have more than one sub-inspector in each subdivision and one sub-inspector at headquarters; an extra officer may be posted to the headquarters of revenue districts which will be left without a superintendent or inspector in charge, in consequence of our proposal for the amalgamation of excise districts. On the above principle, the cadre of sub-inspectors may be curtailed by 37 in districts other than Calcutta and the 24-Parganas. We also recommend that the possibility of reducing the number of sub-inspectors in Calcutta and the 24-Parganas be examined by Government. The present strength is 35, and we think it should be possible to reduce the number by six.

37. The existing strength of petty officers is 107 permanent and five temporary men. We accept the proposal of the administrative department to abolish six of these posts.

38. **Contribution from the Government of India.**—At present the detection and prevention of illicit manufacture of salt (which is a central subject) is done by the excise staff of the province, in return for a contribution of Rs. 2 lakhs per annum from the Government of India. We understand that the Government of India are contemplating the reduction of this contribution, and we recommend that, in the event of any such reduction, the expenditure on the excise establishment in the saliferous tracts, where there is little purely excise work, should be proportionately reduced.

39. **Rewards.**—Rewards to excise officers were reduced to some extent on the recommendation of the last Retrenchment Committee. We find that there is room for further reduction in this respect and recommend that the budget provision under this head should be reduced by half. Rewards should not be granted as a matter of course, but should be confined to exceptional cases in which personal courage or detective ability has been shown.

40. **Payment for legal opinion in excise cases.**—At present a retainer of Rs. 100 per month is paid to an advocate for giving his opinion in excise cases. This should, in our opinion, be abolished, and the opinion of the Legal Remembrancer should be obtained, when necessary, in difficult cases.

41.

Item.	Estimated savings.
	Rs.
1. Superintendents .. ..	82,100
2. Inspectors .. ..	34,000
3. Sub-inspectors .. ..	53,400
4. Petty officers .. ..	1,800
5. Rewards .. ..	16,400
6. Retainer to advocate .. ..	1,200
<b>Total</b>	<b>1,88,900</b>



APPENDIX.

Name of district.	Area in square miles.	Staff.						Number of shops.	Number of pachwai home-brewing licenses.	Number of trees licensed in tree-tax areas.	Excise revenue.	Number of excise cases.
		Superintendents.	Inspectors in charge.	Inspectors.	Sub-inspectors.	Petty officers.	Peons.					
1	2	3	4	5	6	7	8	9	10	11	12	13
											Rs.	
Burdwan ..	2,703	2	..	5	17	11	46	619	..	..	16,65,028	1,482
Birbhum ..	1,753	1	1	..	8	1	18	369	..	..	4,06,019	535
Bankura ..	2,625	..	1	..	10	1	23	288	4	..	2,20,219	524
Midnapore ..	5,055	1	..	3	20	8	69	495	..	..	10,33,633	1,240
Hooghly ..	1,188	1	..	3	15	7	60	344	..	16,523	10,92,200	864
Howrah ..	498	..	1	..	6	6	26	175	..	19,296	4,76,966	252
24-Parganas ..	4,834	1	..	4	24	8	99	532	1,076	57,897	20,14,680	339
Nadia ..	2,778	1	..	..	8	..	18	140	..	..	2,40,913	128
Murshidabad ..	2,121	1	..	..	7	..	16	191	..	..	2,00,528	113
Jessore ..	2,904	..	1	..	7	..	15	107	..	..	1,59,256	18
Khulna ..	4,730	..	1	..	4	..	12	117	..	..	1,42,688	3
Daoca ..	2,703	1	..	1	9	2	27	140	219	..	5,59,208	36
Mymensingh ..	6,238	1	..	2	12	..	30	202	2,057	..	4,05,871	23
Faridpur ..	2,371	..	1	..	7	..	15	74	..	..	1,95,543	2
Bakarganj ..	3,490	..	1	..	9	..	22	104	24	..	3,07,873	22
Chittagong ..	2,497	..	1	1	10	8	78	97	49	..	3,06,718	62
Noakhali ..	1,515	..	..	..	2	1	9	33	..	..	50,255	4
Tippersa ..	2,560	..	1	..	5	2	20	85	..	..	1,78,709	12
Pabna ..	1,678	..	1	..	6	..	17	64	78	..	1,48,386	11
Rajshahi (Naogaon) ..	2,620	1	..	1	9	2	41	93	835	..	1,97,901	49
Malda ..	1,833	..	1	..	5	..	13	118	910	..	1,96,714	69
Dinajpur ..	3,946	..	1	..	8	..	17	117	2,791	..	1,67,756	49
Jaipalguri ..	2,931	1	..	1	8	3	40	117	34,005	..	4,97,877	96
Rangpur ..	3,496	..	1	..	7	..	22	181	519	..	2,87,585	41
Bogra ..	1,379	..	1	..	5	..	13	63	160	..	1,07,555	11
Darjeeling ..	1,164	1	..	..	7	3	33	78	10,740	..	3,05,758	281
		18	14	22	235	63	799					

## CHAPTER IV.

### Stamps.

42. **Reduction in the rates of discount.**—The Committee have examined the expenditure under this head and find that the only possible retrenchment would be a reduction in the rates of discount allowed to licensed stamp vendors. These rates were revised by Government on the recommendation of the last Retrenchment Committee. We have carefully scrutinised the present rates and are of opinion that they are not capable of reduction, as the average annual earnings of a stamp vendor fell to Rs. 53 in 1930-31 and were even lower last year.

43. **Understamping of documents.**—We find from the report of the Madras Retrenchment Committee that a leakage of Rs. 1½ lakhs was detected as the result of a stamp audit in 39 courts, and that on this basis the annual loss for the whole province was estimated at Rs. 7½ lakhs. Two stamp auditors in the Punjab, appointed at a cost of Rs. 15,150, are reported to have saved that Government the value of their salaries many times over. In the United Provinces a special stamp inspectorate, appointed at a cost of Rs. 45,000 a year, discovered deficient payments amounting to Rs. 53,000 in the first year and to over Rs. 1,20,000 in the second year. It may reasonably be presumed that in Bengal also many cases of understamping escape detection, and, though it is going somewhat beyond our terms of reference, we suggest that two sub-deputy collectors should be appointed to audit stamped documents in the courts and registration offices of Bengal. They might be granted a special allowance of Rs. 75 a month, and should be given to understand that the continuance of the posts will depend on the results which they are able to show at the end of a year. As the cadre of the Bengal Junior Civil Service is in considerable excess, the two officers can be found from the present staff, and the only extra cost to Government will be their special pay and travelling allowances.

## CHAPTER V.

### Forests.

44. **Work of the department.**—The natural forests of Bengal are unfortunately of no great commercial value unless they are properly conserved and developed, chiefly because they are composed of a very large number of mixed species. It is difficult to market a mixture of hard woods and soft woods, of valuable timber and timber which is only fit for firewood. To enhance the value of these forests, the department has, for many years past, been establishing plantations consisting of even-aged crops of valuable species only. These plantations will be of very great value when they come to maturity, and it would be a short-sighted policy to neglect them. We have, therefore, endeavoured to make recommendations which will reduce expenditure without seriously affecting the ability of the department to maintain these assets in good condition. For this reason we have recommended no reduction in the subordinate staff of rangers and foresters who are engaged in the actual conservation of the forests; but we consider that there is considerable room for reduction in the directing and supervising staff.

45. **Conservators of Forests.**—Formerly the forest divisions of Bengal formed one circle under one Conservator. For a long time the department had been pressing on Government the desirability of dividing the province into two circles with a Conservator for each, and in this it had the strong support of the Inspector-General of Forests with the Government of India. The chart printed as an appendix to this chapter illustrates the financial results of the working of the department since 1873-74. It will be seen that the revenue of the department rose from Rs. 16 lakhs in 1919-20 to Rs. 29 lakhs in 1925-26 and Rs. 31 lakhs in 1926-27. The surplus of revenue over expenditure rose from Rs. 8 lakhs in 1919-20 to Rs. 16 lakhs in 1925-26 and Rs. 14 lakhs in 1926-27. With these figures before it, the scheme for the appointment of a second Conservator was accepted by Government with the sanction of the Secretary of State and put into effect from November 1927. Up to 1929-30 the department continued to show a substantial annual surplus, but in 1930-31 the total receipts had fallen to Rs. 23 lakhs and the surplus to Rs. 7 lakhs. Only the preliminary figures for the last year are as yet available, but according to these the surplus will not amount to more than about half a lakh of rupees. In these circumstances, we do not consider that the retention of the second post of

Conservator can be justified, and we recommend that it should be dispensed with until the earnings of the department again approach the figures of 1925-26 and 1926-27.

46. **Divisional officers.**—The cadre of the all-India Forest Service consists of two Conservators and 20 Deputy and Assistant Conservators of Forests, distributed as follows:—

In charge of territorial divisions	..	..	9
Silviculturist	..	..	1
Utilisation officer	..	..	1
Attached officers	..	..	3
Leave and training reserve	..	..	4
Officers under the Government of India	..	..	2

There are in all ten territorial divisions, of which one is held by an officer of the Provincial Forest Service. We recommend that they should be reduced to eight. The Kalimpong and Jalpaiguri divisions, which are not heavy charges and are geographically contiguous, should be amalgamated. The Dacca-Mymensingh division consists of private forests from which the two districts derive their supply of timber and firewood. This supply was endangered by unscientific management, and in 1925 Government took over charge of the forests under section 38 of the Indian Forests Act, which provides that Government may enter into an agreement with the proprietors for the management of private forests. We are informed that the Dacca-Mymensingh forests fall into two portions, and the proprietors of only one portion have up to the present executed an agreement. Unfortunately this is the least profitable portion of the forests.

47. The legal position is by no means clear to us, but we are only concerned with it in so far as it may affect the financial result of the working of the department. After deducting the direct cost of management and the leave and pension charges of the staff, the profits of the forests are divided between Government and the proprietors in the ratio of 5 : 95. The cost of audit of accounts and of superior supervision is not, however, included in the cost of management. We are informed that Government have incurred a loss of Rs. 17,665 since they took over the management of these forests, besides meeting the cost of audit and overhead charges. In the present state of things we see little hope of any substantial profit in the near future, and we do not think that the benefit to the public is sufficient to justify the additional burden which the management of these forests will place on the provincial revenues. We, therefore, recommend that Government should write off the loss already incurred and relinquish charge of them as provided for under clause 13 of the agreement.

48. **Special officers.**—We think that the post of the Silviculturist should be retained. His work cannot be discontinued and resumed later at the point where it was left off. If the post is abolished, the value of the work which he has already done is likely to be

largely lost. On the other hand, we do not consider that there is any need for the Forest Utilisation Officer. He is the publicity officer of the department whose duty it is to find markets for forest produce, especially sleepers. There is little for him to do, and we recommend that this post should be abolished. Nor do we think it necessary to retain the post of Working Plans Officer which is shown in the Civil List, but which is apparently not filled up at present. The preparation of working plans may be postponed till conditions improve, and revision, when necessary, may be carried on by the Divisional Forest Officers whose ordinary work must have been reduced to a considerable extent by the fall in the demand for forest produce.

**49. Cadre of the all-India service and its provincialisation.**—

The cadre of the all-India service contains two posts to which officers are recruited for employment under the Government of India. We understand that, as a measure of economy, the Government of India propose to return one of them at least to the Provincial Government. This officer is an entomologist recruited for the Dehra Dun Forest Research Institute. It does not seem to us reasonable that the Provincial Government should be required to recruit officers beyond their own requirements, on the understanding that they will be employed by the Government of India, and that the Government of India should then be at liberty, in times of financial stringency, to return these officers to the provinces. In this case the officer is an entomologist, and it is impossible to find any employment for him in Bengal. We consider that the Government of Bengal should represent the position to the Government of India and disclaim any responsibility for finding this officer employment, or compensating him for loss of employment.

50. The provision in the cadre for three attached officers and a leave reserve of four seems to us excessive. We consider that a total of three posts should be sufficient for these two purposes.

51. The result of these recommendations is that the total cadre of the service should, in future, be as follows:—

In charge of territorial divisions .. .. .	..	8
Silviculturist .. .. .	..	1
Leave reserve and attached officers .. .. .	..	3
		—
Total .. .. .	..	12
		—

52. We understand that recruitment to the Indian Forest Service has been stopped for the present as no vacancies are expected in the next two years. In our opinion, recruitment should not, in any circumstances, be renewed, and we endorse the recommendation of the Services Sub-Committee of the Round Table Conference that the Indian Forest Service should be provincialised. We shall deal with the question of the scale of pay for the new Provincial Service in a subsequent chapter.

53. **Provincial Service.**—The cadre of the present Provincial Service of Extra Assistant Conservators is 13, of which one post is at present vacant. We recommend that the strength of this service be reduced to 10.

54. **Forest Engineer.**—The post of Forest Engineer was created in 1921; but the present incumbent has been on leave since 1st February 1930. We understand that he does not propose to return to duty and that Government are contemplating the abolition of the post. We wish to record our opinion that the retention of the post is unnecessary.

55. **Launches.**—There are at present four steam and five motor launches at Khulna. We consider that this number is excessive and that two steam and five motor launches should be sufficient.

56. **Departmental operations.**—We are of opinion that departmental extraction of timber should be reduced to a minimum. In the present state of the market the extraction of timber should, as far as possible, be left to the purchasers.

57. **Elephants.**—We understand that five kunki elephants are maintained, although there have been no khedda operations for some time past. The necessity for maintaining these elephants should be examined.

58. **Departmental suggestions for retrenchment.**—In response to our request for suggestions for the curtailment of expenditure, the Forest Department informed us that it was considering the postponement of expenditure on the following items:—

	Rs.
Electric crane at Siliguri .. ..	17,000
Tractors in Kasalong .. ..	28,000
Communication and buildings .. ..	25,000
Total .. ..	70,000

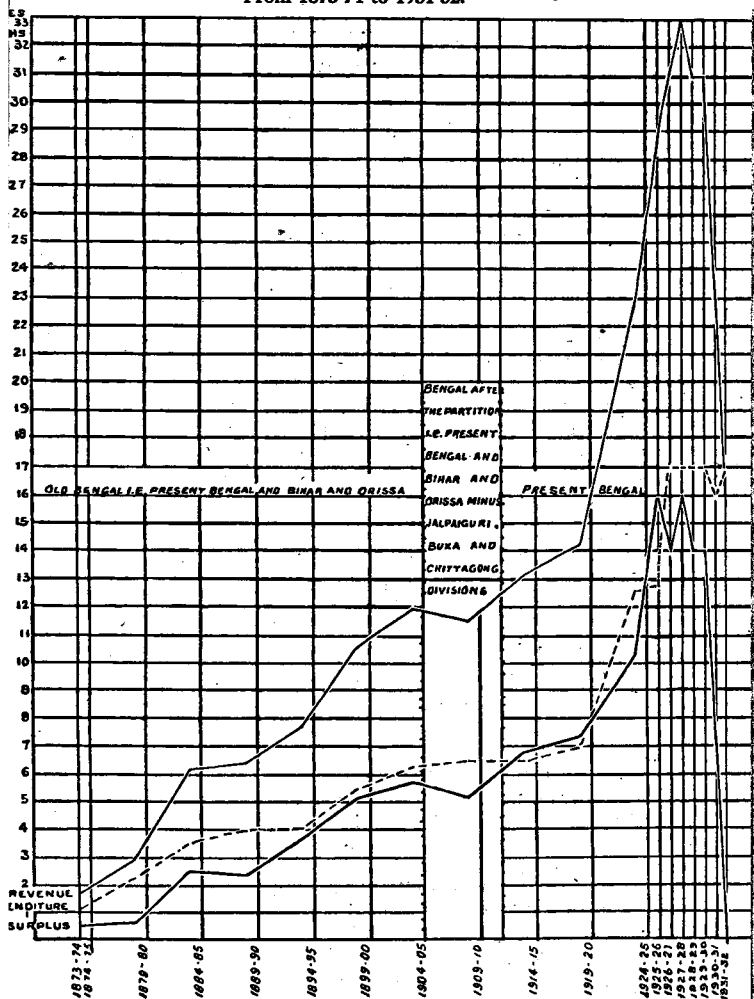
We recommend that these retrenchments be effected.

59.

Item.	Estimated savings.
	Rs.
1. Conservator of Forests .. ..	55,200
2. Deputy and Assistant Conservators .. ..	97,500
3. Extra Assistant Conservators .. ..	16,500
4. Forest Engineer .. ..	11,300
5. Steam Launches .. ..	21,100
6. Departmental suggestions .. ..	70,000*
Total .. ..	2,71,600

\*Non-recurring.

## APPENDIX.

Financial results of the Bengal Forest Department  
From 1873-74 to 1931-32.

The horizontal division represents five years.  
The vertical division represents Rs. 1,00,000.

## CHAPTER VI.

### Registration.

60. **Increase in expenditure.**—The estimated expenditure under this head in 1932-33 shows a net increase of Rs. 2,29,874 over the expenditure in 1923-24. Of this, however, Rs. 1,07,300 is on account of landlords' fees and was imposed on the department by the amendment of the Bengal Tenancy Act in 1929. The amount is recovered from the parties in court-fee stamps. The rest of the increase is mainly due to the increments accruing to sub-registrars and their ministerial staff under the time-scales of pay and to a small increase in the number of officers.

61. **Inspector-General.**—The last Retrenchment Committee recommended that the post of the Inspector-General of Registration should be abolished, and that the department should be placed under the control of the Commissioner of Excise. The main grounds for this proposal lay in the fact that at that time the Inspector-General of Registration as a member of the Council of State spent nearly five months of the year in Delhi and Simla, and during his absence his personal assistant officiated for him in addition to his own duties. The Committee deduced from this that the amount of work did not justify the employment of two officers. The Inspector-General of Registration is not at present a member of the Council of State, but the argument holds good unless it appears that the amount of work has so increased since 1922 that he could no longer be spared for the purpose. This recommendation of the Committee was rejected without any reason being assigned.

62. We have considered a statement put in by the Inspector-General showing the duties which he has to discharge, and we do not think that either the nature or the quantity of the work justifies the retention of the post. Most of it is of a routine character. The Committee regard the annual inspection of district sub-registrars' offices as important, but they are not satisfied that there is any advantage in having them inspected annually both by the Inspector-General and by the Inspector of Registration Offices. We are informed that the Inspector-General directs his attention mainly to administrative questions and the Inspector mainly to audit, but as the Inspector devotes on an average seven days to the inspection of each district office, we consider that he should be able in this time to investigate its working fully from both aspects. We have reliable evidence to the effect that,



with adequate assistance, the Commissioner of Excise could perform the work of the Inspector-General of Registration in addition to his present duties, though it might be necessary for him to delegate a certain amount of the excise work, especially inspections, to the Deputy Commissioner of Excise. We, therefore, repeat the recommendation of the previous Committee that the post of the Inspector-General of Registration should be abolished and that the duties should be handed over to the Commissioner of Excise who will be assisted by the personal assistant to the Inspector-General and by the Inspector of Registration Offices.

63. **Abolition of non-paying offices.**—During the last few years there has been a very heavy fall in the receipts from registration as the following figures will show:—

Year.	Receipts.			
	Rs.			
1927 .. .. .	..	..	..	.. 40,08,373
1928 .. .. .	..	..	..	.. 39,85,562
1929 .. .. .	..	..	..	.. 35,32,293
1930 .. .. .	..	..	..	.. 27,07,013
1931 .. .. .	..	..	..	.. 19,53,906

There are 413 registration offices in Bengal. During the last triennium, 32 of these offices worked at a loss in each year, while 40 other offices showed a profit in one year only and a loss over the whole period. We append a list of these offices and recommend that they should be closed except in cases where there are strong geographical or administrative reasons for their retention. Further, we note that a number of offices which earn a small profit are situated close to other offices, and that the amount of work done in them is not sufficient to occupy a sub-registrar and his staff. In the last ten years there has been a remarkable development in transport facilities in almost every part of Bengal. Where journeys had formerly to be made on foot or by a country boat, motor buses or motor launches now serve the needs of travellers, and competition is so keen that fares are low. The Committee, therefore, are of opinion that a considerable number of these offices could be closed without causing undue inconvenience to the public. As 90 per cent. of the documents presented for registration in Bengal are liable to compulsory registration, we do not anticipate that the proposed reduction in the number of offices will cause any appreciable falling off in revenue.

64. **Temporary establishments.**—The cost of temporary establishment in this department is heavy. The rules prescribe that the permanent muharrirs must copy a specified number of pages daily. When the number of documents presented for registration is so heavy that,

even if the muharrirs work up to the prescribed standard, they cannot be ready for return within three days, the sub-registrars are authorised to employ temporary muharrirs for copying. The actual cost of temporary establishment in 1930-31 was Rs. 1,48,666 (voted); the provision for the current year is Rs. 1,30,000 (voted). The department has volunteered to reduce this provision by Rs. 35,000, but we consider that a still further reduction is possible. The time for the completion of documents may, as a temporary measure, be extended from three to seven days. Clerks are not ordinarily employed in copying, but in view of the heavy falling off in the work, it is impossible that they can, in all offices, be fully employed on their prescribed duties. We recommend that, as a temporary measure, sub-registrars should be instructed to keep their clerks fully employed by giving them copying work to do and thus reduce the number of temporary hands engaged. An expedition fee is already charged for copies of documents urgently required, and a small additional fee may also be charged for priority of registration. This will remove any hardship caused by the proposed extension of the time taken for the completion of registration. Effect, however, can only be given to this by an amendment of section 52 of the Registration Act.

**65. Frequency of transfers.**—From figures supplied by the Inspector-General of Registration, it appears that in a cadre of 471 sub-registrars there were 377 transfers in 1930, out of which 65 transfers were at the request of the officers themselves. This large number of transfers is out of all proportion to the total number of officers. The Inspector-General informed the Committee that since he took over charge, he had been doing his best to reduce the number of transfers. We consider that he should have no difficulty in reducing them by more than 50 per cent. We see no reason why officers of this department should not ordinarily hold charge of one office for five years, though in the case of unhealthy stations it may be necessary to allow transfers after three years. Transfers should only be granted at the officers' own request on very exceptional grounds. It must be borne in mind that these transfers involve the expenditure of public money, even when the rule that an officer applying for a transfer is not entitled to travelling allowance is strictly enforced, for the relieving officer must be paid. As a matter of fact, we are informed that the rule is not in practice strictly enforced, and that officers generally draw travelling allowances even when transferred at their own request. We have also received evidence that the rule is frequently ignored or evaded in other departments. The Committee are of opinion that it is a perfectly reasonable rule and should be strictly enforced in all cases.

**66. Departmental suggestions for retrenchment.**—In response to our request for suggestions as to possible reductions of expenditure,

the Registration Department has offered to cut down its budget provisions by Rs. 58,800 made up as follows:—

	Rs.
(i) Reduction of temporary establishment ..	35,000
(ii) Reduction of temporary establishment (Bengal Tenancy Act) ..	10,000
(iii) Reduction of travelling allowance ..	2,000
(iv) Reduction of contract contingencies ..	8,000
(v) Reduction of contract contingencies (Bengal Tenancy Act) ..	3,000
(vi) Reduction of provision under "Other non-contract charges" ..	500
Reduction of provision under Landlords' Fees establishment ..	300
Total ..	58,800

If the suggestions which we have made to reduce the employment of temporary establishment are accepted, we consider that the provision on this account can be reduced by at least Rs. 50,000 instead of Rs. 35,000. The grant for "Temporary establishment—Bengal Tenancy Act" should also be capable of reduction by more than Rs. 10,000. The budget provision under this head for the current year amounts to Rs. 65,000, but the actual expenditure in 1930-31, when the work was heavier, amounted only to Rs. 56,041. We consider that this item should be reduced by Rs. 15,000.

67. **Increase of fees.**—As a result of the last Retrenchment Committee's recommendations, the registration fees leviable on documents relating to property of a value of over Rs. 250 were doubled, but the fees on documents relating to property of a value not exceeding Rs. 250 were left unchanged. The present scale is as follows:—

Value	Rs.	a.
Re. 1 to Rs. 50 .. .. .	0	8
„ Rs. 51 to Rs. 100 .. .. .	0	12
„ Rs. 101 to Rs. 250 .. .. .	1	0

We think that no hardship will be caused if these fees are increased by 50 per cent.

68.

Item.	Estimated savings.
	Rs.
Inspector-General .. .. .	20,700
Closing of offices .. .. .	3,63,900
Curtailement of transfers .. .. .	10,000
Temporary establishment—Travelling allowance, contingencies, etc. .. .. .	78,800
Increased registration fees .. .. .	2,00,000
Expedition fee .. .. .	20,000
Total ..	6,93,400

## List of Registration Offices working at a loss for the last three years.

Name of Registration Office.	Amount of deficit.			Amount of total deficit.
	1929.	1930.	1931.	
	Rs.	Rs.	Rs.	Rs.
<b>BURDWAN DIVISION.</b>				
1. Saltora .. ..	549	1,659	1,648	3,856
2. Dantor Joint at Swari ..	1,358	1,705	1,700	4,763
3. Gopiballavpur .. ..	1,102	1,735	2,127	4,964
4. Pandua .. ..	1,127	377	917	2,421
5. Dhaniakhali .. ..	569	755	1,948	3,272
<b>PRESIDENCY DIVISION.</b>				
6. Habra .. ..	684	955	1,440	3,079
7. Haroa .. ..	73	548	1,201	1,822
8. Chakdaha .. ..	170	909	398	1,477
9. Lalbagh .. ..	1,027	931	1,613	3,571
10. Azimganj .. ..	714	1,418	2,023	4,155
11. Chhatiantala .. ..	1,007	501	905	2,413
12. Manirampur Joint at Rajganj .. ..	564	517	1,100	2,181
13. Magura Joint at Sripur ..	446	1,043	1,876	3,365
14. Simakhali .. ..	242	384	1,480	2,106
15. Narail Joint at Siddhipasa .. ..	1,973	1,766	2,136	5,875
16. Lakshmipasa Joint at Alpadanga .. ..	148	335	564	1,047
17. Kaliganj .. ..	373	207	1,806	2,386
<b>DACCA DIVISION.</b>				
18. Astagram .. ..	1,375	1,010	1,446	3,831
19. Kotalipara .. ..	1,088	703	1,476	3,267
20. Rahamatpur .. ..	587	657	917	1,381
<b>CHITTAGONG DIVISION.</b>				
21. Padua .. ..	438	207	1,195	1,840
22. Adhunaragar .. ..	21	358	1,218	1,597
23. Kazirhat .. ..	1,356	1,102	1,932	4,390
24. Koterhat .. ..	42	51	560	653
25. Rangania .. ..	155	227	1,296	1,678
26. Kutubdia .. ..	372	109	185	666
27. Chakaria .. ..	906	820	1,642	3,368
28. Chhalgalnaya .. ..	680	100	720	1,500
29. Hossaindi .. ..	413	1,083	1,784	3,280
<b>RAJSEHAI DIVISION.</b>				
30. Boda .. ..	440	1,723	2,271	4,434
31. Phulchhari .. ..	85	618	328	1,031
32. Ratua .. ..	145	945	1,493	2,583

List of Registration Offices working at a loss for two out of the three preceding years and showing a loss over the three years' working.

Name of Registration Offices.	Amount of deficit or surplus.			Amount of deficit.
	1929.	1930.	1931.	
	Rs.	Rs.	Rs.	Rs.
<b>BURDWAN DIVISION.</b>				
1. Khandaghosh ..	+250	-577	-676	1,003
2. Purbasthali ..	-282	-100	+42	340
3. Gangajalghati ..	+437	-81	-572	216
4. Raipur ..	+593	-826	-1,103	1,336
5. Kotalpur ..	+386	-314	-938	866
6. Indas ..	-584	+102	-642	1,124
7. Debra ..	+550	-452	-1,285	1,187
<b>PRESIDENCY DIVISION.</b>				
8. Bhangore ..	+55	-644	-49	638
9. Bishnupur ..	+427	-379	-1,289	1,241
10. Dum Dum ..	-1,086	-1,238	+103	2,221
11. Deganga ..	+980	-347	-836	203
12. Domkal Aziganj ..	+66	-65	-989	988
13. Harinakundu ..	+587	-509	-2,077	1,999
14. Kotechandpur ..	+699	-2,290	-1,169	2,760
15. Kaliganj Joint at Assasuni ..	-138	-33	+40	131
<b>DACCA DIVISION.</b>				
16. Kaliganj ..	+909	-785	-1,894	1,770
17. Kapasia ..	+1,048	-994	-892	838
18. Singair ..	+1,097	-732	-922	557
19. Bhaluka ..	+898	-1,676	-2,257	3,035
20. Ghatail ..	+734	-578	-923	767
21. Madhupur ..	+828	-942	-1,440	1,554
22. Madarganj ..	+591	-1,962	-2,624	3,995
23. Bakshiganj ..	+1,525	-960	-1,235	670
24. Muksudpur ..	+1,411	-113	-1,723	425
25. Kesiani ..	+808	-730	-1,605	1,527
26. Silchar ..	+866	-439	-1,029	602
27. Rajapur ..	+195	-144	-1,592	1,541

Name of Registration Offices.	Amount of deficit or surplus.			Amount of deficit.
	1929.	1930.	1931.	
	Rs.	Rs.	Rs.	Rs.
<b>CHITTAGONG DIVISION.</b>				
28. Gasbaria ..	+303	-1,357	-355	1,409
29. Kanta Fakir's Hat ..	-80	-115	-646	611
30. Anwara ..	+258	-237	-1,566	1,545
31. Lamburhat ..	-285	-163	-354	476
32. Cox's Bazar ..	+389	-62	-1,236	909
33. Chaulagram ..	+1,108	-591	-1,662	1,145
34. Sarail ..	+1,338	-1,297	-1,539	1,498
35. Nasirnagar ..	+1,469	-1,700	-2,429	2,660
36. Bancharampur ..	+536	-899	-806	1,169
<b>RAJSHAHI DIVISION.</b>				
37. Kishoreganj ..	+1,005	-480	-1,578	1,053
38. Chilmari ..	+123	-1,309	-893	2,079
39. Palasbari ..	+1,211	-951	-1,362	1,102
40. Kailachak ..	+1,004	-265	-1,470	731

## CHAPTER VII.

### Scheduled Taxes.

69. **Betting tax.**—The receipts from the betting tax from 1923-24 onwards have been as follows:—

				Rs.
1923-24	..	..	..	20,76,732
1924-25	..	..	..	14,35,069
1925-26	..	..	..	14,43,631
1926-27	..	..	..	12,99,053
1927-28	..	..	..	15,08,990
1928-29	..	..	..	12,47,646
1929-30	..	..	..	12,00,026
1930-31	..	..	..	8,90,586
1931-32	..	..	..	8,96,837

The only expenditure under this head is the payment of Rs. 15,000 to the Royal Calcutta Turf Club for collecting the tax on bets made at the Calcutta, Barrackpore and Tollygunge races. The tax at Darjeeling is collected by the Treasury Officer there, without any extra expense to Government. The betting in Calcutta is, of course, much heavier, but we consider that the annual payment for the services rendered by the Turf Club is excessive. In their own interest the book-makers must enter each bet correctly at the time it is made. It might, we think, be possible to have the accounts examined and the tax assessed by a deputy collector stationed at Alipore or Howrah, in addition to his other duties, without any serious risk of losing revenue. There are, however, advantages in having the work done through the agency of the Turf Club, who have effective control over the book-makers, and whose staff are familiar with the way in which their accounts are kept. We, therefore, recommend that the collection of the tax be left with the Turf Club, provided they are willing to carry it out for an annual payment of Rs. 5,000.

70.

				Estimated savings.
				Rs.
Payment to the Royal Calcutta Turf Club ..				10,000
				<hr/>
Total	..			10,000
				<hr/>

## CHAPTER VIII.

### Irrigation.

71. **Nature of the work.**—The work of the Irrigation Department consists of irrigation, embankments, navigation and drainage. So far as irrigation is concerned, there are in operation only two canals of any importance, the Midnapore and the Eden canals, while the Bakreswar project has just been completed and the Damodar canal is still under construction. The second branch of the work comprises the maintenance of embankments and of the principal navigation routes. The Calcutta and Eastern canals, the Hijli Tidal canal, the Orissa Coast canal, the Sundarbans steamer route and the Madaripur Beel route are the main works in this section.

72. **Midnapore canal.**—The Midnapore canal was originally a navigation project, taken up and constructed by the East India Irrigation Company. On the collapse of that company in 1868, the works were taken over by Government to be used both for navigation and for irrigation purposes. Their success, however, was doubted even in the early seventies, and Colonel Haig, R.E., Chief Engineer, in 1873 calculated that, for the scheme to pay its way and earn  $4\frac{1}{2}$  per cent. on capital expenditure, it would be necessary to get a rate of Rs. 3 per acre on the entire irrigable area taken at 140,000 acres. But though it is possible to irrigate an area of 140,000 acres from this canal, the area actually irrigated never exceeded 100,000 acres and has been gradually declining as the following figures for *kharif* acreage show:—

Triennial average—

1920-23	...	...	...	84,127
1923-26	...	...	...	73,956
1926-29	...	...	...	71,884

In 1929-30 the acreage fell to 59,605 and in 1930-31 to 51,541 acres. The result is that provincial revenues have to bear a heavy annual expenditure which ought to fall on those benefited. The net revenue from this canal from 1871 to 1930-31, after deducting working expenses, but allowing nothing for capital expenditure or interest charges, is Rs. 13,91,993. The interest charges alone have amounted to over Rs. 180 lakhs. To-day the position is that Bengal has a capital liability of Rs. 84,92,053 and that interest at 3.325 per cent. per annum is payable to the Government of India till the capital is paid off. The repayment of the capital sum is optional. The annual interest amounts



to Rs. 2,76,166. In the ten years ending 1930-31 Bengal spent about Rs. 21 lakhs in working expenses, and Rs. 27½ lakhs in interest. In the same period the gross revenue was only Rs. 25 lakhs.

73. **Hijli canal.**—The Hijli Tidal canal is a navigation canal, about 49½ miles long, open only to country boats. This canal, along with the Orissa Coast canal which is 54½ miles long, was constructed at a time when Bihar and Orissa were part of Bengal, and there was no railway connection between Bengal and the south. Its total capital cost was Rs. 26,14,318, and the following figures show the actual position at the end of 1930-31:—

	Rs.
Permanent capital liability (at 3·325 per cent. interest) .. .. .	17,95,489
Annual interest charges .. .. .	84,820
Gross receipts .. .. .	33,99,667
Total working expenses .. .. .	27,42,102
Total interest charges .. .. .	51,10,715

74. **Orissa Coast canal.**—The Orissa Coast canal is also a navigation canal lying partly in the Presidency of Bengal and partly in the Province of Bihar and Orissa. The Orissa Flood Committee, presided over by Mr. Addams-Williams, in 1928 recommended the abandonment of the portion of this canal falling in Bihar and Orissa. No capital or revenue account is now maintained for the project. Its receipt and working expenses are noted below:—

	Receipts.	Working expenses.
	Rs.	Rs.
1924-25 .. .. .	37,087	15,123
1925-26 .. .. .	39,365	12,398
1926-27 .. .. .	31,255	22,536
1927-28 .. .. .	20,670	36,799
1928-29 .. .. .	26,838	26,528
1929-30 .. .. .	32,533	23,982
1930-31 .. .. .	28,099	18,800
1931-32 Revised .. .. .	30,000	20,800
1932-33 Budget .. .. .	29,000	28,000

75. **The Calcutta canals.**—The Calcutta and Eastern canals consist of a system of locked canals connecting with the Hooghly. The working expenses of these canals within the last 10 years amount to Rs. 70,07,082 and the interest charges to Rs. 22,72,299. The gross revenue in the same period amounts only to a sum of Rs. 45,39,459, a net loss of over 24 lakhs within 10 years, excluding interest. The capital outlay on these canals is Rs. 69,86,458, and the annual interest charge is Rs. 2,12,195.

76. **The Sundarbans route.**—The Sundarbans steamer route has been treated as a separate project from the Calcutta and Eastern canals

since 1924-25. The gross working expenses from that time till 1930-31 amounted to Rs. 15,80,146 and the interest charges to Rs. 6,97,507, while the gross revenue was only Rs. 4,47,312. The capital outlay stands at Rs. 18,20,712, and the annual liability for interest is Rs. 62,996.

77. **The Madaripur Beel route.**—The Madaripur Beel route is a comparatively recent development. Originally the beel was a low-lying tract, 45 miles in length and 26 miles broad, dry in summer but a sheet of water in the rains, through which only country boats could ply. The original object of the scheme was to enable steamers also to use the route during the rains. It was then developed into a scheme for making the route navigable by steamers all the year round. By 1922-23 the total capital outlay, including direct and indirect charges, stood at Rs. 63,61,065. The original construction estimate was closed with effect from 31st March 1917, and since then work has been carried out under the rules governing expenditure chargeable to open capital account. The capital expenditure covering a period of 30 years now amounts to Rs. 84,20,530, the interest charge in 1930-31 being Rs. 3,61,962. But in spite of the expenditure, steamers can only use the canal for about five months in the year. From 1921-22 to 1930-31 the working expenses of the route have been Rs. 30,68,610, and the capital expenditure Rs. 30,47,334. The gross revenue in the same period amounted only to Rs. 32,00,980, a net loss of over Rs. 36,00,000 in addition to interest charges of Rs. 31,80,586.

78. **The dredgers and the Grand Trunk canal.**—The Grand Trunk canal project was initiated to provide a shorter steamer route between Calcutta and the Eastern districts, as the Doagra channel, which is the gateway of the Sundarbans, was gradually silting up. The Secretary of State sanctioned the project on the 19th May 1920, and contracts for three dredgers were entered into; Rs. 13·3 lakhs was paid in advance as part cost of the dredgers, contracts for bricks were given out, declarations under the Land Acquisition Act were published in August 1920, and Rs. 10,49,000 has been paid up to date for the lands of which possession was taken.

79. The original estimate of Rs. 80 lakhs for the dredgers was increased to Rs. 102 lakhs by an adverse turn of exchange. In the budget session in March 1921 the Hon'ble Member in charge had, therefore, to ask the Council to sanction Rs. 69,02,000 to pay off certain liabilities already incurred under contract, namely, Rs. 66 lakhs for dredgers, Rs. 69,000 for the manufacture of bricks, and the balance for compensation for lands, on the undertaking that the project would not be further proceeded with till the whole scheme had been reconsidered. The Council sanctioned the money on the assurance that, even if the Grand Trunk canal project was ultimately abandoned, there were other purposes for which the dredgers could be utilised. In the budget of 1922 no money was allotted for any actual work, though provision was

made for establishment and other charges. Nothing further was done till, on the 17th August 1926, Government asked the Council for Rs. 25,000 to enable it to proceed with the project. This was rejected. But Government were left with a heavy liability on account of the dredgers. The position actually stands thus (the figures are taken from the Appropriation Account of the Accountant-General, Bengal, for the year 1930-31):—

	Capital.	Rate of interest.
	Rs.	Per cent.
Pre-Reform loans—		
Dredger "Ronaldshay" ..	.. 10,16,770	5.1979
Grand Trunk canal ..	.. 7,69,326	5.1979
Post-Reform loans—		
"Ronaldshay" ..	.. 50,00,000	4½
"Cowley" and "Burdwan" ..	.. 51,89,000	6½

For the "Ronaldshay" an equated payment of Rs. 4,89,072 on account of interest and principal is payable annually for 15 years from 31st March 1923, and a sum of Rs. 5,51,865 is payable for 15 years from 31st March 1924 for the "Cowley" and "Burdwan." The "Ronaldshay" was actually employed in work for only 26 days in 1923, and from that time till 1927 she had not a single day's work. Recently, however, she was hired by the Government of India for work in the Andamans. The "Burdwan," though ostensibly purchased for waterways other than the Grand Trunk canal, was employed only for 80 days in 1923 and 163 days in 1926. The "Cowley" worked for 277 days between 1923 and 1927. It appears that these dredgers are of little or no use for departmental purposes.

80. **Damodar canal.**—The Damodar canal project was taken up and abandoned more than once and, so late as 1922-23, the Government of Bengal in their resolution on the revenue report of the Irrigation Department said: "The Damodar project is not going to be taken up shortly, as the Government is at present not justified in embarking upon the large expenditure required for it, estimated at Rs. 90 lakhs, unless the people to be benefited finance it under the Agriculture and Sanitary Improvement Act. The opinion of the local public and the district boards has been invited. If the district boards are satisfied that the people to be benefited will accept financial responsibility and the scheme will justify itself, they will make an application under the Act." The project nevertheless was again brought forward in 1926-27 as a scheme to be financed by the provincial exchequer. The estimate, however, was reduced to Rs. 78 lakhs, though we understand it has again gone up to Rs. 90 lakhs or more. We understand that the acreage rate in this project has been estimated at Rs. 3-8 and Rs. 4, and it seems to us very doubtful if this can be realised in view of the general fall in prices.

81. **Financial results.**—The financial results of the major projects discussed above are shown in the following table:—

Project.	Total capital outlay (excluding interest).	Principal paid in last 10 years.	Interest charges in last 10 years.	Working expenses.	Capital outlay, 10 years.	Total expenditure in last 10 years.	Gross revenue in last 10 years.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Midnapore canal	84,92,053	..	27,63,155	20,91,498	..	1,33,46,706	25,01,416
Hijli Tidal canal	26,14,318	..	8,48,200	4,58,252	..	39,20,770	7,75,749
Calcutta and Eastern canals.	69,86,458	..	*22,72,299	70,07,082	..	1,62,65,839	45,39,459
Sundarbans route	18,20,712	..	*6,97,507	15,80,146	..	40,98,365	4,47,312
Madaripur Beel route.	84,20,530	..	*31,80,586	30,68,610	30,47,334	1,46,69,726	32,00,980
Dredgers—			97,60,747	1,42,05,588			1,14,64,906
“ Ronaldshay ”	50,33,596	46,30,000	43,70,000				
“ Cowley ” and “ Burdwan. ”	61,06,324						
Grand Trunk canal.	14,39,232						
	1,25,79,152						
Total in thousands	..	46,30	1,41,30	1,42,00	30,4	5,23,01	1,14,64

\*These amounts are not actually paid as the works were financed from provincial funds. The amounts are, however, debited in the accounts as Irrigation is a commercial department.

82. **Rates of tollage.**—In spite of the fact that the revenue of the department is so small, we find that there are great variations in the rates of tollage. From the latest administration report it appears that the rate per mile per ton is 3.39 pies in the Midnapore canal, 10.66 pies in the Calcutta Eastern canal, and .77 pie in the Madaripur Beel route.

83. **Our recommendation.**—We feel that the benefits which the province as a whole derives from the works enumerated above are not commensurate with the expenditure incurred, or with the liabilities which the Government have still to meet. We have considered them from the financial aspect, but we are not in a position to examine them from other aspects. We think, however, that the figures we have

given show the urgent necessity of a thorough investigation. We, therefore, recommend the appointment of a special committee to make a full enquiry into the activities of the Irrigation Department, with a view to ascertaining how far receipts can be increased and working expenses reduced, whether the maintenance of the works will entail further capital expenditure, whether such expenditure can be justified, and whether in some cases Government should not cut its losses as far as possible and cease to maintain the whole or at least parts of some of the works.

84. We understand that one of the dredgers has been widely advertised for sale, but no offers have been received. In his appropriation report for 1929-30, the Accountant-General remarked as follows:—

“If those dredgers cannot profitably be employed in the near future, it might perhaps be considered whether they should not be disposed of. The sale proceeds will, in that case, go to a certain extent to reduce the annual liability of Rs. 10,41 lakhs in respect of loans taken from the Central Government, and will also result in a saving of Rs. 62,000 a year. Financially it will not be an unsound proposition to sell them soon at scrap values, as in that case the loss for their working expenses mentioned above will be avoided.”

With these observations we entirely agree.

85. **Excess in the cadre of the all-India service.**—The Department of Irrigation was separated from the Public Works Department in December 1921, and the department as then organised consisted of only six divisions and two circles. There are now eight divisions and two circles. Immediately after the inauguration of the reforms, the Government of Bengal submitted proposals to the Government of India for an increase in the cadre of superior officers in the department, in view of the coming construction of the Grand Trunk canal. The increase was finally sanctioned by the Secretary of State in his telegram, dated the 22nd December 1920. The sanctioned cadre consists of one Chief Engineer, 4 Superintending Engineers, 14 Executive Engineers and 11 assistant executive engineers, and the annual recruitment was fixed at 1.4. At present there are actually 12 permanent superior posts in the department consisting of one Chief Engineer, 2 Superintending Engineers, 8 Executive Engineers in charge of divisions and one personal assistant, and on this basis the total strength of the cadre should be 19. Even assuming that there is enough work for all the eight divisions in the Irrigation Department as at present constituted, it is apparent that there should not be more than 19 superior officers in the department. We find, however, from the Civil

List that there are in fact 28. There is thus a superfluity of nine officers with the present organisation of work, though in our opinion this organisation is beyond the requirements of the department. No steps unfortunately were taken to reduce the sanctioned cadre when the Grand Trunk canal project was abandoned. It is true that in the year 1928 the Government of India said that they considered it superfluous to consult the Local Government in future regarding the annual recruitment, but this was because they assumed that the full sanctioned cadre was still required. If the Government of Bengal had at this stage explained to the Government of India the necessity for a reduction of the cadre, recruitment would have automatically been reduced also.

**86. Amalgamation of the Roads and Buildings Branch with Irrigation.**—Before considering the cadre actually required in the present circumstances, we discussed the possibility of reverting to the previous arrangement and amalgamating the Roads and Buildings Branch with Irrigation. The question of irrigation in Bengal is not limited to irrigation canals and to their productive value. The problems to be dealt with are of a very far-reaching character and affect the whole deltaic region of Bengal which is below the high flood level of the net-work of rivers which intersect it. These rivers spill over their banks when in flood and irrigate large areas of paddy land. The problem which then arises is to regulate the water on the land and provide for its final drainage after the crop has matured. The rivers are apt to change their course, with the result that the natural channels become blocked, the areas submerged by flood become stagnant beels, and the whole country suffers from lack of proper irrigation and drainage. This problem requires special study and special engineering treatment, and we believe that a separate department is required to deal with it. In addition, the department has to look after the navigation routes which are of vital importance to the province. We, therefore, think it preferable to economise by reduction of staff rather than by combining Roads and Buildings with Irrigation.

**87. Superintending Engineers.**—There are at present two circles each under a Superintending Engineer. The South-Western Circle comprises the Damodar, Cossye, Nadia Rivers, Bankura and Midnapore Canal Revenue divisions. The Southern Circle comprises the Canals, Dredgers and Khulna divisions. Besides these eight divisions, there is the Damodar Canal Construction division which is under the direct control of the Chief Engineer. In the chapter on Public Works we give our reasons for thinking that Superintending Engineers are necessary in the Roads and Buildings Department, and we are not in favour of abolishing these posts. Nor do we think that one officer would be sufficient, in view of the diversity of work. In the south-western

part of the province the department is concerned mainly with irrigation and embankment, elsewhere it deals chiefly with drainage and navigation, and it is impossible to expect one officer to deal with all these questions. We, therefore, consider that the two posts of Superintending Engineer should be retained.

**88. Provincialisation of the all-India service and its cadre.**—We recommend that the number of divisions should be reduced from nine to five. The construction work of the Damodar canal division will soon be finished, and it can then be amalgamated with the Damodar division. There is little work in the Bankura division which can also be combined with the Damodar division. Similarly, the Cossye and Midnapore Canal Revenue divisions can be amalgamated. A separate division for the dredgers which was created in 1924 is unnecessary, and it should be abolished, the work being made over to the Canals division.

**89.** We recommend that the strength of the cadre should in future be fixed at 12, namely, one Chief Engineer, 2 Superintending Engineers, 5 Executive Engineers and 4 assistant executive engineers. The personal assistant to the Chief Engineer should be an officer of provincial rank. We think that the service can in future be recruited entirely in India, and we endorse the recommendation of the Services Sub-Committee of the Round Table Conference that the present all-India service should be provincialised.

**90. Number of assistant engineers, overseers and lower subordinates.**—The number of subdivisions has recently been reduced by the Irrigation Department from 29 to 23. We believe that still further reduction is possible. The Damodar canal division has at present four subdivisions. When the work of construction is over, the number can be reduced to two. Three of the remaining subdivisions should be amalgamated with others, and the total number reduced to 18. We also recommend that overseers should be placed more freely in charge of subdivisions. The cadre of assistant engineers can then be reduced to 12. We consider that the number of overseers and lower subordinates can be reduced by 25 per cent.

**91. Embankments.**—The Irrigation Department maintains 1,255 miles of embankments. We recommend that the special committee whose appointment we have proposed should be asked to examine the list of these embankments and consider the necessity of maintaining each.

**92. Removal of the Damodar division office from Calcutta.**—The office of the Damodar division should be removed from Calcutta and located in the buildings which are at present occupied by the office of the Damodar canal division. This will effect economies in house and town allowances granted to the officers and clerks.

93. **Contribution to Central Irrigation Bureau.**—We recommend that this payment should be discontinued.

94.

Item.	Estimated savings.
	Rs.
1. Dredgers .. ..	62,000
2. Amalgamation of Irrigation divisions and subdivisions .. ..	1,15,500
3. Executive Engineers .. ..	1,44,000
4. Assistant executive engineers .. ..	66,000
5. Assistant engineers .. ..	23,200
6. Overseers and lower subordinates .. ..	42,000
7. Removal of the office of Damodar division from Calcutta .. ..	5,800
Total ..	<u>4,58,500</u>



## CHAPTER IX.

### General Administration.

#### (a) Staff and Household of the Governor.

95. **The Bodyguard.**—The strength of the bodyguard has been reduced in the last few months by one British Officer (the Adjutant), 14 men, 3 followers and 20 horses, with a saving of Rs. 40,000 per annum, and its present strength is 56 men. We have carefully considered whether the establishment can be abolished or its strength still further reduced, but are unable to recommend any economy in this direction. Apart from its ceremonial duties, the bodyguard also has important protective duties to perform. It parades in support of the police in times of unrest and civil commotion. It furnishes daily a guard of 3 non-commissioned officers and 16 men, of whom 2 non-commissioned officers and 12 men are on duty throughout the 24 hours. We are informed that the provision of these daily guards prevents the men of the bodyguard from getting the number of nights in bed per week laid down in the Army Regulations. The bodyguard at its present strength is, therefore, fully employed, and any further reduction would necessitate the employment of additional police. We think, however, that the Commandant of the bodyguard need not in future be an officer of higher rank than a senior Captain.

96. **Surgeon.**—We have been informed that His Excellency the Governor is prepared to dispense with the services of a whole-time surgeon, provided satisfactory arrangements can be made for the proper performance of the duties attached to the post. We have discussed the matter with the Surgeon-General, and we understand that he will shortly submit proposals which, we trust, will be acceptable to His Excellency.

97. **Aides-de-Camp.**—We have also been informed that His Excellency has dispensed with one Aide-de-Camp for eight months in the year, that is, from the middle of March to the middle of November, and that the contract contingent grant has recently been reduced by Rs. 10,000.

98. **Special trains.**—The cost of special trains and the haulage of His Excellency's saloon is about Rs. 50,000 per annum. We understand that the cost of journeys by special trains would be reduced if His Excellency's saloon could be attached to ordinary mail trains, but that the railways are inclined to raise objections to doing so. We

recommend that this matter be taken up with the Government of India. At the same time the question of the charges for special trains might be discussed. These appear to us to be excessive. State Railways, at least, we think, should not charge more than the actual cost for the journeys made by the Governor of a province.

99. **The Band.**—The necessity for the band establishment has engaged our attention. We are of opinion that its strength, which is at present one director and 20 musicians, should be reduced to one director and 12 musicians.

100. **Barrackpore Park and Circuit House.**—The budget provision for the upkeep of Barrackpore Park is 22,000, and an income of about Rs. 4,000 is derived from leasing out the grazing and fishery rights. The expenditure is heavy, and we think that in the present circumstances it should be reduced by 20 per cent. We also recommend that the budget grant of Rs. 3,000 for the upkeep of the Barrackpore Circuit House should be reduced to Rs. 2,000.

101. **Discretionary grant.**—The only further suggestion we have to make under this head is that, while the present conditions continue, His Excellency's discretionary grant should be reduced by Rs. 5,000.

#### (b) Members of Council and Ministers.

102. The present Government consist of the Governor, four Members of Council and three Ministers. The last Retrenchment Committee were of opinion that a Cabinet of four, or at the most five, should be sufficient. We think that, in the present circumstances and under the existing constitution, the Governor should be able to carry on the administration of the province with a Cabinet of five. We are not concerned with the number of Members and of Ministers who should form the Cabinet, as the cost will in any case be the same.

103. No useful purpose would be served by discussing the number of Ministers which will be required under the new constitution. That will depend on the form of the constitution and also on the amount of money available for expenditure. We wish, however, to record our opinion that their pay should be fixed at Rs. 3,500. In arriving at this figure we have taken into consideration that the Ministers will have to live in a manner befitting the position, that something will be expected of them in the way of contributions to charitable, athletic and intellectual societies, and that a Minister who is not a resident of Calcutta will probably have to maintain a second establishment. Any one appointed as a Member of the Executive Council or as a Minister in future during the existence of the present constitution should draw a pay of Rs. 4,000 a month.

## (c) Legislative Council.

104. **Pay of the President and the Deputy President.**—The pay of the President, which is at present Rs. 3,000 per month, should, we think, be fixed at Rs. 2,500 a month. We repeat the recommendation of the last Retrenchment Committee that the office of the Deputy President should be an honorary one; to effect this, the Deputy President's Emoluments Act should be amended.

105. **Overtime allowances.**—At present overtime allowances are paid to assistants who have to attend office till late hours during Council sessions. Government have, with this one exception, set their face against the grant of overtime allowance in such cases. The instance of Collectorate assistants in the Tauxi and Treasury Departments, who have to work till very late hours at kist times, and during the first few days of every month, respectively, may be cited, and similar instances can be multiplied. Moreover, the Council assistants have a comparatively easy time when the Council is not in session. Since we enquired into this matter, the Council and Legislative Departments have been separated, and we recommend that the opportunity should be taken to abolish these allowances. If the additional hours of work are so heavy that some compensation is felt to be necessary, we suggest that it would be appropriate to grant the assistants a few days' extra casual leave in the year. There should be no difficulty in arranging for this during the months when the Legislative Council is not in session.

106. **Free supply of Council proceedings.**—The proceedings of the Bengal Legislative Council are at present distributed free of cost to a large number of officials and non-officials. The printing of these publications is a costly business, while the packing and postage charges are very heavy. The Finance Department has recently curtailed the distribution list to some extent. We have gone through the revised list, but are of opinion that still further curtailment should be effected and that copies need no longer be supplied to the officers mentioned in the list appended to this chapter. We suggest that a small annual charge should be made for the supply of the proceedings to non-officials other than the Press. The charge should be just sufficient to cover the cost of paper and postage. We think it is desirable that the proceedings of the Council should be widely circulated, but the small charge we propose will not deter those who mean to read them from doing so.

107. **Cooling-plant operator.**—The Council Chamber is cooled by an electric plant for which an operator has been engaged on Rs. 80 per month. As the Council meets for only four or five months in the year, the operator has no work to do during the remaining seven months, except keeping the plant in order and running it once a week. We

suggest the amalgamation of this post with that of one of the electrical mechanics under the Public Works Department.

#### (d) The Secretariat.

108. **Secretaries to Government.**—In dealing with the Secretariat the main proposal of the last Retrenchment Committee was that, where there were heads of departments, the present duplication of departmental and Secretariat establishments should in most cases be done away with. They recommended that the heads of the Police, Medical, Public Health, Education, Excise, Jails, Agriculture and Industries Departments should deal direct with the Member or Minister-in-charge and carry out the duties of Secretaries to Government, leaving only four Secretaries in charge of the following departments in which there are no recognised heads:—

- (1) Appointment and Political Departments.
- (2) Finance, Commerce and Marine Departments.
- (3) Judicial Department, also Legal Remembrancer.
- (4) Local Self-Government Department.

The reasons given for this proposal will be found in their report and need not be reproduced here. We have given the subject our very careful consideration and have examined a large number of witnesses on this point. The proposal was not a novel one. Up to 1928 the Chief Engineers in the Public Works and Irrigation Departments were Secretaries to Government. In 1921 the Director of Public Instruction was appointed Deputy Secretary to Government in the Education Department. He was, for all practical purposes, the Secretary in that department, but owing to a technical difficulty into which we need not enter, he was designated Deputy Secretary. After 14 months' experience of the system, Government came to the conclusion that it was unsatisfactory. We have considered the matter from every aspect and have examined the working of the departments in which the system was tried, and our final conclusion is that it is unsound in principle to appoint heads of spending departments as Secretaries to Government. Our objection is strengthened by the approaching constitutional changes. A Minister is not expected to be a trained administrator, nor is it his function to supervise the details of administration. He lays down a policy, but it is the duty of the departmental head to frame a scheme for giving effect to that policy. We think that the Minister is entitled to the assistance of an independent adviser whose knowledge and experience qualify him to examine and criticise the scheme from every aspect. It is true that, as far as its cost goes, every case which involves new and additional expenditure is examined in the Finance Department, but it is not right that the Minister-in-charge should have to rely on his

colleague in the Finance Department for a critical examination of the expenditure involved. The Finance Department examines the scheme by certain criteria, and these are by no means exhaustive. It is, we think, inexpedient that, apart from the Finance Department's examination, the Minister should have to depend entirely on the expert adviser who has framed the scheme and who will be responsible for its execution. The natural inclination of the head of a department is to make his scheme as complete and perfect as possible and to disregard possible economies which might, to some extent, reduce its efficiency or make it more difficult to work. We think that the Minister should have the independent advice of an experienced administrator who can examine proposals with detachment, and whose examination will not be coloured by the natural enthusiasm of an author for his own creation. A further objection, and in our view a strong one, is that the head of a department must keep himself in touch with its work throughout the province, and he can only do so by regular touring. Even at present departmental heads have great difficulty in finding sufficient time for this important duty. If they are appointed Secretaries to Government in addition, they will find themselves tied to headquarters, out of touch with the actual state of things in their departments, and compelled to rely more and more on the advice and information supplied by their subordinates. On these grounds, we are of opinion that it is not advisable to appoint heads of departments as Secretaries to Government, and that Members and Ministers are entitled to the independent advice which the present system provides. We think, however, that the number of Secretaries can, without loss of efficiency, be reduced from eight to six. The following distribution of work appears to us to be feasible:—

- (1) Political, Appointment and Jails.
- (2) Finance and Commerce.
- (3) Education, Agriculture, Industries and Excise.
- (4) Revenue, Forests, Irrigation and Public Works.
- (5) Local Self-Government, Medical and Public Health.
- (6) Legislative, Judicial (and Legal Remembrancer).

The separation of the Legislative Department from the Council Department will greatly reduce the work of the Legislative Secretary, and we think that it should be possible for the Judicial Secretary and Legal Remembrancer to manage it, in addition to his present duties.

109. **Deputy Secretaries.**—There are at present four Deputy Secretaries, two in the Political Department and two in the Finance and Commerce Departments. We are satisfied that in the present circumstances there is enough work in the Political Department for two Deputy Secretaries, but that, when conditions return to normal, one of the posts can be abolished. In the Finance and Commerce Departments there are

two Deputy Secretaries, one Under-Secretary and one Assistant Secretary. In our opinion, a sufficient case has not been made out for the retention of all these officers, and we recommend that the post of the Under-Secretary or one of the Deputy Secretaries should be abolished.

**110. Assistant Secretaries.**—There are at present ten Assistant Secretaries distributed as follows:—

Finance Department	... 1
Revenue Department	... 1
Education Department	... 1
Judicial Department	... 1
Agriculture and Industries Departments	... 1
Irrigation Department	... 1
Public Works Department	... 1
Local Self-Government Department	... 1
Legislative Department	... 2

We consider that one Assistant Secretary is sufficient for the combined work of the Public Works and Irrigation Departments, and that two Assistant Secretaries can do the combined work of the Legislative and Judicial Departments. Similarly, the posts of the Assistant Secretaries in the Education and the Agriculture and Industries Departments can be combined. We recommend that there should be seven Assistant Secretaries in all as follows:—

1. Finance	... 1
2. Education, Agriculture, Industries and Excise	... 1
3. Revenue and Forests	... 1
4. Irrigation and Public Works	... 1
5. Local Self-Government, Medical and Public Health	... 1
6 and 7. Legislative and Judicial	... 2

**111. Registrars.**—There are two Registrars, one in the Appointment and the other in the Finance Department. The number of assistants in these departments is unusually large, and the main duty of the Registrars is to supervise their work and to see that it does not fall into arrears. The Registrar of the Political and Appointment Departments has also a large amount of confidential work to do, while the Registrar of the Finance Department, in addition to his other work, is responsible for the accounts of the Civil Secretariat. We are unable to recommend the immediate abolition of either of these posts, but we think that, when the present incumbents retire, the position should be examined by Government, and the possibility of replacing them by a cheaper agency should be considered. Their pay is Rs. 650—50—850. If Government decide that the posts must be retained, we are of opinion that the pay should not exceed that of the Bengal Civil Service, and that they should be open to that service.

112. **Head assistants.**—There are head assistants in every branch in the Secretariat; in important branches there are sometimes two such officers. In the whole of the Secretariat there are 32. We do not consider that it is necessary to have a head assistant for each branch. The result of this arrangement is that some head assistants have 5 or 6 assistants to supervise, while others have 15 or 16. Some assistants are already allowed to submit cases direct to the Under-Secretary or Assistant Secretary without check by the head assistant. This practice might be extended, and we think that there should be one head assistant for every 15 assistants, thus reducing their number to 21.

113. **Assistants.**—The assistants in the Secretariat are divided into lower and upper divisions, with the following scales of pay:—

Lower division—Rs. 60—60—65—4—145—150, with a selection grade on Rs. 175—200.

Upper division—Rs. 125—125—150—10—250—15—400, with a lower selection grade on Rs. 325—25—400 and a higher on Rs. 425—25—500.

Half the upper division assistants are promoted from the lower division, while the other half are recruited direct. The present proportion of upper to lower division assistants is one to two. We consider that it is unnecessary to have so many upper division men, and that the proportion should be reduced to one to three. As our proposals will interfere with the prospects of the lower division assistants, we further recommend that in future there should be only one direct recruitment to every three promotions. This proposal will not result in any loss of efficiency, as we have good reason to believe that the work of the promoted lower division assistants is not inferior in quality to that of the direct recruit, nor will it diminish their present prospects of promotion. Similarly, the proportion of upper to lower division assistants in the offices of the heads of all departments should not ordinarily be higher than one to four. We recognise, however, that exceptions to this rule will have to be made in certain offices where the proportion of routine correspondence is low. We think there is no necessity for the lower selection grade in the upper division and recommend its abolition.

114. **Stenographers.**—There are now 20 stenographers for the whole of the Secretariat. Each of them is attached to a particular officer. We consider that this system is wasteful and that the number of stenographers can be reduced by about a third, if the pooling system is introduced. Stenographers should all be accommodated in one room fitted with a telephone so that they can be summoned when required.

115. **Bengali Translator.**—The pay of the Bengali Translator to Government, which is fixed at Rs. 600—40—1,000, appears to be unnecessarily high. The present incumbent of the post was recruited from the Provincial Educational Service, and we consider that the Bengali Translator should in future be given the pay of that service.

116. **Cooly hire.**—Cooly hire is at present paid for the transport of papers between offices and the residences of officers. We have good grounds for believing that the payment on this account is excessive, and that much of it goes into the pockets of the orderlies. We recommend that the present rates should be reduced by half.

(e) **Hill Exodus.**

117. There are obvious objections to the system under which the Government of Bengal move twice a year to Darjeeling. The absence of Government from the capital causes a certain amount of inconvenience and delay to those who have business to transact with it, and the charge on provincial finances is considerable. We have examined the accounts of the expenditure carefully. The following statement shows the cost of the two moves of the Secretariat and of the heads of departments who accompanied Government in 1931:—

	Rs.
Director of Land Records .. ..	1,009
Commissioner of Excise .. ..	751
Executive Council .. ..	8,110
Ministers .. ..	10,527
Civil Secretariat (reserved) .. ..	28,291
Ditto (transferred) .. ..	8,615
Board of Revenue .. ..	2,887
Legal Remembrancer .. ..	1,360
Inspector-General of Prisons .. ..	510
Inspector-General of Police .. ..	2,132
Director of Public Instruction .. ..	898
Surgeon-General .. ..	867
Director of Agriculture .. ..	124
Irrigation Department .. ..	1,164
Public Works Department .. ..	2,961
Legislative Department .. ..	5,214
Total .. ..	75,420

In our view, however, there can be no question that the Governor of Bengal must spend part of the year in Darjeeling. When appointed he is no longer a young man, he has not been acclimatised, and, on the ground of health alone, could not be expected to spend the hot weather in Calcutta. During his five years' tenure of office he is only allowed four months' leave (which may, however, be extended to six months on medical certificate). On these grounds we accept it as necessary that the Governor should spend a part of the hot weather in Darjeeling, and we believe that this necessity is generally recognised. The main question for our consideration, therefore, is whether the rest of Government must accompany His Excellency, and if so, what staff they should take with them. On the evidence we have received, we are satisfied



that the government of the province could not be carried on if the Members of the Executive Council and the Ministers remained in Calcutta during His Excellency's first visit to Darjeeling. All important decisions are arrived at in joint meetings of the Governor with the Members and Ministers. These are held once a week, and oftener when necessary. His Excellency also sees each Member and Minister personally once a week and discusses the business of his department. Questions of importance requiring immediate orders frequently arise. If the Members and Ministers did not accompany the Governor, it would be necessary on each occasion to summon them to Darjeeling, but even then the decision would be delayed for at least 24 hours, and the cost would be very considerable. We may mention that the Members of Council, like the Governor, are only allowed four months' leave during their five years' term of office, and that no leave at all is admissible to Ministers. Under the present constitution, the Secretaries are a part of Government. All cases on which a Member or a Minister has recorded a minute which requires His Excellency's order are submitted to him by the Secretary in the department concerned, and if a Secretary disagrees with the Member or Minister-in-charge, he has the right to submit a case at any stage for the orders of the Governor. It is also the duty of the Secretary to see that all orders passed by Government are communicated to the officers concerned. In view of these facts we have been forced to the conclusion that the Members, Ministers and Secretaries must accompany the Governor to Darjeeling, and it follows that they must take a sufficient staff to deal with urgent matters. We have examined this point and are satisfied that the ministerial staff which is taken up to Darjeeling has been reduced to a minimum. We think, however, that no Deputy Secretary, Under-Secretary or Assistant Secretary need accompany Government, except one Under-Secretary or Deputy Secretary in the Political Department, who is required for the deciphering of telegrams and is responsible for the safe custody of the codes.

118. We see no reason why the Member of the Board of Revenue or any head of a department should accompany the Government to Darjeeling. They have, it is true, to make the journey at their own expense, but Government meet the cost of the staff which accompanies them, and from the figures we have given it appears that, in 1931, this amounted to Rs. 14,663.

119. The first visit to Darjeeling covers a period of about three months, the second is generally for less than two months. We think it should be possible for the Government to abandon this second visit altogether. The Pujah holidays cover almost a fortnight of the time, and if the Governor proceeds to the hills two or three weeks before the holidays, and remains for two or three weeks after them, we think the administration could be carried on without serious inconvenience, as it is during His Excellency's absence on his monsoon tours.

**(f) Board of Revenue.**

120. The Board of Revenue is the final court of appeal and revision under the revenue laws of Bengal, it is the Court of Wards, and it is charged with the management of Government estates which bring in an annual revenue of about Rs. 60 lakhs a year. It also controls the administration of the Tauzi, Cess, Land Registration, Certificate and other important departments of Collectorate offices. It has from time to time been suggested that the Board could be abolished and its functions distributed between Commissioners and the Revenue Department of Government. We have examined this proposal carefully and have come to the conclusion that it is not feasible. It seems to us essential that the final court of appeal in matters of revenue law must be a central authority, to ensure uniformity of the law throughout the province. The rulings of the Board are regarded with general respect and are quoted in all the revenue courts of the province. If Commissioners were made the final authorities, it would be impossible to avoid conflicting decisions, and consequent confusion and uncertainty in the courts of the different divisions. The possibility of the Member in charge of the Revenue Department being entrusted with the work has been examined and rejected in the past. There are obvious objections to a Member of Council acting as the ultimate appellate court in revenue cases, especially when Government are a party or their interests are involved. The Member of the Board is selected on account of his long experience in the administration of the revenue laws; the appointment of a Member of the Executive Council is mainly governed by other considerations. The objections to the proposal will apply with even greater force when the Revenue portfolio is held by a Minister.

121. It seems to us equally necessary to have a central authority to supervise and control the administration of wards and Government estates. This is essentially work for an experienced administrator, and its transference to a Member or Minister is not a practical possibility.

122. The dissolution of the Board of Revenue would throw on the Secretariat a mass of detailed administrative functions which it is no part of the duty of any Government to perform, and which no Government could perform adequately. It would also deprive Government of an independent advisory authority on the revenue administration of the province. Such a loss would, we think, be increasingly felt after the introduction of the reforms, when it is possible that no Member of the Cabinet will have had any experience of revenue administration.

123. While we are unable to recommend the abolition of the Board of Revenue, we think that there is a certain amount of duplication of work between the Board and the Revenue Department of Government, which could be avoided if the Board were made the final sanctioning authority in many matters of revenue administration in which the sanction of Government is at present required, and if the present system by which the Board is required to carry on correspondence with other departments of Government through the Revenue Department were abolished, and the Board were allowed to correspond with them direct. We suggest that these proposals should be examined with a view to effecting a reduction in the clerical staff of both offices.

124. **Secretary to the Board.**—We are of opinion that an officer of the Bengal Civil Service could discharge the duties of the Secretary to the Board of Revenue, and that it is unnecessary to keep the post in the cadre of the Indian Civil Service.

125. **Court of Wards.**—There has been a striking increase during the last few years in the number of estates taken under the Court of Wards. In 1923-24 there were 72 wards estates, with a current rent demand of Rs. 45,75,934, and with debts amounting to Rs. 30,00,468. At the beginning of 1932-33 the number of estates under the management of the Court was 110, with a current rent-roll of Rs. 1,62,65,164, while the debts of the estates were Rs. 2,64,92,312. Many of these estates belong to proprietors who have been declared disqualified on their own application. The Court of Wards exists primarily for the management of estates whose proprietors are minors or females. It is also empowered to declare proprietors at their own request disqualified for the management of their estates, and thereupon to assume charge of them. This power is discretionary, and in our opinion it should be exercised with great caution. It is true that a general rate is levied on all estates under the Court to recoup Government for the time spent by its superior officers on their management. But we anticipate that if the number of estates under the Court's control is allowed to increase, as it has done in the past few years, many officers will be forced to neglect their other duties in order to find time for this work.

126. **General rate.**—The general rate covers the entire cost of the clerical establishments in Collectors', Commissioners' and the Board's offices. It also covers one-fourteenth of the pay of all officers, from the Member of the Board down to deputy collectors, who are concerned in the management of wards estates. The proportion of one-fourteenth was fixed as the result of enquiries made on the recommendation of the last Retrenchment Committee. From the figures given above, it is clear that if one-fourteenth was a reasonable proportion in 1924, it is now quite insufficient. We recommend that the matter should again be investigated, and the general rate increased so as to cover the

actual time now spent by Government officers on Court of Wards work.

127. **Defaulting estates.**—We also recommend that interest should be charged from wards estates which cannot pay land revenue on the due dates. Defaulting private estates are exempted from sale only on the payment of a penalty, and we see no reason why more favourable treatment should be accorded to wards estates.

#### (g) Local Fund Audit.

128. At present the cost of the audit of Government offices is paid by the Government of India, while the cost of audit of local bodies (which is estimated at Rs. 2,51,000 for the current year) is met from the provincial revenues. The programme of the audit of local funds was thoroughly examined and curtailed by the Finance Department about a year ago. We do not consider that any further curtailment is advisable, as financial irregularities and embezzlements are unfortunately not of infrequent occurrence. We see no reason, however, why the cost of audit should not ordinarily be realised from the local bodies concerned. Where they are unable to pay in full, it would, of course, be within the power of Government to reduce or remit the payment.

#### (h) Commissioners.

129. We have given very careful consideration to the possibility of abolishing the five posts of Divisional Commissioners. We are aware that a large section of public opinion is in favour of their abolition, though we think that this is, to some extent, due to the fact that a great part of the Commissioners' work does not come under the notice of the public. The last Retrenchment Committee recognised that the Commissioners were fully occupied in work of an important nature, but they thought that this work could be discharged by a cheaper agency without serious loss of efficiency, provided that a second Member was appointed to the Board of Revenue. They held that the value of a Commissioner as an adviser both to Government and to the District Officers had diminished considerably, that his appellate and revisional powers could be delegated to the Collector or assumed by the Board of Revenue, and that the Board of Revenue could be made responsible for the inspection of revenue offices.

130. We agree that it would be possible to arrange for the appellate and revisional functions of Commissioners to be performed by other agencies, though it would, in most cases, mean the excision of one appellate or revisional stage. This we are not disposed to regard as altogether disadvantageous, but we think that many who support the abolition of the office in theory may, in practice, regret the curtailment of their present rights.

131. Commissioners are expected to spend a week or ten days annually at the headquarters of each district in their divisions and to inspect every subdivisional office once in two years. We attach considerable importance to these inspections, and the last Committee seem to have held the same view. They suggested, however, that they should be done by the two Members of the Board of Revenue, assisted by two officers of the same standing as the sheristadars of Commissioners' offices. We doubt whether, even with this assistance, the two Members of the Board could find the time to make a thorough inspection of 27 Collectors' offices. But in any case, this proposal makes no provision for the inspection of the Magistrate's side of the office, including such important matters as the case work of the magistracy and the Arms Act and chaukidari departments.

132. We place a higher value on the Commissioner, both as an adviser to Government and to the District Officers, than did the Committee of 1922-23. Discussing his position as an adviser to Government, they pointed out that the value of the experience of senior officers would not be lost, though, instead of advising Government as Commissioners, they would advise as District Officers. In matters of general application this is to some extent true, though the advice of Commissioners is at present based on a knowledge of the circumstances of all the districts in their divisions; whereas, if they are abolished, the advice of the five senior officers will be based on a knowledge of the state of affairs in one district only. In matters of particular application Government will have to rely entirely on the advice of the Collector, who may happen to be an inexperienced officer with only five or six years' service. We fear that Government could not in all cases rely on such advice, but if Commissioners are abolished, they will have no other local officers to whom they can turn.

133. As advisers to the District Officers we consider that Commissioners fulfil a very important function, and the evidence we have received shows that the advantage of having a Commissioner to whom they can refer for guidance and advice is fully appreciated by District Officers. In the case of junior officers appointed as Collectors, we consider that the Commissioner's supervision and control is particularly necessary. It is also useful in the case of officers newly appointed to listed posts, who, though officers of wide experience, are for the first time called upon to shoulder the responsibilities which fall upon a District Officer, and we think it is important that the advice of a Commissioner should be available to them when a difficult situation arises.

134. The Commissioner in our view is not simply an officer employed for the discharge of certain statutory and executive functions which can be transferred to other authorities without affecting the machinery of the administration. As the connecting rod between the Government and the District Officers, he is, we consider, an integral part of that

machinery. Besides the duties we have already discussed, the Commissioner has many other important functions to discharge. It is his duty to keep Government regularly informed of the state of public feeling on matters of importance, and generally to furnish it with full and impartial accounts of all that goes on in the districts of his division. It is his business to see that instructions, rules and orders issued by Government are properly understood, and carried out on uniform lines. If anything goes wrong, or if anything exceptional occurs, such as a natural calamity or widespread disturbances, it is his duty to go to the spot and see that the situation is properly handled. If the conduct of a District Officer is called in question, he is available to investigate the facts, and to report them to Government. The effect of his abolition would be to bring the District Officer into direct communication with the Secretariat. This means that all correspondence on general subjects, to and from the districts, must be conducted in 27 letters instead of five. In place of receiving the opinions of the 27 District Officers predigested in five letters, the Secretariat will receive 27 letters and will have to consider and appraise the value of each opinion for itself. There can be no doubt that this will throw a very great additional burden of work on the Secretariat, and that an increase of staff will be necessary to deal with it. The common criticism of our present administration is that it is top-heavy and centralised. The abolition of Commissioners will mean a very much higher degree of centralisation. This was pointed out by the Decentralisation Commission, who remarked that they considered the abolition of Commissioners to be extremely undesirable, as it would inevitably lead to increased centralisation. When the proposal of the last Retrenchment Committee was examined in the Secretariat, it was found that the Commissioner had 629 functions to perform, of which no less than 271 would have to be assumed by Government, the Board of Revenue or other central authority.

135. If all the five Divisional Commissioners are abolished, their cost will not be entirely saved. The last Retrenchment Committee recommended the appointment of an additional Member of the Board of Revenue (which would, of course, involve the appointment of a second Secretary, and of two sheristadars for inspection, and some addition to the ministerial staff), and the creation of three posts of Collectors in the selection grade of Rs. 3,000 to compensate the service for loss of prospects. In addition, as we have shown, it would certainly be necessary to increase the strength of the Secretariat to enable it to deal direct with the 27 District Officers.

136. But the principal reason which has led us to the conclusion that it is not advisable to abolish commissionerships lies in the approaching constitutional changes. With these in view we feel that the present time is inopportune for making radical changes in the administrative

machinery. In the near future the Executive Council will be abolished, and all the functions of Government will be transferred to a ministry responsible to the Legislative Council. If Commissioners have been found valuable under the present system of Government, they will probably be found of even greater value by a popular ministry, entrusted for the first time with the whole administration of Bengal. Two Members of the Executive Council have always been men of wide administrative experience. Under the reformed constitution it is possible that no Member of the Cabinet will have had any previous experience of the kind. We believe that, in these circumstances, the Government would find it impossible to control the administration of the districts direct from headquarters, and that it will be even more necessary than at present to have officers of the standing and powers of Commissioners, as intermediaries between the Government and the District Officers. Their abolition must be in the nature of an experiment, and its results cannot be foreseen. The present system of administration has worked with reasonable efficiency for many years, and we think that it would be unwise to make such a change on the eve of the introduction of a new constitution.

137. **Reduction in the number of Commissioners.**—While, however, we recommend that the posts of Divisional Commissioners should be retained, we think that it is possible to reduce their number from five to three. The best method of doing so will be a matter for detailed examination, but we suggest that it should be possible to amalgamate the Burdwan and Presidency Divisions, giving relief to the Commissioner by transferring Murshidabad to North Bengal and Khulna to Eastern Bengal. The Eastern Division will then consist of the present Chittagong and Dacca Divisions with the addition of Khulna. The Northern Division will consist of the present Rajshahi Division *plus* Murshidabad, and the Presidency Division will consist of the Presidency and Burdwan Divisions *minus* Khulna and Murshidabad. The present cost of the Divisional Commissioners is Rs. 4,05,000. By abolishing the Burdwan and Chittagong Divisions in the manner proposed there will be a saving of approximately Rs. 1,23,200, and there will be no additional cost, except some initial expenditure on the sorting and transfer of records. We believe that the reduction of the Commissioners to three will effect practically as great an economy as their abolition, and at the same time it will entail no dislocation of the present system of administration.

#### (i) District Administration.

138. **Amalgamation of the services.**—District administration is at present in the hands of three distinct classes of officers, namely, the Indian Civil Service, the Bengal Civil Service and the Bengal Junior Civil Service. In the past the amalgamation of the

Provincial and the Subordinate Civil Services has frequently been advocated, while in recent years the amalgamation of the Indian Branch of the Indian Civil Service and the Provincial Service has also been suggested. The chief argument in favour of amalgamation is that the Indian members of all these three services are practically of the same social standing and educational qualifications.

139. **The Indian Civil Service.**—The Indian Civil Service provides for 101 superior posts, of which 46 are in the Judicial Branch. In our opinion the Judicial Branch should in future be recruited direct from the Bar and by the promotion of selected sub-judges. The 55 executive posts are as follows:—

- 2 Members of Council,
- 1 Member, Board of Revenue,
- 1 Chief Secretary,
- 5 Commissioners of Divisions,
- 5 Secretaries,
- 2 Deputy Secretaries,
- 32 Magistrates and Collectors,
- 1 Director of Land Records,
- 4 Settlement Officers,
- 1 Secretary, Board of Revenue,
- 1 Private Secretary to His Excellency the Governor.

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With the new constitution, the two posts of Members of Council will cease to exist, and we have already recommended the abolition of two posts of Commissioners, one post of Secretary, two posts of Settlement Officers, and the appointment of a Provincial Service officer as Secretary to the Board of Revenue. This will leave 47 superior posts. We assume that half of these posts will be filled by Europeans for a considerable time to come. There will then remain about 24 posts for Indians, of which 8 are at present "listed," that is, open to members of the Bengal Civil Service. We recommend that in future 10 posts should be listed. It has been suggested to us that there need not be separate recruitment of Indians merely for the remaining 14 posts, and that all the 24 posts should be filled by the promotion of Bengal Civil Service officers. We are unable to accept this proposal. For these superior posts Government must not only secure the best type of young men from the Universities, but must also train them from the beginning of their career to exercise initiative and accept responsibility. This object cannot, in our opinion, be achieved by a system of selecting deputy magistrates for superior posts in the early years of their service. Under any such scheme, only one officer out of about four will secure promotion to superior posts, leaving the other three disgruntled for



the rest of their service. Moreover, the initial starting pay of the Bengal Civil Service, with only a small chance of promotion to a superior post, will, in our opinion, fail to attract the best recruits. We are, therefore, in favour of direct recruitment, but we think that the examination should be open only to those at present eligible for appointment to the Bengal Civil Service.

140. **Pay of the Indian Civil Service.**—We are of opinion that there can be no justification for the present high rates of basic pay given to members of the Indian Civil Service. The following basic scale of pay should, we think, be sufficient to attract suitable recruits for this service:—

Year of service.	Junior. Rs.	Senior. Rs.
1	375	..
2	400	..
3	450	..
4	500	..
5	550	900
6	600	900
7	650	950
8	700	950
9	750	1,000
10	800	1,000
11	850	1,050
12	900	1,100
13	..	1,150
14	..	1,200
15	..	1,250
16	..	1,300
17	..	1,350
18	..	1,350
19	..	1,400
20	..	1,400
21	..	1,450
22	..	1,450
23 and over	..	1,500
Commissioners	..	2,000—100—2,400

Sufficient overseas pay should be allowed to European members of the service to attract recruits of the type required.

141. **The Bengal Civil Service.**—We have been unable to devise any method by which the Bengal Civil Service and the Bengal Junior Civil Service can be amalgamated without an increase of cost. We consider that there is much to be said in favour of amalgamation, and regret that we have not succeeded. The difficulty lies in the great volume of work which, by its nature, ought to be performed by a cheap agency. The scale of pay of the Bengal Civil Service is Rs. 250—850, with a selection grade on Rs. 1,000. That of the Bengal Junior Civil Service is Rs. 150—400, with a selection grade on Rs. 450. The lowest scale that could be considered for a combined service would be

Rs. 150—600, but amalgamation on such a scale would cost substantially more than the maintenance of separate services on the scales which we consider adequate, and at the same time we think the pay would not be sufficient to attract the type of men required for the more responsible posts.

142. **Cadre of the Bengal Civil Service.**—While, therefore, we do not recommend the amalgamation of these two services, we think that the cadre of the Bengal Civil Service can be substantially reduced. In our opinion sufficient use is not at present made of the officers of the Bengal Junior Civil Service. Much of the work on which deputy magistrates and deputy collectors are employed could be done with equal efficiency by members of the junior service. We think that every sub-deputy magistrate should, in the normal course, be vested with the powers of a first class Magistrate, and that they can safely be placed in charge of all but the most important departments. The district staff of deputy magistrates and deputy collectors should not normally exceed one to hold charge of each subdivision, one as Treasury Officer, and one, or in the heaviest districts two, to hold charge of the most important departments. The present cadre of the Bengal Civil Service is 332, and this can be reduced to about 200, excluding those holding listed posts, if our proposals are accepted.

143. **Pay of the Bengal Civil Service.**—We think that the pay of the Bengal Civil Service should be reduced for future entrants. There is no index figure of the cost of living in Bengal, but there is ample evidence that the cost has fallen substantially in the last two years. House rent and the cost of food and clothing are all much lower than they have been for many years. Apart from this, we feel that the pay of the Bengal Civil Service is capable of reduction. When the service was established, the admission of Indians to the Indian Civil Service was not contemplated. The Provincial Service was meant to be a *corps d'elite* of Indian officers, and the pay was fixed on a scale which was expected to attract the best candidates available in Bengal. This historical justification no longer holds good. For many years the best available men have been able to gain admission to the Indian Civil Service, and there are no grounds for paying the Bengal Civil Service at a rate intended to attract these men to it. We think their pay should be sufficient to maintain them in comfort throughout their service, to place them above temptation, to give their children the best education available in Bengal, and to provide adequately for their families at their death. It should not greatly exceed the amount which a man of good average abilities might expect to earn in one of the professions, especially in view of the pension which provides for their old age. We have tried to arrive at a suitable scale based on these criteria. We think that the initial pay of Rs. 250 a month is too high for officers on probation, and we would fix it at Rs. 200 a month. We do not recommend a lower figure in view of the early

age at which Indians assume family responsibilities, and because we think that, with a lower initial pay, young men of the right type would probably prefer to try their fortunes in commerce or in one of the professions. The maximum pay of the service should, in our opinion, be reduced to Rs. 750 a month, and the selection grade should be abolished. We suggest that the following scale would be suitable:—

Rs. 200—225—250—50/2—400—50/3—500—50/2—750.

144. **Circle officers.**—The present sanctioned cadre of the Bengal Junior Civil Service consists of 449 officers, of whom 201 are intended for circle work. Certain witnesses have told us that circle officers are no longer necessary for union board work. These local bodies are now well established in most districts, and the presidents are often men of education and of good social standing. Advice from young circle officers is apt to be resented. Other witnesses, again, are of opinion that the union boards still need much attention, and they point out that, in addition to the supervision of union boards, the circle officers have many other functions to discharge. They form a very important administrative link between the people and the Government, and are practically the only outdoor agency on which the Subdivisional Officer can call for assistance in the discharge of his multifarious duties. They are of great help in organising relief operations in famine and distress due to cyclones, drought or other calamities. On the evidence we have received, we are of opinion that it is not possible to dispense altogether with circle officers, but that one circle officer for each subdivision will ordinarily be sufficient, and that their number can safely be reduced by half. The circle officer will probably be found most useful if posted at some place other than the subdivisional headquarters, and in that case he should draw the sanctioned house allowance. If posted at the headquarters of the subdivisions, he should not draw it.

145. **Pay of the Bengal Junior Civil Service.**—The present pay of the Bengal Junior Civil Service is Rs. 150—400, with a selection grade at Rs. 450. In our opinion, the selection grade should be abolished, but we do not recommend any further reduction in the scale of pay, in view of our recommendation that in future these officers should be used extensively for work which is at present performed by deputy magistrates.

146. **Period of probation.**—Deputy and sub-deputy magistrates are allowed two years' time to pass their departmental examinations; during this period they are of very little use to the District Officers and cannot be employed on any work of real importance. We recommend that they should be required to pass their departmental examinations within one year of their appointment, and failure to do so should be penalised by the stoppage of increments. Our proposal, if accepted, would increase the number of effective officers and enable Government to reduce the cadre of these services to some extent.

**147. Cadre of the Bengal Junior Civil Service.**—The total sanctioned strength of the Bengal Civil Service and Bengal Junior Civil Service is 771. We have recommended that the Bengal Civil Service should in future consist of 200 officers, and that 101 posts of circle officer should be abolished. This leaves 470 posts. Further reductions can be made on account of our proposals for reducing the activities of the Settlement Department and for curtailing the probationary periods. On the whole, we think that the future cadre of the Bengal Junior Civil Service can safely be fixed at 400.

**148. Amalgamation of districts.**—We have considered the possibility of effecting savings by the amalgamation of some of the smaller districts, but are unable to recommend any change. It is true that Pabna, Bogra and Malda are small, but any possible amalgamation would result in the formation of an unwieldy district and inconvenience which the public might reasonably resent. Pabna and Bogra combined would have a population of about 2½ millions and an area of over 3,000 square miles. Neither of the headquarters towns is conveniently situated to serve as the headquarters of the combined district. Similar difficulties arise in every case. Malda and Rajshahi, if combined, would also have a population of about 2½ millions, and the area of the district would be 4,453 square miles. We think that any district with a population of over 2 millions is too large for good administration, and there is evidence for this view in the fact that out of eight such districts in Bengal, it has been found necessary to adopt the unsatisfactory system of having Additional District Magistrates and Additional Superintendents of Police in five. Further, the present geographical arrangement is of long standing, district communications have been designed to give convenient access to the present headquarters towns, and vested interests have grown up which would strongly oppose any change. We, therefore, do not recommend that economies should be effected by this means.

**149. Amalgamation of subdivisions.**—These objections, however, do not apply with the same force to subdivisions, and we believe that some of the smaller could be amalgamated or absorbed into other subdivisions. We have not the materials nor the time to enable us to make definite recommendations, but we suggest that the question should be examined by Government.

**150. Cost of administration of treasuries.**—Under the present arrangement the cost of bringing provincial transactions to account falls on the Central Government, while the cost of the administration of treasuries is borne by the Provincial Government. The latter is heavy, particularly in Calcutta where a very large amount of income-tax is collected. We are of opinion that if in the future the accounting charges fall on the Provincial Government, as we understand is likely, the Central Government should be required to contribute towards the cost of the administration of treasuries.

151. **Discretionary grants.**—There is a provision in the current year's budget for a discretionary grant of Rs. 30,000 by Commissioners of Divisions. This grant will in future be reduced by two-fifths, in view of our recommendation that the number of Commissioners should be reduced by two. We do not recommend any reduction in the District Officers' grants, as the amount at the disposal of each Collector is only about Rs. 1,000 per annum, which seems to us insufficient.

Item.	Estimated	
	Savings.	Increase of revenue.
	Rs.	Rs.
1. Surgeon to His Excellency .. ..	26,800	
2. Band establishment .. ..	17,500	
3. Barrackpore Park and Barrackpore Circuit House .. ..	5,400	
4. Executive Council (Members and Ministers) ..	1,38,300	
5. Legislative Council—	Rs.	
(a) Deputy President .. ..	5,000	
(b) Legislative Department .. ..	1,500	
(c) Council Chamber .. ..	1,000	
(d) Supply of Council proceedings .. ..	7,500	
(e) .. ..	5,000	
6. Secretariat—		
(a) Secretaries .. ..	72,000	
(b) Under-Secretaries .. ..	18,600	
(c) Assistant Secretaries .. ..	34,500	
(d) Head assistants .. ..	11,500	
(e) Upper division posts .. ..	32,200	
(f) Stenographers .. ..	18,000	
(g) Cooly hire .. ..	3,000	
	2,09,900	
7. Upper division posts in offices of heads of departments .. ..	43,700	
8. Board of Revenue—		
(a) Secretary, Board of Revenue .. ..	13,600	
(b) Wards' general rate .. ..		1,26,000
9. Recovery from local bodies for local audit establishment .. ..	1,25,000	
10. Commissioners .. ..	1,23,200	
11. District administrations—		
(a) Bengal Civil Service .. ..	8,31,500	
(b) Bengal Junior Civil Service .. ..	1,65,800	
	9,97,300	
12. Discretionary grant—		
(a) His Excellency's grant .. ..	5,000	
(b) Commissioners .. ..	12,000	
	17,000	
13. Hill exodus .. ..	39,300	
	17,69,500	1,26,000
Total .. ..	Rs. 18,95,500	

**List of officers who should no longer be supplied with Legislative  
Council Proceedings.**

Assistant Directors of Public Health.  
Deputy Directors of Agriculture.  
Bengali Translator to the Government of Bengal.  
First Judge, Small Cause Court.  
Collector of Calcutta.  
Deputy Inspectors-General of Police.  
Chairman, Calcutta Improvement Trust.  
Inspectors and Inspectresses of Schools.  
Director of the School of Tropical Medicine and Hygiene.  
Advocate-General, Bengal.  
Standing Counsel.  
Administrator-General.  
Government Solicitor.  
Manager, Eastern Bengal Railway.  
Conservator of Forests, Darjeeling.  
Conservator of Forests, Southern Circle, Alipore.  
Assistant Registrars of Co-operative Societies.  
Munsifs.

## CHAPTER X.

### Administration of Justice.

#### Civil and Sessions Courts.

153. **Creation of a service of assistant munsifs.**—We have been struck by the great volume of unimportant and routine work which has to be transacted by the civil courts. Many of the rent suits and money suits are for comparatively small sums, and in districts where survey and settlement operations have been completed, most of the rent suits are of a simple nature. A very great proportion of the suits disposed of are uncontested; for instance, out of 1,012,705 suits disposed of by munsifs in 1931, 942,403 were uncontested. The number of execution and miscellaneous cases is also very large. To dispose of this work it is unnecessary to employ a highly paid agency. We, therefore, suggest the creation of a service of assistant munsifs on a pay of Rs. 150—175—200—225—250. The service will have to be a small one, and the cadre should probably not exceed 75 officers. There are two reasons for restricting the number of assistant munsifs to a low figure. In the first place, they can be used to replace munsifs only in stations where there are already at least two munsifs. In the second place, a time-scale of Rs. 150—250 will only attract recruits of the same class as are at present appointed munsifs, if they are assured of promotion to the higher service at the end of their fifth year as assistant munsifs. This object will be secured if the number of assistant munsifs is strictly limited, and if all munsifs are appointed by promotion from the lower service. At present munsifs are recruited from members of the Bar who have been in practice for not less than three years. They are generally appointed to act as munsifs at the age of 28 or 29. Their service, however, is not continuous. From time to time, and invariably during the civil court vacation, they are thrown out of employment. During these periods of reversion, their earnings from their profession are negligible. As a rule, they are not confirmed until they are about 31 years of age. In our opinion, the assistant munsif might be appointed after one year's practice at the Bar, when his age will, as a rule, be about 26. He will at once obtain continuous employment, and we think that he will prefer this to the uncertainty of the present system. On the 1st July 1932, there were 245 permanent and 55 acting munsifs. If the cadre of assistant munsifs is fixed at 75, the number of munsifs can be reduced to 225, and the appointment of officiating munsifs will be unnecessary. From the point of view of

Government the scheme will not merely effect a considerable saving, but will provide a self-contained Judicial Service, and thus obviate the serious administrative-inconvenience which is felt under the present system.

154. **Pay of the Judicial Services.**—We think that the pay of the Judicial Services is unnecessarily high and can be considerably reduced. We recommend a scale of Rs. 275—600 for munsifs, and a scale of Rs. 650—800 for sub-judges. The pay of District Judges, who should be appointed partly by promotion from among the sub-judges, and partly by direct recruitment from the Bar, should be fixed at Rs. 1,000—1,600.

155. **Cadre of sub-judges and munsifs.**—The appendix shows the number of civil and criminal cases instituted and disposed of in the courts of District and Additional Judges, subordinate judges and munsifs during the years 1922 to 1931. In our opinion the number of sub-judges and munsifs can be considerably reduced. In 1922, 56,510 cases were instituted before subordinate judges, and in 1931 the number was only 41,317; yet the number of sub-judges is at present 68 as against 56 in 1922. In 1922 the 56 sub-Judges disposed of 12,129 contested cases, giving an average of 216 for each sub-judge. In 1931 68 sub-judges disposed of 12,415, or an average of 182 cases each. We think it should be possible to reduce the number of sub-judges by 10 at least. The number of munsifs also appears to be capable of some reduction, but we understand that the High Court have already agreed to reduce their number by 25. In making these recommendations we are not relying merely on the figures of institutions and disposals. On all sides there is a general complaint from lawyers that there is very little work for the Bar at present, and this is borne out by the serious decrease in the receipts from judicial stamps.

156. **Additional Judges.**—Additional District and Sessions Judges are mainly engaged in the trial of sessions cases, many of which, particularly in West Bengal, are of such a nature that they could properly be disposed of by Assistant Sessions Judges. We recommend the extension of the practice of investing selected sub-judges with the powers of Assistant Sessions Judges, and we believe that, if this were done, one-third of the present number of Additional Judges could be replaced by sub-judges so empowered.

157. **Grant of higher power to munsifs.**—We think the number of sub-judges can be further reduced by empowering munsifs more freely to try suits of a higher value. Their ordinary powers extend only to suits of a value not exceeding Rs. 1,000. We think that the power to try suits up to a value of Rs. 2,000 should be granted to munsifs more freely than at present, and that the powers of specially selected munsifs could be extended up to Rs. 5,000. We understand that the latter point has already been submitted to the Government of India for their



approval. We also suggest that rent-suits of small value, when no question of title is involved, should invariably be tried by the Small Cause Court procedure.

158. **Ministerial staff in districts.**—We think that the present system of having a separate office staff for each judicial officer, at district headquarters should be done away with, and that a considerable reduction in staff can thereby be effected. It should, in our opinion, be sufficient to have only two offices at headquarters, one for the District Judge, the Additional Judges and the sub-judges, and the other for all the munsifs.

159. **Defence witnesses in sessions cases.**—A large sum of money is at present spent in the payment of diet money and travelling allowance to defence witnesses in sessions cases. We have been informed that large numbers of witnesses are summoned in almost every case, but that they are not examined at all in the sessions courts in 90 per cent. of the cases. We have even been told that many of these witnesses are friends or relatives of the accused, who wish to attend the trial or arrange for the defence, and who have no evidence to give; they are cited as witnesses simply to enable them to draw their travelling and diet expenses from Government. We recognise the difficulty of putting a stop to this scandal without depriving the accused of his right to summon witnesses for his defence. We suggest, however, that it could be minimised if the summons to witnesses contained a clause to the effect that the witness is not to start until he receives a second notice to do so. Sessions cases as a rule last for three days or longer, and at the commencement of the second day of hearing, the Sessions Judge could enquire from the defence pleader whether he wishes to examine any defence witness. The defence pleader has by this time studied the case, and should be in a position to state whether any witness for the defence will be required. If he wants to cite any witnesses, telegrams may be sent to them to start forthwith; if there be no telegraph office at the village, an assistant sub-inspector of police or some such officer can be sent to the place to serve the second notices on the witnesses. The above is only a suggestion which we are not in a position to elaborate; we think, however, that it should be examined, and that District and Sessions Judges should be consulted as to its feasibility.

160. **Civil court vacation.**—We have considered a suggestion that some reduction in the cadre of judicial officers might be effected if the civil court vacation were abolished. The vacation gives judicial officers about 18 days' more leave than executive officers. But in return for this, they are now allowed only 15 days' privilege leave in the year instead of a month, and the abolition of the vacation would, under the rules, entitle them to an additional 15 days' full pay leave. There would, therefore, be no appreciable saving in abolishing the vacation, and apart from the financial aspect, we feel that there is much to be

said in its favour. The work of the judicial officer is heavy and monotonous, he has to sit for long hours in a court which is often badly ventilated and ill-lighted, and as a rule he writes his judgments out of court hours. We are, therefore, unable to recommend the proposal.

161. **Process-servers.**—We note that Government are taking steps to effect economy by reducing the number of process-servers. There were 4,512 of these officers in June 1931. Their present strength is 4,249, and 60 more will be discharged in the near future. We believe that still further reduction is possible in view of the marked decrease in litigation. We also recommend that Government should try the experiment of serving civil processes through union boards, as is done in the case of criminal processes.

162. **Copying fees.**—It was suggested to us that copying fees might be increased. We are unable to recommend the proposal, as we believe that an increase will lead to surreptitious copying and a fall in the total receipts.

163. **Fees to pleaders.**—The scale of fees paid to Government pleaders and other lawyers has recently been reduced by 10 per cent. under the orders of Government. We have considered whether the fees can be still further reduced, but make no recommendations, as our enquiries have satisfied us that, as a rule, legal practitioners charge Government a lower fee than they charge to private parties.

164. **Minor works grant.**—We accept the proposal of the Judicial Department to surrender a sum of Rs. 15,000 under the minor works grant.

#### **Presidency Magistrates.**

165. **Central criminal court.**—We have gone carefully through the expenditure incurred at present on the Presidency Magistrates' courts in Calcutta, but are unable to recommend any reduction in the staff until the two courts are combined in one place. At present three stipendiary Magistrates sit in Bankshall Street and three at Jorabagan. The division of work between these two courts is the cause of much duplication of staff and delay. We understand that if certain alterations were made to the Bankshall Street building it would be possible to provide sufficient accommodation for all the Presidency Magistrates, but that these alterations would cost about Rs. 76,000. We recommend that this money be found as soon as possible, and a central criminal court established in Bankshall Street. As soon as the two courts are able to sit in one building, it should be possible to dispense with one Presidency Magistrate and a certain number of the staff. The saving thereby effected will be much in excess of the interest on the capital outlay.

166. **Probation officers.**—There are at present three male probation officers and one lady officer whose duty is to go round and look after juvenile offenders who have been discharged on probation or have been let off with a warning. We understand that the men have only about 30 boys each to supervise, while the lady has about 90 girls. We are of opinion that the number of male probation officers can be reduced by at least one.

### Court of Small Causes.

167. **Number of Judges.**—The sanctioned strength of the Small Cause Court Judges is seven, but at the present moment only five Judges are actually working. With this staff there were arrears of only 100 cases during the three months from April to June. We recommend that the number of Judges should be permanently reduced from seven to five. If arrears accumulate, a sub-judge can be deputed temporarily to clear them up. This proposal will mean the abolition of two posts of clerks.

168. **Pay of the Judges.**—The pay of the Judges of the court should be reduced to the following figures:—

		Present pay.	Proposed pay.
		Rs.	Rs.
Chief Judge	..	2,000—100—2,500	1,200—1,800
Judges	..	1,000—50/2—1,500	750—1,200
Registrar	..	750—30—900	650—750

169. **Bailiffs.**—There are at present 31 summons bailiffs, and on an average they serve about five processes a day. It should, in our opinion, be possible for each bailiff to serve at least 10 processes a day in a town like Calcutta, with all its facilities of communication, and we recommend that the number of bailiffs be reduced from 31 to 17. The post of one European seal bailiff, which has been in abeyance for some time, should be abolished.

170. **Pleaders' sheristas.**—We are informed that a very large number of pleaders have sheristas in the Small Cause Court buildings for which they pay no rent. There is no special reason why they should enjoy this privilege, and we recommend that they should be required to pay a small monthly-rent of Rs. 2 each.

171. **Stamp fee on applications.**—In mufassal courts all applications must be stamped in accordance with a fixed scale of fees, but in the Small Cause Court, Calcutta, no court-fee is charged. We see no

reason why litigants in Calcutta should be in a privileged position in this respect, and we suggest that a court-fee of Re. 1 be charged on each of the following kinds of application. We understand that our proposal will not require any amendment of the law, and will bring in a substantial revenue to Government, as a very large number of applications are filed in the court:—

## Applications—

- (1) For leave to sue.
- (2) For amendment of plaint, except when address only is amended.
- (3) For execution.
- (4) For leave to sue as a pauper.
- (5) For permission to draw money—
  - (a) without plaint receipt,
  - (b) on the day of deposit,
  - (c) on a Saturday,
- (6) For permission to bid at the sale.
- (7) By a third party for permission to take certified copy of proceedings.
- (8) For cancellation of power.
- (9) On which notice is ordered to be issued on the opposite party.

172.

Item.	Estimated	
	Savings.	Increase of revenue.
	Rs.	Rs.
1. Assistant munsifs ..	3,16,800	..
2. Sub-judges ..	97,100	..
3. Additional Sessions Judges ..	88,700	..
4. Establishments in District Courts ..	91,200	..
5. Defence witnesses in Sessions cases ..	50,000	..
6. Minor works grant ..	15,000	..
7. Probation officer ..	1,500	..
8. Small Cause Court Judges ..	31,000	..
9. Bailiffs ..	6,600	..
10. Pleaders' sheristas ..	..	7,200
11. Stamp fees on applications ..	..	25,000
	6,97,900	32,200
<b>Total</b> ..	<b>Rs. 7,30,100</b>	

APPENDIX.

Institutions and disposals of suits and cases for the years 1922-31.

	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1929.	1930.	1931.
(a) Judges and Additional Judges—										
Number of officers	47	39	40	43	44	45	44	48	53	49
Institutions—										
Civil ..	19,575	18,575	20,473	20,983	20,319	20,100	20,738	18,723	19,760	16,892
Criminal ..	*6,001	6,591	8,020	8,312	7,854	8,476	8,382	8,670	8,144	8,019
Disposals—										
Civil—										
Contested ..	5,706	4,586	4,492	4,917	3,815	5,363	4,997	5,106	5,387	3,621
Uncontested ..	*8,146	8,150	7,760	8,013	7,713	8,271	8,375	8,566	8,718	6,866
Criminal ..	5,820	6,534	7,849	8,262	7,912	8,132	7,935	8,640	8,170	7,547
(b) Subordinate Judges—										
Number of officers	56	58	58	55	53	61	63	66	70	68
Institutions ..	56,510	51,215	48,612	47,047	45,529	34,022	42,591	44,779	44,284	41,317
Disposals—										
Contested ..	†12,129	11,394	11,637	11,757	11,684	12,691	13,303	14,646	15,215	12,415
Uncontested ..	†51,539	47,235	43,571	40,622	40,597	39,559	37,888	39,359	42,295	35,483
(c) Munsifs—										
Number of officers	248	247	245	246	243	242	240	243	246	242
Institutions ..	10,24,081	10,00,961	10,23,816	9,85,469	9,36,591	9,68,109	9,91,670	10,23,523	10,13,679	9,98,884
Disposals—										
Contested ..	†73,569	78,629	81,298	79,399	77,565	80,141	76,078	80,537	80,274	70,302
Uncontested ..	†9,60,575	9,27,776	9,61,791	9,16,299	8,66,061	8,90,991	8,80,571	9,20,843	9,76,408	9,42,403

\*Figures for Dinajpur not included.

†Excluding figures for Chittagong.

## CHAPTER XI.

### Jails.

173. **Increase in jail population.**—During the last two years the Jail Department has had to face a situation of very great difficulty. The daily average jail population rose from 14,004 in 1928 and 14,477 in 1929 to 20,015 in 1930 and 19,300 in 1931. We are satisfied that the jailors and the subordinate staff have their hands full, and we are unable to recommend any reduction in their number until the situation improves.

174. **Conversion of district jails into subsidiary jails.**—The last Retrenchment Committee pointed out that a large saving in annual recurring expenditure could be effected by providing more accommodation for convicts in central jails, and converting many of the district jails into subsidiary jails. This recommendation has been accepted in principle by Government, but unfortunately full effect cannot be given to it till money can be found for constructing new central jails or enlarging and adapting some district jails to serve as central jails. We think that, as soon as money can be found for capital expenditure, Government should give effect to the policy it has accepted, and thereby set free money for recurring expenditure which is what Bengal needs. In the meantime we think that it should be possible, if not immediately, at least in the near future, to convert the Howrah District Jail into a sub-jail, and send the convicts to one of the Alipore jails or to Hooghly.

175. **Jail hospitals.**—At present there is a sub-assistant surgeon attached to each district jail. The average daily population in most of the jail hospitals is small, and we do not think that he can be fully occupied. At the same time there is in each district a police hospital, to which is posted a whole-time sub-assistant surgeon whose charge is also a light one. We are of opinion that one sub-assistant surgeon should ordinarily be sufficient for the combined work of the police and jail hospitals, and we recommend that these two posts should be amalgamated unless there are cogent reasons to the contrary, as, for instance, that the jail and police hospitals are situated at too great a distance from each other to be effectively served by one officer.

176. **Administrative charge of district jails.**—Civil Surgeons are in charge both of the administrative and of the medical work in the district jails, and they draw a monthly allowance of Rs. 50 to 150 for performing the administrative part of their work. In our opinion, the

administrative charge of the district jails should be entrusted to deputy or sub-deputy magistrates with no allowance. The Civil Surgeon may continue to be responsible for the medical work, but for this he should receive no allowance, as it is part of his ordinary duties to hold medical charge of Government institutions. We realise that this proposal is open to criticism on the ground that the District Magistrate should not possess any direct control over the internal administration of the jail, but this objection seems to us to be largely academic. He very seldom tries criminal cases, and does not, as a rule, come into direct contact with the inmates of the jail in his capacity as a Magistrate. It will, we think, be possible to arrange that the officer selected for charge of the jail should be one who is not actually employed in trying criminal cases. Further, Subdivisional Officers whose work is largely magisterial are at present superintendents of the subsidiary jails. We, therefore, do not think that our proposal will, in practice, be found open to any objection.

177. **Charge of central jails.**—There are five central jails, of which three are at present in charge of I.M.S. officers, while the other two are under superintendents recruited for the Jail Department on a salary of Rs. 750—1,000 *plus* overseas pay. We recommend that three of these jails, namely, Dacca, Midnapore and Rajshahi, should be placed in charge of full-time deputy magistrates. For the other two jails, namely, the Presidency and Alipore Central Jails, it will, probably, be convenient to have in each of them an I.M.S. officer in charge both of the administrative and of the medical work, as we do not think it is possible to make the Civil Surgeon of Alipore responsible for the medical charge of the two jails.

178. **Jail Depot.**—There is a Jail Depot in Free School Street which looks after the sale of articles manufactured in the jails, and costs Government about Rs. 16,000 per annum. It has been suggested that the Depot should be closed and the work entrusted to the Bengal Provincial Co-operative Industrial Society, who, we are told, will be glad to take up the work in return for a commission on sales. The suggestion, we think, is worthy of examination.

179. **Undertrial prisoners.**—The last Retrenchment Committee commented adversely on the unnecessarily long detention of undertrial prisoners. Any decrease in the average period of detention will obviously effect a substantial economy in the expenditure of the Jails Department, but the position, instead of improving, has become worse. In 1921 the average period of detention was, in sessions cases, 39·58 days, and in other cases 19·62 days; in 1931 the figures rose to 63·56 and 26·59, respectively. We recommend that Government should once again impress upon the police and the judiciary the necessity for more prompt disposal of criminal cases and should

instruct Commissioners and other inspecting officers to pay particular attention to this matter, when inspecting the work of Magistrates.

180.

Item.	Estimated savings.
	Rs.
Sub-assistant surgeons attached to jails ..	.. 18,100
Jail allowance of Civil Surgeons ..	.. 20,400
Superintendents of central jails ..	.. 16,000
Jail Depot .. ..	.. 10,000
Total	.. <u>64,500</u>



## CHAPTER XII.

### Police.

181. **Cost of the police.**—The total estimate of expenditure on police in 1932-33 amounts to Rs. 2,20,85,000, of which Rs. 44,87,000 is for the Calcutta Police and Rs. 1,75,98,000 for the Bengal Police. Large as the total is, it only represents an expenditure of 7 annas per head of the population. The estimated expenditure on police in Bombay for 1931-32 amounted to Rs. 1,88,000, which, for its population of 21,931,000, works out at 13 annas per head. The estimated expenditure for Madras was only Rs. 1,72,98,000, or 5½ annas per head, but the police needs of Madras town are very different from those of Calcutta and Bombay. We recognise that Bengal has to face certain problems peculiar to itself. The terrorist movement has led to an outbreak of political crime unparalleled elsewhere. Dacoities are more frequent in Bengal than in any other province of India, as the intricate system of waterways and the isolation of the houses afford the dacoit exceptional opportunities. The collapse of the jute market and the consequent economic distress have led to a marked increase in this form of crime, as the following figures will show:—

Year.			Number of dacoities.
1928	...	...	... 874
1929	...	...	... 826
1930	...	...	... 1,544
1931	...	...	... 2,090
1932 (up to 14th September 1932)			... 1,556

Bearing these facts in mind, we have made a careful examination of the Police budget, and we are of opinion that considerable economies can be effected without materially reducing the efficiency of the force. We shall deal first with the Bengal Police.

#### (a) Bengal Police.

182. **Growth of the force.**—The following table shows the growth of the force since 1913-14:—

	1913-14.	1922-23.	1931-32.
Inspector-General	.. 1	1	1
Commissioner of Police	.. 1	1	1

	1913-14.	1922-23.	1931-32.
Deputy Inspectors-General ..	4+1*	6+1*	6
Superintendents (including Calcutta Police) ..	44+2*	52+6*	52+6*
Assistant Superintendents ..	45	52	47†
Deputy Superintendents ..	23+2*	28+2*	29+6*‡
Inspectors ..	160	200	256+54*
Sub-inspectors ..	1,478	1,709	1,826+124*
Assistant sub-inspectors and head constables ..	1,756	2,405	2,616+435*
Constables ..	13,980	19,037	19,686+1,654*

It will be noted that the force has had to be largely augmented to meet the present abnormal situation. We presume that, when conditions become normal again, the temporary increase will at once be dispensed with.

183. **Assistants to the Inspector-General of Police.**—There are two assistants to the Inspector-General, both of whom hold the rank of Superintendent of Police. One of them is in charge of discipline, and the other of accounts and clothing. We recommend that one of these posts should be filled by an officer of the rank of assistant superintendent or deputy superintendent of police. A good deal of the work is routine, and there should be no difficulty in redistributing it so that the more important subjects are allotted to the senior officer.

184. **Deputy Inspectors-General of Police.**—The districts of Bengal are divided into five ranges, each under a Deputy Inspector-General of Police. The possibility of abolishing these officers was very fully discussed by the last Retrenchment Committee, who came to the conclusion that they could not be dispensed with, but that their number might be reduced from five to three. We hold, with the last Committee, that it is not advisable to dispense entirely with range Deputy Inspectors-General, but that three will be sufficient, and the other two posts can be abolished. It is unnecessary to repeat at length the arguments put forward by the last Committee for the retention of these officers. Their total abolition would involve a considerable dislocation of the present organisation, and would certainly add very greatly to the duties of the Inspector-General of Police. He has already sufficient work to do, and we believe it would not be possible for him to cope with it if he had to correspond direct with 27 Superintendents of Police and to deal with the more important matters now disposed of by Deputy Inspectors-General. In our opinion, the organisation of almost every department of Government is already too highly centralised. Many of the Deputy Inspectors-General's duties can be delegated to

\* Temporary.

† The reduction is due to the cessation of direct recruitment against superior posts filled by promotion from the Bengal Police Service.

‡ Excluding three posts sanctioned for Detention Camps.

Superintendents of Police, if their posts are abolished, but their most important powers must be transferred to the Inspector-General, with the result that the work of the department will be more centralised than ever. We also consider it important that the Inspector-General should have responsible local officers under him, who can go to the spot and supervise the work of the Superintendent of Police in difficult situations, or make enquiries when the conduct of the police has been called in question. For the maintenance of discipline in a force of over 24,000 officers and men, we think it is essential that there should be Deputy Inspectors-General between the Inspector-General and the Superintendent of Police.

185. **Additional Superintendents of Police.**—There are ten permanent posts of Additional Superintendents of Police in the cadre of the Indian Police, but four more posts have been sanctioned temporarily. Three of these officers are exclusively engaged in Intelligence Branch work, and we recognise the necessity for them in the present circumstances. Five of the permanent posts have been sanctioned for the districts of Dacca, Mymensingh, Midnapore, Bakarganj and the 24-Parganas, which are recognised as exceptionally large and heavy charges, and for which additional District Magistrates have also been sanctioned. We consider that these five posts are justifiable. But we think that in other cases, where the Superintendent of Police requires extra assistance, it should be given in the form of another assistant superintendent or deputy superintendent of police.

186. **River Police.**—The River Police and the Railway Police are each organised as a separate force working independently of the District Police. We consider that this separation is unnecessary, and that it will tend to increased efficiency if the Superintendents of Police in charge of districts are made responsible for the prevention and detection of all crime within their jurisdiction. Very considerable economies can be effected by amalgamating these forces with the District Police, and we recommend that this be done.

187. The River Police have a present strength of one Superintendent, 2 inspectors, 22 sub-inspectors, 18 assistant sub-inspectors, 2 head constables and 152 constables. They have at their disposal 15 launches, 18 floating thanas and 21 country boats. The River Police is not an investigating body but merely a preventive force, whose duty it is to patrol the big rivers of Eastern Bengal. While we consider that the River Police need not be maintained as a separate entity, we think that systematic patrol is necessary, but that it can be carried out equally efficiently by the District Police who are already responsible for investigating river crime. The Superintendent, the 2 inspectors and the 22 sub-inspectors of River Police can be abolished, as can most of the floating thanas. Some of the floating

thanas may be kept to serve as outposts where patrolling is necessary at a considerable distance from a police-station, in order to increase the mobility of the staff. As the work is patrol only, and the staff do no investigation, we do not think it is necessary to employ any officer of a higher rank than assistant sub-inspector. But we recommend that the entire subordinate staff consisting of assistant sub-inspectors, head constables and constables should be transferred to the police of the districts concerned, after deducting the staff which can be dispensed with on account of the reduction in the number of the floating craft. The sub-inspectors in charge of the police-stations to which the launches and the subordinate force are attached will be responsible for the supervision of their work and for the maintenance of discipline. Some reduction in the number of launches is, we understand, possible, and we think that this is a matter which should be investigated. The River Police Hospital at Narayanganj should be abolished.

188. **Railway Police.**—Similarly, we do not consider it necessary to retain the Railway Police as a separate force, distinct from the District Police, especially in view of the fact that all the railways now maintain large and efficient watch and ward departments. The investigation of crime should, in our opinion, be under the Superintendents of Police of the districts through which the railways run. It will be necessary to strengthen the District Police force to some extent, but a considerable reduction of the total staff will be possible. The three posts of Superintendents of Railway Police now in existence will no longer be required. Most of the Railway Police inspectors can also be dispensed with, as the circle inspectors will be the supervising officers, but it will probably be found necessary to retain one inspector for Howrah and one for Sealdah. A considerable number of the police-stations can also be abolished. There are at present 43 railway police-stations. Many of them are situated in places where there is also a district police-station close at hand. A separate police-station for dealing with railway crime should only be retained at the most important railway stations, or where there is no district police-station within a reasonable distance. We have examined the list of railway police-stations, and we think it should be possible to reduce the number to 20, which will, of course, be under the Superintendents of Police of the districts in which they lie. The number of sub-inspectors can be reduced by 67 from 97 to 30, and the number of sergeants from 19 to 12. This will allow one sub-inspector for each police-station, and ten other officers who can be posted to districts where the work of the local police will be largely increased by the transfer of the Railway Police work. The number of assistant sub-inspectors should be reduced from 80 to 40, and the number of head constables similarly from 80 to 40. We do not suggest a reduction in the number of constables, as

they will still be required for duty within the railway precincts. There is at present a railway detective department consisting of three inspectors and 12 sub-inspectors. We recommend that a special staff, consisting of one inspector and two sub-inspectors only for each railway, should be maintained to investigate cases of organised crime on the railways, and should work directly under the Deputy Inspector-General in charge of the Criminal Investigation Department. The rest of the staff should be abolished.

189. **Criminal Investigation Department.**—It has been suggested to us that the Criminal Investigation Department might be decentralised and divided among the range Deputy Inspectors-General. We think that this would be a retrograde step and are not in favour of it, especially as a complete transfer of the work could not be effected. It would be necessary to retain under central control such special branches as the Finger Print Bureau, the Photographic Bureau, the Criminal Intelligence Bureau, and the handwriting and footprint experts, as well as the preparation of the Criminal Intelligence Gazette and of the weekly statements of dacoities. We think that the Criminal Investigation Department should be retained as a central department, but we recommend the abolition of the district detective departments which have been started in six districts of the province. The staff of the district departments at present consists of 7 inspectors, 14 sub-inspectors, 13 assistant sub-inspectors and 43 constables. The Criminal Investigation Department may need some strengthening on the abolition of these departments, and we think that two inspectors and six sub-inspectors might be transferred to it, with a few assistant sub-inspectors and constables. The rest of the posts can be dispensed with.

190. **Special staff for criminal tribes.**—In Midnapore, Bakarganj and the 24-Parganas special staffs have been sanctioned for the supervision of criminal gangs and tribes declared under the Criminal Tribes Act. In each of these districts there is an inspector, with four or five sub-inspectors and a few constables. The Inspector-General has informed us that the three posts of inspectors can be abolished, the sub-inspectors and constables being attached to the police-stations in which the criminal tribes mainly reside. We accept this proposal.

191. **Number of police-stations.**—There are now 608 police-stations in Bengal, excluding the 43 railway police-stations, as compared with 453, excluding railway police-stations, in 1912. The number of stations was reduced by 28 after the report of the last Retrenchment Committee. In the present state of affairs we are not prepared to hold that any sweeping reduction is possible, but we have evidence that some further decrease in the number can be effected, for example, in the Asansol subdivision. Detailed recommendations could only be made after a full enquiry into the case for and against the retention of each

police-station, and in the time at our disposal it is not possible to undertake this task. We suggest that the District Magistrate and Superintendent of Police of each district should be directed to examine in detail the necessity for each police-station in their district, and to submit a report on the possibility of further amalgamations.

192. **Intelligence Branch.**—The nature of the work of the Intelligence Branch is such that it is impossible to estimate the staff required from a mere examination of statistics. We have been informed that a senior officer of the Indian Civil Service has recently made a full enquiry into the matter, and that, so far from any reduction being possible, an increase of staff is urgently required. With the question of increase we are not concerned, but we recognise that in the present circumstances no retrenchment is possible, nor can we recommend any reduction at present in the strength of the military and armed police.

193. **Police Conferences.**—There appears to us to be room for a reduction in the number of police conferences. The Inspector-General confers with Deputy Inspectors-General once a year, and Deputy Inspectors-General also hold range conferences annually, while district conferences are held quarterly. Circle conferences are also held at frequent intervals. These meetings must involve considerable expenditure in travelling allowance. Conferences are no doubt useful, but we think they should be reduced to a minimum.

194. **Sarda Training School.**—We have discussed the possibility of abolishing the Police Training School at Sarda, but after careful consideration we have come to the conclusion that this is not advisable. There has been a marked improvement in the morale and efficiency of the police force in recent years, and we believe that the training given to recruits of all ranks at Sarda has played no small part in bringing this about. We think, however, that the annual expenditure, estimated at Rs. 1,45,000 for 1932-33, is excessive, and can be considerably reduced by such means as enlarging the classes and drill squads, and abandoning the revisional training of sub-inspectors appointed by promotion. We are prepared to leave the details to the department, but we recommend that a saving of 15 per cent. of the present expenditure should be effected.

195. **Deputy superintendents of police.**—The Provincial Police Service was created at a time when Indians were not eligible for direct recruitment to the all-India Police Service, with the object of giving young men of good position and education an opportunity of serving in the higher ranks of the police force. This reason no longer exists, as Indians are now admitted to the all-India Police Service. The work done at present by deputy superintendents can be equally well done by senior inspectors. We recommend that this service be gradually

abolished by the stoppage of recruitment, a certain number of inspectors being promoted direct to the rank of Superintendent of Police.

196. **Pay of the Indian Police Service.**—The present scale of pay of the Indian Police is Rs. 350—700 for the junior scale and Rs. 650—1,450 for the senior scale. We recommend that the future pay should be Rs. 300—650 for the junior scale and Rs. 600—1,250 for the senior scale. The pay of Deputy Inspectors-General should be fixed at Rs. 1,350—50—1,500; and the pay of the Inspector-General should be Rs. 1,750—125—2,250. A suitable overseas pay should be given to European officers.

(b) Calcutta Police.

197. **Strength of the force.**—The jurisdiction of the Calcutta Police, including the city proper and the suburbs, extends over an area of approximately 30 square miles, with a population numbering 1,161,410 at the census of 1931. The sanctioned strength of the force is disposed as follows:—

District.	Number of Commissioners and Deputy Commissioners.	Number of Assistant Commissioners.	Number of Inspectors.	Number of sub-inspectors.	Number of sergeants.	Number of head constables.			Number of constables.			Total.
						Assistant sub-inspectors.	Foot.	Mounted.	Foot.	Water.	Mounted.	
1	2	3	4	5	6	7	8	9	10	11	12	13
Calcutta Police ..	7	10	60	109	203	145	366	5	3,881	..	48	4,834
Police supplied to private individuals ..	..	..	..	1	..	..	7	..	83	..	..	91
Port Police	1	..	5	7	14	7	57	..	560	82	..	733
Total ..	8	10	65	117	217	152	430	5	4,524	82	48	5,658

*F.B.*—The above list is exclusive of the following temporary staff:—

- (1) Armed guard for Special Branch watch duty—2 havildars and 12 sepoy.
- (2) Additional armed police—1 Sergeant-Major, 1 sergeant, 1 jamadar, 4 havildars, 4 naiks, 4 lance naiks and 96 sepoy.
- (3) Detective Staff Port Police—1 assistant sub-inspector and 10 constables.
- (4) Additional staff in Special Branch—1 Deputy Commissioner, 1 assistant commissioner, 5 inspectors, 6 sub-inspectors, 18 assistant sub-inspectors and 38 constables.
- (5) Additional sergeants—31.

The work of the Calcutta Police is difficult and arduous at any time, and the events of the last two or three years have placed a heavy strain

upon them. The constables have ordinarily to work for 10 hours a day, and are on duty for even longer periods when disturbances take place or are anticipated. No public holidays are observed, and men who apply for any leave other than casual leave have generally to wait for a year before they can be spared. After careful consideration we have come to the conclusion that, except in the armed police, it is not possible to effect any reduction in the lower ranks of the force.

198. **Proposed reorganisation.**—In Calcutta, much of the police work is done by officers of a higher rank than those who perform corresponding duties in the mufassal. The work in Calcutta no doubt presents difficulties which do not arise in the districts. Not only are professional criminals more skilful and more numerous, but it is also much more difficult to keep a watch upon their movements. In the mufassal the bad character is known not only to the police but to his fellow-villagers. His absence from home is noticed and reported to the police. In a congested and densely populated area like Calcutta, effective surveillance is almost impossible. But even after making allowance for these difficulties, we consider that some of the work which is done at present by Deputy Commissioners, assistant commissioners and inspectors can be entrusted to officers of the next lower rank, namely, assistant commissioners, inspectors and sub-inspectors. For example, outside Calcutta, all police-stations are in the charge of sub-inspectors who, we may mention, draw considerably less pay than sub-inspectors of the Calcutta Police. In Calcutta, however, 12 out of the 26 investigating centres are in charge of inspectors. The higher pay drawn by the Calcutta sub-inspector should ensure that he is an officer of at least equal qualifications and ability to the sub-inspector of the Bengal Police, and we think that the 12 police-stations to which inspectors are now posted can safely be entrusted to the charge of senior sub-inspectors.

199. **Deputy Commissioners.**—There are at present seven Deputy Commissioners in charge of (1) Administration, (2) North Division, (3) South Division, (4) Special Branch, (5) Detective Department, (6) Port Police and (7) Public Vehicles Department. We consider that the Special Branch and Detective Department can be placed under the supervision of one Deputy Commissioner, and that the work of the Port Police and Public Vehicles Department can be entrusted to assistant commissioners. The number of Deputy Commissioners can then be reduced from seven to four.

200. **Assistant commissioners.**—The number of assistant commissioners is at present 10. We recommend that the cadre be reduced to seven, and that the strength be disposed as follows: (1) North Division, (2) South Division, (3) Training College, (4) Special Branch and Detective Department combined, (5) Office and Arms Act Department, (6) Public Vehicles Department, and (7) Port Police.



201. **Inspectors.**—The present cadre of inspectors is 65, of whom 12 are in charge of investigating centres. We have recommended above that these 12 officers should be replaced by sub-inspectors. There are at present seven court inspectors. We recommend that their number should be reduced to four—one for each of the courts at Bankshall Street, Jorabagan, Sealdah and Alipore—and that the other three court inspectors should be replaced by sub-inspectors. We are of opinion that it is possible to make a further reduction of five in the number of inspectors by reducing the number of Arms Act inspectors from two to one, the number of hackney carriage inspectors from two to one, the number of motor vehicles inspectors from three to two, and the number of headquarters inspectors from four to two. The strength of inspectors can thus be reduced by 20. As the number of inspectors has increased from 31 in 1918-19 to 65 in 1931-32, we do not think that this is excessive. The 12 inspectors in charge of police-stations, the three court inspectors and the two inspectors at headquarters whose posts will be abolished will have to be replaced by sub-inspectors. We think it should be possible to fill these posts from the present cadre of sub-inspectors, which numbers 117.

202. **Sergeants.**—There are 217 permanent sergeants, of whom 64 are assigned to patrol and 49 to traffic. We are of opinion that the number in these departments can be permanently reduced by 25, when the present emergency passes. In addition, the services of one mechanic sergeant and one ordinary sergeant in the Motor Vehicles Branch can also be dispensed with, as the registration of new vehicles has fallen off considerably owing to continued trade depression.

203. **Uniforms.**—The scales of pay of the Bengal Police and the Calcutta Police are shown in the following statements:—

		Bengal Police.	Calcutta Police.
		Rs.	Rs.
Inspectors	..	.. 175—300	225—350
Sub-Inspectors	..	.. 80—130	150—200
Sergeants	..	.. 175—225	200—250
Assistant sub-inspectors	..	.. 30—40	30—50

In addition to the above, all ranks of the Calcutta Police from inspectors downwards are given free uniforms, while inspectors and sub-inspectors in the Bengal Police do not enjoy this concession. It is possible to justify the higher scales of pay for the Calcutta Police, but in our opinion there are no grounds for discriminating between them and the Bengal Police in the matter of free uniforms. We recommend that the grant of free uniforms to inspectors and sub-inspectors of the Calcutta Police should be discontinued. We are also of opinion that there is no justification for giving blue winter uniforms to the Calcutta Police. They are only worn for three or four months in the year, and the cold is less severe in Calcutta than in many other parts of the province.

The Bengal Police get no winter uniforms, and we see no reason for giving them to the Calcutta Police.

204. **Calcutta Training School.**—The staff of the Training School consists of one assistant commissioner, two inspectors, five sub-inspectors, three assistant sub-inspectors and 19 head constables. We have considered the possibility of abolishing the school, but have satisfied ourselves that it plays an indispensable part in preparing recruits for the varied and difficult duties they have to perform. There has recently been a decrease in the number of recruits under training as a result of fewer casualties by voluntary retirements or resignations, and we recommend that the staff should be reduced by one assistant sub-inspector and five head constables. There is a store for the sale of supplies to recruits in the Training School, the profits of which are not credited to provincial revenues, but are spent on police charities and on comforts for the men. We have no objection to the continuance of the present system, but as the staff maintained to run the stores is paid for by Government, a proportion at least of their pay should be debited to the profits.

205. **Investigating centres.**—The last Retrenchment Committee recommended a reduction by amalgamation in the number of investigating centres, but it does not appear from the printed statement of their decision that Government took any action on this recommendation. If it was rejected, the fact is not stated. We believe that a reduction is possible, and we recommend that the point should be examined. Making full allowance for the population and area of the city, and the number of cases to be investigated, we think that the number of centres can be reduced from 26 to 20.

206. **Rescue Home.**—Government maintain at a cost of Rs. 11,000 a year a Rescue Home, which is used chiefly for the reception of girls who are rescued from houses of ill fame. There are now several homes of the kind maintained by voluntary effort in Calcutta, and we suggest that Government should investigate the possibility of sending girls to these homes on payment of a capitation grant. We understand that this is generally Rs. 10 a month, which is much lower than the per capita cost of the Rescue Home.

207. **Armed police.**—Owing to the cantoning of troops in Bengal it should be possible to obtain the services of part of the Eastern Frontier Rifles when required in Calcutta for occasions such as the Muharrum, Pujahs, etc. On this ground we recommend that the additional company of armed police which was sanctioned last year, and which costs Government Rs. 50,000 a year, should be dispensed with, and we understand that the Commissioner of Police agrees that this can be done.

208. **Xmas dinner allowance to sergeants.**—There is a provision amounting to Rs. 1,250 for Xmas dinner allowances to sergeants.

This was granted when the number of sergeants in the force was small, and their pay much less than at present. We feel that it is impossible to justify this expenditure, and recommend that it should be discontinued.

209. **Ministerial staff in Public Vehicles Department.**—We recommend that the posts of two clerks in the Hackney Carriage Branch, six clerks in the Tax Branch and six clerks in the Motor Vehicles Branch should be abolished.

210. **Bonus to recruits.**—A bonus of Rs. 6-8 is granted to each recruit on enlistment. This was sanctioned in 1916 to encourage recruitment at a time when the scales of pay were much lower. We have been informed that suitable candidates for recruitment in the Calcutta Police force are forthcoming in sufficient numbers, and no special encouragement by way of grant of a bonus is necessary at present.

211.

Item.	Estimated savings.
<b>BENGAL POLICE.</b>	
	Rs.
1. Assistant to the Inspector-General .. ..	5,000
2. Deputy Inspectors-General .. ..	80,000
3. Additional Superintendents of Police .. ..	25,300
4. River Police .. ..	58,400
5. Railway Police .. ..	3,98,600
6. District Detective Department .. ..	78,500
7. Police Training School .. ..	21,700
8. Deputy Superintendents of Police .. ..	79,300
	<hr/> 7,46,800
<b>CALCUTTA POLICE.</b>	
1. Deputy Commissioners .. ..	52,600
2. Assistant Commissioners .. ..	22,600
3. Inspectors .. ..	72,200
4. Sergeants .. ..	72,900
5. Uniforms to police officers .. ..	25,500
6. Training School .. ..	3,000
7. Investigating centres .. ..	50,000
8. Armed police .. ..	50,000
9. Xmas dinner allowances to sergeants .. ..	1,300
10. Establishment, Public Vehicles Department .. ..	13,100
11. Bonus to recruits .. ..	2,000
	<hr/> 3,65,200
Total .. ..	<hr/> 11,12,000

## CHAPTER XIII.

### Education.

#### Grants.

212. **Grants to Universities.**—The current year's budget provides for a grant of Rs. 5,82,000 to the Dacca University (of which Rs. 5,50,000 is a statutory obligation under the Dacca University Act) and a grant of Rs. 5,04,000 to the Calcutta University. We understand that, while the pay of all Government servants has been reduced by 10 per cent., no reduction has been made in the pay of the teaching staff of these two Universities, and we believe that there are other directions in which they can effect economies in the present crisis. We, therefore, recommend that these grants be temporarily reduced by 5 per cent.

213. **Other grants.**—We understand that Government have already cut all grants-in-aid to educational institutions and societies by at least 10 per cent., except in the case of girls' schools, madrasahs, etc. Most of the aided schools and colleges have been hard hit by the falling off in the number of students, and are in a precarious financial position. The professors and teachers in these aided institutions are, as a rule, poorly paid. We, therefore, do not propose any further cut in these grants.

#### Government colleges.

214. **Deprovincialisation of arts colleges.**—There are at present ten Government arts colleges for men, namely, the Presidency, Dacca Intermediate, Hooghly, Sanskrit, Krishnagar, Chittagong, Rajshahi, Islamia and two Islamic Intermediate Colleges. The question of the deprovincialisation of Government colleges and the transfer of their management to committees is an old one. It was discussed by the Bengal Retrenchment Committee of 1923, who recommended the deprovincialisation of all Government arts colleges with the exception of the Presidency College. Recently it was considered at a conference presided over by the Minister for Education. The conference declared itself in favour of deprovincialisation, but attached the proviso that the money saved should be devoted to increasing the grants given to non-Government schools and colleges.

215. The following statement shows the total cost and the average cost per student in the different classes of Government, aided and unaided colleges in this province:—

Name of College.	Number of students.	Contribution from provincial revenues (1930-31).	Total cost per head.	Contribution per head from provincial revenues.
		Rs.	Rs.	Rs.
Presidency ..	844	3,75,159	628	458
Dacca Intermediate ..	284	1,19,867	522	422
Hooghly ..	298	1,03,241	441	380
Sanskrit ..	73	63,295	871	867
Krishnagar ..	141	95,883	671	683
Chittagong ..	390	1,13,608	387	309
Rajshahi ..	606	1,52,801	350	252
Islamia ..	330	93,130	359	285
		11,16,984		
Government grant in aid to 20 private colleges (1930-31)	..	2,68,224		

The tax-payer has to pay Rs. 376 per month for each student in the Government colleges, while he pays only Rs. 30 for each student in the aided colleges. The cost, and the general recognition of the fact that the most pressing need of the province is the extension of primary education, have been the main grounds in the case for the deprovincialisation of Government colleges. We recognise that these colleges are too expensive, and shall later recommend certain measures of economy. But we believe that they fulfil a very useful function. They set up a standard of discipline, conduct and teaching which many private colleges have not yet reached. We do not think that this standard could be maintained if they were deprovincialised, and in the present situation its relaxation would be a misfortune. In the second place, the immediate savings resulting from deprovincialisation would be small. We, therefore, do not recommend the deprovincialisation of Government colleges.

216. **Increase in fees.**—The fees at the Presidency College were raised by Government in 1926 from an average of Rs. 12 per mensem to Rs. 14 in the I.A.; Rs. 15 in the I.Sc. and B.A.; Rs. 16 in the B.Sc. and B.A. (Honours), Rs. 17 in the M.A., and Rs. 18 in the M.Sc.

classes. But in most other colleges, the fees charged are in our opinion insufficient. At Hetampur, the I.A. fee is as little as Rs. 4 per month, and the majority of other unaided colleges charge only Rs. 5 or Rs. 6 per month. In the I.Sc. classes the charges generally range from Rs. 6 to Rs. 8, and even in the B.A. and B.Sc. classes the maximum is Rs. 10 per mensem. The aided colleges are little better. The only college that charges over Rs. 10 for the B.Sc. student is St. Xavier's College, where the fee is Rs. 11. The Government colleges themselves charge fees ranging from Rs. 6 for the I.A. to Rs. 8 for the B.Sc. It is not possible to raise the fees in the Government colleges alone, as any such step will merely drive the students to other colleges. For this purpose concerted action is necessary, and we recommend that Government should take up the question with the University with a view to arriving at an agreed standard of fees.

217. **Hours of work of teaching staff.**—We have received evidence from leading educationists that the hours of work of professors are at present too few. All professors in undergraduate classes should lecture for at least 21 hours per week. In the case of professors in the Presidency College who teach post-graduate classes, we think that 16 hours of lecturing a week should be the minimum.

218. **Principals of colleges.**—We also understand that Principals of colleges are required to do very little teaching work, on the ground that their administrative duties take up most of their time. We are unable to subscribe to this view. We have received evidence that some Principals find it possible to lecture for 12 hours a week, in addition to their other duties, and we recommend that this should be laid down as a general rule.

219. At present an allowance of Rs. 100 to 250 per month is granted to Principals in addition to their pay. There is, in our opinion, no justification for this allowance, which should be discontinued.

220. The Islamia College and the Calcutta Madrasah are situated in close proximity to each other. We are of opinion that the principalships of these two institutions should be combined.

221. **Work for the University.**—We understand that professors in the Presidency College who give post-graduate lectures at the University do not receive any additional remuneration for this work, but that professors in other Government colleges get an honorarium of about Rs. 100 per month from the University. These professors draw pay as whole-time Government servants, and if Government allow part of their time to be devoted to University work, any fee which is realised should be credited to Government.

222. **Presidency College.**—The Presidency College is the foremost college in this province. Its total cost is Rs. 5,44,720, out of which Rs. 3,75,159 comes from provincial revenues. The average cost per student is Rs. 628 per annum. This high cost is, in our opinion, due to the fact that the college is overstaffed in every direction. The professors lecture as a rule for only 10 to 16 hours a week, including the lectures which some of them deliver to the post-graduate classes of the University. We have, in a previous paragraph, proposed that professors who teach in post-graduate classes should lecture for at least 16 hours per week, while the professors in undergraduate classes should do so for 21 hours. This will leave ample leisure for those engaged in research work, for which still further opportunities are afforded by the vacation, and during the four months from January to April, when the second and fourth year classes are not held. We recommend that the above standard of work be adopted, and the staff of the college reduced accordingly.

223. We have been told that another reason for the overstaffing of the college is that an arrangement exists with the Calcutta University under which the latter can utilise the services of Government professors for post-graduate teaching in the University. We have no objection to the continuance of the existing arrangement in regard to the teaching of science subjects, but so far as the arts subjects are concerned, it should, in our opinion, be terminated, and the staff of the Presidency College should be fixed only on the basis of the requirements of the college itself.

224. The post of Steward in the Presidency College appears to us to be unnecessary and should be abolished. The number of assistant librarians should also be reduced by one. The number of clerks should be reduced by three from nine to six, temporary assistants being taken at the rush season of admissions. We also think that the number of non-teaching assistants is excessive, and that four should be sufficient for the science section. The menial staff should be very largely reduced.

225. **Sanskrit College.**—This college is intended primarily for the encouragement of Sanskrit studies, but there are, among its staff, professors in modern subjects like English and History, who lecture to the students preparing for the ordinary University degrees. We believe that considerable economies can be effected by arranging for these students to attend lectures in the Presidency College in arts subjects. The danger of the proposal is that if the Sanskrit College offers the same educational advantages in such subjects as the Presidency College, many students will take admission in the former to avoid paying higher fees in the Presidency College. This difficulty can be obviated if the present conditions as to admission to the Sanskrit College are maintained, and the number of students is limited to 80,

which is about the average number of the last five years. We recommend that effect be given to this proposal.

**226. Bengal Engineering College.**—This, like the Presidency College, appears to us to be overstaffed to some extent at present. There is in the college an assistant professor of Civil Engineering on a pay of Rs. 750—900 *plus* overseas pay. We recommend that this post be filled up by an officer of the Provincial Educational Service. One Provincial Service post of professor of Mathematics, which was originally intended for a teacher of Survey, should be abolished. One of the posts of Anglo-Indian foreman on a pay of Rs. 300—500 can also be dispensed with. We do not recommend any further reduction in the teaching staff in view of certain proposals we shall make in connection with the Kanchrapara and Calcutta Technical Schools. The number of clerks (excluding the workshop clerk and the store-keeper) can be reduced from eight to six. We have no objection to the posting of a medical officer at the college to look after the health of the staff and students, but the allowance of Rs. 100 per month, which is at present paid to the Civil Surgeon of Howrah for holding medical charge of the college, should be abolished.

**227. Training colleges.**—There are at present two training colleges, one in Calcutta and the other at Dacca. We realise the need for trained teachers to raise the standard of education in this province, and the present dearth of qualified men. But in view of the financial condition of the province we recommend that, as a temporary measure, one of the training colleges should be closed. It should, we think, be possible to increase to some extent the numbers admitted to others. At present stipends are given to students attending the courses in these colleges. We are of opinion that no new stipends should be awarded for the present.

#### Government schools.

**228. Deprovincialisation of high schools.**—There are 1,055 high schools for boys in the province, of which 41 are maintained by Government at an annual expense of Rs. 11,20,402, and 496 are aided by grants. The grants to aided schools amount to about Rs. 8,77,591. Most of the arguments for and against the deprovincialisation of Government colleges apply equally to the deprovincialisation of schools, and on the grounds we have stated in the case of colleges, we do not recommend the general deprovincialisation of schools in the present circumstances. But we consider that there should not be more than one Government school in any district. There are at present two districts in which there is no Government high school, and there are five such schools in Calcutta. The number of these schools should be reduced



from 41 to 30; the remaining 11 schools should be deprovincialised with grants which should be gradually diminished.

**229. Hindu and Hare Schools.**—The Hindu School is a very old institution, while the Hare School was started in comparatively recent years. We find no sufficient justification for Government maintaining these two schools in immediate proximity to each other. We have been informed that only caste Hindus can be admitted to the Hindu School under the terms on which it was made over to Government, and that Government must therefore maintain another high-grade institution for the education of Muhammadan and non-caste Hindu boys. We have not been able to obtain any copy of these terms, and the Education Department has been unable to furnish us with an exact account of its provisions. We recommend that the position should be investigated, and that the two schools should be amalgamated unless the legal position makes this impossible. Pending the result of the investigation, the head-mastership of the two schools should be combined. One head-master with two assistant head-masters can look after both the schools without difficulty. It came to our notice after we had concluded our enquiries that there is a small school attached to the Sanskrit College. We think that Government should examine whether this cannot be included in the amalgamation.

**230. Education of Nizamats boys.**—In the Nawab Bahadur's Institution at Murshidabad there are special arrangements for teaching the boys of the Nizamats family. These boys reside in a separate hostel under the supervision of the head-master who is assisted by an Ataliq. The number of these boys was 26 last year, and the upkeep of the hostel cost Government about Rs. 6,000 per annum. In addition, Government are under an obligation to provide a European head-master for the school. We consider that the education of the Nizamats boys is a charge which should be borne by the Central Government.

**231. Consolidation of school fees.**—School-boys have at present to pay various small fees, such as the punkha fee and the ink fee, in addition to the ordinary school fee. All these fees are collected separately and entered separately in the accounts, a practice which causes unnecessary clerical labour which can easily be avoided. All the fees should be consolidated and collected together.

**232. Normal schools.**—There are five normal schools in the province, one in each division, for the training of teachers for middle schools and for junior posts in high schools. We have received suggestions from various quarters that these should be abolished or suspended, but we are unable to accept them. We consider that the lack of trained teachers is a serious obstacle to the progress of education in Bengal, and that their training is a function which Government may

legitimately finance. The present expenditure is quite inadequate, and we are unable to recommend its reduction.

233. **Curu-training schools.**—These schools have been established for the training of primary school teachers. The Bengal Retrenchment Committee of 1923 recommended that they should be abolished. We do not endorse this recommendation. The necessity of such schools is unquestionable and will increase when effect is given to the provisions of the Primary Education Act. We have been told that the schools are ill-equipped and poorly staffed. This, if correct, is a good argument for their improvement, but is not a convincing reason for their abolition.

234. **Ahsanulla School of Engineering.**—In 1930-31 the school had a total enrolment of 476 pupils, and its upkeep cost Rs. 1,13,838, of which Rs. 79,598 was met by Government. The annual cost of educating each pupil worked out at Rs. 237, of which Rs. 166 was borne by Government. The evidence we have heard has convinced us that in the present circumstances the school is producing too many overseers and sub-overseers, and that a large number of them are unable to find employment after leaving the school. We recommend that the number of pupils in the upper and lower subordinate classes should be restricted to 200. We shall recommend in a subsequent chapter the closing of the Survey School at Comilla, and the provision of survey training at this school. This will no doubt necessitate certain changes in the staff. Some of the existing posts can be abolished, and others may have to be created to provide the requisite staff for the teaching of survey, but the total cost of the staff should not be increased.

235. **School of Art.**—In 1931 this school had 216 students and cost Rs. 52,363, of which Rs. 37,907 was met from provincial revenues. We considered the possibility of its abolition, but do not recommend this, as we are satisfied from the evidence we have received, that the school is doing useful work and that most of its past pupils find remunerative employment.

236. **Government Commercial Institute.**—This school had 315 students on the rolls in 1930-31. The upkeep of the school cost Rs. 74,942, of which Rs. 50,931 was met by Government. The cost per pupil, therefore, worked out at Rs. 189, of which Rs. 128 was borne by Government. We are informed that a proposal to impart commercial education up to the B.Com. standard in this institution is under consideration. In the present financial position there is no possibility of this being done in the near future. We do not consider that it is a duty of Government to give young men an elementary training to fit them for clerical posts in commercial firms. There are many private institutions in Calcutta at which typing, shorthand and accounts

are taught. We, therefore, recommend that the Government Commercial Institute should be closed down.

### The Directorate.

237. **Director of Public Instruction and his assistants.**—The headquarters staff consists of the Director of Public Instruction, two Assistant Directors (one for Muhammadan education), one Additional Assistant Director, one Physical Director and one assistant physical director. We have received evidence that there is too much centralisation in the office of the Director, and that there are innumerable references on petty matters from subordinate officers to the office of the Director of Public Instruction; for instance, Inspectors of Schools, who have very large powers in the matter of distribution of grants, have not at present the power to sanction the leave of sub-inspectors or subdivisional inspectors of schools. Other instances of unnecessary references to headquarters can be cited. We have been told that if an assistant master is offered some coaching during a school term, he has to apply to his head-master who forwards the application with his recommendation to the Inspector of Schools. The Inspector moves the Director of Public Instruction, who asks the Education Department for its approval. After consultation with the Finance Department, the Education Department sanctions the proposal and communicates the fact to the Director of Public Instruction, who conveys the information to the assistant master by the same devious channel, frequently after the term has finished. The same procedure is followed where a subordinate officer is offered a fee for correcting examination papers, or wishes to provide his chaprassi with an umbrella. We recommend that much more power should be delegated to divisional and district inspectors of schools, to Principals and governing bodies of colleges and to head-masters and managing committees of high schools. This would enable Government to reduce the staff in the various offices to a considerable extent.

238. We believe that it should be possible for the Director of Public Instruction to cope with his work with the help of two Assistant Directors, of whom one should be in charge of Muhammadan education, and that one post of Additional Assistant Director can be immediately abolished.

239. **Physical Director.**—We recognise the value of the work done by this officer, but we consider that an assistant physical director is unnecessary. We recommend that this post be abolished, and that the pay of the Director be fixed at the rate now sanctioned for the assistant director.

### The Inspectorate.

240. **Strength of the staff.**—The table below indicates the strength of the departmental inspecting staff as it stood on the 31st March 1931:—

Inspecting staff.	Presi- dency Division.	Burdwan Division.	Dacca Division.	Chitta- gong Division.	Rajshahi Division.	Total.
Inspectors and Additional or Second Inspe- ctors.	(a)4	3	3	2	2	14
Assistant inspectors for Muhammadan education.	1	1	1	1	1	5
District inspectors	6	6	4	4	8	28
Subdivisional ins- pectors.	11	16	14	7	13	(c)61
Sub-inspectors ..	(b)41	50	66	40	46	243
Assistant sub- inspectors.	6	8	Nil	Nil	Nil	14
	Presidency and Burdwan Range.		Dacca, Rajshahi and Chittagong Range.			
Inspectresses of Schools.	1			1		2
Assistant inspec- tresses of schools.	6			6		12
Inspector of Euro- pean Schools.	Bengal Presidency.					1

(a) Includes the post of Second Inspector of Schools, which has been kept in abeyance.

(b) Includes the post of the special sub-inspector of schools, Calcutta, for the surveillance of ex-pupils of reformatory schools.

(c) Excludes four posts not yet filled for want of funds.

The total cost of the inspectorate amounts to Rs. 13,34,186. We appreciate the importance of inspection, but we feel that this is excessive in proportion to the total amount available for expenditure on education.

241. **Inspectors of Schools.**—The main duty of Inspectors and Additional or Second Inspectors of Schools is the inspection of high

schools, the distribution of grants and the control of the subordinate inspecting staff under them. We believe that much of the inspection work can be left to district inspectors of schools who are fully qualified for these duties. Moreover, professors and lecturers of Government colleges have half time work from January to April, when the second and fourth year classes are dissolved. During this period many of them can be employed on the inspection of high schools. We accordingly recommend that the posts of all Additional or Second Inspectors should be abolished. Each Inspector should have under him an officer of the rank of district inspector for work in connection with Muhammadan education and to assist him generally in his office work.

242. **Inspectresses and assistant inspectresses of schools.**—There are at present two Inspectresses and 12 assistant inspectresses of schools. From the evidence we have received we are satisfied that the 12 posts of assistant inspectresses can be abolished without detriment to the cause of female education, provided they are replaced by an Assistant Directress for female education. The inspection of primary schools for girls can be done by sub-inspectors of schools. We have been assured that there will be no objection either from Hindus or from Muhammadans to the introduction of this practice, but that the inspection of middle or high schools for girls by the male inspecting staff would be regarded as objectionable by those who observe the *pardah* system. For the inspection of these schools two Inspectresses working under the Assistant Directress, who should herself inspect a number of schools every year, will, in our opinion, be sufficient.

243. **District Inspectors of Schools.**—These officers perform important functions, and their responsibilities will increase when the Primary Education Act is brought into force. They are the chief advisers of the local bodies in all educational matters. We do not recommend any reduction in the number of these officers.

244. **Subdivisional inspectors of schools.**—The main duty of these officers is to inspect middle schools and to check the work of the sub-inspectors. They were perhaps necessary at one time, but we have evidence that in recent years Government have been recruiting well educated men of a superior type as sub-inspectors. The present minimum qualification for a sub-inspector is a B.A., B.T. degree and many of the recruits are M.A.'s. We consider that the sub-inspectors can be safely entrusted with the duty of making check inspections of middle English schools within their respective charges, and recommend that all the posts of subdivisional inspectors should be abolished. We think, however, that this may necessitate the appointment of an additional district inspector in each of the five big districts of Dacca, Bakarganj, Midnapore, 24-Parganas and Mymensingh, to help the district inspectors in their work.

**245. Sub-inspectors of schools.**—The Bengal Retrenchment Committee of 1923 recommended the abolition of sub-inspectors and assistant sub-inspectors of schools who are entrusted with the duty of inspection of the primary schools in the province. The reasons given by them can be found in their report and need not be reproduced here. We have given the subject, our very careful consideration, but are unable to recommend the entire abolition of these posts, though we think their number is capable of a large reduction. It is no doubt true that the inspection of primary schools is often perfunctory, and is directed rather to the collection of statistics than to advising and instructing the guru in the technique of his profession. But some inspection is necessary before the annual grants for primary education can be distributed, if only to make sure that the school continues to exist and is attended by a reasonable number of pupils. We think, however, that the duty of inspecting these schools should, ordinarily be undertaken by the union boards, the members of which can divide the work between themselves. It is one of the main functions of the union boards to look after primary education in the rural areas; and their responsibilities in this matter should, in our opinion, be increased until they are able ultimately to take complete control of primary education in the villages. We recommend, however, that one sub-inspector of schools should be retained in each subdivision to make check inspections and to help the district inspector in his work. The number of sub-inspectors of schools, which is at present 243, can be reduced to about 100 under our proposal.

**246. Inspector of European Schools.**—We are of opinion that the post of Inspector of European Schools can be abolished. It has been proposed to us that the European schools should be asked to look after themselves. The heads of the schools would elect a committee to which Government could nominate a few members. An annual block grant would be made over to the committee, who would distribute it according to formulæ prescribed or approved by Government, and out of it would pay a secretary who would do all the inspections with such help as he could get from the schools. We think it is perfectly feasible to put this scheme into effect at once. We suggest that it might be possible to have a part-time secretary, and to rely for inspection on volunteers from the schools whose expenses would be paid by the committee.

#### **Pay of the Educational Services.**

**247. Separation of the teaching and inspecting branches.**—The cadres of the higher educational services comprise posts both for the teachers, and for the inspectorate. Consequently a professor, in order to obtain the promotion to which he is entitled by seniority, may have to

be appointed an Inspector of Schools, however valuable he may be as a professor, and however unfitted for administrative work. The inconvenience is obvious, and can only be avoided by the unsatisfactory device of appointing an officer to a post on paper, and actually employing him in another. In our opinion the teaching branch should be entirely separated from the inspectorate, and should not be grouped in services. Government should fix a pay or a scale of pay for the different classes of teaching appointments.

248. **Teaching branch.**—We suggest below the scales of pay which would, in our opinion, be suitable for the various classes of teaching posts. For colleges our recommendations are as follows:—

- Principals of the Presidency and Sibpur Colleges—Rs. 1,200.
- Principals of other colleges—Rs. 1,000.
- Senior professors—Rs. 500—1,000.
- Junior professors—Rs. 250—650.
- Lecturers and demonstrators—Rs. 125—375.

The number of senior professors should be fixed according to the needs of the various colleges, and the other professors should be on the junior scale of pay. There should be a uniform scale of pay for lecturers and demonstrators; the present special pay-scale for the lecturers of the Presidency College should be abolished. Where we suggest a time-scale, the initial pay should be fixed according to the age of the successful candidate. This enables the appointment of men who have already made a mark in their profession, and are no longer young. If it is found necessary to recruit some Europeans as professors, they should be given a suitable overseas pay in addition to the basic salary.

249. The head-masters of schools should be paid a fixed salary of Rs. 400 per month, and assistant head-masters Rs. 225. The pay scales of the English and classical teachers in high schools should, we think, be Rs. 70—170 and Rs. 60—135 respectively.

250. **Inspecting branch.**—This branch should continue to be constituted in "services" as at present, with the following scales of pay:—

- Inspectors of Schools—Rs. 650—850.
- District inspectors of schools—Rs. 150—650.
- Sub-inspectors of schools—Rs. 60—150.

The pay of the Director of Public Instruction should in future be fixed at Rs. 1,200—1,500. An Assistant Director of Public Instruction should be given the pay of the post from which he is appointed *plus* a special pay of Rs. 100.

251. **Selection grades in the Indian Educational Service.**—We cannot conclude our remarks on the pay of the educational services,

without drawing the attention of Government to the exceptional rate of promotion at present enjoyed by officers in the Indian Educational Service. This service contains a lower selection grade on Rs. 1,250—1,500 and a higher one on Rs. 1,550—1,750. It was decided some time ago to abolish this service by the stoppage of recruitment. During the last few years, many of its senior officers have retired or obtained other employment. The total number in the service is now very small, but no reduction has been made in the number of posts in the selection grades. Consequently junior men are being promoted to selection grades much earlier than was contemplated when the pay of the service was fixed, and their promotion does not entail any additional work or responsibility. We can see no justification for this, and recommend that no officer of the Indian Educational Service should be promoted to the selection grades until he has completed the number of years of service at which he would ordinarily have been promoted in the days when the cadre and pay of the Indian Educational Service were originally sanctioned.

#### Miscellaneous items.

252. **Zenana classes.**—These classes cost Government Rs. 23,201 in 1930-31. We consider that they have outgrown their usefulness, and should be abolished.

253. **Board of Secondary Education, Dacca.**—We recommend the abolition of the paid post of Chairman to the Board. As there is also a paid secretary, the duties of the Chairman are very light, and we are satisfied that there will be no difficulty in finding a suitable educationist willing to undertake them in an honorary capacity.

254. **The Text Book Committee.**—This committee consists of 36 members and meets ordinarily twice a year. The travelling allowance paid to members amounts to Rs. 5,600 a year, approximately. While we are of opinion that the committee serves a useful purpose, and are opposed to its abolition, we recommend that the number of members be reduced by half.

255. **Grants to primary schools.**—The annual grants allotted to district boards for distribution among primary schools are sanctioned under 27 separate heads. The grants under each head are communicated to the boards concerned in separate letters, and they have to be acknowledged and accounted for separately. Each board does not, of course, receive 27 letters sanctioning grants, as many of these are given for special or local purposes. But from a scrutiny of the list it appears that most boards receive at least nine or ten separate sanctions. We see no reason why each board should not be addressed in one letter sanctioning all the grants to which it is entitled. Government must, of



course, be satisfied that the grants are spent on the objects for which they are sanctioned, but the accounts of the district boards are regularly audited, and statements of educational expenditure are annually submitted to the department. Any deviation will, therefore, quickly come to light. This recommendation will lead to a large reduction of work, not only in Government offices, but also in the offices of the district boards.

256.

Item.	Estimated savings.
	Rs.
1. Grants to Universities .. ..	54,300
2. Allowance to Principals of Government colleges .. ..	18,000
3. Principalship of Islamia College and Calcutta Madrasah .. ..	10,000
4. Presidency College .. ..	97,000
5. Sanskrit College .. ..	18,200
6. Bengal Engineering College .. ..	22,000
7. Training College .. ..	59,000
8. Head-mastership of Hindu and Hare Schools .. ..	6,000
9. Education of Nizamats boys .. ..	6,000
10. Government Commercial Institute .. ..	74,000
11. Additional Assistant Director of Public Instruc- tion .. ..	6,000
12. Physical Director .. ..	10,800
13. Inspectors of Schools .. ..	91,000
14. Inspectresses and assistant inspectresses of schools .. ..	44,500
15. Subdivisional inspectors of schools .. ..	1,35,000
16. Sub-inspectors of schools .. ..	2,25,000
17. Zenana classes .. ..	20,000
18. Board of Secondary Education, Dacca .. ..	14,400
19. Text Book Committee .. ..	2,800
Total .. ..	9,14,000

## CHAPTER XIV.

### Medical.

257. **Surgeon-General.**—We are of opinion that the post of Surgeon-General to Government is unnecessary and can be abolished. He has no public health duties to perform, and his main function is to look after the appointment, posting, transfer and discipline of the medical officers of the province. It will, in our opinion, be sufficient if an assistant surgeon of the rank of a Civil Surgeon be appointed as a Deputy or Assistant Secretary in the Medical Department to advise the Secretary on medical questions. He should get the pay of a Civil Surgeon, with an allowance of Rs. 100. On the more important questions the Minister can always obtain the technical advice of the State Medical Faculty or of senior medical officers posted in Calcutta, such as the Principal of the Medical College, the Director of the School of Tropical Medicine, and the Surgeon Superintendent of the Presidency General Hospital.

258. **Civil Surgeons.**—The medical administration of the districts is at present carried on by Civil Surgeons, who are either members of the Indian Medical Service or promoted assistant surgeons. Up to comparatively recent times, the Civil Surgeon was also the principal public health officer of the district and had many important duties to perform in that capacity. With the development of the Public Health Department and the appointment of health officers to work under the district boards, his responsibilities in this direction have ceased. The principal functions of the Civil Surgeon at present are the charge of jails, the medical care of gazetted Government servants, medico-legal work, the supervision of the hospital at the district headquarters, and the inspection of the local fund dispensaries and hospitals in the interior. We have already recommended that the administrative charge of jails should be taken away from Civil Surgeons and given to deputy or sub-deputy magistrates. We are of opinion that officers of the rank of Civil Surgeon are not indispensable for post-mortem work. Much of it is already done, even at the headquarters of districts, by assistant surgeons; and in the majority of subdivisions it is done by sub-assistant surgeons. The inspection of local fund hospitals and dispensaries can be made over to the district health officers, who are fully qualified medical men, or otherwise arranged for by the local bodies concerned. We understand, as a matter of fact, that inspections by Civil Surgeons have lately been very much restricted owing to the reduced allotments for travelling allowance.

259. In our opinion, the duties of the Civil Surgeon in the majority of districts are not sufficient to justify the employment of a whole-time medical officer. The best solution would be to pay a local practitioner a monthly allowance for the work. But the reluctance of medical men with the requisite qualifications to settle down in the mufassal presents a difficulty. We believe, however, that it should be possible to come to an arrangement of the kind in some districts, and we recommend that the experiment should be tried. This will assist to a solution of the difficulty, as the fact that Government are ready to enter into such arrangements where the services of a suitable doctor can be secured will attract better qualified men to the districts. Meanwhile, the medical charges of the province can, we think, be reduced from 27 to 18 by the amalgamation of districts. We suggest that the following distribution would be suitable:—

- |                            |                           |
|----------------------------|---------------------------|
| (1) Nadia and Murshidabad. | (6) Tippera and Noakhali. |
| (2) Khulna and Jessore.    | (7) Rangpur and Dinajpur. |
| (3) Hooghly and Howrah.    | (8) Pabna and Bogra.      |
| (4) Midnapore and Bankura. | (9) Rajshahi and Malda.   |
| (5) Burdwan and Birbhum.   |                           |

We have not suggested the amalgamation of the 24-Parganas or Darjeeling with any other district, as the work requires the services of a whole-time officer. The difficulties of communication in Faridpur, Bakarganj and the Chittagong Hill Tracts are such that we consider amalgamation impossible. The Civil Surgeons are *ex-officio* Superintendents of the Medical Schools at Dacca, Mymensingh, Chittagong and Jalpaiguri, and in that capacity must remain in residence at these stations. There is also a Medical School at Burdwan, but Birbhum cannot conveniently be amalgamated with any other district and is so light a charge that we think it can be looked after by the Civil Surgeon of Burdwan.

260. **Indian Medical Service.**—The Indian Medical Service, which was constituted primarily to meet the needs of the Indian Army, provides Bengal at present with 33 officers for civil medical employment. These are the Surgeon-General, 13 professors and superintendents of medical colleges and schools, 12 Civil Surgeons, 4 Superintendents of Central Jails, the Police Surgeon, the Surgeon Superintendent of the Presidency General Hospital and the Surgeon to His Excellency the Governor. We recognise the debt Bengal owes to the many eminent physicians, surgeons and administrators with which this service has provided it. But we are of opinion that Bengal can no longer afford these highly paid officers, except for the posts which we mention below. A few European medical officers will be required to provide medical treatment for British officers and their families posted in the mufassal;

we consider that four will be sufficient for this purpose. We also consider that one post in the Medical College should be reserved for a European member of this service. We have previously recommended that the posts of Superintendents of the Presidency and Alipore Central Jails should be filled by members of the Indian Medical Service. With the exception of these seven posts, all the other superior medical posts in the province should be filled up partly by the promotion of assistant surgeons and partly by private practitioners on part-time allowances.

**261. Military assistant surgeons.**—Like the members of the Indian Medical Service, these officers are primarily recruited for military purposes, but the reserve is distributed among the provinces for employment in civil posts. Formerly, 21 appointments in Bengal were reserved for military assistant surgeons, but in 1931 Government decided to transfer five of these posts to the cadre of the Provincial Medical Service, leaving the following 16 posts as reserved for Indian Medical Department officers:—

- 1 Assistant to Surgeon Superintendent, Presidency General Hospital.
- 5 House Surgeons, Presidency General Hospital.
- 1 Deputy Superintendent, Campbell Medical School.
- 1 Deputy Superintendent, Mitford Hospital, Dacca.
- 1 Assistant Director, School of Tropical Medicine and Hygiene.
- 2 Certifying Surgeons of Factories.
- 1 Police Training College, Sarda.
- 1 Superintendent, Pasteur Institute.
- 1 First Assistant, Port Health Officer, Calcutta.
- 1 His Excellency the Governor's Staff Dispensary.
- 1 Civil Surgeoncy.

As the average cost of a military assistant surgeon is much in excess of that of a civil assistant surgeon, we are of opinion that the cadre of Indian Medical Department officers should be further reduced by transferring the following posts to the Bengal Medical Service cadre:—

- 1 Deputy Superintendent, Campbell Medical School.
- 1 Assistant Director, School of Tropical Medicine and Hygiene.
- 2 Certifying Surgeons of Factories.
- 1 Superintendent, Pasteur Institute.
- 1 Civil Surgeoncy.

**262. Assistant surgeons.**—There are at present 24 assistant surgeons in subdivisional charges. We have scrutinised the list, and consider that ten of these charges can be entrusted to sub-assistant surgeons. We are further of opinion that the assistant surgeons at Rajshahi, Burdwan, Comilla, Barisal and Uttarpara should be replaced by sub-assistant surgeons. We also think that the assistant to the Civil

Surgeon, 24-Parganas, should be an officer of the rank of sub-assistant surgeon. There are also whole-time assistant surgeons in charge of the hostels at Sibpur, Rajshahi and Dacca. The officers at Dacca and Rajshahi should, in our opinion, be replaced by sub-assistant surgeons.

**263. Government hospitals and dispensaries.**—Most of the hospitals in this province are maintained by local funds or from private charity, but Government also maintain a few. We have scrutinised the list of Government hospitals, and can see no justification for the maintenance of the following institutions out of provincial revenues. These should be abolished or made over to local bodies:—

- (1) Kharagpur Isolation Hospital.
- (2) Uttarpara Hospital.
- (3) Ramna Hospital, Dacca.
- (4) Barisal Isolation Hospital.
- (5) All the Government hospitals in Darjeeling district, except the Phansidewa Hospital.

Government maintain several dispensaries in the Chittagong Hill Tracts. We consider that most of the expenditure may be justifiable in view of the fact that the district is a backward area, with practically no communications, an aboriginal population and no district board, but the attendance at the three dispensaries at Lama, Barkhal and Bandarban is very low, and we recommend that the necessity for maintaining them should be examined. The medical officer should, in any case, do the dispensing work, and the three posts of compounders should be abolished.

**264. Medical College and Hospitals and the School of Tropical Medicine.**—These institutions and, particularly, the Medical College and Medical College Hospitals, are, in our opinion, considerably over-staffed, but we have neither the materials nor the knowledge to be able to suggest reductions. We recommend that a small committee including experts should examine the question. We are also of opinion that much of the work could be done by private practitioners engaged on a monthly allowance. All the ablest men of the medical profession settle in Calcutta, where the prizes of the profession are to be found. We have evidence that the best of these men would be willing to accept professorships, with the privilege of private practice, on an allowance of Rs. 500 a month. Professors of the three important subjects of Surgery, Medicine and Midwifery should, however, continue to be Government officers on special rates of pay to be determined according to the qualifications of the candidates selected.

**265. The non-clinical professors, except the professors of Medical Jurisprudence, Mental Diseases, Hygiene and Dentistry, should be whole-time Government servants debarred from private practice.**

Their pay should, in our opinion, be Rs. 600—1,000 *plus* a non-practising allowance of Rs. 150 per month. The four posts mentioned should continue to be held by part-time men on an allowance to be fixed in each case in accordance with the circumstances.

266. There are two Registrars of the rank of assistant surgeon in the Medical College, and one in the Tropical School. We are of opinion that these three officers should be recruited from the cadre of sub-assistant surgeons.

267. After a serious case of defalcation in the Medical College a few years ago, two secretaries were appointed to look after the accounts, one for the college and the other for the hospitals. We consider that there is no necessity for these two posts, and that one officer with an accountant's qualification should be appointed in their place on a pay of Rs. 450—600.

268. There are a number of demonstrators in the college on a pay of Rs. 150—200—25/2—450. This scale of pay appears to us to be excessive, as medical qualifications are not necessary, and we recommend that the demonstrators in the Medical College should be paid at the same rate as demonstrators in the science departments of Government arts colleges.

269. **Medical schools.**—These schools were originally started with the idea of producing medical men with the qualifications of sub-assistant surgeons in sufficient numbers to provide for the medical needs of the mufassal. These hopes have not been fulfilled. The schools produce a large number of passed students, but instead of settling in the villages, they gravitate to the towns where they find themselves in competition with men of higher professional qualifications. We recommend that Government should take no further steps towards establishing the proposed medical school at Barisal, and should examine the possibility of closing down one or more of the existing schools. For instance, we see no reason for having medical schools both at Mymensingh and at Dacca. We also recommend that Government should consider whether the staff in the medical schools might be reduced in view of the decrease in the number of students, and whether non-official medical men can undertake part of the teaching work.

270. **Scales of pay for the medical services.**—We think that the future time-scales for Civil Surgeons, assistant surgeons and sub-assistant surgeons should be the same as those now in force, less 15 per cent. The selection grade for Civil Surgeons should be abolished. We deal elsewhere with the future pay of the Indian Medical Service.

271. **Grants.**—We recommend that the emergency grant should be reduced to Rs. 10,000 from Rs. 14,000. We have been unable

to find any system or principle on which the grants to hospitals are based; it appears to us that the grants to the Howrah General and Kalimpong Hospitals are disproportionately large and should be reduced.

**272. Arrangements for nursing.**—The Calcutta Hospital Nurses' Association undertakes nursing arrangements in the Presidency General and Medical College Hospitals in return for a grant of Rs. 1 lakh from Government. Owing to the financial crisis there has been a serious falling off in the income of the institution from subscriptions, and Government had to agree to give extra financial assistance to the institution in the current year to the extent of Rs. 88,000. Government made a special reference to the committee regarding the future arrangements for nursing in the Medical College and Presidency General Hospitals. It seemed to us, however, that the subject was one which should be considered by a specially constituted committee comprising representatives of the medical profession, the Calcutta Hospital Nurses' Association and its subscribers. A careful examination of the arrangements in force in institutions other than the Medical College Hospitals and the Presidency General Hospital, of the possibility of increased recruitment of Indian girls for training as nurses, and of the advisability of substituting to some extent male for female nursing, seemed to us to be necessary. We, therefore, recommended that the whole subject should be investigated by a committee appointed *ad hoc* by Government.

**273. Medical Stores Depot.**—Under the present rules all stores for State institutions must ordinarily be obtained by indent on the Medical Stores Depot in Calcutta. Only articles which are not available in the depot, or of which the cost is excessive in comparison with market rates, can be purchased locally, with the sanction of the Surgeon-General or of Government. We understand, however, that owing to the trouble and delay involved in applying for sanction, supplies are generally obtained from the depot, even though they can be bought locally at lower prices. We recommend that heads of institutions should be authorised to purchase their stores from approved dealers without higher sanction where the market rates are cheaper.

**274. Increase in fee receipts in hospitals.**—Government have recently issued a circular increasing the cabin charges in the Medical College Hospitals by Re. 1 per diem and fixing a scale of charges for surgical operations. In our opinion, a small fee should be realised from all patients in Government institutions who can afford to pay. For outdoor patients it should not exceed one anna; the expenses of collection and the clerical and accounts work can be reduced to a minimum by the installation of a suitable turnstile arrangement. Indoor patients should be charged a somewhat higher fee when able

to pay. Several district boards have already introduced this system, and we are told that it is working smoothly.

275.

Item.	Estimated	
	Savings.	Increase of revenue.
	Rs.	Rs.
1. Surgeon-General .. ..	39,000	..
2. Civil surgeoncies .. ..	99,000	..
3. I.M.S. officers .. ..	2,64,000	..
4. Military assistant surgeons .. ..	7,200	..
5. Assistant surgeons .. ..	40,600	..
6. Government hospitals and dispensaries .. ..	33,400	..
7. Registrars of Medical College and Tropical School .. ..	7,200	..
8. Secretary, Medical College .. ..	8,000	..
9. Abolition of one medical school .. ..	35,000	..
10. Emergency grant .. ..	4,000	..
11. Fees from patients .. ..	..	23,000
	<u>5,37,400</u>	<u>23,000</u>
Net saving .. ..	Rs. 5,60,400	



## CHAPTER XV.

### Public Health.

#### (a) Engineering Branch.

276. **Nature of work and establishment charges.**—The Engineering Branch of the Public Health Department is mainly concerned with the preparation, execution and supervision of water-supply, drainage and sewerage schemes on behalf of local authorities outside Calcutta. Its permanent superior staff consists of the Chief Engineer, four Executive Engineers and four assistant engineers. The establishment charges in the current year's budget are as follows:—

	Rs.
Pay of officers	... 87,660
Pay of permanent establishment	... 30,000
Pay of temporary establishment	... 41,100
Total	<hr/> 1,58,660 <hr/>

We are of opinion that the expenditure on establishment is incommensurate with the volume of work done. The staff was sanctioned on the assumption that the department would be called upon to execute, or supervise the execution of, new schemes involving an expenditure of Rs. 15 lakhs a year; on this basis, the establishment charges were estimated at about Rs. 2,10,000. Actually the value of the work done during the eight years from 1922 to 1930 has averaged about Rs. 7½ lakhs per annum, and has not exceeded Rs. 9,12,000 in any particular year, while the establishment charges have averaged about Rs. 2,10,000 per annum. It has been pointed out that the cost of labour and material has gone down in the last two years, and that the value of the work done does not adequately represent its volume. Even after making allowance for this factor, we are of opinion that the establishment charges are excessive.

277. **Our recommendations.**—We do not think it is necessary to retain the post of Chief Engineer, and recommend that the department be placed under the Chief Engineer of the Public Works Department. For the preparation of schemes and for supervision requiring specialised knowledge, he should be assisted by a staff of two Executive Engineers and three assistant engineers. One of the two Executive Engineers may be posted at Dacca, and one of the assistant

engineers should be a qualified mechanical engineer. The execution and supervision of most of the schemes require little specialised knowledge and can be done by Executive Engineers of the Roads and Buildings Branch. The subordinate establishment can also be reduced by at least half. We see no reason to think that the work is likely to increase in the near future, and, if it does, temporary additional staff can be engaged.

**278. Fees for sketch projects.**—At present no fee is charged for the preparation of sketch projects, but local authorities have to pay a small fee for the preparation of detailed estimates and drawings. It was suggested to us that a small fee should be levied for the preparation of sketch projects. We are unable to recommend this, as the financial condition of most of the local bodies is so poor that the levy of a fee, however small, will deter many of them from considering any scheme of sanitary improvement.

**279. Departmental suggestion.**—The Public Health Department has suggested a reduction of Rs. 20,000 in the grant for the Bhatpara sewerage scheme. We accept the suggestion.

#### (b) Public Health Branch.

**280. Nature of work.**—The main functions of the department are to collect information as to the actual sanitary condition of the country, to advise Government and local authorities in matters concerning the public health, and to provide help to local bodies in dealing with epidemic outbreaks. The department is doing valuable work, particularly through the rural health organisations which have recently been established. We are, however, of opinion that its superior staff is excessive and can be considerably reduced.

**281. Assistant Directors.**—The Director of Public Health is assisted by seven Assistant Directors, of whom four are "bureau" officers in charge of the following works:—

- (1) Bengal Public Health Laboratory,
- (2) Vaccination and vital statistics,
- (3) Malaria research, and
- (4) School hygiene.

The post of the Assistant Director in charge of vaccination and vital statistics is now in abeyance. Besides these four bureau officers, the Director of Public Health has under him three Assistant Directors in charge of territorial circles, whose principal functions are to inspect municipalities, and to supervise the work of the rural health units.

**282.** We are satisfied that the work in the public health laboratory requires a whole-time Assistant Director. It has been suggested that the post of Assistant Director for Malaria Research can be abolished,

the survey work being undertaken by district boards, and the research work at the School of Tropical Medicine. We are unable, however, to recommend any division of responsibility for this work, which is of vital importance to the province. Moreover, survey and research cannot be entirely divorced, and the labours of professors in Calcutta cannot be expected to yield results of practical value if they are based on information collected by a staff over which they have no control. The post of Assistant Director of Vaccination and Vital Statistics, which is now vacant, should be abolished. The remaining four posts of Assistant Directors can, in our opinion, be reduced to three. We believe that the Director should be able to administer the department efficiently with the help of five Assistant Directors.

283. **Publicity bureau.**—We are satisfied from the evidence we have received that the Publicity Superintendent and his assistants have been doing most useful work in spreading among the people some knowledge of the principles of hygiene and of the value of elementary sanitation in the villages. We are unable to recommend any reduction in the staff of the bureau.

284. **School hygiene bureau.**—This bureau looks after school hygiene and the medical inspection of school children. The work is under the charge of an Assistant Director, with the assistance of a Medical Inspector of Schools and three medical practitioners who are paid Rs. 50 per month for visiting schools in Calcutta. The last Retrenchment Committee recommended the abolition of this bureau in its entirety. While we are not prepared to go so far, we are of opinion that the staff is excessive. The services of the three medical men may be retained, but the posts of the Assistant Director and of the Medical Inspector of Schools should be abolished. The whole work can be supervised by one of the five Assistant Directors whose retention we have recommended, in addition to his other duties.

285. **Public health laboratories.**—We recommend that the Dacca branch laboratory be transferred to Calcutta. We understand that all the articles which are at present sent to the public health laboratories are of a non-perishable nature, and that there will be no difficulty on account of the delay in sending articles from places like Chittagong and Noakhali to Calcutta. The transfer of the Dacca laboratory to Calcutta will save some overhead charges, even if no reduction in the number of analysts is possible.

286. We also recommend that the excise part of the work done in the public health laboratory in Calcutta should be placed under the Chemical Examiner. The post of Assistant Chemical Examiner of Excise can then be abolished, and the additional accommodation available for the public health laboratory will enable it to undertake more work and earn more fees.

287. **Teacher of hygiene.**—We understand that classes for the teaching of hygiene to sanitary inspectors have been discontinued. The post of the teacher of hygiene should be formally abolished.

288. **Inspector of septic tank installations.**—The work of this officer consists in inspecting the septic tank installations in factories situated on the river Hooghly. His work is partly of an advisory nature, and his pay should, in our opinion, be met by the levy of a small fee from factories which have septic tank installations.

289. **Personal assistant.**—The Director of Public Health has at present a non-technical personal assistant on a pay of Rs. 420—20—600. We recommend that in future the pay of the personal assistant should be that of a head assistant in the office of the head of a department.

290. **Pay of public health officers.**—At present Assistant Directors get a pay of Rs. 500—900 rising to Rs. 1,000 after 20 years of service, with an additional 33½ per cent. In the post-war years, when the pay of most services was revised, these officers were given this percentage increase, pending a revision of their pay, but this revision has never been effected. We recommend that in future Assistant Directors should be given the same pay as promoted Civil Surgeons. We also recommend that the pay of district health officers should be fixed at Rs. 250—450. As half the pay of these officers is provided by Government grants, our proposal will mean a proportionate reduction in the Government contribution to district boards on this account.

291.

Item.	Estimated	
	Savings.	Increase of revenue.
	Rs.	Rs.
1. Chief Engineer .. .. .	26,600	..
2. Executive Engineers, assistant engineers and subordinate establishment .. .. .	78,000	..
3. Bhatpara sewerage scheme .. .. .	20,000*	..
4. Assistant Director of Public Health .. .. .	14,500	..
5. School of Hygiene Bureau .. .. .	19,000	..
6. Dacca Branch Laboratory .. .. .	6,700	..
7. Assistant Chemical Examiner of Excise .. .. .	6,600	..
8. Teacher of Hygiene .. .. .	3,000	..
9. Septic tank installations .. .. .	..	5,100
	<b>1,74,400</b>	<b>5,100</b>
<b>Total</b> .. .. .	<b>Rs. 1,79,500</b>	

\* Non-recurring.

## CHAPTER XVI.

### Agriculture.

#### (a) Veterinary.

292. **Nature of work.**—The Veterinary Department consists of two branches, one of which is responsible for the administrative side of the work, and the other for instruction and research. Instruction is imparted at the Bengal Veterinary College at Belgachia. It contains a fully-equipped research laboratory, but we understand that little research work is actually being done at present. The administrative branch controls the veterinary officers throughout the province, and deals with the prevention of contagious diseases, and the treatment of sick animals.

293. **Staff for superintendence.**—The administrative branch of the work is under the Director, Civil Veterinary Department, who is also the Veterinary Adviser to Government. He is assisted by two Assistant Directors in charge of the Eastern and Western Ranges. Under them are eight veterinary inspectors, who are wholly paid for by Government and are employed on supervising the work of the veterinary assistant surgeons. These are distributed as follows:—

Employed under local bodies	...	110
In charge of the hospitals at Alipur Duars and Dacca	...	2
Staff officer	...	1
Reserve officers	...	12

Two-thirds of the average cost on account of the pay, allowances, leave and pension of the 110 veterinary assistants are paid by the local bodies under whom they are employed, while the cost of the others falls wholly on Government. The reserve officers form the leave reserve of the staff employed under local authorities. The staff officer, and any of the reserve who are not at the time working under local bodies, are sent out to the mufassal to deal with serious outbreaks of cattle disease.

294. The last Retrenchment Committee were of opinion that, as the benefits of veterinary work are essentially local in character, the

whole of the cost of district veterinary assistants should be met by the bodies who employ them. We agree with this view, and at the same time we accept the proposition laid down by the Royal Commission on Agriculture that, broadly speaking, control of contagious diseases is the duty of the State, while other forms of public veterinary assistance are the duty of local bodies, though, we would modify it by adding that, at the present stage in the development of veterinary work, Government should exercise some supervision over the staff employed by local authorities. We think that one Director, one Assistant Director, five inspectors and six veterinary assistants are sufficient for epidemic duties and for the work of supervising the district veterinary assistants. These district veterinary assistants should, in our opinion, be placed entirely under the control of the local authorities, who should then bear the whole of their cost. The leave reserve maintained by Government can then be abolished, and the local bodies should be responsible for filling up leave-vacancies. We have been told that the control of veterinary work should remain in the hands of Government, as local bodies are prone to neglect this important duty and cannot, under the existing law, be compelled to incur expenditure on veterinary work. We do not attach much weight to this objection, as Government can always enforce the proper performance of veterinary work by reducing or withholding the augmentation grant.

295. **Bengal Veterinary College.**—In 1930-31 the receipts of the college from fees, etc., were Rs. 40,629, while the expenditure was Rs. 1,92,228. The number of students in the same year was 141, so that the tax-payer has to pay over Rs. 1,000 per annum for the training of each student. Moreover, most of these students come from other provinces. In 1930-31, the number of Bengali students was only 50 out of 141. It is, therefore, necessary either to reduce the expenditure or to increase the fees. Unfortunately, it is likely that any increase in the fees may lead other Governments to withdraw their students and establish their own veterinary colleges, as the Government of Bihar and Orissa did in 1930, when the Government of Bengal demanded an increased contribution towards the cost of the college. The remedy must, therefore, be found in reducing the cost.

296. We do not see any necessity for the post of manager, and consider that it should be possible for the Vice-Principal to do the work in addition to his other duties. The duties of Principal of the college can, we think, be efficiently discharged by an Indian, on considerably lower pay than at present, and without an overseas allowance. The maximum, in our opinion, should not exceed Rs. 1,000 a month. The riding school, which is not essentially necessary for veterinary teaching, should be abolished. The trained veterinary assistant surgeon in the mufassal is mainly engaged in the treatment of cattle. With the

increase in motor transport, his services are less and less required for horses and ponies, and, except in the hills, a bicycle is almost invariably his means of locomotion. There are 91 menials in the college, and their number can be largely reduced. In the time at our disposal it is impossible for us to examine the menial establishment under Government, but we are convinced that in every department it is largely in excess of requirements. The cultivation of the compound should be run on commercial lines; if this is impossible, it should be abandoned. Tenders should be invited for the annual supplies of food-grains at the time of year when prices are lowest; this, we understand, is not done at present.

297. **Glanders and farcy staff.**—The Principal of the college has under him a staff of nine inspectors for preventing and dealing with outbreaks of equine diseases in the town of Calcutta and in the suburban areas. On the recommendation of the last Retrenchment Committee, the Corporation of Calcutta were asked to take over this work, but they did not agree to do so. We recommend that the matter be taken up again with the Corporation of Calcutta and the suburban municipalities, and that they be required, by legislation if necessary, to accept the responsibility for this work. It is inequitable that the tax-payer of Bengal should be required to bear this expenditure for the benefit of the residents of Calcutta and its suburbs. If these diseases break out in epidemic form, the local authorities may reasonably look to Government for assistance in preventing their spread. But it is not the duty of Government to maintain a staff merely to detect outbreaks of disease or to deal with sporadic cases.

298. **Grant to Calcutta Society for the Prevention of Cruelty to Animals.**—We recommend that in the present financial condition the annual grant to this Society should be reduced to Rs. 70,000 per annum.

299. **Poll-tax on cattle.**—Every year large numbers of cattle are imported into Bengal from upper India and sold at the *melas* held at many places in the province and especially in North Bengal. It has been suggested to us that a poll-tax should be imposed on these cattle. We recommend that the possibilities of this proposal be examined by Government. It would almost certainly be unprofitable to collect the tax directly through the agency of Government servants, but the right to collect it might be farmed out by auction, and we believe that this would bring in a substantial revenue.

#### (b) Agriculture.

300. **Nature of work.**—The business of the Agricultural Department is to popularise the adoption of better methods of farming and

the use of improved seeds, fertilisers and implements among the cultivators of the province. Its main functions are, therefore, research and experiment in the first place, followed by demonstration and propaganda. The research staff works at the central research station at Dacca. The results they obtain are tested at the experimental farms. Demonstration and propaganda begin when the department is satisfied with the results obtained.

301. **Research staff.**—Research must obviously be the foundation of the work of the department, but if its researches are to have any practical results, their value must be proved to the satisfaction of the cultivator. Propaganda and demonstration should keep pace with research and experiment, but we consider that, in Bengal, the department has concentrated its energies on the scientific experimental side of its work, to the detriment of the rest, and that the number of specialist officers can be considerably reduced. The research staff at Dacca consists of a fibre expert, two economic botanists, an agricultural chemist, an agricultural engineer and a live-stock expert. There are, in addition, an assistant fibre expert, an assistant economic botanist and an assistant agricultural chemist. One of the economic botanists is at present officiating as Director of Agriculture. His post should be abolished on his confirmation as Director. The work of the fibre expert is being carried on by an administrative officer, and this post also can, we think, be abolished. The assistant fibre expert should carry on the work under the immediate control of the Director. We consider that the post of agricultural engineer is unnecessary and should be abolished. The work on which he is engaged can be entrusted to the industrial engineer, whose work is of a similar nature, and requires the same qualifications. Its volume, in our opinion, is not sufficient to justify the two posts. We also think that cattle breeding should be transferred from the Agricultural Department to the Veterinary Department. This will enable Government to dispense with the live-stock expert, whose duties should be made over to the Veterinary Adviser to Government. In dealing with the Veterinary Department we have made proposals which will leave him sufficient time to undertake this additional responsibility. The result of our proposals is that the number of superior research officers will be reduced from six to two, viz., one economic botanist and one agricultural chemist. The three posts of assistants should remain.

302. **Cattle farms.**—There are at present two cattle farms, one at Dacca and the other at Rangpur. We see no necessity for maintaining two farms, and recommend that one of them be closed down.

303. **Agricultural farms.**—There are 26 agricultural farms scattered over the province, in addition to a tobacco farm at Rangpur. The



tobacco farm aims at improved methods of production of a valuable crop and may continue. The other farms divide their activities between experiment and demonstration. There are, in most of these farms, "economic areas" set aside for the purpose of showing that scientific agriculture on the lines recommended by the department is a paying proposition. Unfortunately, an examination of the financial results of these areas reveals the fact that they rarely show any real profit; in 1930-31 there was all-round loss. The reservation of economic areas seems to us to be useless unless they are made to pay. The peasant of Bengal is a shrewd practical man with very limited means, and he will only adopt new methods if he is convinced that they are likely to yield him an increased profit. For experimental purposes a few farms only are necessary. The last Retrenchment Committee recommended that the farms then in existence should be reduced, and that there should be one farm for each area with distinctive features of soil and climate. The view of the department is that this would mean an increase in the number of farms, as even within a district there are great variations in soil and climatic conditions, and the basis of distribution suggested by the Committee would mean several farms for each district. The argument is not convincing, nor is it supported by the practice of the department. We find, for instance, in the report of the department for 1930-31, that four centres were sufficient for the selection of pure lines and hybrids of paddy suited to the varying needs of the province. For experimental purposes, we think that five farms should be sufficient for the whole province. The rest of the farms should be made over to local bodies and associations, or leased out to persons who would run them on commercial lines. We desire here to draw attention to the view expressed in the Report of the Royal Commission on Agriculture that demonstration on cultivators' own fields is preferable to demonstration on a Government farm. With this we are in complete agreement.

304. **Kalimpong farm.**—This farm was started by the St. Andrew's Colonial Homes in 1907, and functioned as a semi-Government institution till 1928, when it was taken over by Government on a lease. At present it works at a loss. We recommend that an endeavour should be made to run it on commercial lines; if it cannot be run except at a loss, the lease should be terminated.

305. **Administrative staff.**—There are at present an Assistant Director, as well as three Deputy Directors in charge of the Eastern, Western and Northern Circles. We see no necessity for the post of Assistant Director and recommend that it be abolished. The Deputy Directors are responsible for all agricultural work, other than research, within their respective charges, and their duties include the supervision of the experimental and district farms. In consequence of the

reduction in the number of farms proposed by us, we consider that two Deputy Directors should be sufficient in future. There are at present five superintendents, one of whom is in charge of the Kalimpong farm. If this farm has to be closed down, the number of these officers should be reduced to four. We do not propose any further reduction in their number, though, in our opinion, the services of these officers are not fully utilised at present; one of them was lately employed for some time on the work of rearranging and recataloguing the library at the Dacca farm. We think, however, that they can be fully and usefully employed in propaganda and in supervising and controlling the work of the district agricultural officers and in the five experimental farms. There should be one district agricultural officer for each district, and the cadre of the service should be fixed at 30. The post of Inspector of Agricultural Schools should, in our opinion, be abolished.

306. **Travelling allowance.**—We consider that the amount spent by this department on travelling allowance is excessive and can be considerably curtailed.

### (c) Sericulture.

307. In the last century silk was one of the great industries of Bengal. For many years now it has been in a moribund condition, owing partly to foreign competition and partly to the spread of disease among the silkworms. The area under mulberry cultivation in the province has dwindled to about 25,000 acres. The work of the sericultural department consists mainly in the production of pure line and disease-free seed, and the annual expenditure is about Rs. 1,50,000. This amount cannot possibly be recouped from the sale of seed. In 1930-31, the receipts from the nurseries amounted only to Rs. 27,886.

308. We have considered the possibility of abolishing the department, but do not feel justified in recommending this. It would inevitably result in the extinction of the industry within a few years, and in the impoverishment of the considerable number of agriculturists who still rely upon it either as their sole means of livelihood or as an important subsidiary source of income. At the same time we consider that the present expenditure cannot be justified. We think that Government should continue to maintain the nursery at Piasbari for the production of disease-free seed. The others should be abolished, or leased out to local associations or individuals, if any can be found to take them. Of the two sericultural schools, only the one at the Piasbari nursery should be retained. The superior staff of the department should be reduced to one Deputy Director and one superintendent.

**(d) Botanical and other gardens.**

309. **Royal Botanic Gardens.**—This garden, which was established in 1787, affords recreational and educational facilities to the people of Calcutta, but its main usefulness lies in the fact that it is the headquarters of the Botanical Survey of India. From that aspect its value is Imperial and not provincial, and, in our opinion, the expenditure should be a charge on the revenues of the Central Government. The transfer of the garden to the Government of India was considered in 1921-22, but eventually that Government decided to postpone the question indefinitely on the score of financial stringency. We consider that the matter should again be taken up with the Central Government, and it should be explained to them that in the event of their refusal, the Government of Bengal will be unable to do more than maintain an overseer and a small staff of *malis* to keep the garden in order.

310. **Lloyd Botanical Garden, Darjeeling, and the Dalhousie Square Garden.**—We see no reason why the cost of these two gardens should be borne by the tax-payers of Bengal. We recommend that they be made over to the Darjeeling municipality and the Calcutta Corporation, respectively. As the Darjeeling garden has some educational value, Government may reasonably make a suitable contribution towards its upkeep.

**(e) Co-operative Societies.**

311. The expenditure on this department, which was Rs. 4,10,417 in 1924-25, will be about twice this amount in the current year. There has been a corresponding increase in the number of societies from 11,081 in 1924-25 to 23,677 at the end of 1930-31. The last Retrenchment Committee were of opinion that the movement should not be kept under official tutelage, but should be left, in accordance with co-operative ideals, mainly to non-official organisation and control. On the basis of this principle, sweeping economies were recommended by them. We are, however, unable to recommend at the present moment any relaxation of Government control. There is a network of village societies and central banks spread over Bengal, in which very large sums of petty shareholders' and depositors' money are invested, as well as a considerable amount of funds belonging to public institutions, such as hospitals and schools. The present economic crisis has imposed a severe strain on many of the societies, and any relaxation of Government control and audit in existing circumstances might have very serious consequences. We are, however, of opinion that there should be no further expansion in

the activities of this department at present, and that all propaganda aiming at the formation of new societies should be stopped.

312.

Item.	Estimated savings.
	Rs.
(a) Veterinary—	
(1) Assistant Director .. ..	6,300
(2) Veterinary inspectors .. ..	5,900
(3) Veterinary assistant surgeons .. ..	1,11,700
(4) Manager, Bengal Veterinary College .. ..	2,700
(5) Riding class, Bengal Veterinary College .. ..	1,900
(6) Glanders and Farcy staff .. ..	18,500
(7) Grant to Calcutta Society for the Prevention of Cruelty to Animals .. ..	46,000
(b) Agriculture—	
(1) Economic Botanist .. ..	18,100
(2) Fibre expert .. ..	12,600
(3) Agricultural engineer .. ..	22,000
(4) Live-stock expert .. ..	16,700
(5) Cattle farms .. ..	19,100
(6) Agricultural farms .. ..	89,300
(7) Assistant Director .. ..	16,900
(8) Deputy Director .. ..	24,000
(9) District agricultural officers .. ..	7,500
(10) Inspector of Agricultural Schools .. ..	7,000
(11) Travelling allowance .. ..	15,000
(c) Sericulture .. ..	1,26,300
(d) Botanical and other gardens—	
(1) Royal Botanic Gardens, Calcutta .. ..	1,12,400
(2) Lloyd Botanical Garden, Darjeeling, and Dalhousie Square garden .. ..	17,000
Total .. ..	<u>6,96,900</u>

## CHAPTER XVII.

### Industries.

313. **Nature of work and gazetted staff.**—This department was formed in 1919 as a result of the report of the Industrial Commission, with the object of stimulating the development of industries in the province by means of demonstration and propaganda, research, technical advice and the provision of technical and industrial education. The headquarters staff consists of the Director of Industries, an industrial chemist, an industrial engineer, a superintendent of textile demonstrations, the Superintendent of the Bengal Tanning Institute, an inspector of technical and industrial institutions, and an assistant inspector of weaving schools. We have examined the necessity for these posts and are unable to recommend the abolition of any of them, except those of the superintendent of textile demonstrations and of the assistant inspector of weaving schools. The industrial chemist is engaged on important researches, of which those relating to the soap-making industry have already given practical results. The industrial engineer has also achieved results which justify the retention of the post. In a previous chapter we have proposed that the work now done by the agricultural engineer should be entrusted to this officer. The post of the inspector of technical and industrial institutions cannot, in our opinion, be dispensed with.

314. **Assistant inspector of weaving schools.**—This post was created in 1928, on the transfer of the control of the outlying district and peripatetic weaving schools and demonstration parties from Serampore to the Director's office. After its creation it remained vacant for a period of about two years, without apparently causing any serious inconvenience to the department. We recommend the abolition of the post.

315. **Weaving schools and demonstration parties.**—The Central Weaving Institute is located at Serampore. Weaving education is carried on in the interior by the district and peripatetic weaving schools and by demonstration parties. We do not recommend the abolition of the weaving schools, but we consider that district boards should be required to pay at least Rs. 400, instead of Rs. 150 as at present, towards the cost of each peripatetic school, which averages about Rs. 1,500 a year. The demonstration parties performed valuable work when the fly-shuttle loom was a novelty in Bengal, and they were sent out to

demonstrate its use to the weavers in the villages. These looms are now in common use all over Bengal, and we think that the demonstration parties can be abolished. With the abolition of these parties the post of superintendent of textile demonstrations becomes unnecessary. We also recommend that the grant to the Kalimpong Weaving School should be reduced from Rs. 6,000 to Rs. 3,000.

316. **Bengal Tanning Institute.**—We have received evidence that this institute has done very useful work, and has given a great impetus to the tanning industry in Bengal by its researches. It has been suggested to us that the industry is now so well established that it can take care of itself, without any further assistance from Government. We are, however, unable to subscribe to this view, as we believe that the possibilities of improvement have not yet been exhausted, and that the researches and experiments carried on in the institute will be of value to the industry for some time to come. We are also of opinion that the tanning demonstration parties are doing good work and should be continued.

317. **Kanchrapara Technical School.**—This school, which was established for the purpose of giving theoretical training to the apprentices at the Kanchrapara railway workshops, cost Government, in 1930-31, Rs. 44,049, while the approximate cost to the Eastern Bengal Railway was Rs. 52,080 in the shape of the pay of the apprentices. The maximum number of apprentices which the school has had on its rolls at one time is 72, so that their training costs Government over Rs. 600 a year for each student. We do not consider that this can be justified. The East Indian Railway has a different method of training its apprentices. We have been informed that they spend nine months each year in the workshops at Lillooah and Jamalpur, and are then sent for the other three months to the technical school at Jamalpur. We recommend that this system be introduced for the apprentices at Kanchrapara, and that the Technical School there be abolished. The apprentices should do nine months a year in the workshops there, and should be sent to the Bengal Engineering College at Sibpur for three months for the theoretical part of their training. We have evidence that the present staff at Sibpur could undertake this work, with the addition only of a lecturer-demonstrator in mechanical engineering.

318. **Calcutta Technical School.**—This institution receives an annual grant from Government of about Rs. 38,000. We think that a similar arrangement to that which we have proposed for the apprentices at Kanchrapara could also be made for those under training at this school, which could then be closed. There are several institutions where the pupils other than apprentices can be trained.

319. **Mining classes.**—These classes were established in 1923 with the co-operation of the Indian Mining Federation and the Indian

Mining Association, which contributed between them a sum of Rs. 5,500 towards the total cost of Rs. 23,234. Both the Federation and the Association discontinued their grants from 1928-29, and Government curtailed the expenditure on the classes to some extent. There is much unemployment in this industry owing to the present depression, and we see no object in adding to the number of trained men until conditions improve. We, therefore, recommend that these classes be temporarily abolished.

320. **Survey School at Comilla.**—Besides training amins, this school also provides second year survey final classes. We are of opinion that it can be entirely closed down. The second year survey classes should be held at the Ahsanulla School of Engineering at Dacca, and the amin classes abolished. This will not involve any hardship, as amin classes are also held at the technical schools at Rajshahi, Burdwan, Pabna and Rangpur.

321. **Technical schools.**—There are four Government technical schools at Rangpur, Pabna, Bogra and Barisal. These schools serve a useful purpose and should be continued, but we recommend that the possibility of making them over to district boards should be examined by Government.

322. **Grants-in-aid.**—We recommend that grants-in-aid should be reduced by 10 per cent., as in the case of grants to institutions under the Education Department.

323. **Ministerial staff at headquarters.**—The clerical staff at headquarters consists at present of a superintendent on a pay of Rs. 500, 10 upper division assistants (9 on Rs. 120—350 and 1 on 125—200) and 25 lower division assistants. We have considered the volume and nature of the clerical work in the office of the Director of Industries, and are satisfied that neither the number, nor the rates of pay, of the staff can be justified. We recommend that the post of superintendent should be abolished, and that the number of clerks should be reduced by half, only one-fourth of whom should be in the upper division.

#### **Cinchona cultivation.**

324. **Sale to the trade.**—The budget provision for expenditure under this head in the current year is Rs. 3,42,000, while the estimated receipts are Rs. 6,37,500. The profits would have been much larger but for the restrictions placed on the sale of quinine by the Government of India. The Local Government are permitted to sell it only to Government departments and to local fund hospitals and dispensaries. Sale to the trade is prohibited for reasons of which we have been unable to get a clear explanation. The Local Government hold at present a stock of quinine worth about Rs. 8 lakhs. We have been told that the cost of quinine, including interest on capital, may roughly be estimated at

Rs. 10 a pound. The trade price is about Rs. 25 a pound. Government could, therefore, sell much below the market rate, and at the same time make a substantial profit. It seems to us essential that steps should be taken to reduce the stock in hand, and that the Government of India should be asked to remove the present embargo on sales to the trade. Production can only be curtailed by sacrificing capital outlay, and we do not think that its curtailment would be sound policy.

325. **Superintendent of Cinchona Plantations.**—The Superintendent of the Royal Botanic Garden is also the Superintendent of Cinchona Plantations, with an allowance of Rs. 200 a month for the work. We think this is unnecessary, and recommend that either the Quinologist or one of the managers at Munsong and Mungpoo should be the head of the department without an additional allowance.

326.

Item.	Estimated	
	Savings.	Increase of revenue.
	Rs.	Rs.
1. Assistant inspector of weaving schools ..	6,000	..
2. Peripatetic weaving schools ..	..	2,500
3. Demonstration parties ..	18,200	..
4. Superintendent of textile demonstrations ..	3,100	..
5. Kalimpong Weaving School ..	3,000	..
6. Kanchrapara Technical School ..	41,000	..
7. Calcutta Technical School ..	38,000	..
8. Mining classes ..	15,000	..
9. Survey School at Comilla ..	22,000	..
10. Ministerial staff in Director of Industries' office ..	30,600	..
11. Grants-in-aid ..	11,300	..
	1,88,200	2,500
Total ..	Rs. 1,90,700	



## CHAPTER XVIII.

### Commerce and Marine Departments.

327. **Boilers Fund.**—This is a local fund, the income of which is derived from the levy of fees for the inspection of steam boilers. These fees are payable in accordance with the provisions of the Steam Boilers Act of 1923. The total receipts are somewhat in excess of the expenditure. We do not think that there are any grounds for treating this as a local fund, and we recommend that the receipts and expenditure should be provincialised. The fact that the jurisdiction of the Boilers Commission extends to Bihar and Orissa and Assam presents no real difficulty. A *pro forma* account should be maintained after the fund has been provincialised, so that the fees may be increased if at any time the expenditure exceeds the receipts. The fees paid to Commissioners attending meetings should be reduced from Rs. 32 to Rs. 20.

328. **Smoke Nuisances Commission.**—We do not consider that the cost of the Smoke Nuisances Commission can be properly debited to provincial revenues. The work of the Commission is confined to Calcutta and its suburbs, and the whole of the staff is located in this area. We recommend that Government should retain control of the work, but that the whole of the cost should be recovered from the municipal bodies of the area benefited. This will require legislation.

We recommend that the fees paid to Commissioners for attending each meeting should be reduced from Rs. 32 to Rs. 20.

329. **Inspection of factories.**—It is the duty of factory inspectors to inspect all important factories at least once a year and to see that the provisions of the Factory Act are being observed. The total number of registered factories was 1,603 in 1931. In view of this we cannot recommend any reduction in the staff, except that the post at Jalpaiguri for the inspection of tea gardens should be abolished. It is not, in our opinion, necessary to inspect all tea gardens annually; it would be sufficient if one-fifth of them were inspected every year by an officer deputed from Calcutta in the working season.

330. **Electrical Department.**—The functions of this department are entirely distinct from those of the electrical branch under the Public Works Department. Its main work consists in looking after the administration of the Indian Electricity Act and in seeing that

its provisions are not infringed by private licensees. The electrical branch under the Public Works Department is solely concerned with the maintenance and repairs of electrical installations in Government buildings. The amalgamation of these two departments, which was suggested to us from many quarters, does not appear to us to be feasible, as the functions of the two branches are distinct, and, if the reduction in the staff of the Public Works Electrical Department, which we recommend in a subsequent chapter, is effected, no further saving would result from amalgamation, and no further reduction of staff would be possible. The work is heavy and is steadily increasing. We think, however, that some part of the cost of this department should be recovered by the levy of fees, and that Government should examine this possibility, which will involve legislation.

331. **Pay and Indianisation of the services.**—We find that most of the superior officers in the Factories, Boilers and Electrical Departments are Europeans in receipt of overseas pay and passage concessions. It was necessary at one time to recruit Europeans for these posts on account of the dearth of properly qualified Indians. We have been informed that this necessity no longer exists, and that Indians with suitable qualifications are available. The further recruitment of Europeans for these posts seems, therefore, unnecessary, and they should in future be filled by qualified Indians. The pay in the Factories and Boilers services can then be reduced to Rs. 300—600, while a considerable reduction in the pay of the electrical posts should also be possible.

332. **Marine Department.**—A subsidy of Rs. 4,500 is paid at present to steamship companies for furnishing pilots to Government vessels. We have some evidence that the serangs of Government vessels are qualified to navigate their launches without extraneous help, and we recommend that the necessity for this subsidy be examined. We also recommend that the fees for the survey of inland vessels should be increased so as to cover the entire cost.

333. **Irrigation launches.**—Under the present system the launches of all departments except Forest, Police and Irrigation are included in a pool and are obtained by officers on a requisition made to the controlling officer. We think that the exclusion of the launches belonging to the Forest and Police Departments is justifiable. The officers of the Forest Department use their launches almost continuously for the greater part of the year; and police officers must be able to set out on tour on the shortest notice. These reasons do not apply with the same force in the case of the Irrigation Department, and we recommend that its launches should be brought into the pooling scheme. Some reduction in the total number of launches maintained will then be possible.

334. **Commissioner for Workmen's Compensation.**—This post is at present a part-time one, and is held by an Additional Judge of Alipore. When it becomes a full-time post it should, in our opinion, be taken out of the cadre of the superior Judicial Service and filled by a selected subordinate judge.

335.

Item.	Estimated	
	Savings.	Increase of revenue.
	Rs.	Rs.
1. Boilers Fund .. ..	.. ..	13,200*
2. Smoke Nuisances Commission .. ..	39,600	..
3. Inspection of factories .. ..	12,200	..
4. Electrical inspection fees .. ..	.. ..	27,300
5. Subsidy to steamship companies .. ..	4,500	..
6. Survey of inland vessels .. ..	.. ..	10,000
	<hr/>	<hr/>
	56,300	50,500
	<hr/>	<hr/>
Total .. ..	1,06,800	

\*The closing balance of the Fund, estimated at about Rs. 83,000, will also be credited to the provincial revenues.

## CHAPTER XIX.

### Public Works.

336. **Suggested reorganisation of the department.**—The Public Services Commission, in their report on the Public Works Department, observed that it should confine itself to work that cannot be discharged either by private enterprise or through the agency of district boards and municipalities with the necessary financial support from Government. This was endorsed by the Public Works Department Reorganisation Committee. It was also accepted by the last Retrenchment Committee, who made proposals for giving effect to it. They recommended that all original building work of an estimated cost of over Rs. 50,000 should be constructed under the supervision of an Architect, assisted by temporary and non-pensionable clerks of works. Except in Calcutta, all other original works and all repair works to buildings other than petty repairs should be done through the agency of district engineers, and district boards should be paid for the services rendered by their engineering staff. The Committee considered that if this system were introduced, the permanent staff of the Public Works Department could be reduced to two Superintending Engineers, six to eight Executive Engineers and a few assistant engineers. It will be noted that these proposals assume, firstly, that district boards will agree to take over the work, and secondly, that all district engineers can spare the time from their present duties. Further, the possibilities of friction cannot be ignored, and Government will have no effective control over the district engineers, who are servants of the district boards. On receipt of the report, Government consulted district boards as to the proposal. Thirteen of them expressed their inability to take over the work, several attached unacceptable conditions, and all of those that agreed to undertake it asked for at least 15 per cent. on the expenditure as their remuneration.

337. **Our recommendations.**—The following figures show the cost of original and repair works done during the last four years, for which

accounts are available, together with the net establishment charges in each year:—

Original works.			Repair works.			Grand total.	Net establishment charges.	Percentage of establishment charges on cost of works.
Buildings.	Communications.	Total.	Buildings.	Communications.	Total.			
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
25,48,957	6,77,719	32,26,676	25,41,084	25,38,942	50,80,026	83,06,702	17,05,652	20.5
21,97,275	5,82,333	27,79,608	26,20,006	23,92,284	50,12,290	77,91,898	15,79,656	20.2
23,04,384	2,16,037	25,20,421	25,99,862	23,51,297	49,51,159	74,71,580	17,52,497	23.4
27,52,784	5,18,916	32,71,700	28,13,254	21,61,071	49,74,325	82,46,025	16,93,768	20.5

It will be seen that the average establishment charges amount to about 21 per cent. of the cost of the works executed. Consequently, on the works taken over by the district boards, Government would save 6 per cent. on the cost of establishment, but they would, at the same time, have to pay for the departmental staff whose retention was recommended by the Committee. After careful consideration, Government decided that the proposals would not lead to economy and did not accept them. We have given much consideration to this matter, and we have come to the conclusion that the decision of Government was justified, but that the reduction in the staff of the Public Works Department proposed by the Committee can be effected without transferring any of its work or making any payment to district boards.

338. The expenditure of the Public Works Department fluctuates very widely. When the finances of the province are prosperous, large sums are allotted for new construction. When times are hard, the easiest and most obvious economy is to stop new construction and to cut down the grants for repairs. We, therefore, consider that the staff of the department should be merely a nucleus which will be fully occupied when expenditure is at the minimum, and which can be expanded by temporary appointments when more money becomes available. We do not forget that the construction of new roads financed from the Road Fund will continue, but, on the other hand, the recommendation which we make in a later paragraph regarding the provincial roads will greatly reduce the work of the department. The danger of employing temporary staff to supervise the disbursement of large sums of public money will be avoided if all permanent appointments in the department are filled up from those who have done satisfactory work on temporary agreements.

339. **Economics already effected.**—We should here mention that the department deserves credit for the very considerable retrenchments it has effected during the last year. The Jalpaiguri and the Duars Roads divisions have been amalgamated, and it is proposed to abolish the Third Calcutta division. Eight subdivisions and seven sections have been abolished. Rupees 70,440 have been saved by the reduction of the temporary outdoor staff from 59 to 28 and of the temporary ministerial staff from 193 to 115. We are, however, of opinion that large reductions, especially in the superior staff, are still possible.

340. **Superintending Engineers.**—There are at present four Superintending Engineers in charge of the Presidency, Northern, Eastern and Central Circles. We do not think that it would be safe to dispense altogether with these officers. Their supervision and advice is valuable both to Government and to their subordinates. In a department which spends very large sums of public money, superior controlling officers are necessary to ensure that the money is properly spent. Faulty designs, inaccurate estimates, and defects in execution may involve Government in heavy losses, and it would be false economy to dispense with the control exercised by Superintending Engineers. But we think two such officers should be sufficient for the whole of Bengal.

341. **Reduction in the number of divisions and in the staff.**—The divisions, each in charge of an Executive Engineer, can, we think, be largely reduced in number. In the Presidency Circle there are now three divisions. The staff employed is 3 Executive Engineers, 10 assistant engineers, 21 overseers, 2 lower subordinates and 3 accountants. It is in contemplation to abolish one of these divisions. The work is, however, likely to be confined to repairs for a long time to come, and we think that all the three divisions can be safely amalgamated into one, with a staff of 1 Executive Engineer, 6 assistant engineers, 15 overseers, 1 lower subordinate and 2 accountants.

342. In the Northern Circle there are three divisions, with a staff of 3 Executive Engineers, 12 assistant engineers, 24 overseers, 9 lower subordinates and 3 accountants. Formerly there were four divisions, but the Jalpaiguri and the Duars Road divisions have recently been amalgamated. We recommend that the whole area should be divided into two divisions, with a staff of 2 Executive Engineers, 6 assistant engineers, 18 overseers, 6 lower subordinates and 2 accountants.

343. Similarly, in the Eastern Circle the number of divisions can be reduced from three to two. The total staff can be reduced from 3 Executive Engineers, 11 assistant engineers, 23 overseers, 5 lower subordinates and 3 accountants, to 2 Executive Engineers, 6 assistant engineers, 15 overseers, 3 lower subordinates and 2 accountants.

344. The Central Circle consists of the Burdwan and Hijli divisions. We do not consider that the number of divisions can be reduced,

but are of opinion that the staff can be curtailed from 8 to 5 assistant engineers and from 18 to 12 overseers.

345. The personal assistant to the Chief Engineer is at present an officer of the rank of Executive Engineer. We are of opinion that the post should, in future, be held by an assistant engineer. We also recommend that experienced overseers should be used much more freely as subdivisional engineers.

346. In the above recommendations we have used the term assistant engineer in a general sense, to cover assistant executive engineers and the few remaining upper subordinates.

347. The result of our recommendations is that the superior staff of the Public Works Department should be reduced to 2 Superintending Engineers, 7 Executive Engineers and 23 assistant executive engineers or assistant engineers. This is practically the staff which the last Committee recommended should be retained after making over a large amount of work to district boards and paying them 15 per cent. on its cost as establishment charges. Our recommendations avoid the administrative difficulties involved in that proposal, and at the same are far more economical.

348. **Electrical Circle.**—Up to 1930 the installation and maintenance of electrical equipment in Government buildings was managed by one Executive Engineer, who had an assistant engineer in Calcutta and an electrician at Dacca to help him. The branch was reorganised in May 1930, when three divisions, each under an Executive Engineer, were formed, and a Superintending Engineer was placed at their head. We have been told that the reason for this reorganisation is that, as new electrical power stations are being built, the activities of this branch are steadily increasing. We think, however, that if it was possible to manage with the old organisation up to 1930, it should be possible still. It is improbable that much money will be available for new electrical installations in Government buildings in the near future. We, therefore, recommend that the circle be abolished, and that the whole work be placed as before under one Executive Engineer. He should work under the direct control of the Chief Engineer, and should have three assistant engineers to help him. One of these will be in charge of the workshop, another will be posted at Dacca, while the third will be directly under the Executive Engineer and available for general duty in Calcutta or elsewhere. The number of overseers should be reduced from 7 to 3, of lower subordinates from 6 to 3, and of accountants from 3 to 2.

349. **Plumbing Branch.**—The staff employed at present in the Plumbing Branch consists of one Plumbing Expert on a pay of Rs. 500—800, an assistant plumbing expert on Rs. 250—490, a plumbing inspector on Rs. 60—250, a correspondence establishment costing

Rs. 4,564, and a drawing and estimating establishment costing Rs. 6,098 a year. It seems to us to be the duty of engineers in charge of buildings to keep themselves acquainted with developments in plumbing work, and that it is unnecessary to maintain a separate staff for it. Most of the work is in Calcutta where there are many firms who are competent to carry out new works without specialist supervision, and the permanent staff of the Public Works Department is presumably capable of seeing that their contractors execute repair work in a satisfactory manner. We recommend that the whole of this department be abolished.

350. **Consulting Architects.**—The Local Government has a Consulting Architect and an Assistant Architect. In present circumstances we do not think that the retention of the two posts can be justified. We recommend that the services of the Consulting Architect or of the Assistant Architect be dispensed with.

351. **Drawing offices.**—The Public Works Department (including the Electrical Circle) and the Irrigation Department have between them 17 drawing offices in Calcutta. We consider that some of these can be pooled. The drawing office of the Superintendent of the Governor's Estates, which consists of one draftsman, may remain, but the rest should be amalgamated into five, as follows: (1) the Chief Engineers, Public Works Department and Irrigation, (2) the Architect, (3) the Electrical Division, (4) the Superintending Engineers and (5) the Executive Engineers. This should result in a very considerable reduction of staff, in addition to that which will result from our proposals regarding the future number of Superintending and Executive Engineers.

352. **Expenditure on original and repair works.**—The current year's budget makes the following provision for works:—

ORIGINAL WORKS.

	Rs.
Buildings .. .. .	4,63,854
Communications (cost met from provincial revenues) ..	2,60,646
Communications (cost met from the Central Road Fund)	15,98,000

REPAIR WORKS.

Buildings .. .. .	23,14,800
Communications .. .. .	20,90,200

We have scrutinised the list of original works and find that they consist chiefly of works in progress which cannot be abandoned or postponed without the probability of incurring claims for compensation. The grants for repairs have already been largely reduced, but



we think that they can be still further curtailed. The prices of materials and wages of labour are now much lower than at any time during the last decade. We recommend that the grant for repairs to roads should be cut down by 10 per cent., and the expenditure on repairs to buildings should be limited to Rs. 20 lakhs.

353. **Provincial roads.**—The Public Works Department maintains 925 miles of metalled roads and 726 miles of unmetalled roads. Some of the metalled roads, such as the Grand Trunk Road, are important through lines of communication, and may reasonably be maintained out of provincial revenues. But the rest of the metalled, and all the unmetalled, roads are of purely local importance, and should not be kept up at the cost of the general tax-payer. We think that they should be handed over, as proposed by the last Committee, to local authorities, and maintained at the expense of those who are benefited. The distribution of the motor vehicles tax will, we believe, give Government an opportunity of negotiating with district boards, and thereby ensuring that these roads are maintained in reasonably good condition.

354. **Public Works Department dispensaries.**—Several dispensaries are maintained by the Public Works Department to provide medical relief for their subordinate staff employed in out-of-the-way places. We recognise the necessity for these dispensaries when a large construction work is in progress in an unhealthy area, such as the Duars. We find, however, that several are still maintained where new construction has ceased, and we recommend that Government should examine the possibility of closing them down.

355. **System of accounts.**—The whole accounts system of the Public Works Department is extraordinarily complicated. We have evidence that the time devoted to accounts by every member of the department, from the Superintending Engineers down to the subdivisional officers, is out of all proportion to the time spent on the professional part of their duties. The statement below shows the cost of the total ministerial staff employed in three of the more important divisional offices in the province:—

Heads.	1st Calcutta.	Darjeeling.	Dacca.
	Rs.	Rs.	Rs.
Accounts	.. 12,559	10,086	9,835
Correspondence	.. 10,926	7,351	11,063
Technical (Drawing and Estimating Branch)	.. 12,877	10,718	16,211

The average of the three divisions works out as follows:—

	Rs.
Accounts	10,860
Correspondence	9,780
Technical	13,237

It has also to be remembered that the correspondence branches of Public Works offices devote a very considerable portion of their time to correspondence in connection with accounts.

356. In our opinion, the whole system of Public Works accounts should be remodelled on simpler lines. The last Retrenchment Committee made a similar recommendation, in consequence of which Government constituted a committee. Its report unfortunately has borne little fruit. We do not believe that an official committee can find a remedy for the present state of things. The only course is for Government to secure the services of an accountant with a thorough knowledge of the accounting system of large engineering firms to overhaul thoroughly the Public Works Department system of accounts. It has been brought to our notice that the Public Works accounts staff is interchangeable with the civil accounts staff, so that a division is liable at any time to have an accountant posted to it who has had no previous experience of the complex system of Public Works accounts. We recommend that such transfers should be avoided as far as possible.

357. **Schemes prepared for the Central Government.**—The preparation of projects for the Government of India is done by the staff of the Provincial Government which receives no remuneration from the Government of India for the services of its officers until the work is actually carried out. We have been told that many of the projects drawn up for the Central Government are infructuous, and that no payment is received by the Provincial Government for the time and labour spent by its officers, particularly the Architect, on the preparation of plans and estimates. Of the total number of hours spent by the Consulting Architect on work for the Central Government, 42·5 per cent. have been spent on work that has never been carried into execution. We consider that the Government of India should be required to pay a fee for the preparation of all projects, sufficient to cover the time spent upon them by officers serving under the Local Government.

358. **Dacca Government House.**—Government have taken on lease a building in Dacca known as "Dilkusha" on a rent of Rs. 25,000 per annum, for the accommodation of His Excellency the Governor during his visits to the town. In our opinion the cost is excessive, in view of the fact that, during recent years, the period of the Governor's residence at Dacca has been very much curtailed. There are two good circuit houses at Dacca, and we think that the larger of these could, with some structural alterations, be made suitable for His Excellency's occupation. The lease of the present Government House contains a provision for its termination after the expiry of a certain period of notice, and we recommend that advantage be taken of this to terminate it at the earliest possible date.

359.

Item.	Estimated savings.
	Rs.
1. Superintending Engineers .. ..	1,20,000
2. Presidency Circle .. ..	1,65,800
3. Northern Circle .. ..	1,04,300
4. Eastern Circle .. ..	1,07,500
5. Central Circle .. ..	29,600
6. Electrical Circle .. ..	96,800
7. Plumbing Branch .. ..	25,000
8. Consulting Architect .. ..	18,600
9. Drawing offices .. ..	70,000
10. Personal assistant to Chief Engineer .. ..	4,300
11. Repair to buildings .. ..	3,14,800
12. Maintenance of roads .. ..	13,23,800
13. Government House, Dacca .. ..	56,700
Total .. ..	<u>24,37,200</u>

## CHAPTER XX.

### Stationery and Printing.

360. **Government Presses.**—The main Government press which is situated at Chetla is a large concern costing Government over Rs. 7 lakhs. There are two branch presses, one at Darjeeling and one attached to the office of the Private Secretary to the Governor. There is also a special press, for printing forms only, in the Alipore Central Jail. It is run by convict labour under professional supervision.

361. **Bengal Government Press at Chetla.**—The superior staff of this press consists of a Superintendent and three deputy superintendents. We are of opinion that the work can be managed by a Superintendent with two deputy superintendents, and we recommend that the third post of deputy superintendent be abolished. The work of the press is of so technical a nature that the strength of the supervisory and subordinate staff required could only be determined after a much fuller investigation than we have been able to make. It cannot be checked with reference to the staff of the Government of India Press in Calcutta, as the work is of an entirely different nature. That press is engaged mainly in printing reports and other publications which are not of an urgent character. Instead of a limited number of big jobs, the Bengal Government Press has to deal with hundreds of small jobs, many of which are urgent. There is also a considerable amount of confidential work. We have reason, however, to think that the wages paid to the industrial workers of the press are higher than those paid to the same class of workmen in private concerns. In 1928 sanction was accorded to the recommendation of the Piece-workers Committee by which the grade pay of all piece-workers could rise to the maximum grade of Rs. 150 irrespective of the work on which they are employed. This, we understand, has resulted in increased wages, and we consider that a maximum should be fixed for each class of workers. The Superintendent has submitted to Government proposals for the revision of the pay both of piece-workers and of salaried employees. The savings on the rates of pay for piece-work cannot be estimated; the savings on the pay of the salaried staff will eventually amount to over Rs. 33,000 per annum. We have considered his proposals and recommend that effect be given to them.

362. **The Jail Press.**—This is engaged in printing forms for use in Government offices. The last Retrenchment Committee pointed out that the number of different forms in use was excessive and should be reduced. An officer was placed on special duty to examine the matter, and, as a result of his recommendations, a very considerable reduction was effected. We find, however, that the number is again increasing year by year. We think that this will only be stopped if every officer now authorised to prescribe new forms is required to obtain the sanction of Government before doing so. We have also evidence that there is a considerable wastage of forms in many Government offices, and that indents are not always properly checked before submission. There is an effective system of check in force in district and subdivisional offices, but in many other offices the work is generally done very perfunctorily. We suggest that the head of every office should be required to satisfy himself that the stock of forms and stationery is properly checked once a year, and that inspecting officers should be instructed to pay special attention to this matter.

363. We notice that many postal and telegraphic forms of the Government of India are printed at private presses. We suggest that Government should make enquiries as to the possibility of this work being undertaken by the Jail Press. As far as prices go, the Jail Press should be able to do the work at lower rates than private firms can charge.

364. **Darjeeling Press.**—The Darjeeling Press is maintained to do printing work for the Secretariat and heads of departments when Government are in the hills. It also prints for the Darjeeling municipality and Improvement Fund, and earns about Rs. 8,000 a year in this way. Its annual cost amounts to about Rs. 36,000. When Government are in Calcutta, non-urgent work is sent up to it to keep the staff employed. The Private Secretary's Press remains in Calcutta, and, during the absence of the Governor and his staff, work is provided for it from the main press at Chetla. We do not think that a staff should be maintained for the Darjeeling Branch Press. In view of the curtailment we have recommended in the stay of Government at Darjeeling, it will only be required for three months in the year. One or two operatives should be kept on to take care of the plant and keep it in running order. When Government go up to Darjeeling, the staff of the Private Secretary's Press, reinforced by extra hands deputed from the Chetla Press, should accompany it. We think that there should be no difficulty in sparing them from Chetla when the Government are absent from Calcutta. This will save the cost of practically the whole staff of the Darjeeling Press.

365. **Unnecessary printing.**—We consider that a good deal of printing is done which is not really essential, and suggest that, in order to

maintain a check on this, each department should be allotted a certain annual sum for expenditure on printing, and should not be allowed to exceed its allotment without the express sanction of Government. This system has been effective in restricting the consumption of stationery, and we believe that it will be equally effective in checking unnecessary printing.

**366. Prices of Government publications.**—We have received complaints that the prices fixed for Government publications are often much too high, and there are grounds for believing that their sales would expand largely if the charges were more reasonable. The price of each publication is fixed by the department concerned. The Superintendent of Government Printing reports to it the actual cost of the printing, but the department is at liberty to fix any price that seems to it to be reasonable. Most of these publications must, in any case, be printed for the use of Government, and the cost of printing additional copies for sale is practically the cost only of the paper, ink and binding. In the case of such publications, we think that the price should ordinarily be based on the cost of printing these extra copies only. There is certainly good ground for the complaint. Examining a number of recent publications we have found remarkable variations in the prices fixed in proportion to the number of pages, and many cases of excessive prices. However interested one may be in excise for instance, one might well think twice before paying Rs. 6-9 for the last annual report of the department consisting of 133 pages. The price of the annual report of the Irrigation Department for 1928-29, which includes a number of maps and charts, is Rs. 16-10. In such cases, a price might be fixed for the report itself, and an extra charge made for the maps. For example, we notice that the annual report of the Calcutta Improvement Trust is priced at Re. 1, or, with plan, Rs. 2. We think it important that all Government publications should be priced as low as possible in the hope of expanding the demand for them, and thereby disseminating more widely a knowledge of the activities of Government.

**367. Printing of voters' list.**—Government spend large sums of money at every general election on the printing of these lists, which is done locally. This is, of course, convenient, and we are satisfied that it would be impossible to have the work done by Government presses in Calcutta. But we have been told that, in some districts, the local presses take advantage of this, and charge excessive rates for the work. We recommend that Government should fix maximum rates for the work and that, if the local presses refuse to do it at or below these rates, it should be done elsewhere even at the cost of some inconvenience.

368. **Stationery.**—Considerable economies have been effected under this head as a result of the recommendations of the last Retrenchment Committee. We think, however, that the total grants can, in the present circumstances, be reduced by Rs. 1,25,000, chiefly from the allotments made to the presses.

369.

Item.	Estimated savings.
	Rs.
1. Bengal Government Press ..	47,000
2. Darjeeling Branch Press ..	23,000
3. Stationery ..	1,25,000
Total ..	<u>1,95,000</u>

## CHAPTER XXI.

### Miscellaneous Grants and Allowances.

370. **Reduction of grants.**—The Government of Bengal make annual grants to a large number of local bodies and public institutions, for most of which provision is made in the budget estimates of the Medical, Public Health, Education and Industries Departments. Before the appointment of this Committee, Government had made substantial reductions in most of these grants, and in the preceding chapters we have recommended certain further cuts. Such reductions inevitably cause embarrassment to the institutions and local bodies affected, as, generally speaking, they are in a weak financial position and have no reserves to fall back on. We have endeavoured to make proposals which will not necessitate a serious reduction in their activities, but we recognise that if the financial position should continue to deteriorate, Government may find it unavoidable to make still further reductions. We have now to deal with certain grants and allowances for which money is provided under the budget heads "30—Scientific Departments," "37—Miscellaneous Departments" and "47—Miscellaneous."

371. **Miscellaneous grants.**—We recommend that the grants mentioned below be reduced as follows:—

	Present amount.	Proposed amount.
	Rs.	Rs.
Asiatic Society .. ..	11,680	10,000
Barendra Research Society .. ..	2,400	2,000
Dacca Museum .. ..	3,120	2,500
Darjeeling Museum .. ..	3,600	3,000
Victoria Memorial .. ..	30,000	20,000

The provision of Rs. 50,900 under "47—Miscellaneous" for "Other donations for charitable purposes" should, in our opinion, be reduced by 10 per cent.: so should the grant of Rs. 5,000 which is made to the Asiatic Society for the preservation and translation of ancient manuscripts.

372. **Allowances to detenus.**—During the last eight or nine months the question of these allowances has been carefully examined by Government, and substantial reductions have been effected. The majority



of us have no recommendation to make on the subject. Mr. Birkmyre, while agreeing that the diet allowance is reasonable, is of opinion that the personal allowance should be reduced from Rs. 15 to Rs. 10 per month.

373.

Item.	Estimated savings.
	Rs.
Miscellaneous grants .. .. .	18,900

## Part II.

### CHAPTER XXII.

#### Pay of the Services.

374. **Cost of the services.**—The actual expenditure of Government on pay in 1930-31 amounted to Rs. 5,44,81,676. Its distribution among the various classes of Government servants is shown in the following statement. We give the details, as we believe there is a general impression that the Imperial and Provincial Services absorb the greater part of the money spent by Government in salaries. It will be seen that they cost Rs. 1,93,96,000, which does not greatly exceed one-third of the total expenditure. The cost of the all-India services amounted only to Rs. 53,95,000.

#### Actuals of 1930-31.

##### HIGH OFFICIALS.

	Rs.
His Excellency the Governor .. .. .	1,20,000
Members, Executive Council (non-I.C.S.) .. .. .	1,27,999
Ministers .. .. .	1,75,747
President, Legislative Council .. .. .	41,000
Judges, High Court .. .. .	7,15,198
Advocate-General, Standing Counsel, Solicitor to Government .. .. .	90,000
	<hr/> 12,69,944 <hr/>

##### ALL-INDIA SERVICES.

Security Services—	
I. C. S. .. .. .	20,80,216
Police .. .. .	10,64,809
	<hr/> 31,45,025 <hr/>
Non-Security Services .. .. .	22,50,542
	<hr/> 53,95,567 <hr/>

## PROVINCIAL SERVICES. (INCLUDING SPECIAL POSTS.)

	Rs.
Provincial Executive .. .. .	37,13,051
Provincial Judicial .. .. .	31,09,197
Provincial Police .. .. .	3,02,581
Other Provincial Services .. .. .	68,76,275
	1,40,01,084

## SUBORDINATE SERVICES.

Police .. .. .	1,30,79,499
Other Subordinate Services .. .. .	63,73,302
	1,94,52,801

## CLERICAL SERVICES.

Secretariat .. .. .	16,42,013
Heads of departments (excluding Commissioners of Divisions) .. .. .	30,93,847
Commissioners of Divisions .. .. .	1,83,761
Collectors .. .. .	20,43,679
Other clerical staff .. .. .	32,08,071
	1,01,71,371

## MENIAL STAFF.

Menial staff .. .. .	26,07,962
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## TEMPORARY ESTABLISHMENT.

Temporary establishment (including clerks and menials) .. .. .	15,82,947
Total salary .. .	5,44,81,676

375. **Present scales of pay.**—Most of the present scales of pay were fixed between 1920 and 1922. The question was fully investigated by the Public Services Commission, who laid down the criterion that Government should pay their employees only so much 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 services. This criterion, however, had to be applied in the light of conditions prevailing in the post-war years, when the prices of all commodities rose to an abnormal height. Even in the case of services whose pay was fixed at a later

date, the increase granted was based, not on the conditions existing at the time, but on the scales fixed between 1920 and 1922. Since 1922 there has been a remarkable fall in prices, with the result that, in our opinion, the pay of practically every service is now unnecessarily generous, and can be substantially reduced. That a reduction must be effected; will not, we think, be contested. The financial position of Bengal is such that Government simply cannot afford to continue the present scales of pay.

376. **Proposed reductions.**—In suggesting scales of pay which would, we think, be adequate in future, we have borne in mind the criterion laid by the Public Services Commission. Integrity does not depend entirely on the pay which an officer draws, but also on his personal character and the traditions of the service to which he belongs. But too low a scale undoubtedly increases temptations. We think, however, that the reductions we propose are sufficiently moderate to avoid this danger.

377. We have, in previous chapters, suggested scales of pay for certain particular services and posts. We propose now to deal with the question in a general way. In doing so we have kept in mind the fact that Government have already imposed a cut of 15 per cent. on the pay of all provincial and subordinate officers drawing more than Rs. 80 a month, who were recruited after the 21st July 1931. These officers were appointed on a provisional basis, pending a final decision as to future scales of pay, and we recommend that they should now be brought on to the scales proposed by us. It would, in our opinion, be inequitable to apply the new scales of pay to officers who were in the services of Government prior to the 21st July 1931, but we think that, in view of the remarkable fall in the cost of living since 1922, the temporary ten per cent. cut imposed on the pay of all officers drawing more than Rs. 40 should be made permanent in the case of all officers drawing more than Rs. 80 a month.

378. **superior services.**—There are only five all-India services to which recruitment is still being made, namely, the Indian Civil Service, the Indian Police Service, the Indian Forest Service, the Indian Service of Engineers (Irrigation) and the Indian Medical Service. We have dealt with the Indian Civil Service and the Indian Police Service, in earlier chapters. We have recommended that certain posts in the Medical and Jails Departments should be reserved for officers of the Indian Medical Service. Their pay may continue to be regulated in accordance with their military rank, but should be reduced and brought into line with the pay we have proposed for District Magistrates.

379. We have previously recommended that the Forest and Irrigation Services should be provincialised. Superior Provincial Services have already been or are about to be constituted to replace the former all-India services in the Agriculture, Veterinary, Education and

Public Works Departments. Similar services should be constituted to replace the all-India Forest and Irrigation Services. We think that the pay of all these superior services should be fixed on a time-scale of Rs. 300—1,000, except in the case of the Education Department regarding which we have made specific proposals elsewhere.

380. **Provincial Services.**—The present scales of pay of the principal Provincial Services are as follows:—

Services.	Time-scale.		Selection grade.
	Minimum.	Maximum.	
	Rs.	Rs.	Rs.
Bengal Civil Service .. ..	250	850	1,000
Bengal Junior Civil Service .. ..	150	400	450
Bengal Excise Service .. ..	250	850	1,000
Bengal Forest Service .. ..	200	750	..
Bengal Civil Service (Judicial) .. ..	275	850	{ 1,000 & 1,200
Bengal Police Service .. ..	250	700	800
Bengal Educational Service .. ..	250	800	..
Bengal Veterinary Service .. ..	250	750	..
Bengal Agricultural Service .. ..	200	750	..
Bengal Engineering Service .. ..	250	750	..

We have already recommended the abolition of the Bengal Police Service, and have discussed the future pay of the Bengal Civil Service (Executive and Judicial) and of the Bengal Junior Civil Service. We have also considered the pay of the educational services and posts. We recommend that the pay of the other Provincial Services should be on a scale of Rs. 150—650, which means an average reduction of roughly 20 per cent. This pay will, in our opinion, lead to no falling off in the quality of candidates, or in the efficiency and integrity of the services.

381. **Heads of departments.**—We recommend that the pay of heads of departments, regarding whom we have made no specific proposal elsewhere, should be ordinarily fixed at Rs. 1,200—1,500.

382. **Subordinate Services other than ministerial.**—These services include a large number of posts of different degrees of responsibility, and their pay varies from Rs. 20 to over Rs. 500 per month. It is not, in our opinion, feasible to reduce the pay of these services to the same extent as that of the Provincial Services. We recommend that, in general, the pay of these services should be reduced by 15 per cent., but that no pay of Rs. 80 or less per month should be cut.

383. **Ministerial officers.**—The standard pay of lower division ministerial officers in the districts is Rs. 35—35—40—2—68—3/2—80.

Assistants in the Secretariat and in the offices of heads of departments are recruited on the basis of an open competitive examination and get special rates of pay, while clerks in the other Calcutta offices get district rates of pay *plus* a town allowance of 10 per cent. We consider that the scale of pay of lower division clerks in offices other than the Secretariat and those of heads of departments almost touches the subsistence minimum, and is not capable of any reduction. A Bengali clerk comes from the same stratum of society from which Indian officers of the higher services are recruited. He has the same social and family obligations; he has to provide a college education for his son and a dowry for his daughter on marriage. His pay leaves him little or no margin for saving, and any reduction in it, however small, will cause him financial anxiety. We accordingly recommend that this scale of pay should remain intact, and that the 10 per cent. cut should be withdrawn as soon as the financial position permits.

384. All ministerial officers appointed after the 21st July 1931 to posts carrying a pay of more than Re. 80 a month should be treated on the same basis as officers of the Subordinate Services, and their pay should be reduced by 15 per cent.

385. We have, in the previous chapters, indicated a few instances in which economies might be effected by reduction in the ministerial staff. But it is impossible, in the time at our disposal, to investigate the strength of the clerical staff required in the different offices under Government. The magnitude of the enquiry may be gauged from the fact that the Ministerial Officers' Committee, which was appointed in August 1905, took about ten months to submit a report on the ministerial staff of Commissioners, Collectors and Judges' offices only.

386. **Menials.**—The menial staff costs Government over Re. 26 lakhs per annum. Although we do not recommend any reduction in their pay, we are of opinion that their number can be considerably reduced in many offices. The office of the Board of Revenue, for example, employs 21 servants, and it is difficult to see how they can be fully employed. The heads of all offices should be required to examine the matter and recommend reductions. We think that no officer should ordinarily be allowed more than two orderlies.

387. **Indianisation of the Services.**—We recommend that the posts under the Local Government should be Indianised as far as possible. This will enable considerable economies to be effected in overseas pay and passage allowances. A certain percentage of officers in the two security services (the Indian Civil Service and the Indian Police Service) will continue to be Europeans for a considerable time to come. Certain posts such, for example, as those of the Superintendent of the Presidency General Hospital, and of the head-master of the school for European boys at Kurseong, must be held by Europeans on account of the nature of the work. There may also be some posts

for which suitable qualified Indians are still not available, or for which it may be desirable to recruit a European in the interest of the province. Leaving out posts of this nature, of which a list should be prepared and maintained by Government, all other posts should, in our opinion, be filled by Indians, and should carry no overseas pay or passage concessions.

388.

Item.	Estimated savings.
	Rs.
Pay of the services (including special pay)	48,00,000

## CHAPTER XXIII.

### Special Pay.

389. Special pay is an addition, in the nature of pay, to the emoluments of a Government servant, which is granted in consideration of (a) the specially arduous nature of his duties, (b) a specific addition to his work or responsibility, or (c) the unhealthiness of the locality in which the work is done. It is distinguished from compensatory allowances like travelling and house-rent allowances, as these are not intended to be an addition to an officer's emoluments, but to meet expenditure necessitated by the special circumstances in which he has to perform his duty. All kinds of special pay have already been reduced by 10 per cent., for present, and 15 per cent. for future, incumbents of the posts to which they are attached. We consider, however, that in most cases special pay has been fixed on an unnecessarily generous scale and can be still further reduced, and that, in certain cases, it should be abolished altogether. These observations, however, do not apply to the allowances granted on account of the unhealthiness of the locality in which the officers drawing them are stationed. Officers posted to the Sundarbans or to the Chittagong Hill Tracts, for example, have not only to serve in unhealthy and uncongenial surroundings, but are frequently unable to keep their families with them and have to maintain a second establishment. The case of the special pays attached to many posts in Calcutta is, however, different. Calcutta has itself definite attractions, consisting not only in the amenities of a city life, but also in the educational facilities it provides, which are a very important consideration to an officer with a family to bring up. These advantages appeal most strongly to Indian officers, but we have reason to believe that European officers also are, as a rule, prepared to face some extra expenditure for the sake of being posted to Calcutta. We think that this may reasonably be taken into account in considering which appointments in Calcutta should carry special pay, and what that pay should be. On the other hand, we consider that some special pay should be attached to posts in which the work is of a special nature or involves increased responsibilities, wherever the officer concerned may be stationed. Bearing these points in mind, we have examined a list of special pays which was recently furnished to Government by the Accountant-General, Bengal, and we append to this chapter a statement showing the allowances which should, in our opinion, be reduced by more than 15 per cent. or abolished. In making our recommendations, we have aimed generally at a 50 per cent. reduction,



but we have been obliged to deviate from this in many cases, in view of the great variations in the nature of the duties and in the amount of the allowances. We have confined our examination to the list furnished by the Accountant-General. If there are omissions, each case should be considered by Government and brought into line with the rest.

390. **Combination of appointments.**—When a Government servant is appointed temporarily to hold charge of two different posts at one time, he draws, under Fundamental Rule 49, the pay of the post carrying the higher salary, and he may also be given an additional allowance which is limited to half of the pay attached to the other post. We think it is logical that he should draw the pay of the higher post, but that there is no justification for any additional allowance. Government pay for the full-time services of its officers, and they may reasonably be called upon occasionally to do a little extra work when the exigencies of the public service require it.

391.

Item.	Estimated savings.
	Rs.
Reduction of special pay as recommended in the appended list .. .. .	2,10,700

## APPENDIX.

Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>LAND REVENUE.</b>	Rs.	Rs.
1	Director of Land Records and Surveys.	250	100
2	Settlement Officers ..	150	100
3	Assistant settlement officers ..	100	75
4	Deputy collectors deputed to survey work.	100	75
5	Personal assistant to Director of Land Records.	100	75 (only if taken direct from settlement work).
6	Officer-in-charge, Bengal Traverse Party.	100 (duty) 150 (charge)	50 100
7	First assistant, Bengal Traverse Party.	100	50
8	Deputy collector, Barisal ..	100	Nil
9	Tahsildars, Khas Mahal establishment, Jalpaiguri.	35	25

Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>LAND REVENUE.</b>	Rs.	Rs.
10	First Land Acquisition Officer, Calcutta.	200	Nil
11	Officers of the Bengal Civil Service and Bengal Junior Civil Service appointed as Land Acquisition Officers.	100 or 50	Nil
	<b>STAMPS.</b>		
12	Collector of Calcutta .. ..	150	100
13	Probate deputy collector .. ..	100	Nil
	<b>FORESTS.</b>		
14	Silviculturist .. ..	150	Nil
15	Managers, Cinchona Plantations, Munsong and Mungpoo.	100	50
16	Director, Bengal Forest School ..	100	50
17	Divisional Forest Officer, Darjeeling Division.	50	Nil
	<b>REGISTRATION.</b>		
18	Sub-registrars appointed as sadar sub-registrars.	75 to 100	50 to 75
	<b>IRRIGATION.</b>		
19	Executive Engineer, Damodar Canal Division.	100	Nil
20	Assistant Executive Engineer, Canal Division.	75	Nil
21	Circle Officer, Canal Revenue Division.	75	50
22	Upper Subordinates and members of the Subordinate Engineering Service holding charge of subdivisions.	75	50
	<b>GENERAL ADMINISTRATION.</b>		
23	Secretary, Legislative Council ..	200	Nil
24	Deputy Secretaries and Under-Secretaries.	200	100
25	Deputy collectors appointed as Assistant Secretaries.	200	100

Item No.	Designation of officer.	Present rate.	Proposed rate.
		Rs.	Rs.
	<b>GENERAL ADMINISTRATION.</b>		
26	Head assistants, Secretariat ..	100	50
27	Stenographers, Secretariat ..	150 and 75	80 and 40
28	Commandants, Detention Camps ..	200	100
29	Police reporters ..	50	Nil
	<b>JUDICIAL.</b>		
30	Chief Presidency Magistrate ..	200	100
31	Additional Presidency Magistrate ..	150 or 100	Nil
	<b>JAILS.</b>		
32	European Jailors, Alipore Central and Presidency Jails.	100	Nil
33	Deputy superintendents of sub-jails.	20	15
	<b>POLICE.</b>		
34	Assistant to the Inspector-General of Police.	200	100
35	Principal, Police Training School, Sarda.	100	Nil
36	Principal, Calcutta Training School	50	Nil
37	Superintendents of Railway Police	150	Nil
38	Assistant superintendents of police or deputy superintendents of police in charge of subdivisions other than headquarters subdivisions.	25	Nil
39	Assistant or deputy superintendents of Railway Police.	100	Nil
40	Special Superintendent, Intelligence Branch.	200	100
41	Superintendent of Police, Central Intelligence Branch.	150	100
42	Assistant or deputy superintendent of police, Intelligence Branch.	100	50
43	Inspector, Intelligence Branch ..	60	40
44	Sub-inspectors, Intelligence Branch	40	30
45	Inspectors, District Intelligence Branch.	50	35
46	Sub-inspectors, District Intelligence Branch.	30	25
47	Assistant Commissioner of Police, Special Branch, Calcutta.	100	50
48	Inspectors, Special Branch, Calcutta	60	40

Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>POLICE.</b>	Rs.	Rs.
49	Sub-inspectors, Special Branch, Calcutta.	40	30
50	Personal assistant to the Deputy Inspector-General, Criminal Investigation Department.	100	50
51	Deputy superintendent of police, Criminal Investigation Department.	75	30
52	Deputy superintendent of police, Finger Print Bureau.	75	30
53	Inspectors, Criminal Investigation Department.	50	25
54	Sub-inspectors, Criminal Investigation Department.	30	20
55	Inspectors, Detective Department, Calcutta Police.	50	25
56	Sub-inspectors, Detective Department, Calcutta Police.	30	20
57	Inspectors, Police Training School, Sarda.	25 to 50	Nil
58	Sub-inspectors, Police Training School, Sarda.	10	Nil
59	Inspectors, Calcutta Training School	25	Nil
60	Sub-inspectors, Calcutta Training School.	20	Nil
61	Five officers attached to Motor Vehicles Department.	50	40
62	Eastern Frontier Rifles ..	1 to 10	Should be examined by Government.
63	Head constables and constables attached to the Bengal Veterinary College.	20 and 7	Nil
64	Armed Police, Calcutta ..	2 to 20	Nil
	<b>EDUCATION.</b>		
65	Assistant Directors of Public Instruction.	150	100
66	Principals, Government Art Colleges, B. E. College, Training Colleges, and Calcutta Madrasah.	100 to 250	Nil
67	Principal, Ahsanulla Engineering School.	100	Nil
68	Principal, Bethune College ..	100	Nil
69	Inspectors of Schools ..	150	100

Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>EDUCATION.</b>	Rs.	Rs.
70	Bursar, Presidency College ..	150	75
71	Lecturer in Shorthand and type-writing, Government Commercial Institute.	125	Nil
72	Superintendents of hostels ..	..	The maximum should be limited to Rs. 100.
73	Teachers, Government high schools (library allowance).	20	Nil
74	Drill master, Hooghly Branch School	10	Nil
75	Maulvi, Government Moslem School, Dacca.	5	Nil
76	Drill master, Taki School ..	5	Nil
77	Drawing master, Hooghly Training School.	12/8	Nil
78	Head maulvi, Hooghly Branch School.	10	Nil
79	Assistant master, Ballyganj Government High School.	20	Nil
80	Assistant master, Dacca Normal School.	50	Nil
81	Assistant master, Chittagong Normal School.	10	Nil
82	Typists and clerks (shorthand allowance).	25 to 30	20
83	Clerks, subdivisional inspector of schools, Noakhali.	15	10
84	Clerks, assistant inspectress of schools, Dacca.	15	10
85	One clerk, Bengal Engineering College.	5	Nil
86	Foreman instructor, Dacca Ahsanulla School.	20	Nil
87	Draftsman, Bengal Engineering College.	10	Nil
	<b>MEDICAL.</b>		
88	Director, School of Tropical Medicine and Hygiene.	500	Nil
89	Professor of Pathology, Medical College.	300	100
90	Professor of Pharmacology, Tropical School.	300	100
91	Resident medical officers, Medical College Hospitals.	200	100

Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>MEDICAL.</b>	Rs.	Rs.
92	Deputy superintendent, Mental Observation Ward, Bhowanipore.	100	50
93	Police Surgeon, Calcutta ..	200	100
94	Civil Surgeons as Superintendents of Medical Schools.	200	Nil
95	Civil Surgeon, Dacca Mitford Hospital.	200	Nil
96	Civil Surgeon, Voluntary Venereal Hospital.	150	Nil
97	Civil Surgeon, Howrah ..	100	Nil
98	Regimental medical officer, Barrackpore.	100	Nil
99	Civil Surgeons as medical officers of jails.	50 to 150	Nil
100	Civil Surgeon, Bankura Borstal School.	50	Nil
101	Chemical Examiner ..	150.	100
102	Teachers of medical schools ..	75 to 150	Nil
103	Assistant professors, Medical College and Tropical School.	75 to 150	Nil
104	Surgeons and physicians, Out-patient Department, Medical College.	75 to 150	Nil
105	Assistant surgeons in charge of Government hostels.	10 to 80	The maximum should be limited to Rs. 50.
106	Medical officer in charge of Government hostels, Dacca.	87/8	Nil
107	Assistant surgeons, Sambhunath Pandit Hospital.	15	Nil
108	Deputy superintendent, Ronaldshay Medical School.	25	Nil
109	Assistant surgeon, Asansol (for jail duties).	25	20
110	Assistant surgeon, Asansol (for giving lectures on first aid).	20	Nil
111	Teaching staff, Dacca Medical School.	25	Nil
112	Teacher, Medical School, Dacca ..	15	Nil
113	Senior demonstrator, Dacca Medical School.	10	Nil
114	Senior demonstrator, Campbell Hospital.	10	Nil
115	Teacher, Compounder class, Mymensingh.	25	Nil
116	Medical officer, Dacca Medical School.	15	Nil

Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>MEDICAL.</b>	<b>Rs.</b>	<b>Rs.</b>
117	Sub-assistant surgeons in charge of subdivisinal dispensaries (medico-legal allowance).	10	Nil
118	Sub-assistant surgeon in charge of Victoria Hospital, Darjeeling.	25	Nil
119	Peripatetic sub-assistant surgeons, Kalimpong.	10	Nil
120	Sub-assistant surgeon, Dacca Medical School.	20	Nil
121	Sub-assistant surgeon, Police Hospital, Rangpur.	10	5
122	Sub-assistant surgeon, Berhampore Hospital.	10	5
123	Sub-assistant surgeon employed as Instructor in First Aid in Calcutta Police.	25	15
124	Sub-assistant surgeon in charge of New Surgical Pavilion.	20	10
125	Sub-assistant surgeons attached to jail hospitals at Bogra and Pabna.	10	Nil
126	Sub-assistant surgeon, Diamond Harbour.	20	Nil
127	Sub-assistant surgeon, Police Training College, Sarda.	10	Nil
128	Sub-assistant surgeon, Serampore Hospital.	10	Nil
129	Sub-assistant surgeon, Pabna-Bogra Police Hospital (for lectures on first aid).	10	Nil
130	Sub-assistant surgeon, Agricultural Farm, Dacca.	40	Nil
131	Sub-assistant surgeon, Government Hospital, Kharagpur.	10	Nil
132	Sub-assistant surgeon, Barisal Isolation Hospital.	15	Nil
133	Sub-assistant surgeon, Voluntary Venereal Hospital.	20	Nil
134	Sub-assistant surgeon, Nagrakalta dispensary.	10	Nil
135	Sub-assistant surgeon, Jainti dispensary.	12/8	Nil
136	Sub-assistant surgeon, Rangpo (medico-legal allowance).	10	Nil
137	Head clerk, Civil Surgeon's office, Hooghly.	5	Nil

Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>PUBLIC HEALTH.</b>	Rs.	Rs.
138	Director of Public Health ..	200	100
139	Director, Public Health Laboratory	300	100
140	Assistant Director of Public Health, Malaria Research.	200	Nil
	<b>AGRICULTURE.</b>		
141	Principal, Bengal Veterinary College	100	Nil
142	Assistant Principal, Bengal Veterinary College.	100	Nil
143	Chief glanders inspector, Bengal Veterinary College.	50	30
144	Court veterinary inspector ..	50	30
145	Staff veterinary assistant surgeon ..	30	25
146	Fibre Expert ..	150	Nil
147	Durwan, Bogra farm ..	4	Nil
148	Superintendent, Royal Botanic Garden.	200	100
149	Curator of the Herbarium, Royal Botanic Garden, Sibpur.	100	50
150	Curator, Royal Botanic Gardens, Sibpur.	150	Nil
151	Curator, Lloyd Botanical Garden, Darjeeling.	50	Nil
152	Deputy collectors appointed as assistant registrars of co-operative societies.	100	50
	<b>INDUSTRIES.</b>		
153	Hostel superintendents of Malda Weaving School, Bogra Industrial School and Pabna and Rangpur Technical Schools.	15	10
154	Superintendent, Bengal Survey School, Tippera.	40	20
155	Superintendent, E. B. Technical School, Pabna.	15	7/8
156	Junior Lecturer, Government Institute, Serampore.	10	Nil
157	Head clerk, Government Weaving Institute, Serampore.	30	15
158	Accountant, Government Weaving Institute, Serampore.	15	10
159	Jobber, Government Weaving Institute, Serampore.	15	10



Item No.	Designation of officer.	Present rate.	Proposed rate.
	<b>COMMERCE AND MARINE.</b>	Rs.	Rs.
160	Deputy Chief Inspector of Boilers	200	75
161	Tindal, SS. "Rohtas" ..	4	Nil
	<b>PUBLIC WORKS.</b>		
162	Personal assistant to Chief Engineer, Public Works Department.	200	Nil
163	Executive Engineer, Duars Division	125	Nil
164	Inspector of Aerial Ropeways ..	75	50
165	Assistant engineer, Western Duars subdivision.	50	25
166	Assistant engineer, Eastern Duars subdivision.	50	25
167	Overseer, Governor's estate, Darjeeling.	65	Nil
168	One assistant in the Public Works Secretariat.	20	15

## CHAPTER XXIV.

### Compensatory Allowances.

392. These allowances fall under certain well-defined categories, and in the following paragraphs we make recommendations regarding each category. We have also examined the list of compensatory allowances recently furnished to Government by the Accountant-General, Bengal, and shall indicate under each head the cases in which the cuts should, in our opinion, be more than the general percentage reductions recommended by us.

393. **Allowances for expensiveness of living.**—In view of the recent fall in the prices of staple commodities, Government have recently reduced all these allowances by 10 per cent., subject to the proviso that no reduction will be made in the allowances of inferior servants or of superior servants whose allowances do not exceed Rs. 10 per month. We recommend that the reduction be increased to 15 per cent.

394. The allowances of Rs. 100 per month drawn by Deputy Commissioners of Police, Calcutta, should, in our opinion, be abolished. The Secretary, Board of Revenue, gets an allowance of Rs. 200, which appears to us to be of the nature of special pay. It should be reduced to Rs. 100. The Commandant, Eastern Frontier Rifles, is in receipt of an allowance of Rs. 50 per month, while the Assistant Commandants draw Rs. 100 each; the apparent anomaly has been explained to us, but we consider that the latter allowances should be reduced to Rs. 50. The military assistant surgeon attached to His Excellency's staff gets a hill allowance, which is not given to any other gazetted officer, and should, in our opinion, be discontinued. We do not see any justification for the town allowances granted to inspectors of excise stationed in Calcutta. No such allowance is granted to sub-deputy collectors who are on the same scale of pay. The town allowance paid to the excise prosecutor should also be withdrawn.

395. **Calcutta house allowance.**—The object of the scheme is to grant to officers of the superior services, who are living with their wives and children in Calcutta, Alipore or Howrah, a measure of assistance in obtaining suitable house accommodation at a rent proportionate to their salaries. The scheme is based on the principle that officers should not be under the necessity of paying more than 10 per

cent. of their pay for house accommodation. The scale of the allowance is as follows:—

Pay.	Amount of allowance.
	Rs.
Under Rs. 300 ..	45
From Rs. 300 to Rs. 499 ..	80
From Rs. 500 to Rs. 1,249 ..	125
From Rs. 1,250 to Rs. 1,999 ..	Actual rent (subject to a maximum of Rs. 350) less 10 per cent. of pay.
From Rs. 2,000 to Rs. 2,499 ..	Actual rent (subject to a maximum of Rs. 400) less 10 per cent. of pay.
From Rs. 2,500 to Rs. 3,000 ..	Actual rent (subject to a maximum of Rs. 450) less 10 per cent. of pay.

We realise that some relief is necessary to married officers, who are used to comfortable quarters, when they are transferred to Calcutta from the mufassal, where the rent charged to them is limited to 10 per cent. of their pay. A married Joint Magistrate on a pay of Rs. 600 pays a maximum rent of Rs. 60 in the mufassal; he will hesitate to accept the post of Under-Secretary to Government, as he cannot find suitable accommodation in Calcutta for less than Rs. 200 per month. But we are of opinion that the allowance should be given only to officers who are in receipt of a pay not exceeding Rs. 2,000, and we recommend the following scale:—

Pay.	Amount of allowance.
	Rs.
Under Rs. 300 ..	45.
From Rs. 300 to Rs. 499 ..	80.
From Rs. 500 to Rs. 1,249 ..	Actual rent (subject to a maximum of Rs. 200) less 10 per cent. of pay.
From Rs. 1,250 to Rs. 2,000 ..	Actual rent (subject to a maximum of Rs. 300) less 10 per cent. of pay.

We also recommend that the proviso under rule III of the Calcutta House Allowance Rules be deleted, and that the allowance be inadmissible to an officer living in his own house or in the house of his father, mother, wife, son or daughter.

396. **Other house-rent allowances.**—These are generally granted to officers stationed in Calcutta or in other towns where house-rents are inordinately high. We recommend that all these allowances of over Rs. 25 per month be reduced by 20 per cent.

397. Many superior police officers (*i.e.*, those above the rank of inspector) stationed in Calcutta, Alipore or Howrah are given house allowances. We see no justification for these allowances and recommend that they be discontinued; the officers may draw Calcutta house allowance if they are otherwise eligible for it. Similarly, we are of

opinion that the house allowances granted to Principals of colleges and Inspectors of Schools should be abolished. A Subdivisional Officer (other than one at headquarters) is provided with rent-free accommodation which is of the nature of special pay for the responsibilities of the post. Where free Government quarters are not available, he draws an allowance of Rs. 3 per diem for the first three months, and Rs. 50 thereafter; we recommend that in such cases the allowance should be Rs. 40 per month for the whole period.

398. **Rent-free quarters.**—It is difficult to lay down general principles to cover the cases of all officers who should be allowed free quarters. We think, however, that the privilege may reasonably be granted to officers who are required to live in or close to an institution in order that they may be available at any time of the day or night, or whose duty compels them to live in a particular locality in which they would not voluntarily choose to reside. These principles would cover such cases as officers of the Jail and Medical Departments who have to live in or beside jails and hospitals, educational officers required to live in residential schools or colleges, and police officers living in police-stations. We think, however, that the concession has been granted too generously, and that the list of officers enjoying it should be examined by Government. The allowance should be continued where it is justifiable on principle, or where the grant of free quarters was taken into consideration in fixing the pay of a post. In all other cases, officers should be required to pay rent in accordance with the ordinary rules for the occupation of Government residences. Many police officers, for instance, in Calcutta and its suburbs occupy rent-free quarters. We think that those above the rank of inspector should be required to pay rent, unless they come under the principles we have suggested. We see no reason for granting free quarters to Principals of non-residential colleges and recommend that they should be charged rent.

399. At present the Collectors of Howrah and Alipore are given rent-free quarters. No other District Officer is granted this concession. It is no doubt true that the Collectors at Howrah and Alipore have to pay heavy municipal rates, as they are required to live in houses of a higher annual valuation than they would ordinarily occupy. This is perhaps a ground for charging them rent at a reduced rate, but we can see no justification for exempting them altogether from the payment of house-rent.

400. We understand that the staff of His Excellency the Governor who do not live in Government House do not pay the cost of the electric current consumed in their quarters. We can see no reason for this concession and recommend that it be withdrawn.

401. **Miscellaneous allowances.**—We recommend that all other allowances which do not fall in the above categories, be reduced by 15

per cent., except uniform allowances to nurses which should only be reduced by 10 per cent.

402. **Non-practising allowances.**—The amount of these allowances to medical officers who are debarred from private practice can only be fixed arbitrarily, as it is impossible for Government to assess the value of the privilege. We are of opinion that it should not exceed Rs. 150 per mensem in the case of any medical officer.

403. **Free passages.**—Officers of the all-India services get free passages by sea from Bombay to London. In our opinion, only the fare from Calcutta to London, which is much lower, should be allowed, as in the case of the provincial officers who have been given the concession under the Bengal Passage Rules. Indian officers of the Indian Civil Service, who are in receipt of overseas pay, are also entitled to this concession; we see no justification for this and recommend that the concession be withdrawn.

404.

Item.	Estimated savings. Rs.
Compensatory allowances .. .. .	.. 80,000

## CHAPTER XXV.

### Travelling Allowance.

405. **General remarks.**—The expenditure on account of travelling allowance during the last three years for which figures are available is as follows:—

			Rs.
1927-28	...	...	35,56,245
1928-29	...	...	35,53,500
1929-30	...	...	36,53,074

The opinion has been freely expressed to us that travelling allowance is in many cases a source of considerable profit. The rates of travelling allowance have recently been reduced by Government. We have gone carefully through the rules now in force, and we are of opinion that they still allow a few loopholes for making a profit. It is impossible to prevent all possibilities of abuse by tightening up the rules; Government must rely for this on stricter supervision by controlling officers. We feel that the chief defect of the rules in force before their recent amendment lay in the fact that they encouraged flying visits instead of systematic touring. We have evidence that officers who make regular tours in the districts and have to convey their luggage by road for long distances are sometimes out of pocket. The amendments made by Government and those which we suggest will to some extent diminish the attractions of hurried trips out and back, as compared with prolonged tours. We shall confine ourselves to the rules prescribed for first grade officers, but our recommendations apply with equal force to other officers, for whom the allowances should be proportionately reduced. We think that the present rates for menials should remain unchanged.

406. **Grades of officers.**—For the purpose of calculating travelling allowance, Government servants are divided into four grades. The first grade includes all officers in receipt of pay exceeding Rs. 750 per month, as well as all officers belonging to all-India services or the superior provincial services which have recently been constituted. These officers are entitled to first class railway fares. We are of opinion that officers belonging to the superior provincial services should not get first class travelling allowance unless their pay exceeds Rs. 750 per month. There should be no differentiation in this respect between officers of the superior and ordinary provincial services.

407. **Railway and steamer fares.**—Formerly a Government servant was allowed double the fare of the class in which he was entitled to accommodation. On the recommendation of the last Retrenchment Committee, this rate was reduced to one and three-quarter fares, except in the case of some specified journeys. Recently Government have still further reduced the ordinary rate from one and three-quarter fares to one and three-fifth fares. We recommend that the ordinary rate for journeys by railway or steamer be reduced to one and a half fares; the additional half fare should be sufficient to cover the fares of servants, if any, and the miscellaneous expenses, such as cooly charges, to which an officer is put on the journey. One and three-fifth fares may, however, be allowed for journeys under 75 miles, combined with an absence from headquarters of more than 24 hours, or for journeys of Government servants required to accompany Government to Darjeeling. The present rates should continue in force for journeys on transfer.

408. **Road mileage.**—An officer of the first grade is entitled to annas 8 per mile for journeys by road, with the provisos that for the first 20 miles he can only draw his daily allowance, and that only half mileage may be drawn for any excess over 30 miles. We recommend that the rate should be reduced from annas 8 to annas 6 per mile. The existing provisos should of course continue.

409. **Daily allowance.**—Formerly the daily allowance of a first grade officer was Rs. 5. It was subsequently increased to Rs. 6. We consider that an allowance of Rs. 5 per diem is sufficient to cover the expenses of a first class officer, and recommend that the rate be again reduced to this sum.

410. **Journeys in Chittagong Hill Tracts and Tippera.**—At present an additional 50 per cent. is given on daily allowance and mileage for journeys in these tracts. We recommend that this addition should be limited to 33½ per cent.

411. **Boat allowance.**—We understand that the rates of boat hire have fallen all over the province, and we recommend that boat allowances be reduced by 20 per cent. Some of the allowances which are at present classed as permanent travelling allowance (e.g., the allowance of Rs. 125 per month to the Colonisation Officer, Bakarganj), or as unconditional conveyance allowance, are really intended for the upkeep or hire of boats, and should be subject to this reduction.

412. **Conveyance allowance.**—Conveyance allowance is granted to a Government servant who is required to travel extensively at or within a short distance from his headquarters, under conditions which do not render him eligible for travelling allowance under the ordinary rules. Government recently made certain reductions in these allowances. All

motor car allowances were reduced from Rs. 150 or Rs. 100 to Rs. 80 per month, all bicycle allowances were reduced by 25 per cent., and all other conveyance allowances by 20 per cent., except that no horse or pony allowance was reduced below Rs. 20 per month. We are of opinion that these reductions do not go far enough. All Government officers have to provide their own means of getting to office and back. Most of the officers who draw motor car allowances would in any event keep motor cars for this purpose and for their private use. We think that Government should only pay them an allowance sufficient to meet the cost of petrol and oil consumed on journeys made within five miles of headquarters, and we think that this should be fixed at Rs. 30. Practically all the officers affected are stationed in Calcutta. Those who would not have kept cars but for the present allowances, must come to office by some means of conveyance, and they will be able to make journeys within the five-mile radius by the same means and meet the cost from an allowance of Rs. 30. In this connection we desire to point out that the allowances of the Principal of the Veterinary College, the Assistant Inspector of Smoke Nuisances, the Superintending Engineer, Presidency Circle, and the sub-deputy collector appointed as Registrar of the Chief Presidency Magistrate's Court, which have been classed as permanent travelling allowances, are really of the nature of conveyance allowances; these allowances should all be reduced to Rs. 30 per month. We also recommend that all bicycle allowances should be reduced to Rs. 2-8 per month; a new and serviceable bicycle can now be obtained for about Rs. 40, and the present allowance for its upkeep, which is generally Rs. 7-8 per month, appears to us to be unnecessarily high.

413. There are conveyance allowances which do not fall under the categories of boat, pony, bicycle or motor car allowance, and can be drawn without certifying the possession of a means of conveyance. These have been recently reduced by 20 per cent. We recommend a reduction of 33½ per cent., as the cost of transport has decreased to a large extent all over Bengal, and particularly in Calcutta, where most of these allowances are drawn. We are also of opinion that this kind of allowance should not exceed the motor car allowance recommended by us and should therefore be limited to a maximum of Rs. 30 per month.

414. Some of the officers who are in receipt of motor car allowance are occasionally required to travel beyond the five-mile limit in their cars. We recommend that, in such cases, they should be given a petrol allowance of annas 2 per mile for every mile which they travel outside the five-mile radius. Under the exception to Subsidary Rule 33, certain classes of officers in receipt of a conveyance allowance of Rs. 80 per month are permitted to draw travelling allowance under the ordinary rules for journeys by car beyond a radius of



five miles from headquarters, even when the journey out and back is completed in one day. In 1930-31, 40 officers were so exempted; one of them drew Rs. 3,203 during that year under this rule, another received Rs. 2,254, while seven more drew over Rs. 1,000. We consider that this concession is unduly generous. If any officer is, on account of the nature of his duties, required to travel extensively outside the five-mile radius, he should be given the option of coming under the ordinary travelling allowance rules, instead of drawing a car allowance of Rs. 30 and an allowance of annas 2 per mile for journeys extending beyond five miles from headquarters.

415. The managers at Munsong and Mungpoo are each provided with two ponies, the upkeep of which is paid for by Government; in addition, each of them draws allowances for two ponies which they purchase themselves. Similarly, each assistant manager gets a Government pony and draws an allowance for one private pony. We consider that one and two ponies should be sufficient for each assistant manager and manager, respectively, and recommend that the practice of providing Government ponies be discontinued.

416. **Journeys to attend non-official conferences.**—Certain Government servants are at present given permission to attend the annual meetings of the Institute of Engineers, Science Congress, Philosophical Congress and similar functions which are held in rotation in various important centres. Formerly, when permission was given, they were allowed to draw full travelling allowance for these journeys. Recently Government framed a rule authorising heads of departments to reduce the travelling allowance in such cases at their discretion, as the cost of these long journeys is high, and the presence of Government servants cannot be said to be directly in the public interest. We recommend that this responsibility should not be placed on heads of departments, and that officers permitted to attend such conferences should, in all cases, get only the usual daily allowance, and the actual cost of a return railway ticket. We recommend that the actual cost of the ticket should be allowed, as these journeys are generally made at times when concession fares are available.

417. **High officials.**—Members of Council and Ministers, when travelling by railway, are entitled to a reserved first class carriage which consists of two compartments. We think that they are entitled to reserved accommodation, but that a compartment should be sufficient, and we understand that they have recently agreed to reserve compartments and not carriages. This arrangement, however, is purely personal, and does not affect their successors in office. We, therefore, recommend that the rule should be amended accordingly.

418. **Headquarters of District Judges.**—Some revenue districts have been amalgamated for judicial purposes. When a District Judge

holds the judicial charge of two districts, his headquarters are fixed at one station, and he draws halting allowance for the days which he has to spend in the other district. We find that the headquarters of Judges holding combined charges have not, in all cases, been fixed with due regard to economy. For instance, the headquarters of the District Judge of Darjeeling, Jalpaiguri and Dinajpur are at Dinajpur, but the Judge usually spends the greater part of the year at Darjeeling and Jalpaiguri. We recommend that this matter be examined, and that in all such cases the headquarters of the District Judge be fixed at the station where he has to spend most of his time.

419. **Travelling allowance for journeys on transfer.**—In the chapter on Registration we had occasion to refer to the grant of travelling allowance to officers who are transferred at their own request. Subsidiary Rule 111 clearly lays down that travelling allowance cannot, as a rule, be drawn by an officer transferred at his own request or in consequence of misconduct. This rule, which we consider a wholesome one, has been stultified by the audit instruction under it, which lays down that, in the absence of an endorsement stating the reasons for the transfer, the audit officer shall assume that the Government servant has been transferred for the public convenience. The authority responsible for the transfer does not always state in the order whether the Government servant has been transferred at his own request or not; many officers are probably not even aware of the rule and the audit instruction under it. We recommend that the rule be amended to the effect that, in all cases, the authority ordering the transfer shall state whether the officer has been transferred in the public interest, at his own request, or on account of misconduct.

420. **Frequency of transfers.**—We have already referred to the frequency of transfers in Chapter VI in discussing the Registration Department, but as we explained, our remarks do not apply only to that department. Instances have been cited which justify us in thinking that transfers of officers, both gazetted and non-gazetted, can be largely curtailed in practically every service. We recommend that the attention of all departments should be drawn to the necessity of reducing the number of transfers to a minimum.

421.

Item.	Estimated savings.
	Rs.
Travelling allowances .. .. .	6,80,000

## CHAPTER XXVI.

### Contingent Expenditure.

422. **Expenditure during the last decade.**—We understand that, acting on the suggestion made in paragraph 449 of the Report of the last Retrenchment Committee, Government appointed an experienced accounts officer, with a suitable staff, in 1923-24 to examine in detail the contingent expenditure of all the offices in the province. That officer visited 138 offices in all and submitted 110 reports, in which he criticized the administration of the contingent grants both from the accounts point of view as well as from the point of view of economy, and recommended a total reduction of about Rs. 7,47,000 against the estimated saving of Rs. 10 lakhs calculated in paragraph 454 of the last Retrenchment Committee's Report. From the figures given below, we find that, immediately following these recommendations, the contingent expenditure was reduced by about 11.3 per cent. in 1925-26 as compared with the actuals of 1922-23:—

Actuals.	Rs.
1921-22	... 1,81,95,000
1922-23	... 1,61,51,000
1925-26	... 1,43,28,000
1926-27	... 1,51,68,000
1930-31	... 1,60,96,000
Budget estimate.	
1932-33	... 1,60,22,000

The very large drop in contingent expenditure in 1922-23 as compared with the actuals of 1921-22 was, we understand, due to the 5 per cent. cut imposed by Government as a measure of general retrenchment.

423. The average expenditure in 1925-26 and 1926-27 was Rs. 1,47,48,000, but the average of the actuals of 1930-31 and the budget estimate of 1932-33 (the actuals of 1931-32 being not yet available) is Rs. 1,60,59,000. The expenditure in six years has, therefore, risen by about 8.8 per cent. The increase, we understand, is partly due to the introduction of new schemes which necessarily involve some increase in contingencies, and partly to the very large expenditure that Government have had to incur since 1930-31, to deal with the present political situation.

424. **Proposed percentage reduction.**—It has not been possible for us to go into the details of the very large number of contingent heads of the various departments, including "Supplies and Services," "Contract Contingencies" and "Other non-contract charges," but we feel that the total expenditure is susceptible of a considerable reduction. For instance, it is common knowledge that there is always a rush of expenditure during the last few days of March to avoid the risk of a cut in the next allotment by the rule of actuals. This necessarily encourages extravagance. Other directions in which laxity prevails are the local purchase of stationery, the purchase of furniture not immediately necessary, payments made from contingent grants to avoid audit objections, indiscriminate payment of cooly hire, the use of service stamps in postage where messengers could be employed, and the despatch of several separate letters to the same addressee and on the same day, where a single cover might have been well used. A large number of extraordinary gazettes are being issued at present; much postage can be saved if they are sent out with the weekly gazettes to all officers other than those directly concerned. Many officers in the Secretariat are supplied with newspapers at the expense of Government; it should be possible to pool the supply under the Political Department. We think that disbursing officers, with other more important duties to perform, are apt to pay too little personal attention to these minor details of routine administration, and leave the control of contingent expenditure too much in the hands of subordinates. We, therefore, believe that, with the co-operation of disbursing officers, it should be feasible to impose a further all-round cut of 5 per cent. on contingent expenditure except where it is obligatory, as, for instance, payments of rents, rates and taxes, and we recommend that this be done. It may be necessary to exempt from the cut the grants for postage and telegrams in view of the increased charges imposed last autumn. In the subsequent paragraphs we make recommendations regarding certain items of contingent expenditure which, we think, cannot be adequately dealt with by a cut of 5 per cent.

425. **Liveries.**—We are of opinion that the expenditure on liveries for Secretariat orderlies is excessive. We think they should normally get only two white uniforms and two warm vests per annum; winter uniforms may be given biennially to those who are required to go to Darjeeling. The supply of blankets and umbrellas should be biennial. We think that the expenditure of Rs. 20 a year on the dagger-tassel for the head orderly of each Member and Minister should be discontinued. The rules regarding the supply of liveries to peons and orderlies in the mufassal have been examined by us, and we consider them reasonable, but we are informed that they are not always adhered to. Instructions should be issued to all heads of offices that deviations are not permissible.

426. **Telephones.**—The subscribers to the Bengal Telephone Corporation pay Rs. 144 per annum and Re. 1 for every 12 calls, while the Regent service charges a flat rate of Rs. 250 per annum. We have made some rough calculations and are of opinion that the Regent rates are excessive, especially as the Bengal Telephone Corporation are bound, under the terms of their contract, to give a rebate of 25 per cent. in the case of Government telephones. We recommend that the Regent service should be asked to reduce their rates substantially, and that a change should be made over to the Bengal Telephone Corporation if they refuse.

427. We have gone through the list of free connections in the residences of officers and are of opinion that some of them are not necessary in the public interest and should not be paid for by Government. The telephones in the houses of Superintending Engineers, the Deputy President of the Legislative Council and the Secretary to the Board of Revenue are cases in point.

428. **Rented buildings.**—There is a provision of about Rs. 2,82,000 in the current year's budget for the rent of buildings hired as police offices and for the accommodation of the Calcutta Police force. All officers of the Calcutta Police are entitled to rent-free quarters and are provided with accommodation in buildings owned or hired by Government. The rent of quarters hired for officers has recently been reduced to some extent, but a still further reduction seems to us possible. A number of offices of other departments are also located in rented buildings at a considerable cost to Government. The owners of all hired buildings should, we suggest, be called upon to reduce their rents to 75 per cent. of the amounts which they received in the beginning of 1931. There are good reasons to believe that most of them would agree to do so if they were given clearly to understand that the current leases would not be renewed in case of refusal.

429. We inspected the accommodation available in Writers' Buildings, and we consider that room could be found in the eastern block of the ground floor for the office of the Director of Industries. Similarly, the Irrigation offices can be located in the Rotunda rooms. These are now-a-days seldom used for conferences, for which, we understand, they are reserved.

430.

Item.	Estimated savings.
	Rs.
Contingencies .. .. .	7,00,000

## CHAPTER XXVII.

### Leave and Holidays.

431. **Curtailment of leave.**—The ordinary leave rules apply to all Indian officers except a few who were formerly under the European Services Leave Rules in the Civil Service Regulations. Officers of non-Asiatic domicile and the few Indian officers mentioned above are under the special leave rules which are somewhat more liberal. Subject to certain maxima, an officer who is under the ordinary leave rules earns leave at the rate of two-elevenths of the period spent by him on duty, while the leave account of a Government servant under the special leave rules is credited with five-twenty-seconds of the period spent on duty. All this leave cannot, however, be taken on full pay; there are limitations on the grant of full pay leave (or leave on average pay as it is called), to which we shall refer later. Even after taking the restrictions into account, we are of opinion that the leave terms are much too liberal both for Europeans and for Indians; they are much in excess of the terms which are granted to their employees by mercantile and other firms. We are of opinion that the amount of leave admissible to European and Indian officers should be reduced from five-twenty-seconds and two-elevenths to two-elevenths and three-twenty-seconds respectively.

432. It has been suggested to us that less leave should be allowed to staffs which are recruited locally and serve within easy reach of their homes. This would apply principally to ministerial officers. We do not, however, support this proposal. It is not possible to draw a clear line of differentiation between locally recruited staff and others. Ministerial officers are not always recruited locally, and they are in some cases liable to transfer.

433. **Leave on average pay.**—The maximum amount of full pay leave admissible to a European officer is one-eleventh of the period spent on duty (which corresponds to the old privilege leave) *plus* one year during the whole of his service. The same terms are admissible to an Indian officer who either takes leave on medical certificate or spends it elsewhere than in India or Ceylon; otherwise, he is entitled to full pay during privilege leave only. As leave is often taken on medical certificate or spent outside India or Ceylon, the rules have placed Indian and European officers on the same footing in the matter of full pay leave. This, in our opinion, is clearly wrong, as an officer who is serving in his own country obviously needs less leave than one

whose domicile is in England. We recommend that the leave on average pay which is admissible to an Indian officer should ordinarily be one-eleventh of the period spent on duty, an additional six months being allowed if the leave be taken on medical certificate. We do not consider it necessary to grant Indian officers an additional period to enable them to spend their leave outside India.

434. **Leave reserve.**—Nearly every service under Government has a leave reserve which is calculated on the number of posts in the service; the percentage is usually 10 to 12½. Our proposals, if accepted, will enable some reduction to be made in the leave reserves. We understand that Government have recently issued a circular to the effect that leave vacancies of less than six weeks should not be filled up. We recommend that this rule be made permanent, as it will enable Government to reduce leave reserves still further. The question of the leave reserve which will be required for each service in future will have to be re-examined.

435. **Leave salary.**—The salary admissible during full pay leave is at present calculated on the average pay received by an officer during the 12 months immediately preceding the leave. This rule is unnecessarily generous. An officer who has acted for a time in a post carrying a special pay or a higher rate of pay frequently takes leave when he reverts to his substantive post, and thus gets a leave salary which is in excess of the pay which he would have drawn if he were on duty. We recommend that the rule should be so amended that the leave salary should, in no case, exceed the pay to which an officer would be entitled if he were on duty.

436. **Study leave.**—This kind of leave is at present granted to officers of certain departments for the study of scientific or technical subjects in Europe. Such leave is on half pay with an additional allowance, and is not debited to the leave account of the officer concerned. We are doubtful whether the results of study leave generally justify the additional expenditure; in any event, we recommend the stoppage of all study leave during the present financial crisis.

437. **Holidays.**—The number of holidays excluding Sundays in the year in executive offices is 43, of which 30 are under the Negotiable Instruments Act; in addition, there are usually six or seven local holidays. There can be no question that the number of holidays is excessive; but we are informed that political pressure makes any reduction difficult, if not impossible. Agreement between the communities concerned would be necessary, and we can only suggest that a small committee of members of the Legislative Council, representing the different communities, should be appointed to consider the matter and recommend some reductions.

438. **Working hours.**—The office hours in the Secretariat are from 10-30 a.m. to 5 p.m., and in other offices from 11 a.m. to 5 p.m. Clerks are expected to remain later than 5 p.m. if they have not finished their work, and witnesses have told us that they generally do so. While we do not recommend any change in these hours, we are of opinion that head ministerial officers should set an example of punctuality and should see that their subordinates follow it. We went round the Secretariat one morning between 10-30 and 11 a.m. and found that the attendance was very poor. We have had complaints that many gazetted officers in the mufassal arrive late in office. As a remedy we suggest that every officer should keep a diary (which should be periodically put up before his superior officer) and enter in it with his own hand the hours of his arrival and departure every day. At present diaries are kept only by officers working in a judicial capacity, and the entries are frequently made by the bench clerk.

439.

Item.	Estimated savings. Rs.
Leave reserves .. .. .	.. 9,00,000



## CHAPTER XXVIII.

### Compulsory Retirement.

440. **Reduction of staff.**—Many of the recommendations we have made involve considerable reductions of staff. We regret the necessity, but it is unavoidable if economies are to be effected within a reasonable time. Recruitment of new officers must, of course, be stopped except in cases in which it is impossible to fill any post from among retrenched officers. An embargo must also be definitely placed on the grant of any extensions of service to officers other than ministerial. But the above measures will only touch the fringe of the problem. A large number of officers in permanent employ will have to be discharged. We shall, in the following paragraphs, suggest measures which will, to some extent, mitigate the hardship involved in compulsory premature retirement.

441. **Retirement of senior officers.**—There are in every service a number of senior men who have lost interest in, or capacity for, their work, and Government should, in our opinion, first select these officers for discharge. They should be followed by those who have earned their full pensions, and whose retention is not essential in the public interest. If the number of officers in these two categories is insufficient to make up the quota to be discharged, Government should invite applications for retirement on the terms we propose in the next paragraph. Should the number still be short, then Government will have to select for discharge those officers whose services can best be spared. In selecting officers for compulsory retirement, we think that Government should begin with senior men, and that junior officers should be discharged only when the number to be retired cannot otherwise be made up. Discharge is less of a hardship to a senior man who has earned a pension, than to a junior man who will only receive a gratuity and will, in most cases, be unable to find new employment in the present conditions. The retirement of senior officers is also more economical. The discharge of a deputy magistrate on Rs. 800 a month, for instance, will mean a saving of Rs. 400, though he draws a pension of Rs. 400; whereas the discharge of an officer at the bottom of the scale will only effect a saving of Rs. 250.

442. **Terms for retrenched personnel.**—We consider that fairly liberal terms should be granted to all discharged officers who are in

permanent employ. We include in this category quasi-permanent men such as settlement kanungos, who, although temporary in name, are permanent for all practical purposes. Many of these officers have been in service for more than 20 years, and it would be inequitable to discharge them without any pension or gratuity, particularly when pension schemes have been sanctioned but have been held in abeyance for want of funds. We recommend that all leave due not exceeding 28 months should be granted to an officer prior to his final discharge, and that such leave should count towards total qualifying service for ordinary pension. Pensionary benefit should be extended for qualifying service of not less than seven completed years; the rate of pension for qualifying service of not less than seven but less than ten completed years will be one-sixtieth of each year of service. Full pension should be given after 25 years of qualifying service. A gratuity of half a month's pay for each year of service up to 15 years should be given in cases of premature retirement; if the completed years of service exceed 15, the gratuity should diminish thereafter by half a month's pay for each completed year in excess of 15.

J. A. L. SWAN.

JATINDRA NATH BASU.

H. BIRKMYRE.

M. AZIZUL HUQUE.

## SUPPLEMENTARY NOTES.

### Note by Mr. J. N. Basu.

**Universities.**—The Committee has recommended a reduction of 5 per cent. in the aggregate grants to the two Universities of Calcutta and of Dacca.

2. In the case of Government colleges, the Committee had data placed before it, showing the expenditure on each college and the annual contribution by the State towards the education of each student in the college. The Committee had no information as to the aggregate expenditure on teaching work at the Universities and the average annual cost of the Universities for each student, and the proportion of State contribution towards such cost.

3. The Government should, in collaboration with the two Universities, make enquiries as to the cost of University education per student and regulate expenditure on the basis of the figures ascertained on such enquiry. The State should not contribute an excessive proportion of the cost per student incurred by the two Universities. The enquiry suggested here is likely to lead to a reduction in the State expenditure on this head.

JATINDRA NATH BASU.

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### Note by Khan Bahadur M. Azizul Huque.

**General remarks.**—While I am in full agreement with the recommendations of the Committee, I deem it necessary to record a few words explaining and supplementing the conclusions arrived at by us. I realise that our recommendations, on the whole, constitute a distinct advance on the existing position. In concurring with these decisions, I am deeply impressed by the fact that Bengal finances are in a critical position, and on occasions like this, every one must be prepared to make some sacrifices, and Bengal expects everyone to do his best to tide over the present difficulties. I must also candidly explain that our task was to find out avenues of retrenchment in a Government

which is an established institution, with its roll of officers and employees under contracted terms of emoluments and prospects. We were not to fix terms and conditions for men to be employed for the first time. It is extremely difficult in such circumstances to go further than we have done, however much we would wish it if we were to work on a clean slate. The fact that we are also on the eve of far-reaching constitutional changes weighed very greatly with me against suggesting violent changes in the mechanism of Government, as I am perfectly sure that that will be putting difficulties in the way of smooth beginning in the working of the new constitution. Integrity and efficiency are also the most important factors in public services, and it would be false economy to settle emoluments on the principle of demand and supply. Even though it is possible to get numerous graduates on a pay of Rs. 40 and even less, it would be nothing short of disaster to fix the pay of a graduate at Rs. 40 if a service needs an efficient contented officer of honesty and integrity and required to take the responsibility of making decisions in matters of administration. In some departments such as the Police, I would have gladly gone in for more retrenchments, but I must frankly state that within the time at our disposal, I have not succeeded in finding out how more economy could be possible. All the suggestions that were received by us from all sources have been fully explored, and we ourselves have examined the expenditure in close detail.

2. **Members of Council and Ministers.**—I accept the recommendation of the Committee that the number of Members in the Provincial Cabinet should be five, subject to the proviso that the number of Ministers is not less than the number of Members. I am influenced in this view by the fact that we are on the eve of constitutional changes which will have the effect of establishing a Cabinet constituted entirely of Ministers, and it would be a retrograde measure if, at this stage, the number of Ministers is less than the number of Members. I would far prefer to have a Cabinet consisting of an equal number of Members and Ministers, rather than have the Ministers' number less than the number of Members at this stage.

3. **Listed posts.**—While I agree that in future ten posts should be listed as open to members of the Bengal Civil Service, I am of opinion that this should be only for the immediate future. As the number of European recruitments fall off, the number of listed posts should be correspondingly increased till the number of listed posts and directly recruited Indian members reach equality, and this proportion should be maintained.

4. **Cadre of the Bengal Junior Civil Service.**—I concur in the recommendation of the Committee that the future strength of the Bengal Civil Service and Bengal Junior Civil Service should be fixed at 200 and 400. I am, however, of opinion that the cadre of the

Bengal Junior Civil Service is still capable of further reduction. We have to bear the following facts in mind in fixing the cadre. At present the actual number on deputation, including survey and settlement and miscellaneous duties, is only 55. This number is not likely to be increased. Eighty-six posts are provided in the cadre for these purposes. The actual number of officers on leave is only 19. The leave reserve is maintained at 50. So it will be sufficient if the leave reserve is maintained at 20. The number of actual training reserve is now 30. This will be correspondingly reduced. I am, therefore, of opinion that detailed enquiry will possibly show that the cadre of the Bengal Junior Civil Service may be reduced still further than we have recommended.

5. **Hindu, Hare and Sanskrit Collegiate Schools.**—I am definitely of opinion that the Hare and the Hindu Schools and the Sanskrit Collegiate School ought to be combined in one institution, under one head-master—if necessary, future classes being divided into sections. The justification for maintaining these three schools is that the Hindu School and the Sanskrit Collegiate School are only open to caste Hindus. Whatever might have been the origin or history of such exclusive institutions, it is time that liberal views should unite in removing this barrier and open these institutions to all. I am definitely of opinion that every public institution maintained by the Government, whether it is the Calcutta Madrasah or Sanskrit Collegiate School or Hindu School or Bethune School, should be thrown open to all. If they continue to be maintained as exclusive institutions, a demand for State institutions for other castes and religions will obviously arise, and larger expenditure will be incurred by the State unnecessarily. A perusal of the history of the Hindu School will also show that Government can easily throw the school open to all.

6. **Industries Department.**—While I agree with all the recommendations of the Committee about the Industries Department, I am afraid that on account of the abolition of posts of the assistant inspector of weaving schools, and the superintendent of textile demonstrations, a certain amount of additional administrative work will devolve on the Director of Industries. The operation of the State Aid to Industries Act, for which a Board of Industries has just been constituted, will also result in increased work in the department. It is understood that the post of the Deputy Director of Industries, now held in abeyance as decided by the Government of Bengal, is likely to be revived with the operation of the State Aid to Industries Act. If this is decided upon, in view of the financial stringency, I am of opinion that, instead of creating an additional superior post, one of the existing superior staff, say, the industrial engineer, should be appointed the Deputy Director in addition to his own duties and on his own pay, but with an additional allowance, and an assistant industrial engineer

should be appointed on a much lower salary, say, Rs. 125 to Rs. 375. This will mean considerable saving.

7. **Expenditure on Calcutta.**—My colleagues have briefly referred in the introductory chapter to the fact that, except Bombay, no other province has to provide for the needs of a great city like Calcutta, but have suggested no remedy for the same. Bengal has, in, my opinion, been sufficiently mulcted in the interest of Calcutta, and it is time that the citizens of Calcutta should be asked to accept the responsibility of meeting at least a part of these charges. Is there any justification for maintaining at the cost of rural Bengal the beautiful Maidan roads for evening drives of the citizens of Calcutta? Why should the outdoor sections of the Calcutta hospitals be at the cost of Bengal revenues? Instances can be multiplied where Bengal has to pay for the amenities of Calcutta life and for the needs of Calcutta. Rural Bengal has to pay over 60 lakhs of rupees, if I mistake not, to meet the cost of chaukidars (rural police), yet provincial revenues have to bear the entire charges of the Calcutta Police costing about 45 lakhs of rupees.

8. The following is a statement of some important items whose cost is met from provincial revenues, though incurred in the interest or for the benefit of Calcutta:—

- (1) Calcutta Police.
- (2) Glanders and Farcy Department.
- (3) The Eden Garden.
- (4) The Dalhousie Square Garden.
- (5) Sibpur Botanic Gardens.
- (6) The maintenance of Calcutta and Eastern canals (the construction of the bridges alone has cost many lakhs).
- (7) Dredging the Bidyadhari.
- (8) The treatment of about 200,000 outdoor patients in Calcutta hospitals.
- (9) Maintenance of about 14 miles of Maidan and Strand Roads, also the maintenance of many miles of metalled roads in and near Calcutta.
- (10) The maintenance of the Maidan including Curzon Gardens.
- (11) Annual grant to the Calcutta Improvement Trust.
- (12) Grant to Victoria Memorial and other institutions in Calcutta.

These are enough for my purpose.

9. I trust it will now be realized that charges for all such services which are in the interest of the metropolis alone should be borne, at least in a substantial measure, by the citizens of Calcutta.

M. AZIZUL HUQUE.

## NOTES OF DISSENT.

Notes by Mr. J. N. Basu.

**Excise Department.**—Until about 17 years ago, there was no separate Excise Department. Excise work was a part of the work of the Revenue Department, and revenue officers used to look after the excise work within their respective jurisdiction.

2. Since that time, excise work has become better organised. With central distilleries under direct State control, with a revised system of assessment, and with other improvements, the work has now become more of a routine nature than previously.

3. There is no need now for a separate department to look after excise work. The Subdivisional Officer may look after the excise work in his subdivisions. In localities in which work is heavy, he may be assisted by one or more subordinate officers to assist him. The work consists of assessment, collection, supervision and prevention. Prevention is even now done largely with the assistance of the police. There is some special prevention work required in and near Calcutta and at the large railway junctions, the number of which is small. The ordinary revenue officer should be able to perform the excise work as a part of his ordinary duties. So far as Bengal is concerned, the Excise Department is substantially a branch of the Revenue Department. By posting excise officers in the same localities in which revenue officers are posted, there is duplication of staff and duplication of supervision. The revenue officers, such as the Subdivisional Officer and the District Collector, have not yet been divested of the authority they formerly had in the matter of excise work. But they do not exercise that authority except by occasional inspection and by acting as the intermediary for conveying communications from the local Excise Superintendents to the Commissioner of Excise at the centre.

4. Excise administration may suffer by having a separate staff for whom there will not be many openings for advancement. The officers of the Excise Department will have in prospect only two or three high appointments, viz., those of the Commissioner and of the two Deputy Commissioners of Excise. Most of the officers know that they cannot reach the status or emoluments of those appointments. Such a feeling is likely to affect the morale of the service. If the officers were a part of the Revenue Department, they would have a large number of appointments of high status and substantial pay open to

them. It should be remembered that the excise officer has large powers affecting excise revenue. A close excise service not only results in duplication of staff, but the efficiency and integrity of the service may also suffer.

5. There is hardly any apprehension of a diminution of the income from excise by reason of excise work being entrusted to and being supervised and controlled by the revenue staff.

6. **Commissioners.**—I am unable to agree that Commissioners of Divisions should be continued.

7. The Commissioner of a Division exercises certain administrative and judicial functions. He is the intermediary between the district administration and the centre.

8. The judicial or quasi-judicial functions now exercised by the Commissioner may be divided between the Collectors of districts, the Board of Revenue and the civil courts. Judicial functions like contested land registration cases and like matters may be entrusted either to the Collectors or the Board of Revenue or the civil courts. In the administration of criminal law, no function has to be performed by the Commissioner of a Division. Revision and appeal in criminal cases go direct from the Magistrates in the districts to the judiciary.

9. If the judicial or quasi-judicial work is divided between the Collectors, the Board of Revenue and the civil courts, the work that will remain in the hands of the Commissioners will not be such as to require the continuance of such an intermediate authority.

10. Work in connection with local self-government, public health, communications, etc., have, with the growth of specialised departments, gradually passed out of the hands of the Commissioners. The Bengal Municipal Act recently passed by the Bengal Legislative Council takes away a considerable part of the Commissioner's work in the matter of revision and regulation of municipal budgets and of inspection of and control over municipalities.

11. As regards advising Government and District Officers, the function does not appear to be essential. Communications have become easier and more expeditious than they were in the days when Commissioners were first appointed. Calcutta is easier of approach from some districts than the headquarters of the division to which the districts belong. The centre, with wider knowledge of conditions throughout the province, is in as good, if not in a better, position to offer advice than the Commissioner, who may not have served as Collector in any of the districts in his division. If decentralisation is aimed at, what is needed is the transfer of more administrative powers to District Officers, who, by reason of being in close touch with local



conditions, are likely to be in a better position to deal promptly and satisfactorily with matters confronting them than an officer whose knowledge is to a great extent indirect.

12. In matters of revenue administration, the District Officer, whenever he deems necessary, may directly consult the Board of Revenue, the Revenue Department, the Department of Land Records, the Excise Department or such other department which deals with the matter in question. Thus the department concerned will deal directly with the District Officer, and there will be greater expedition and less correspondence. The work at the centre will not be much added to, as it will be distributed over several departments.

13. In matters of executive administration, the centre will be in closer touch with the districts. The Commissioners are no doubt officers of experience. But if the office of Commissioners of Divisions ceases to exist, there will be some more senior officers in the districts. The Commissioners are not ordinarily in direct touch with district work. It should also be remembered that District Officers have always at hand the advice and ready assistance of the experienced local officers of the central and provincial services, some of whom are senior men, and have worked in difficult situations. In addition to the centre, the District Officers may also consult the heads of neighbouring districts in cases of emergency.

14. It has been stated that, on occasions of floods and similar calamities and of public commotions, the Commissioners are available on the spot. These special circumstances require the services of the Public Health, Medical, Agricultural, Police and such departments. Some of them have District or Divisional Officers of senior standing. There does not appear to be any difficulty in the department concerned, on requisition from the District Officer, or the centre, being on the spot to deal with the situation. Such a course will bring into greater frequency the co-ordination of the State services, so necessary for successful administration. It should also be remembered that the centre is acquainted with conditions prevailing all over the province, and has control over all provincial resources. The advice and assistance required by the districts will be more effectively rendered, if District Officers communicate directly with the centre.

15. The need for inspection of the District Officer's work has also been urged as a ground for retention of Commissioners. Each district is inspected by the Commissioner once a year, and each subdivision once in two years. With the lightening of the burden of the District Officer's work, the work which may require inspection is revenue administration and general administration. The subdivisional offices are inspected every year by District Collectors. There is no

need for a biennial inspection of those offices by the Commissioner. As regards the district offices, they may be inspected on the revenue side by a Member or the Secretary of the Board of Revenue, or the Revenue Secretary, and on the administrative side by the Secretary or Deputy Secretary of the department concerned, who, in the near future, will be relieved of all direct work on the legislature.

16. It has been said that there may be difficulty, if the new constitution, which is expected to come into operation in a short time, has to function at the commencement with an administrative machinery to which the province is not accustomed. It should be remembered that the success of the new system will principally depend on the administrative machinery being less cumbrous and more economical. In actual working there should be no difficulty in the absence of Commissioners. District Officers will have more powers and will be in a position to act with greater promptness.

17. **The Hare School and the Hindu School.**—I do not agree with my colleagues that the Hare School and the Hindu School should be amalgamated. Both the schools are old, and have a tradition and history of their own. The proposed amalgamation is something akin to the suggestion that Eton and Harrow should be amalgamated. The amalgamation is not likely to result in any appreciable saving in expenditure, as there will be practically no reduction of staff, having regard to the number of students.

18. The schools owed their origin to endowments from generous donors. The steps suggested should not be taken unless the approval of the successors of the original founders and of the public concerned is first obtained. It is likely that a portion of the endowments for the old Hindu School was diverted to the Presidency College, which was constituted out of the senior classes of the Hindu School. The question of the liability of Government to account for and render back the investments has not been investigated.

19. **Sanskrit Collegiate Schools.**—The school attached to the Sanskrit College is conducted on a different method from the ordinary matriculation schools and for a different purpose. Sanskritic studies form an important part of the curriculum. Amalgamation with an ordinary matriculation school will radically alter the nature and quality of instruction, as special attention will cease to be given to advanced Sanskritic studies for which the school was originally established.

20. **Assistant Director and Divisional Assistant Inspectors of Muhammadan Education.**—The evidence shows that there is no need for these officers. Most of the work done by them does not relate to Moslem education.

21. In view of what happens in practice, the continuance of a separate Assistant Director and of separate Assistant Divisional Inspectors of Muhammadan Education is not called for in the interests of Moslem education. If it is proposed to utilise the money saved by the abolition of these posts, regular stipends may be paid to a large number of deserving Moslem students for the purpose of carrying on their studies. Such a course is likely to be of great help in advancing Moslem education.

22. **The Text Book Committee.**—The Text Book Committee came into existence at a time when there were no suitable text-books, either in the English language or in the vernaculars, for the schools that were then being established. At present, instead of a dearth, there is a large number of suitable text-books from which the teaching staffs and the governing bodies of schools may make their choice. There is no compulsion on any of the schools to accept the recommendations of the Text Book Committee. The powers of that Committee are merely advisory and not mandatory. If it is necessary for the guidance of State schools that suggestions should be made about the choice of text-books, the Education Department may make the necessary selections and publish its recommendations, which may be availed of not only by the State schools but also by other schools.

23. **Stationery and Printing.**—The Government printing presses appear to be overmanned, particularly in the superior grades. There are large private printing concerns, some doing considerable Government work. It may be ascertained with what staff, both superior and subordinate, those concerns carry on their work, and what is the remuneration paid by them to the staff. There is no need for a much larger amount of supervision in Government presses than in large private presses doing the same kind of work. There should be reduction in the numerical strength both of the supervising staff and of the subordinate staff. The superior staff should be paid a lower scale of pay, and there should also be reduction in the pay of other employees in receipt of a monthly salary of more than Rs. 80.

JATINDRA NATH BASU.

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### Notes by Mr. H. Birkmyre.

**River Police.**—While I am in entire agreement with the rest of the Committee that the River Police should be brought under control of the districts, I cannot agree to such drastic reductions in the number of floating thanas and launches as my colleagues have recommended. Admittedly one or two launches (those used by the

Superintendent of River Police and his assistant) might be done away with, and undoubtedly it is possible to reduce the number of floating thanas to some extent. It must, however, be remembered that these floating thanas serve as depots for refuelling the patrol launches which are small and of very limited cruising range. They have, moreover, the advantage of mobility, as they can be towed from place to place as the situation requires.

2. The improved transport facilities now available are unfortunately as accessible to the river dacoit as to the peaceful citizen, and the smaller river stations are, therefore, as open, if not more open, to attack than in days gone by. This, to mind, makes efficient and constant patrolling of the rivers of East Bengal more essential in these troublous times than during the past.

3. **Calcutta Police.—Inspectors.**—While I am in entire agreement that a certain number of inspectors of the Calcutta Police are unnecessary and can be done without, I do not agree that the total cadre of inspectors and sub-inspectors should be reduced by as many as 20. I consider that those inspectors whose services are dispensed with, should be replaced by an equal number of sub-inspectors. We have recommended drastic reductions in the number of Deputy and Assistant Commissioners, and so to obtain the best results from the Force, both as regards discipline and the effective carrying out of its duties, I consider we should not take the risk of reducing the investigating officers to such a very great extent.

4. **Sergeants.**—I am also strongly against any reduction in the number of sergeants at present, but when the situation improves sufficiently to warrant it, the temporary staff of sergeants should be dispensed with.

5. **Bengal Tannery.**—I am not in agreement with the rest of the Committee that the Bengal Tannery should be continued. While conceding the fact that it has done excellent work in the past, I maintain that it has now fulfilled its function as a pioneer and should be deprovincialized or sold as a going concern. There are, in and around Calcutta alone, no less than 300 tanneries, and I consider that this industry should now be in a position to conduct its own research work and train its own apprentices. These last two functions are two of the main planks in the case for the retention of the Bengal Tannery.

H. BIRKMYRE.

## APPENDIX

Chapter No.	Department or Head.	Estimated	
		Savings.	Increase of revenue.
		Rs.	Rs.
II	Land Revenue .. ..	2,72,400	1,29,000
III	Excise .. ..	1,88,900	..
V	Forest .. ..	2,71,600	..
VI	Registration .. ..	6,93,400	..
VII	Scheduled Taxes .. ..	10,000	..
VIII	Irrigation .. ..	4,58,500	..
IX	General Administration .. ..	17,69,500	1,26,000
X	Administration of Justice .. ..	6,97,900	32,200
XI	Jails .. ..	64,500	..
XII	Police .. ..	11,12,000	..
XIII	Education .. ..	9,14,000	..
XIV	Medical .. ..	5,37,400	23,000
XV	Public Health .. ..	1,74,400	5,100
XVI	Agriculture .. ..	6,96,900	..
XVII	Industries .. ..	1,88,200	2,500
XVIII	Commerce and Marine Departments .. ..	56,300	50,500
XIX	Public Works .. ..	24,37,200	..
XX	Stationery and Printing .. ..	1,95,000	..
XXI	Miscellaneous Grants .. ..	18,900	..
XXII	Pay of the Services .. ..	48,00,000	..
XXIII	Special Pay .. ..	2,10,700	..
XXIV	Compensatory Allowances .. ..	80,000	..
XXV	Travelling Allowance .. ..	6,80,000	..
XXVI	Contingencies .. ..	7,00,000	..
XXVII	Leave Reserves .. ..	9,00,000	..
		<u>1,81,27,700</u>	<u>3,68,300</u>
	Total ..	Rs. 1,84,96,000	

*Note.*—The pensionary and other charges on account of compulsory premature retirements have not been taken into account.

**REPORT**  
(INTERIM)  
OF THE  
**GENERAL PURPOSES SUB-COMMITTEE**  
OF THE  
**RETRENCHMENT ADVISORY COMMITTEE**

**SEPTEMBER 1931**

**PART I.**

3



CALCUTTA: GOVERNMENT OF INDIA  
CENTRAL PUBLICATION BRANCH  
1932

TABLE OF CONTENTS.

	PAGE.
CHAPTER I—General Observations on retrenchment . . . . .	1—10
CHAPTER II—Grant No. 17—Taxes on Income . . . . .	11—13
CHAPTER III—Grant No. 20—Stamps . . . . .	14
CHAPTER IV—Grant No. 21—Forest . . . . .	15—16
CHAPTER V—Grant No. 28—Executive Council . . . . .	17
CHAPTER VI—Grant No. 32-B—Bureau of Public Information . . . . .	18—19
CHAPTER VII—Grant No. 32-C—Intelligence Bureau . . . . .	20
CHAPTER VIII—Grant No. 41—Central Board of Revenue . . . . .	21—22
CHAPTER IX—Grant No. 45—Police . . . . .	23
CHAPTER X—Grant No. 48—Survey of India . . . . .	24—25
CHAPTER XI—Grant No. 49—Meteorology . . . . .	26—28
CHAPTER XII—Grant No. 50—Geological Survey . . . . .	29—32
CHAPTER XIII—Grant No. 51—Botanical Survey . . . . .	33—34
CHAPTER XIV—Grant No. 52—Zoological Survey . . . . .	35—36
CHAPTER XV—Grant No. 53—Archæology . . . . .	37—39
CHAPTER XVI—Grant No. 54—Mines . . . . .	40—41
CHAPTER XVII—Grant No. 55—Other Scientific Departments . . . . .	42—43
CHAPTER XVIII—Grant No. 56—Education . . . . .	44
CHAPTER XIX—Grant No. 57—Medical Services . . . . .	45—48
Grant No 58—Public Health . . . . .	48—51
CHAPTER XX—Grant No. 59—Agriculture . . . . .	
Grant No. 60—Imperial Council of Agricultural Research . . . . .	52—57
Grant No. 61—Civil Veterinary Services . . . . .	
CHAPTER XXI—Grant No. 62—Industries—B—Indian School of Mines . . . . .	58—59
CHAPTER XXII—Grant No. 63—Aviation . . . . .	60—63
CHAPTER XXIII—Grant No. 67—Emigration—External . . . . .	64—65
CHAPTER XXIV—Grant No. 69-A—Imperial Library . . . . .	66
Grant No. 69-F—Indian War Memorial . . . . .	66
CHAPTER XXV—Grant No. 69-C—Explosives . . . . .	67—68
CHAPTER XXVI—Grant No. 69-I—Broadcasting . . . . .	69
Summary of immediate reduction of expenditure with effect from 1932-33 . . . . .	70

V2, 54.2.135  
 X: 99V, 54.2.135

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## Interim Report of the General Purposes Sub-Committee.

### CHAPTER I.

#### *General observations on retrenchment.*

(1) *Introduction.*—As requested by the Chairman of the Retrenchment Advisory Committee, we, the General Purposes Sub-Committee, beg to present our interim report.

The General Purposes Sub-Committee was charged with—

- (i) the review of all central expenditure except that on the Army, the Posts and Telegraphs Department, the Railways, Civil Works, Audit and Accounts, Stationery and Printing and the Indian Stores Department. (Other Sub-Committees were set up for the purpose of reviewing the public expenditure on these excepted items).
- (ii) Consideration of, and co-ordination of the proposals made by the other Sub-Committees relating to, the pay and allowances of Government servants.

*Constitution.*—The Sub-Committee was constituted as below :—

- (1) SIR ABDUR RAHIM, K.C.S.I., Kt., M.L.A. (Chairman).
  - (2) The Hon'ble Rai Bahadur Lala RAM SARAN DAS, C.I.E., Member.
  - (3) MR. RANGASWAMY AYANGAR, "
  - (4) MR. S. C. MITRA, M.L.A., "
  - (5) MIRAN MUHAMMAD SHAH NAWAZ, C.I.E., M.L.A., "
  - (6) MR. K. C. ROY, C.I.E., M.L.A., "
  - (7) Rai Sahib HAR BILAS SARDA, M.L.A., "
  - (8) MR. RAMSAY SCOTT, M.L.A., "
  - (9) Khan Bahadur HAFIZ WILAYAT ULLAH, I.S.O., M.L.A., "
  - (10) MR. J. C. NIXON, I.C.S. (representing the Finance Department), "
- MR. S. P. SHAH, I.C.S. (upto 7th June 1931 MR. W. R. Tennant, Secretary.)

#### *Reference.*—

"To make recommendations to the Committee\* for effecting forthwith or by stages all possible reductions in the public expenditure of the Government of India under review of the Sub-Committee, having regard especially to the present and prospective position of the revenue. In so far as questions of policy are concerned, these will be left for the exclusive consideration of the Government, but it will be open to the Sub-Committee to review the expenditure and to indicate the economies which can be effected if particular policies are either adopted, abandoned or modified."

(2) *Procedure and sittings.*—We sat from 30th June to 24th July 1931 to consider the general lines on which we would conduct our investigation and to prepare questionnaires with a view to elicit information and suggestions from the various departments of Government. We issued 73 questionnaires

\* i.e., to the Retrenchment Advisory Committee.



concerning 63 grants and estimates and suspended our sittings on 25th July to enable the departments concerned to submit their replies. We resumed our sittings on 6th August and examined 32 representatives of the Secretariat and heads of departments with respect to the following 29 grants and estimates :—

Taxes on Income, Stamps, Forest, Executive Council, Bureau of Public Information, Intelligence Bureau, Central Board of Revenue, Police, Survey of India, Meteorology, Geological Survey, Botanical Survey, Zoological Survey, Archaeology, Mines, Other Scientific Departments, Education, Medical Services, Public Health, Agriculture, Imperial Council of Agricultural Research Department, Veterinary Services, Indian School of Mines, Aviation, Emigration (External), Imperial Library, Explosives, Indian War Memorial, and Broadcasting.

In many cases the same officials appeared before us. We were desired to submit an interim report. Hence, we suspended the remaining portion of our programme, and applied ourselves to a detailed study of these subjects and to formulate our conclusions for the interim report.

(For the attendance of members the statement on page 10 may be seen.)

(3) *Invitation to the public.*—On 14th July we issued a notice to the general public inviting the public (including service associations) to forward their written memoranda and suggestions on the question of effecting possible economies in public expenditure in those activities of Government which fell within the cognisance of our Sub-Committee to enable us to decide whether we should examine any witnesses who might be named by them. We have considered such memoranda as have been received by us, but only one non-official, Mr. Gaya Prasad Singh, M.L.A., has appeared and given us the benefit of his advice relating to the Indian School of Mines, Dhanbad.

(4) *Portion of budget reviewed.*—This interim report covers grants amounting to Rs. 3,21,77,000 of which Rs. 48,20,000 is non-voted and Rs. 2,73,77,000 is voted. The grants and estimates charged to revenue,\* with reference to which we have not yet been able to examine the representatives of the departments and otherwise to conclude our enquiries, amount to Rs. 36,14,03,000, of which Rs. 21,87,28,000 is non-voted and Rs. 14,26,75,000 voted.

(5) *Sources of information.*—The main sources of information to which we had recourse in pursuing our investigations were : (i) the Report of the Incharge Committee, (ii) Detailed Estimates for Grants for 1931-32, (iii) Mr. Jukes' Review of the Civil Expenditure of the Government of India in the six years ending 1929-30, (iv) Lists of officers and establishments, (v) Written replies of the departments to our questionnaires, and (vi) the evidence of the official witnesses who appeared before us. In addition, memoranda from the departments on the question of a 10 per cent. reduction were also supplied to us, but we must mention that these documents have been of little help. The departmental replies to the questionnaires and the evidence of the officials with a few exceptions all tended, perhaps naturally, to uphold the view-point taken in the memoranda relating to the 10 per cent. cut. We have proceeded on the basis of a financial situation which the Hon'ble the Finance Member at

\* (NOTE.—Expenditure charged to capital and disbursements of loans and advances have been left out of account in the above-quoted figures.)

the meeting of the Retrenchment Advisory Committee on the 25th of May described as a "national emergency," a view which he repeated to us since on more than one occasion at the meetings of our Sub-Committee.

(6) *Principles on which economies should be effected.*

*Equality of sacrifice.*

On the 7th of July 1931, after mature consideration, the Sub-Committee adopted the following resolution which was communicated to the press:—

"(I) A great deal of misapprehension and feeling of uneasiness appear to have arisen in the public mind as well as among the staff both of the higher and the lower grades as to the methods which we intend to follow. We want first of all to assure the public and those more immediately concerned that in pursuing our enquiries we have the following general principles and mode of action in view:—

- (1) We shall deal as fairly and equitably as it lies in our power between different classes of employees of Government from top to bottom and save, as far as we can, without undue hardship to any class or individual.
- (2) As for the procedure, we propose to pursue simultaneously two ways of approach in order to find out how far we can reach the maximum amount of economy without injuring the best interests of the country and having in regard the consideration mentioned above. The two methods are:—
  - (a) a percentage cut in all salaries, concessions and allowances, perhaps upon a graduated scale; and
  - (b) by cutting off what are really superfluous activities or suspending activities, which are possible of suspension, for a term of years without much loss and by reduction of the officers, staff and establishment and other heads of expenditure, in so far as these objects can be effected without jeopardising the efficiency of Government.

In connection with 2 (a), i.e., a percentage cut, the co-operation of all the services, superior and subordinate, will become necessary, and we should like to express a hope that such co-operation will not be wanting. We believe, public opinion generally will approve this method.

As for 2 (b), this enquiry will not only be helpful in securing economies for the present financial needs, but is of great importance in reorganising and readjusting those activities of Government, which fall within our cognisance, on a level which will afford the best chance of their being of benefit to the public without imposing an unnecessary burden on the resources of the country.

Investigations of the last category will obviously require considerable time and careful thought and deliberation.

*Compensations.*

Further, we shall have to consider in this connection the question of reasonable compensations to be given to those who will be affected by our proposals and that will necessarily reduce the savings.

*Economic basis of pay of future entrants.*

Lastly, we shall take up the question of pay of future entrants to the public service with a view to place it on an economic basis.

(II) The General Purposes Sub-Committee is of opinion that pending its report it is undesirable:—

- (1) that apart from any question of policy or clear administrative necessity any vacancies should be filled or extensions granted except on a provisional basis;
- (2) that any fresh commitments or contracts should be incurred of any sort, except where absolutely imperative; or
- (3) that any member of the staff or establishment be discharged by way of retrenchment."

(7) *Percentage cut.*—Of the total budget under our purview Rs. 7,83,31,000 is absorbed in the pay (including "overseas pay"; "special pay"; "personal pay" and leave salaries but not pensions) of "officers" and "establishments". Though we have carefully refrained from recommending any large reduction of the personnel, except in some isolated cases where it is fully justified by especial circumstances, and our proposals generally will mainly affect men on the verge of retirement, a substantial scheme of economy like ours necessarily entails considerable hardship to a large number of public servants. We have throughout our deliberations attached the greatest importance to the principle of equality of sacrifice and to the methods by which retrenchment is to be carried out. The Sub-Committee in order to ensure equality of sacrifices no less than for the paramount purpose of balancing the budget would like its recommendations for an all-round percentage cut in pay to be treated as an important and integral part of its report. It has been suggested to us that resort to such a measure should not be had unless and until it is found that sufficient economies cannot be secured by the contraction of certain non-essential activities and by the reduction of staff in such cases and in the others where there has been an overgrowth. We have been unable to accept this view and hold that both the processes should be applied simultaneously. In the first place, it would not be possible without having recourse to both the expedients to balance the budget, even if we were to cut out altogether a number of existing activities of the Government. The latter possibility, however, this Committee is not at all prepared to contemplate. Mr. Nixon, our official colleague, is of opinion that several of the scientific departments, which he apparently regards as being more or less non-essential, should be suspended for a term of years or closed down altogether because of the financial necessities. Such a view, in the first place, either necessarily minimises the intimate connection between much of the scientific work directed or encouraged by the Government of India and the economic development of the country or pre-supposes that the two aspects are capable of being separated. Further, taking a broad view of the manifold needs of India both in the present and in the near future it is possible only in rare cases to discriminate between the various activities of the Government of India for the purpose of classifying them into essential and non-essential. Again, we do not believe—indeed we have not been so advised—that India's financial position, grave as it is, is such that Government must denude itself of all its legitimate functions other than the maintenance of law and order. The day such a crisis is reached, justification for the existence of a civilised Government in India for any purpose whatever should have largely

disappeared. We have, therefore, acted upon the view that while it is but right that in a time of extreme financial stress such as the present, the undertakings and commitments of Government should be curtailed as much as possible according to the special circumstances of each case and new commitments ruled out altogether, it is obvious to us that all departments of Government should equally be called upon to make sacrifices at this juncture, just as in the case of the official personnel not merely the men whose services have to be dispensed with through no fault of their own but those who will remain on, must bear their fair share of the burden.

(8) *Constitutional aspect.*—It has been said that the pay including 'over-seas pay' of both European and Indian officers of the All-India and a few other services is protected by the Government of India Act against an emergency percentage cut and that no effect can be given to any recommendations in this connection, unless the Secretary of State for India agrees to get the Act suitably amended by the British Parliament. The Sub-Committee desired to be placed in possession of the opinion of the Law Officers on the point which, we were told, had been obtained; but it was not produced on the ground that "the Government of India were precluded from showing the opinion of the Law Officers of the Crown to the Committee," though we note that the opinion of the Law Officers on a similar question was supplied to the Lee Commission. In any case the Sub-Committee must recommend that the Secretary of State be asked to take the necessary action in the matter. The Committee is in fact surprised that a percentage cut in salaries and allowances, being so obvious, equitable and inexpensive a method to adopt in such an emergency, the Government of India should not, like the governments of other countries such as Japan, Italy and Australia have had recourse to this expedient, *suo motu*. A moderate cut in the salaries for, say, two or three years would cause the least amount of suffering and at the same time avoid any risk to the efficient functioning of government that might be involved in an excessive contraction of its activities and man-power.

(9) *Treatment of Scientific activities.*—We should here mention that hitherto we have been able to examine mostly the activities of the departments of Education, Health and Lands and Industries and Labour. In dealing with the scientific activities of the Government of India we have carefully scrutinised each case with an anxious desire not to cripple them, and it is only to the extent that we were satisfied that some of the aspects of this class of work—to which we attach great value—could at this stage be safely curtailed or slowed down or the staff reduced to smaller proportions without any loss whatever to the country, that we have made recommendations to that effect as in the case of the Geological Survey and the Survey of India. Further, with regard to some sections of the work of several scientific departments of the Government of India, the Sub-Committee have formed the opinion that they could now be better developed by the universities and at a less cost and we have therefore recommended that the Indian universities, like other universities, should be encouraged in all suitable cases to undertake such work. With regard to medical and public health, which are transferred provincial subjects, we have recommended reduction of the establishments of the Government of India to what is necessary to enable the Central Government to carry out such functions as still appertain to them.

(10) *Treatment of educational and scientific institutions.*—With respect to grants-in-aid to educational and scientific institutions the position is that Government having once made a grant, whether recurring or non-recurring, do not exercise control and supervision over the way it is spent with the result that institutions like the Aligarh, Benares and Delhi Universities, the Indian Institute of Science, Bangalore, the Indian Association for the Cultivation of Science, Calcutta, the Bose Research and the Bhandarkar Oriental Research Institutes have made programmes of their own on the assumption that the grants would be continued as promised. It is not open to us to say, any more than it is to Government themselves, whether or how far these institutions could curtail, slow down or suspend such programmes. The only feasible course left to the Sub-Committee in these circumstances was to recommend that Government should, if they consider it expedient, negotiate with these bodies and try to persuade them, if possible, to contribute their quota towards meeting the national exigencies.

(11) *Civil Aviation and Broadcasting.*—In the Department of Industries and Labour we have been confronted with a new and costly programme of Civil Aviation, with its concomitant effects in considerably expanded meteorological and wireless services and another new scheme, *viz.*, Broadcasting, though much less costly. Neither of these ventures, whatever their other merits, is likely to be self-supporting within the next five years or so, and we have, therefore, recommended that they should be held in abeyance for the present, but, in the case of the State Air Service, upon certain specific conditions.

(12) *International Conventions.*—The Committee would here observe that modern developments in Europe are constantly dragging India into activities, which, while clearly beyond her limited and inelastic resources, do not hold out a reasonable prospect to the country of adequate corresponding benefits. The Committee is further obliged to note that India having been given the status of an original member of the League of Nations its direct and indirect effects have so far served to saddle her with extremely onerous obligations which seem to be daily on the increase. Having regard to the fact that the country has reached the limits of her financial capacity, the Sub-Committee recommends that the Government of India should rigorously curtail their expenditure in these respects and set their face resolutely against any such further commitments, at least for some time.

(13) *Proposal regarding a "cut" in pay.*—We have not yet held any enquiry into the question of fixation of pay for future recruits to the public services, but have examined the scales of pay of "officers" and of "establishments" in the Government of India. We have no hesitation in recording our opinion that they are pitched high enough to bear substantial percentage cuts without causing any serious inconvenience to the staff. (We may mention that we have made full allowance for the recently increased taxes on income and import tariffs on certain articles of luxury such as wine, tobacco, etc.) In the case of men on the lower grades of pay, the unprecedented fall in the prices of food-stuffs should, to some extent, palliate the hardship of a percentage cut. Further, with the exception of Mr. Nixon, we have no hesitation in recommending that in a financial crisis of this magnitude the costly

'concessions' known as the Lee Concessions (excepting those in the form of increased salaries which, pending consideration of the general question relating to pay and allowances, would be subjected, as proposed by us, to percentage cuts) should be withdrawn.

(14) *Principles upon which retrenchment of the staff is to be carried out.*—As for the way in which retrenchment of the personnel should be carried out, our proposals would show that either certain individual posts held by officers have to be abolished or certain proportions of the "officers" and the "establishments" have to be cut out. In the latter event we recommend that the following order should be observed, as far as possible, in retrenching the staff:—

- (a) men who have earned their full pensions or have nearly completed their term of service,
- (b) men who are employed for a fixed temporary period in connection with work of a temporary character,
- (c) men with less than 25 years' service including those who, though borne on the temporary list, are virtually regarded as part of the permanent staff or as probationers.

In selecting men under each of the above categories the departments will no doubt first of all get rid of men who have proved to be hopelessly inefficient.

The Sub-Committee further recommends that, wherever practicable, due regard should be had by Government to its policy relating to the Indianisation of the services and the redress of communal inequalities.

(15) *Compensations.*—In the case of retrenched posts held by the members of the All-India and other civil services employed in the Government of India, the officers would automatically revert to their cadres and no question of compensation ordinarily arises. A similar arrangement is possible with respect to many of the military officers employed on the civil side. As for the other cases, those falling in category (a) of the preceding paragraph present little difficulty; they should be retired on full pension. For categories (b) and (c) the existing rules, which were meant to meet a few isolated cases, are not sufficiently liberal to meet the present situation involving large-scale reduction of staff. A consequence of our recommendation is that a considerable number of government servants will be thrown out of employment, and, in the ordinary course, would receive an ordinary pension or gratuity under the rules. We consider that in present circumstances this will result in an intolerable situation, and we would therefore recommend that an improvement in the terms of dispensing with the services of lower paid staff should be effected on the following lines: that all staff retrenched and drawing at the time of retrenchment not more than Rs. 200 should receive a pension of 50 per cent. of their pay, while those drawing between Rs. 200 and Rs. 500 should draw a pension of at least 33-1/3 per cent. of their pay. For those in receipt of over Rs. 500 the ordinary rules would operate together with such compensation in the form of a gratuity which Government may find the financial circumstances permit.

Mr. Nixon sees considerable difficulties in this, firstly, in the extra expenditure involved which will neutralise the estimated savings and, secondly, in its consequences on practically the complete stoppage of recruitment of youths coming out of schools and colleges.

(16) *'Allowances', 'Contingencies', 'Supplies and Services', etc.*—Besides the pay of officers and establishments the budgetary demands within the cognisance of our Sub-Committee account for Rs. 1,44,27,000 under the head *'Allowances and Honoraria'*, and Rs. 2,30,67,000 under *'Contingencies'* and *'Supplies and Services'*. *'Other charges'* and *'Miscellaneous'*, even when they form genuine expenditure, account for a substantial percentage of the total budget. With respect to these items we must observe that not only do the *'Detailed Estimates for Grants'* give no particulars, but we have not yet been able to get sufficient details otherwise, to enable us to form a definite and satisfactory estimate of the economies possible under these heads. We have, therefore, been obliged to base most of our recommendations with respect to such items of expenditure more or less on a general appreciation of what reductions are possible in view of contracted activities or reduced staff. In some cases allowances and honoraria amount as much as to 7.16 lakhs (Survey of India), and 1.43 lakhs (Geological Survey) and Contingencies and *'Supplies and Services'* to 7.05 lakhs (Taxes on Income) and 4.98 lakhs (Mint). A mere look at these figures suggests that this form of budgeting is not fair to the Legislature or the general public. The main particulars should be available in a handy form, if not in the Detailed Estimates, at least in a separate pamphlet.

(17) *Lack of adequate information.*—At an informal meeting of our Sub-Committee as far back as the 25th of May 1931, a form like that of appendix (B) of the Incharge Committee's Report was handed over to the Finance Department with a request that the Sub-Committee might be supplied with up-to-date information under the different heads "number of permanent and temporary staff", "pay proper", "special pay or duty allowances", "compensatory or local allowances", "house rent", "travelling allowances", "total of pay and allowances". We also specially asked for figures showing the cost to Government of what are known as the Lee Concessions. But they have not yet been supplied to us. In connection with the Lee Concessions in particular there is a volume of Indian opinion which regards them as an unfair burden on Government revenues. We have recommended the withdrawal of the Lee concessions, as mentioned in para. 13, but, in the absence of the necessary information we are unable to calculate the total savings. The amount however would be considerable. We further understand that since the Lee Commission's Report considerable additions have been made to the list of concessionaires.

(18) *Suggestions for increasing the revenue.*—As one of the main objects of this enquiry is to enable the Government of India to balance their budget, the Hon'ble the Finance Member agreed that it was open to this Sub-Committee to make suitable proposals for increasing the revenue within the limits of such activities as fell within their purview. We have made certain recommendations accordingly in this connection. We shall mention here only two striking cases. The mineral wealth of the country, which it is the special function of the Geological Survey to help in developing, is at present being leased out to prospectors on unduly favourable terms and we have, therefore, recommended that the entire mineral policy of Government should be revised at a favourable opportunity with a view to enhance the revenues derived from this source.

There is another source of revenue which has been neglected by the Government of India. Pensions and leave and deputation salaries and allowances payable outside India have been exempted by special notifications from taxes payable under the Indian Income-tax Act. For such exemption we can find no justification whatever. We have recommended that the exemption be withdrawn and taxes on these incomes and salaries be deducted at the source according to law. We estimate that a sum of about 50 lakhs will then be added to the revenues of the Central Government.

(19) *Delhi-Simla move*.—The Committee considers that in the cause of economy something should be done to mitigate the waste involved in the costly city of New Delhi remaining virtually untenanted for a greater part of the year, and to save as much as possible of the large amount of money and loss of time involved in the two annual moves of Government of India offices between Delhi and Simla. Departments should, in the view of the Committee, be left in Delhi all the year round, and Government should be taking the necessary steps towards this end. For the present, as many of the departments (and particularly the attached offices of the Government of India) should remain in Delhi as Delhi will accommodate. The Committee is given to understand that inadequacy in the supply of fresh water has been advanced against such a step, but it believes that this position could be, at any rate partially, met by enforcing reasonable restrictions on its use during the cold season. In the meantime and until Delhi is fitter to accommodate all the Government of India for the whole year, as many other departments as possible should be left in Simla all the year round.

(20) *Rent for Government buildings occupied by officers*.—Fundamental Rule 45-A-II reads as follows :—

“ For the purposes of the assessment of rent, the capital cost of a residence owned by Government shall include the cost or value of sanitary, water supply and electric installations and fittings, but exclude the cost or value of the site (including expenditure on its preparation) ; and shall be either —

- (a) the cost of acquiring or constructing the residence and any capital expenditure incurred after acquisition or construction ; or, when this is not known,
- (b) the present value of the residence.”

The above rule shows that the value of the site is excluded for the purposes of assessment of rent of Government residential buildings. The value of the site and the grounds attached to the bungalows of officers, which are invariably located in the best localities in a town, is always very high. The effect of the rule is that Government loses a certain amount of revenue as the assessment of rent on such buildings is made merely on the capital cost of the buildings. We recommend that all residential buildings should be assessed on the capital cost of the building *plus* the cost of the site and the grounds, and the officers occupying them should be charged rent on that basis.

(21) *Savings*.—On the basis of our proposals the immediate reduction of expenditure with effect from the 1932-33 budget will be 121·21 lakhs. (See statement on page 70.) In this connection we ought to add that our calculation of the reduction of expenditure or of savings on account of pay does not take into consideration the proportion of probable savings on account of the



retrenched staff. The reduction of expenditure and the savings worked out by us are therefore slightly on the higher side. But in view of the fact that "probable savings" are not always shown in the detailed estimates and, even where shown, are not always accurate, we had no alternative but to leave this factor out of our calculation. The margin of difference which this will make in our estimate of reduction of expenditure and of savings will not, however, be wide enough to affect the value of our calculations materially.

(22) *Frame-work of each chapter.*—We have had to consider the question whether we should give the more important details of the processes leading up to our conclusions or should give only a broad outline and the probable total reduction or saving of expenditure in each grant. The Sub-Committee (with the exception of Mr. Nixon) has throughout held that in fairness to the departments as well as the general public important details should be set forth in the report to enable them to see how the Sub-Committee arrived at its conclusions, and its estimate of savings. Hence, under each chapter we have tried to explain the grant and to describe the functions, organisation, growth of staff and expenditure and to explain the important details, on which our proposals are based. Wherever necessary, other information has also been given.

(23) *Saving clause.*—In submitting this interim report the Sub-Committee reserves to itself the liberty to make such modifications as may be found necessary after a study of the subjects that have not been dealt with so far.

(24) *The late Mr. K. C. Roy.*—We have only to add that after the whole of this interim report was adopted by us and, with the exception of this chapter, was sent to the Press, our esteemed colleague Mr. K. C. Roy suddenly passed away before he could sign the report. He was in complete agreement with the majority view on every point.

(25) *Appreciation of Secretary's work.*—The Sub-Committee also wishes to record its high appreciation of the ability, knowledge and unsparing industry with which our Secretary, Mr. S. P. Shah, I.C.S., discharged his onerous duties throughout the proceedings.

*Statement showing the attendance of members at the meetings.*

Names.	30th June to 25th July.	6th August to 4th September.	10th September.	11th September.	18th September.	Remarks.
Days of sitting ..	21	23	1	1	1	
Sir Abdur Rahim* ..	21	22	..	..	1	*Could not attend the morning sittings on 27th, 28th and 31st August and September 2.
The Hon'ble Lala Ram Saran Das.	16	11	..	..	1	
Mr. Rangaswamy Ayan-gart	10	..	..	..	..	† Sailed for England on the 15th August to join the Round Table Conference.
Mr. S. C. Mitra	21	20	1	1	1	
Mian Muhammad Shah Nawaz. ‡	7	3	1	1	1	‡ Was a member of the Frontier Regulations Committee and began to attend our Committee from 13th July 1931.
Mr. K. C. Roy§	19	23	..	..	..	
Mr. Har Bites Sarda ..	15	19	1	1	1	§ Died on 7th September 1931.
Mr. Ramsay Scott ..	21	20	..	..	1	
K. R. Hafis Wilayat Ullah.	13	19	..	..	..	
Mr. J. C. Nixon ..	21	23	1	1	1	

## CHAPTER II.

## GRANT NO. 17—TAXES ON INCOME.

1. *History.*—Prior to the Reforms income-tax was a "divided" head, the cost of collection and the revenue being shared by the Central Government and the Provinces. Except in the Presidency towns and a few other large towns, where special whole-time income-tax staffs were employed, the assessment and collection of income-tax were in charge of the district revenue staffs. Centralisation began before the introduction of the Reforms and was gradually carried out. With the exception of a small portion of Burma and the hill-districts of the United Provinces the administration is now entirely central.

2. *Organisation.*—Five of the nine major provinces have a whole-time Commissioner of Income-tax for the province. In the United Provinces the Commissioner works also as Opium Agent and in Burma as Commissioner of Salt Revenue. In Assam the Director of Land Records is, *ex-officio*, Commissioner of Income-tax for Assam and the Local Government are paid Rs. 5,000 as the Government of India's share of this officer's pay and allowances. The Commissioner of Income-tax, Punjab, works also as Commissioner for Delhi and for the North-West Frontier Province. In the other minor administrations income-tax work is done by the Chief Commissioner (in Ajmer-Merwara by the Commissioner), generally speaking, through the agency of one or more income-tax officers.

The Commissioner has under him a certain number of Assistant Commissioners, Income-tax Officers, Assistant Income-tax Officers, Examiners of Accounts, Inspectors and ministerial and menial staff. (*Vide* Statement A.)

3. *Growth of expenditure.*—The expenditure on the Income-tax Department and the revenue from taxes on income have grown as below (the figures are in thousands of rupees):—

	1913-14.*	1922-23 (estimate).	1924-25.	1931-32 (estimate).
(a) Expenditure ..	4.69	47.01	60.38	77.26
(b) Revenues (after deducting refunds) .. ..	2,90.52	22,33.11	16,01.48	17,44.54†
(c) Percentage of expenditure to revenues .. ..	1.7	2.1	3.8	4.4

\* The 1913-14 figures have been borrowed from the Inchoape Committee's Report and include the share of the provinces in the expenditure and the receipts.

† With effect from 1st April 1931 the rates were enhanced considerably.

4. *Proposals.*—(i) As regards retrenchment, we recognize that of all the revenue-earning departments the Income-tax Department is perhaps the least amenable to a reduction of personnel. In the absence of detailed material all we can do is to enunciate a few broad principles and in the light of such relevant material, as we have been able to collect, to propose certain minor but specific economies.

(ii) We think that *prima facie* two Commissioners' charges can be abolished. We observe that, judged by various criteria, the Central Provinces and Bihar and Orissa are the least important and appear to us to offer scope for such action. (*Vide* Statement A.) In the course of the oral evidence the Central Board of Revenue told us that the amalgamation of the Assam Commissioner's charge with that of the Commissioner of Income-tax, Bengal, was already under its consideration. If such amalgamation is found to be productive of economy, it should be brought about. But, since Bengal is a heavy charge and the cost of the present arrangement is only Rs. 5,000 per annum, we advise that the proposal should be considered carefully.

(iii) Further, we observe that expenditure is growing apace. From 47·01 lakhs in 1922-23 it grew into 60·38 in 1924-25, 70·35 in 1929-30 and now stands at 75·87 lakhs. The ratio of expenditure to revenue has more than doubled since 1922-23 and is rising.

As a measure of financial necessity we propose that the income-tax personnel be reduced by (a) 7½ per cent. in the case of all officers of gazetted rank and (b) 10 per cent. in the case of others. We intend this proposal to apply to all the provinces and the minor administrations.

(iv) We have scrutinised the staffs for the provinces of Bombay and Bengal; to us they appear to be excessive. We recommend that the strength of the income-tax staffs in these provinces be particularly scrutinised and, if feasible, reduced more than proportionately to the general reduction we have proposed above. (Statement A may be seen in this connection.)

(v) We observe that in certain provinces there are some posts on scales of pay outside the regular scales. Thus, in Bombay there is one post of Income-tax Officer on Rs. 1,500—100—2,000 (the standard Bombay scales being Rs. 300—50—600—50/2—700 and Rs. 750—50—900). The incumbent of this post is getting a pay of Rs. 2,000. In Bengal there are two posts of Assistant Commissioner on Rs. 1,500—100—2,000 as against the standard scale of Rs. 1,000—100—1,500. In our opinion these and similar posts should be abolished forthwith.

(vi) We were assured by the Hon'ble the Finance Member that we were not precluded from making proposals (relating to the subjects under our purview) for action whereby revenues could be increased. We observe that leave and deputation salaries and pensions paid to Government servants abroad are exempt from the Indian income-tax. For the sake of uniformity the scope of such exemption has had to be extended in recent years with the result that vacation salaries to judges and leave salaries and allowances paid abroad to the employees of private firms and individuals are also exempted. In the absence of arrangements for relief from the payment of double income-tax there may have been some justification for such exemptions; in our opinion there is no such justification now. We recommend that salaries, allowances, pensions and similar payments, from Indian revenues or from the funds of commercial bodies and individuals in India, should, even when these are paid abroad, be made subject to the Indian income-tax which should be deducted at the source. There may be technical difficulties, but these must be overcome. If necessary, India may be declared by law to be the locus of payment. Mr. Nixon prefers at this stage not to commit himself on this matter.

(vii) We further agree that Government should explore the possibility of levying the Indian income-tax on the interest of their securities, even if

such interest is paid out of India. On this matter also Mr. Nixon prefers to reserve his opinion.

(viii) In our opinion the existing convention between India and the United Kingdom for the grant of relief from double income-tax does not secure to Indian revenues the full benefit which they would get if the convention were, *in practice*, really reciprocal. The disadvantage to Indian revenues results from the fact that as against the scores of companies which are controlled from the United Kingdom but operate mainly in India there are few concerns controlled in India and operating in the United Kingdom. We recommend that action should be taken as early as possible to ensure that the Double Income-Tax Relief Convention with the United Kingdom does not operate, in practice, to the disadvantage of India.

(ix) We are unable to work out the total additional revenue which would accrue if effect were given to our proposals in sub-paragraphs (vi), (vii) and (viii.) But in paragraph 18 of Chapter I we have estimated that additional revenue of about 50 lakhs can be secured if effect is given to our proposal in paragraph 4 (v) of this Chapter.

5. *Summary of savings.*—On our proposals relating to retrenchment we estimate that there should be a reduction of expenditure of 7 lakhs including the reduction of expenditure on allowances and contingencies. We recommend that the 1932-33 budget be reduced by this amount.

*Statement A.*

Serial No.	Administrative Units.	Number of assesses.	Net collection of income-tax and super-tax (in lakhs).	Number of Assistant Commissioners.	Number of I. T. Os. <i>plus</i> Assistant I. T. Os. (if any).	Number of Examiners of Accounts and Inspectors (including non-gazetted I. T. Os.	Number of ministerial establishments other than examiners.	Percentage of expenditure to net revenue.	
								1924-25.	1929-30.
1		2	3	4	5	6	7	8	9
1	Madras .. .. .	42,036	1,43	4	52	37	273	7.6	4.8
2	Bombay .. .. .	73,307	3,74	7	47+1	133	466	3.4	4.6
3	Bengal .. .. .	47,989	6,02	7	35+24	50	401	..	1.4
4	United Provinces ..	25,773	90	3	41+7	..	184	7.07	5.8
5	(i) Punjab .. .. .	25,918	64	3	37+11	44	204	8.3	9.3
	(ii) N. W. F. P. ..	3,102	10						
	(iii) Delhi .. .. .	7,409	22						
6	Burma .. .. .	27,791	1,81	5	43+8	43	167	3.4	4.87
7	Bihar and Orissa ..	14,591	51	2	17+3	11	92	6.1	5.7
8	C. P. and Berar ..	14,047	40	2	16	20	80	7.2	9.9
9	Assam .. .. .	5,407	32	1	6	4	38	12.2	5.98
10	Baluchistan .. .. .	485	2	..	1	..	4	..	..
11	Ajmer-Merwara ..	569	3	..	..	1	7	..	..
12	Coorg .. .. .	151	24	..	..	..	1	..	..
13	Mount Abu .. .. .	26	05	..	..	..	..	..	..
14	C. & M. Station Bangalore.	724	3	..	..	..	6	..	..

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## CHAPTER III.

## GRANT No. 20—STAMPS.

1. *Explanation of the grant.*—This demand does not take note of the expenditure on the administration of stamps in the minor administrations.

Besides the Central Stamp Store maintained by the Security Press at Nasik a reserve stamp depôt is being maintained at Calcutta in charge of a Storekeeper at a total cost of Rs. 9,000. Against this expenditure an amount of Rs. 17,000 is being recovered from the Posts and Telegraphs Department. Hence, the net expenditure is *minus* Rs. 8,000.

The provision of Rs. 5,000 (under "Superintendence") for loss on commercial undertakings represents the expenditure on account of the leave salary of the officers and staff of the Central Stamp Store at Nasik.

2. *Proposals.*—(a) As regards the Reserve Stamp Depôt at Calcutta, we agree that it should be maintained. We have no recommendation to make for the reduction of expenditure on this depôt.

(b) Pending receipt of a further communication which has been promised by the Finance Department, we are not in a position to make any recommendation regarding the Security Printing Press at Nasik. We shall deal with this in the second part of our report. *Prima facie* however, we are of opinion that the gross expenditure of this and of all other commercial undertakings should be submitted to the Legislature in the usual way.

## CHAPTER IV.

## GRANT No. 21.—FOREST.

1. *Organisation.*—The expenditure of 11·3 lakhs under this grant is incurred on the maintenance of (i) an Inspector-General of Forests (pay Rs. 3,250) and his office at a total cost of Rs. 63,400, (ii) two training colleges, one for Officers and the other for Rangers, and (iii) the Forest Research Institute. The expenditure on the Institute has been calculated to amount to nearly 9½ lakhs. The rest amounting to about 1·45 lakhs is the expenditure on the two colleges. In fact, the Institute is also utilised for training and it is not easy to apportion precisely the expenditure between the colleges and the Institute.

2. *The Research Institute.*—The Research Institute is located at Dehra Dun in buildings which have cost nearly a crore of rupees. It is organised in various sections in charge of specialists. The Forest Economist's section has in all 18 officers and a permanent establishment of 31. The Botanist's section has 5 officers and an establishment of 15. The Entomological section is manned by 4 officers and an establishment of 26. Sylvicultural work is in charge of 3 full-time officers and one extra officer for four months; the establishment in this section is 15. The sections have temporary establishments of varying strengths.

3. *Growth of expenditure.*—Up to the time when the Inchcape Committee reported, the Research Institute used also to train recruits for the provincial forest services in India. The expenditure on the Institute including its training side has grown as below :—

1913-14.	1921-22.	1922-23.	1924-25.	1929-30.	1931-32.
2,98,000	6,43,100	8,66,100	8,26,366	9,54,917	10,67,000

4. *Proposals.*—(i) As regards retrenchment we are unanimously agreed that the post of Inspector-General and his office should be abolished, saving Rs. 63,400. Such special advice as the Government of India require in future might be obtained from the Chief Conservator of Forests, N. W. F. Province.

(ii) We further observe that the Officers' College has only two men under training. We have reason to believe that several men with the necessary training to work as officers are at present awaiting employment. Recruitment to the Indian Forest Service has stopped. Under the new Constitution the superior forest service will no doubt be provincialised. Our opinion thus is that there is little scope at present for the absorption of men trained in the Officers' college in the superior forest service. Accordingly, we recommend that this college be abolished, provided that :—

- suitable arrangements are made for the completion of the training of the men already enrolled (we suggest that they might be given scholarships and sent abroad), and
- if the need arises again in future, the College will be reopened, or other facilities for the training up of Indians for the superior

forest services provided, e.g., by the grant of foreign scholarships for study abroad. We were assured by the Inspector-General in the course of his oral evidence that, if necessary, the college could be reopened at short notice, provided the Research Institute was not abolished.

(iii) As regards the Rangers' College we observe that Madras and Burma Governments have their own arrangements for the training of subordinate officers. But, these will not, in our opinion, meet the needs of the whole of India. A centre for the training of men for the subordinate forest services for the northern provinces should be maintained. Our proposal therefore is that this college should be kept alive. But, since such training cannot be called a function of the Central Government, we recommend that Government should examine the financial position of the Rangers' College and take steps to secure that it does not prove to be an undue burden on the central revenues. We think that the provinces interested in its maintenance should be required to make contributions.

(iv) The Sub-Committee recommends that the Research Institute should be maintained. (For Mr. Nixon's view on this point *vide* sub-paragraph vi.) Not only the provinces but also the Central Government possess valuable forest properties, e.g., in the Andamans and the North-West Frontier Province. Coorg also has good forests. Large sums have been invested for the exploitation of these properties. In the interests of revenue (2½ crores net) and of the general welfare of the countryside we consider it important that the forests should be scientifically dealt with. To this end we consider it essential that the Central Research Institute should be maintained.

(v) We, however, consider that the Institute has been conceived on ambitious lines. We are not in a position to evolve a detailed scheme for the administration of the Institute in the future. But in view of the financial necessity of Government, we think the expenditure on the Institute (excluding the Rangers' College) should be brought down from the present figure of about 9½ to 4 lakhs. We have asked the Department of Education, Health and Lands to put up a scheme costing about 4 lakhs for our consideration in connection with the second part of our report.

(vi) Mr. Nixon has some doubt on the points in sub-paragraphs (ii) and (v). At present he is inclined to the view that in the present financial circumstances the entire Institute should be closed down.

(vii) We further suggest that, in case it is decided to locate the proposed Indian Military College at Dehra Dun, the advisability of utilising the buildings of the Institute for the purposes of that College might be considered. The Institute might then be shifted to any other convenient buildings.

5. *Summary of savings*—On our proposals the 1932-33 budget will be reduced by (a) Rs. 63,400 on the Inspector-General and his office, (b) Rs. 5,25,000 on the Institute, and (c) Rs. 72,000 (approximate) on the Officers' College=6.61 lakhs.

## CHAPTER V.

## GRANT No. 28—EXECUTIVE COUNCIL.

1. *Explanation of the grant.*—The total provision is Rs. 5,79,000. Apart from the provision of pay for six members at Rs. 6,666-10-8 p. m., the only items of expenditure are:—

- (i) travelling and other allowances—Rs. 6,200,
- (ii) tour expenses (Rs. 56,100) and expenditure on account of special saloons (interest, maintenance etc.) (Rs. 34,900)—Rs. 91,000,
- (iii) passage contributions of the three I. C. S. Councillors—Rs. 1,800.

2. *Proposals.*—(i) In our opinion it is unnecessary to have four specifically reserved saloons for the six members. It should be possible to utilise the Railway Department saloons for the members' tours. When travelling on duty the Councillors should have a prior claim on the saloons maintained by the railway concerned. We therefore recommend that arrangements on these lines be made as early as possible. We think, the Railway Department ought, in due course, to be able to absorb the saloons back into their general stock of saloons.

(ii) Government should consider whether it is essential to continue the concession of the Fundamental Rules in the matter of house-rent to the Hon'ble Members of the Council and why they should not pay full economic rent for their houses.

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## CHAPTER VI.

## GRANT NO. 32-B—BUREAU OF PUBLIC INFORMATION.

1. *Functions.*—The main functions of this Bureau are to compile the annual publication on the moral and material progress of India (this is a statutory duty of the Government of India), to make and supply to departments cuttings from newspapers and thus keep them in touch with public opinion in India and abroad, to keep opinion abroad in touch with developments in India, issue explanations, supply digests of important reports, resolutions and notifications and generally to do publicity on behalf of Government with the object of keeping the public informed of the policy of Government and to correct misapprehensions or misrepresentations in regard to it.

2. *Organisation.*—The Bureau is in charge of a Director (pay Rs. 2,000—2,250). He is assisted by a Deputy (pay Rs. 1,200—1,500). The ministerial establishment of 15 costs Rs. 32,900 and the menial establishment of 12 Rs. 2,800. There is also a provision of Rs. 1,100 for temporary establishment. Other charges cost Rs. 60,500; details are given in a, b, c, d and g of para. 4 (iii).

3. *Growth of expenditure.*—The 1931-32 grant is Rs. 1,38,700. The budget provisions for 1922-23, when the Bureau was still on a temporary basis, was Rs. 1,02,300. Actual expenditure in 1924-25 was Rs. 1,33,061 and in 1929-30, when the "peak" was reached, it was Rs. 1,56,311. The Home Department have offered a reduction of Rs. 27,300.

4. *Proposals.*—(i) As regards the functions of the Bureau we wish to record our opinion that "publicity" work is often liable to be interpreted as "propaganda", and is not so useful as regular communiqués issued by the responsible departments concerned; in some cases it is positively harmful. The policy in this respect should therefore be reconsidered by the Home Department. Mr. Nixon prefers not to express an opinion on the Sub-Committee's views in this sub-paragraph.

We further recommend that every endeavour should be made to bring out the annual publication on the moral and material progress of India as soon as possible after the close of the year which it reviews.

(ii) Sir Abdur Rahim, Mr. Nixon, and Mr. Mitra are in favour of abolishing the Bureau; in their opinion the work can be done without maintaining a permanent establishment. The other members are in favour of maintaining

Sir Abdur Rahim and Khan Bahadur Wilayatullah are further of the opinion that "if the Bureau is to be maintained, more than one officer should not be necessary, provided of course the officer selected has sufficient literary equipment for producing the annual publication (called 'India') on the moral and material progress of the country in a readable and interesting form." All other members are for retaining two officers' posts.

(iii) The Sub-Committee unanimously recommends that the Bureau should in no case cost more than one lakh. With the exception of Mr. Nixon, who doubts the advisability of the Sub-Committee entering into specific details, all members agree that the following provisions

should be deleted or reduced, as shown below, in the 1932-33 budget:—

	Savings.
	Rs.
(a) Miscellaneous should be reduced from Rs. 18,200 to Rs. 10,000 .. .. .	8,200
(b) Publicity should be reduced from Rs. 19,000 to Rs. 9,000 .. .. .	10,000
(c) Travelling allowances should be reduced from Rs. 12,300 to Rs. 7,200 .. .. .	5,000
(d) Special cable service should be reduced from Rs. 9,000 to Rs. 3,000 .. .. .	6,000
(e) The provision for temporary establishment should be cut out <i>in toto</i> ; this will yield a saving of ..	1,100
(f) The establishments (excluding the post of the photographer which the Home Department have offered to abolish) should be reduced by 10 per cent. This will lead to a saving of .. .. .	3,230
(g) The photographer's post should be abolished and the provision of Rs. 2,000 for the purchase of photo materials should be deleted. This will yield a saving of .. .. .	6,200

NOTE.—Our proposals incorporate all the economies offered by the Home Department.

(iv) *Summary of Savings.*—The total reduction of expenditure with effect from the 1931-32 budget will be Rs. 39,730 = nearly 28½ per cent. of the 1931-32 budget. The 1932-33 budget should be reduced accordingly.

## CHAPTER VII.

## GRANT NO. 32-C—INTELLIGENCE BUREAU.

(1) *Functions.*—This Bureau is maintained for the purpose of securing an effective interchange and co-ordination of intelligence, particularly in regard to communism and terrorism, between intelligence organisations in India *inter se*, and between these and intelligence systems abroad. Its function necessarily keeps it in close relation with the Foreign and Political and the Army departments. A minor function is the examination of questioned documents.

(2) *Organisation.*—The Bureau is directed by a Director (pay Rs. 3,000 *plus* £13/6/8 overseas pay). He has a Deputy (pay Rs. 1,750—100—2,150 *plus* £13/6/8 O. P. *plus* Rs. 100 special pay) and a Personal Assistant (on the senior time-scale of the Indian Police Service *plus* Rs. 300, subject to a maximum of Rs. 1,100). These three posts are reserved for the Indian Police Service. There is also an Assistant Director (on Rs. 950—80—1,350 *plus* overseas pay), four other officers (on the pay they would draw in their provinces *plus* a special pay of 100 p. m.) and an Assistant Superintendent of Police (on the time-scale for the I. P. S. *plus* Rs. 150 special pay). The Bureau proper thus has nine officers. In addition there are two officers for the examination of questioned documents. The establishment of 98 consists of a Chief Superintendent, other Superintendents, clerks, etc., 4 Sub-Inspectors of Police, a photographer, 50 servants and a temporary establishment costing Rs. 3,100 per annum.

(3) *Growth of expenditure.*—The 1931-32 grant for this Bureau is Rs. 7,11,400. Actual expenditure in 1913-14 was Rs. 3,67,000. Since 1924-25 expenditure (both total and on certain items) has grown as below :—

—	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31 estimate.	1931-32 estimate.
Officers ..	1,48,298	1,63,533	1,45,966	1,67,969	1,87,224	2,13,025	1,63,000	1,50,200
Establish- ments.	90,490	1,07,001	1,12,415	1,29,286	1,36,552	1,60,714	1,64,400	1,63,600
Total ex- penditure.	5,57,491	5,69,587	5,31,374	5,74,268	6,30,940	11,68,497	11,15,400	7,11,400

(4) *Proposals.*—(i) Omitting the provisions for fees for counsel for the Meerut conspiracy case and for secret service contingencies from the 1931-32 grant, Rs. 4.22 lakhs is the provision for the Bureau. This Sub-Committee is not in possession of the necessary data relating to the activities of the Bureau and therefore is not in a position to undertake a detailed examination of its budget. But it sees no reason why, when other departments are called upon to undergo heavy reductions, this Bureau should not bear its share of the retrenchment necessitated by Government's financial situation. Apart from the scales of pay and special pay on which this Sub-Committee will make its proposals separately, it recommends that a reduction of 10 per cent. in the grant of 4.22 lakhs for the Bureau proper should be made. This reduction should be in addition to the reduction of Rs. 5,200 on account of the fact that the supernumerary Superintendent of Police (for 4½ months) for whom that provision was made has now retired. In round figures, the 1932-33 estimates should be brought down to Rs. 3,75,000 *plus* the provisions for counsel's fees and secret service contingencies.

(ii) We further recommend that a serious reduction should be made in the provision (2.60 lakhs) for secret service contingencies also.

## CHAPTER VIII.

## GRANT No. 41—CENTRAL BOARD OF REVENUE.

1. *History*.—The Board of Inland Revenue (only one Member) used to deal only with income-tax, the administration of which had been overhauled by the Income-tax Act of 1922. The Inchcape Committee recommended that it should also deal with customs, salt, opium and, in so far as they concerned the Central Government under the reformed constitution, stamps and excise. This recommendation eventually led to the establishment of the Central Board of Revenue.

2. *Organisation*.—It consists of two members drawn, as a rule, one from the Income-tax and the other from the Customs departments. The Members as well as the Secretary all belong to the I. C. S. None of the three posts is, however, reserved for the I. C. S. The establishment consists of one senior Superintendent (called Personal Assistant), two other Superintendents, 36 first and second division clerks, four stenographers and 29 servants. The temporary establishment of one Assistant and two clerks is practically permanent.

3. *Functions*.—The Board is, broadly speaking, only a co-ordinating and rule-making authority. In Income-tax, Opium and Salt matters it has no powers of appeal or revision. In Customs cases it has certain appellate powers, and as Finance Department (Central Revenues) it has some powers of revision. Apart from the supervision of the administration of the Opium Department, the Board's concern with opium and drugs is, broadly speaking, confined to the implementing of the international conventions relating to opium and narcotics. Other excise work is nominal. As regards stamps it makes rules for the supply of stamps from Nasik and issues exemptions and interprets the stamp law in its capacity as a branch of the Finance Department. The day-to-day administration of excise, stamps and opium in the minor administrations is a duty of the local authorities and not of the Central Board of Revenue.

4. *Growth of expenditure*.—Expenditure and staff have grown as below :—

(i) Expenditure (in thousands of rupees) :—

	1924-25.	1926-27.	1931-32.
	Rs.	Rs.	Rs.
Pay of officers .. .. .	116	139	150
Pay of establishments .. .. .	59	81	95
Allowances, etc. .. .. .	3	40	42
Contingencies .. .. .	21	20	18
Grants-in-aid, etc. .. .. .	..	..	1
<b>Total</b> .. .. .	<b>241</b>	<b>280</b>	<b>307</b>

(ii) Staff :—

	Officers.	Assistants.	Clerks.	Servants.
1924-25 .. .. .	5	8	10	17
1931-32 .. .. .	6	17*	19*	29

\*plus some temporary staff.

5. *Proposals*.—In the cause of retrenchment the Board has offered to cut out, as an experiment, its Secretary of the present status and one of the four stenographers and has offered some other minor economies.

The Central Board of Revenue is a comparatively recent institution and its

office is not large. All the same we think a considerable reduction of expenditure is feasible. Our proposals are :—

- (i) In the light of the material supplied to us including the oral evidence given by the Board we consider that there is no need to have two highly paid officers as Members. Its work is to a great extent purely administrative; its semi-judicial work is but slight. It is true that it functions not merely as an attached office but also as the Central Revenues Branch of the Finance Department. But, our view is that with suitable decentralisation the work which it *must* get is not more than one Member can cope with. We recommend that when the present senior Member retires, the Board should consist of one Member and not two. This Member might possibly be called Chief Commissioner of Central Revenues. Our colleague, Mr. Nixon, is not yet satisfied that a single member is a sound or a practicable arrangement.
- (ii) The Board is trying the experiment of carrying on its secretarial work with a senior Superintendent. In our opinion this is not a sound arrangement. In connection with our proposal that the Board should consist of only one Member we think that the Secretary should be an officer of seniority and experience and drawn from one of the major departments (*i.e.*, Customs and Income-tax) under the Board's control, and as far as possible the selection should be so made that if the Member is drawn from the Income-tax Department, the Secretary is drawn from the Customs Department and *vice versa*.
- (iii) The ministerial establishment should be reduced by one-sixth. The employment of additional temporary staff in connection with the budget session of the Legislature should, in our opinion, enable the Board to carry on its work with the staff reduced as proposed by us.
- (iv) In any case we consider that four stenographers are excessive and we propose that their number should be reduced to two.
- (v) We observe that one Superintendent's post is a recent creation. Early opportunity should be taken to abolish this post.
- (vi) We consider the provision of Rs. 15,000 for contingencies excessive. This provision should be reduced by Rs. 2,500 if the Board continues in future to move with the Government of India and by Rs. 7,500 if it does not.—In para. (6) we shall assume the former.

6. *Summary of Savings*.—On our proposals the savings (leaving out of account those resulting from the application of our general proposals) will approximately be :—

- (i) Rs. 42,600—Member and his passage contribution, (ii) Rs. 8,160—Superintendent, (iii) Rs. 1,400—leave salary, (iv) Rs. 6,600—two Stenographers, (v) Rs. 14,000—reduction of other establishment by one-sixth, (vi) Rs. 6,000—travelling allowance, and (vii) Rs. 2,500 contingencies—Rs. 81,760.

We recommend that the budget estimates for 1932-33 should be framed on the lines indicated in our scheme for retrenchment.

## CHAPTER IX.

## GRANT No. 45—POLICE.

1. *Explanation of the grant.*—This grant of 1·99 lakhs does not deal with the cost of police administration in the central areas but only with the following items (estimated provision for 1931-32 is shown in brackets) :—

- (i) Baroda Cantonment Police (Rs. 8,500);
- (ii) Passport work done at Bombay (Rs. 7,000);
- (iii) Passport work done at Aden (Rs. 3,000);
- (iv) Lump sums paid (for the guarding of Central Government buildings, premises, etc.) to the following provincial governments :—
  - (a) Bombay (Treasury, Mint, Currency Office, Income-tax Office, Wireless Station at Karachi, Hedjaz pilgrim traffic arrangements) (Rs. 60,000).
  - (b) Bengal (non-commercial offices, Reserve Stamp Depôt, Hedjaz pilgrim traffic, share of civil offices located in the military secretariat buildings) (Rs. 93,000).
  - (c) United Provinces (Ghazipur Opium Factory, Currency Office at Cawnpore, Survey of India offices at Dehra Dun, escorting of cash from Almora to Muktesar) (Rs. 16,000).
  - (d) Punjab (Residence of Agent to the Governor General, archaeological camp at Taxila, protection of Lahore Fort) (Rs. 8,000).
  - (e) Bihar-Orissa (Treasury guard at Pusa) (Rs. 2,000).
- (v) Other expenditure (Rs. 1,500).

2. *Proposals.*—A perusal of the list (mentioned in paragraph 1) of the offices and buildings and central activities which are in receipt of special police protection shows that, in some cases, at any rate, the special police protection could be dispensed with or at least reduced. In other cases such protection could be afforded more economically by replacing the provincial police guards by ordinary guards recruited from, e.g., army pensioners, who could, wherever necessary, be specially empowered under the Police Act. In our opinion a saving of at least Rs. 30,000 should be possible in this grant and endeavour should be made to bring it about.

## CHAPTER X.

## GRANT NO. 48—SURVEY OF INDIA.

1. *Explanation of the grant.*—The budget for this department for 1931-32 is as below :—

	Rs. lakhs.
Control and administration .. .. .	1.61
Headquarters offices .. .. .	11.61
Mathematical Instrument office .. .. .	3.74
Survey parties .. .. .	38.46
Works .. .. .	.19
English Stores .. .. .	3.95
Deduct—“ Probable Savings ” .. .. .	.20
Gross total ..	59.36
Recoveries from other departments, Governments, etc.	—17.86
Net total ..	41.50
Receipts ..	5.76

An analysis of the various elements making up these sums is complicated. The Committee contents itself with stating that the main items under Headquarters offices are the Drawing and Photo-lithic offices at Calcutta and the Geodetic Branch office at Dehra Dun. The field organisation consists of 14 parties and two Companies. The field units work in circles each with a local headquarter staff and drawing office.

2. *Organisation.*—The cadre of the department provides for the employment of 51 military officers as a military reserve, of which 14 posts are at present not so filled. The superior posts comprise a Surveyor-General on Rs. 3,250, seven Directors on Rs. 2,200—2,400 plus £13-6-8 and 33 Superintendents and Assistant Superintendents on rates of pay rising to Rs. 1,750 plus sterling overseas pay. The department is organised so as to supply fully equipped survey units in case of war. A certain amount of scientific work is done in the department apart from its main programme of surveying, map drawing and reproduction.

3. *Question of a military reserve.*—It is not within the powers of this Sub-Committee to investigate the manner of providing in civil employment for reserves of military officers. The Sub-Committee therefore proceeds to consider the survey needs and possibilities of India irrespective of that feature, and presumes that it will be accepted that a civil department should not be maintained merely in order to accommodate a specified number of military officers.

4. *Proposals.*—(i) In the view of the Sub-Committee it will be essential to maintain the following—

- (a) Map Record and Issue office, at present costing Rs. 1.06 lakhs.
- (b) No. 1 Drawing office in some form or other, at present costing Rs. 2.10 lakhs.
- (c) Photo-lithic office, Calcutta, reduced from its present cost of Rs. 2.94 lakhs to Rs. 1.94 lakhs

- (d) Mathematical Instrument office, at present costing Rs. 3.74 lakhs (exclusive of the expenditure on stores, etc., in England.) The Indian budget should be reduced to Rs. 3.50 lakhs at the most and the maximum provision for English stores for this office put at Rs. 2 lakhs.
- (e) Tidal party at a cost of Rs. 20,000.
- (f) Latitude detachment at Dehra Dun costing Rs. 34,000.

An endeavour should be made to make the price of maps (including those issued to Government officers and departments) cover the cost of (a) and the proportionate cost of (b) and (c). Item (d) may be taken as self-supporting. Item (e) is essential. Item (f) is of sufficient scientific importance to be retained.

(ii) It may be taken that the whole surface of India has at one time or other been mapped, and that present operations are of the nature of revising and improving the survey. These modern methods date from 1905 and five-ninths of the total area of India (including presumably the most important areas) have already been so dealt with. So far therefore as field work is concerned, only such parties as are engaged on work, not less than 2/5ths of the cost of which are recoverable, should be continued. These for the present would seem to be:—

	Rs. lakhs.
No. 20 Party Cantonments .. .. .	.75
No. 23 Party Navigation .. .. .	3.46
No. 10 Party Burma and possibly No. 11 Party, if revived ..	4.99
No. 21 Party Forests, Burma .. .. .	2.46

No. 18 Party and E & A Companies should be retained only if the Army Department is prepared to bear the full cost of its interest in the work, and only if its share comes to not less than 2/5ths of the whole cost which is 4.74 lakhs.

(iii) Circle headquarters, if such a restricted programme is accepted, should hardly be necessary at all, and, at any rate, except perhaps for Burma, all drawing work should be done at Calcutta. The geographical map work done at Calcutta should be limited by this fact and by the budget provision, subject perhaps to additions for any fully recoverable work.

(iv) The additional control and administrative staff should not be permitted to cost more than Rs. 60,000 and the remaining English stores should be met by a provision of Rs. 30,000.

(v) The Surveyor-General complained before the Sub-Committee that for persons engaged on outdoor survey work the present age of superannuation resulted in a lot of waste expenditure in his department. The Sub-Committee recommends that Government should consider whether any special rule should be made to meet this situation.

5. *Summary.*—In the total, the Sub-Committee's approximate estimate is that the gross cost of the Survey of India should not, for the present, exceed about Rs. 30½ lakhs and the net cost Rs. 14 lakhs. The proceeds of the sale of maps, etc. (Rs. 5½ lakhs budgeted for 1931-32) would still further reduce the net cost. We have asked the Department to work out their scheme on these lines for our consideration in connection with the second part of our report.



## CHAPTER XI.

## GRANT NO. 49—METEOROLOGY.

1. *Functions.*—This department was instituted in 1875 to combine and extend provincial meteorological activities. Its functions are (i) the issue of warnings of storms to ports, ships and coastal districts, and of heavy rainfall to the public, (ii) issue of weather reports and forecasts to the public and to aircraft, (iii) collection of meteorological data and climatological statistics, (iv) meteorological research with special reference to the tropics, (v) technical supervision of rainfall registration, (vi) a regular study of the sun and the determination of time and the issue of time-signals, and (vii) maintenance of seismological instruments at various centres.

2. *Air Navigation Convention.*—Prior to the advent of aviation there was a central office at Poona, five principal sub-offices at Calcutta, Agra, Bombay, Kodaikanal and Madras and 26 pilot balloon and 270 weather observatories all over India and Burma and in some of the countries to the west of India. Under the International Convention of Air Navigation, Government overhauled and extended the arrangements for the provision of meteorological facilities for the main international air route between Cairo-Karachi-Delhi-Calcutta-Rangoon. Forecast centres were set up at Quetta, Peshawar, Karachi, Delhi and Rangoon, and the existing offices at Calcutta and Poona were extended. A very large share of the sudden and heavy increase in the total expenditure was caused by the exigencies of aviation.

3. *Organisation.*—(i) The Department is administered by a Director-General of Observatories with headquarters at Poona. Meteorological offices or observatories or both are also maintained at the following centres, viz. :—

- (a) *Agra.*—Upper air observatory.
  - (b) *Bombay.*—Observatories at Colaba and Alibagh.
  - (c) *Calcutta.*—Observatory at Alipore.
  - (d) *Madras.*—Observatory and Office.
  - (e) *Karachi.*—Office.
  - (f) *Kodaikanal.*—Solar Physics Observatory.
  - (g) *Delhi, Quetta and Peshawar.*—Offices.
- There is also a large number of minor observing stations.

(ii) The sanctioned strength of officers is—

- (a) One Director-General (Rs. 1,750—100—2,250 plus O. P.).
- (b) 19 Meteorologists (Rs. 400—50—1,250).
- (c) 17 Assistant Meteorologists (Rs. 250—25—800).
- (d) Director of the Kodaikanal Observatory (Rs. 1,250—50—1,500 + O. P.).

4. *Growth of expenditure.*—The department is estimated to cost Rs. 21,48,000 in 1931-32 in addition to overseas pay paid abroad. The

following figures illustrate the growth of staff and of expenditure since 1913-14 and particularly in recent years.

	1913-14 (actuals).	1922-23 (budget).	1924-25 (actuals).	1929-30 (actuals).	1931-32 (budget).
(a) No. of officers .. ..	13	14	14	55	37
	Rs.	Rs.	Rs.	Rs.	Rs.
(b) Total expenditure .. ..	4,27,266	7,14,000	6,67,525	12,90,012	21,48,000
Cost of telegrams .. ..	..	1,63,000	1,37,850	2,16,135	8,43,500
Establishment etc., at Agra .. ..	..	13,650	1,03,854	1,97,127	2,75,200
Karachi (air service) .. ..	..	..	..	27,267	36,700
Delhi office .. ..	..	..	..	Nil.	35,400
Rangoon office .. ..	..	..	..	Nil.	45,100
English charges .. ..	..	..	..	70,040	1,29,000

5. *Proposals.*—The rapid growth of expenditure was caused in the main by the development of aviation—both civil and military. Our proposals for its reduction are:—

- (i) The Committee were given to understand that if the requirements of the Meteorological Department in the cause of Civil Aviation were restricted generally to giving facilities at the two air ports of India, it could, by various adjustments in expenditure, make an annual saving of about 4 lakhs. In accordance with our recommendations on the grant for Civil Aviation, we consider that this change should be effected in the meteorological budget.
- (ii) In addition, however, we consider that this Department's total budget for 1932-33 should be brought down to 15½ lakhs.
- (iii) We suggest certain lines of action along which the reduction of expenditure can in our opinion be effected. But, in the case of this technical department with its ramifications all over India we do not propose to go into detail. We have asked the Department of Industries and Labour to work out a scheme and place it before us so that we may consider it in connection with our final report. Our own suggestions are:—
  - (a) The Kodaikanal work might be suspended for the present.
  - (b) Possibly some other items of theoretical scientific work done in the observatories might be suspended.
  - (c) The normal activities of agricultural meteorology might be reduced.

- (d) A 10 per cent. reduction might be made all-round in the present establishments at Poona, Alipore, Madras, Bombay, Agra and at other places.
  - (e) Possibly the Director-General could himself undertake the duties of the Meteorologist at Poona.
  - (f) Some of the less essential stations might be cut out.
  - (g) The practice of part-time meteorologists which used to be in force at one time might be reverted to in some places.
  - (h) Some Assistant Meteorologists might be replaced by observers on lower scales of pay.
6. On our proposals the gross savings will be 5.98 lakhs.
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## CHAPTER XII.

## GRANT NO. 50—GEOLOGICAL SURVEY.

1. *Functions.*—The primary function of this Survey is to investigate and estimate the mineral resources of India. A systematic field survey is undertaken for the determination of the geological structure of the country.

*Organisation.*—Its present staff is (i) a Director on Rs. 3,000, (ii) six Superintendents on Rs. 1,500—100—2,000, (iii) twenty-two Assistant Superintendents on Rs. 400—50—1,200, (iv) six Sub-Assistants on Rs. 250—20—650, (v) a Chemist on Rs. 400—50—1,200, and (vi) an Artist on Rs. 350—15—600. The present incumbent of the Artist's post is on a scale personal to him and also gets a personal pay in addition. Overseas pay is also drawn at the usual rates by those entitled to it.\* The establishment of 38 for India proper consists of an Assistant Curator, Museum Assistants, Draftsmen, Field Collectors, Assistant Chemist, clerks and others. There are also 5 compositors and 41 servants. Burma has a separate establishment of 22. For work both in India proper and in Burma there are provisions of Rs. 5,500 and Rs. 1,700, respectively, for temporary establishments.

\* £13-6-8 by Director and five of the Superintendents and £25 or £30 by 12 Assistant Superintendents and Chemist.

2. *Growth of expenditure.*—The following table shows the growth of staff and of expenditure :—

	1913-14.	1920-21.	1924-25.	1931-32.
Expenditure .. .. .	3,06,000	4,37,000	4,68,000	5,69,000
No. of Officers .. .. .	22+1†	20	37	37
No. of Establishment .. .. .	55	55	77	106

† Assistant Curator who is now shown under Establishment.

Since nearly three-fourths of the budget provision is on account of the pay and allowances of officers, any serious scheme of retrenchment must necessarily be based on a substantial reduction of the number of officers or of their scales of pay or both.

3. *Proposals.*—The sub-Committee holds that if the survey were to be closed down, the loss to India from both the economic and the scientific points of view would be out of all proportion to the immediate relief to the revenues, and the burden of compensations which would have to be paid would be a heavy drag, and that public opinion in India would not accept such a drastic measure. It is, therefore, in favour of retaining the survey. Our official colleague—Mr. Nixon—however, urges that on grounds of financial necessity it should be closed down altogether or for a term of years.

The Industries and Labour Department stated that *in the last resort* they would be prepared to cut the department down to a nucleus staff of eight including the five headquarters posts. Such a drastic course would result in economy, but there would be little return for the expenditure on the nucleus staff kept in "cold storage".

Our view is that in the life of this 80 years old survey a stage has been reached when new discoveries are made at a much slower rate: during the last decade few mines of importance have been brought to light. Hence, even apart from the financial exigencies, we consider that there is justification for a reduction of the staff and some restriction of field activities. We have therefore

tried to evolve a scheme which will reduce expenditure very substantially without, however, crippling the survey.

We hold that this survey has an excessive proportion of highly paid class I officers (*viz.*, 31 out of 37), even when allowance is made for the fact that its work is scientific, and that advantage should be taken of the present occasion to reorganise it on proper lines.

4. *Scheme.*—Our scheme is to reduce the number of officers so as to retain the following :—(i) One Director, (ii) three Superintendents including one for Burma, (iii) ten Assistant Superintendents, (iv) six Sub-Assistants.

We find that four of the six Superintendents have already, or will soon have, completed 25 years' service; it should not be difficult to reduce their number by at least three. The present Chemist and Artist are both unduly expensive. The former will have completed 25 years' service in November 1931, and can be retired. The Director's own scheme contemplates the abolition of the Artist's post. Hence, these posts too should at present be brought under reduction. Among the Assistant Superintendents the position is not so favourable, since only two have completed 25 years of service; compensations will have to be paid to those who are discharged.

Our proposals will leave a superior executive staff of 20 officers of whom 14 will be of class I status. We find that at present, during the Chemist's leave, the Assistant Chemist is carrying on the Chemist's duties; this arrangement should be continued for some time. If actual experience demands it, a chemist may be appointed afresh on a substantially reduced scale of pay. Similarly an artist can also be engaged in the non-gazetted establishment if a special post of artist is proved to be inevitable.

We further propose that as vacancies among Superintendents and Assistant Superintendents occur, the addition to the superior staff should be made only at the bottom, *i.e.*, in the cadre of Sub-Assistants. The Assistant Superintendents and Sub-Assistants may be re-designated as Superintendents and Assistant Superintendents.

In this connection we should point out that the survey had a staff of 22 (*plus* 1 Assistant Curator) in 1913-14 and of 20 in 1920, and that our scheme of 20 officers with the possible addition at a later stage of a Chemist, is not materially different from the Director's own scheme of 26 officers. (In our opinion a separate post of Curator is not needed; paleontological work can be suspended or done during the hot weather. An unattached post cannot be maintained, and for work in the provinces 14 or 15 officers would be almost as good as the 16 proposed by the Director.)

5. *Savings on officers' pay.*—Leaving out compensations and premature pensions, our scheme will yield the following savings, on officers alone, *viz.*, (a) immediate Rs. 2,67,200; (b) including "non-effective" Rs. 3,22,710.

6. *Other economies.*—Our minor proposals for economy are :—

- (i) We do not think there is any need to pay a duty allowance for the Curator's or the Paleontologist's work. If these allowances are cut out, there will be a saving of Rs. 3,600 per annum.
- (ii) The provision for travelling and other allowances should be cut down by at least Rs. 35,000 for officers and Rs. 5,000 for establishments. Reduction of staff and of the rates of travelling allowance,

the alteration of the proportion of class I to class II officers and some restriction of field activity and its greater concentration afford the justification for our proposal to reduce the provision for travelling allowance and other allowances from Rs. 1,06,000 to Rs. 66,000. (The provision of Rs. 25,100 for Burma remains intact.)

- (iii) House-rent allowances and the concession of rent-free quarters should, generally speaking, be abrogated, especially when the staff is recruited for work at a particular centre. (Mr. Nixon dissents on this point). We have not taken account of this in our proposed reduction of Rs. 40,000 in the grant for travelling and other allowances.
- (iv) The existing provision of Rs. 1,700 for the medical treatment of British officers is liable to lead to over-budgeting and should be reduced to Rs. 200. There will also be some saving in the provision of Rs. 15,000 under "Cost of Passages" but it cannot be calculated.
- (v) We concede that a reduction of the establishments in proportion to the reduction among officers is not possible. Even then a reduction of one-fifth can be safely proposed. This would yield a saving of nearly Rs. 12,500. The provision of Rs. 5,000 for field establishment should be reduced to Rs. 2,500. Total saving, Rs. 15,000. (NOTE.—The reduction in Burma need not be in the same proportion as in India proper.)
- (vi) Supplies and services should be cut down from Rs. 42,100 to Rs. 25,000 (The Director's own proposal even on a full programme was to cut this down to Rs. 30,000).
- (vii) Contingencies should be reduced from Rs. 11,100 to Rs. 6,100.
- (viii) The provision for English stores should be reduced from Rs. 9,000 to Rs. 3,000. (Even on a full programme the Director's own proposal was to make a reduction of Rs. 4,060.)

7. *Summary*.—Thus the immediate reduction of expenditure, apart from that resulting from the application of some general proposals which we shall make, will be about Rs. 2,67,200 plus 88 200 = 3,55,400 = 62½% of the 1931-32 budget. Including the non-effective charges (on officers only) the savings will be Rs. 4,10,910. We recommend that the 1932-33 budget should be reduced by 3½ lakhs to about 2·20 lakhs; this will allow an extra Rs. 6,400 as a margin for the fact that we have so far ignored "probable savings". We may add that during the quinquennium 1913-14 to 1918-19 the average annual expenditure was 2·37 lakhs.

8. *Royalties*.—The Department of Industries rightly lays great stress on the important results of the activities of the Geological Survey as reflected in the revenue derived from royalties and taxes on the incomes of the companies and individuals connected with the working of the mines in addition to the employment which the mining industries give to several hundred thousands of men. A study of the facts in this connection has brought into prominence the question whether exploration of the mineral resources of the country—an

exhaustible asset—mainly through the efforts of this department benefits the revenues of India to the fullest possible extent. In British India the mines containing different kinds of minerals are the property of Local Governments except in the permanently settled areas where they belong to the zamindars, while the mines acquired by the State Railways are the property of the Central Government. The State of Mysore in whose territory the Kolar gold-fields are situated has a geological department of its own; otherwise the geological survey of India serves not only British India but the Indian States as well. The Department charges no fees for the examination of the specimens sent by zamindars and other private individuals or the Indian States or for any other information which it supplies to them. The Local Governments charge a certain royalty on the minerals that are raised by the companies or individuals, to whom the mines are leased, at the following rates :—

	1914-18 average production.	Basis of calcu- lation of royalty adopted.	Rate of royalty.	Amounts.
				Rs.
Coal .. ..	17,951,583 tons	Value at mines, Rs. 66,28,610.	5 per cent ..	33,14,380
Gold .. ..	586,579 ozs. ..	Gross value £2,258,653.	2½ per cent ..	8,46,990
Petroleum	70,648,530 barrels	Production ..	8 as. barrel	35,32,426
Mn.-ore ..	491,902 tons ..	Production ..	4 as. ton ..	1,22,975
Tungsten ..	3,473 tons ..	Spot-value, Rs.	2½ per cent.	1,73,137
		69,25,470.		
Mica .. ..	49,621 cwts. ..	Export value, Rs.	5 per cent.* ..	2,80,028
		56,00,550.		
Lead ore ..	14,858 tons ..	Spot value, Rs.	2½ per cent ..	1,34,614
		53,84,550.		
Silver .. ..	967,166 ozs. ..	Gross value, Rs.	2½ per cent.	50,998
		20,38,935.		
			Total ..	84,55,548

\* Should be spot value, figures for which are not available.

9. *Proposals re: royalties and mineral policy.*—These rates are *prima facie* very low and it was admitted before us by the Director that the zamindars generally speaking charged higher rates of royalty for minerals worked on their properties and also that the rates fixed by the Government of India compared unfavourably with the royalties charged in some other countries. We are clearly of the opinion that Government should take the earliest possible opportunity to revise its mineral policy, for we feel that Indian public opinion is not satisfied that the mineral wealth of India which belongs to the people is not given out to prospectors on too easy terms. We are told that the rates of royalty have on more than one occasion been subjected to scrutiny by the Secretary of State for India and the Government of India. We have however no hesitation in urging upon Government the need for overhauling its entire mineral policy and we recommend that a strong Committee representative of informed public opinion be formed to examine the position with the aid of unbiased expert advice. We further recommend that standing committees of the Central and Provincial Legislatures be formed to supervise the execution of such mineral policy as may be laid down.

## CHAPTER XIII.

## GRANT No. 51—BOTANICAL SURVEY.

1. *Functions.*—This survey is charged with the scientific botanical survey of India. It also maintains the Industrial Section of the Indian Museum and collects specimens, prepares drawings, exhibits botanical (including cinchona) products, and collects and disseminates information regarding medicinal, food and fodder, timber and other economic plants and products. It is surveying the possibility of building up the emetine industry in India. The plantation of cinchona trees and the sale of cinchona products are also in its charge.

Owing to lack of funds its field activities had been held in abeyance but were revived in 1929-30.

2. *Organisation.*—The Superintendent of the Royal Botanical Garden, Sibpur, who is an employee of the Bengal Government is *ex-officio* Director of this survey and is given a special pay of Rs. 400 and a conveyance allowance of Rs. 100. The Industrial section of the Indian Museum is in charge of a Curator. There are two "systematic assistants" for scientific work. The cinchona plantations are in Burma and are in charge of a Superintendent who gets Rs. 750 plus a duty allowance of Rs. 250, Burma allowance of Rs. 120 and a house-rent allowance of Rs. 50.

The establishment for the survey consists of an Assistant Curator and clerks (15 in all) and 12 servants and some temporary establishment. The cinchona plantation establishment (permanent) consists of an overseer, a Sub-Assistant Surgeon, a clerk and a watchman.

3. *Growth of expenditure.*—The estimated expenditure in 1931-32 is Rs. 2,98,000 of which Rs. 58,900 is for the survey proper, Rs. 2,37,100 for the cinchona plantations, and Rs. 2,000 for English stores.

Expenditure on the survey proper has grown as below :—

1913-14.	1922-23.	1924-25.	1929-30.	1931-32.
Rs. 45,082	Rs. 53,060	Rs. 46,724	Rs. 53,375	Rs. 58,900

4. *Proposals.*—(i) We propose that the budget for the survey proper should be reduced to an amount between Rs. 25,000 and Rs. 30,000. Though we do not propose that its future work should be restricted to strictly "museum" work, we recognise that our proposal will hardly leave much margin for scientific work. The post of the Director, *ex-officio*, should be abolished. If the present Curator could be put in charge of the cinchona plantation in Burma, substantial savings could be effected, but in the absence of detailed information we are unable to make a specific recommendation.

(ii) As regards the Industrial Section of the Museum, our recommendation is that it should be placed under the administrative control of a single officer



for the entire Museum. (*Vide* our proposals relating to the Indian Museum, Chapter XVII). We think that a Curator of the present status should be retained.

(iii) We do not propose to preclude the continuance of such scientific work as can be managed by the reduced staff within the financial limits proposed by us. Since many universities maintain departments of botany, we recommend that they as well as other scientific bodies should be encouraged to take up the purely scientific work of this survey.

#### 5. *Cinchona* plantations.—

(a) *Expenditure*.—As regards the cinchona plantations really useful comparative figures of the growth of expenditure cannot be given, since the policy and the methods have varied materially. It may suffice to say that the pay etc., of officers and establishments have gone up from Rs. 32,543 in 1924-25 to Rs. 38,600 in 1931-32.

(b) *Proposals*.—Our proposals on this subject are that no extension of the plantations should be permitted at present. Excluding the provisions of Rs. 1,60,000 for plantation, implements, stores etc., and Rs. 35,000 for the extraction of quinine, the 1931-32 budget provision is reduced to Rs. 42,100; out of this a permanent reduction of Rs. 9,760 due to the abolition of the post of Assistant Superintendent is offered by the Department and may be accepted. But this economy is only a normal saving which would have accrued in any case. We hold that the other provision should be cut down so as to save Rs. 15,000. In this connection, we think that the duty allowance to the Superintendent should be revised since his duties under our proposals will be rendered much lighter. The economy offered under “plantation” and “extraction” is Rs. 80,000. Since this offer is based on the policy we are recommending, we do not propose to raise it to a figure higher than Rs. 85,000. Thus, the cinchona grant should be cut down by Rs. 15,000 plus Rs. 85,000 = Rs. 1,00,000.

6. The budget of this survey for 1932-33 should be brought down to Rs. 30,000 + 1,37,000 = Rs. 1,67,000.

## CHAPTER XIV.

## GRANT No. 52—ZOOLOGICAL SURVEY.

1. *Functions*.—This survey was instituted in 1916 and inherited the duties of the Zoological and Anthropological section of the Indian Museum. Besides maintaining that section it acts as a guardian of the zoological collection of the Indian Empire and obtains and utilises information about the systematic and geographical zoology of India.

The Department attaches relative importance to its activities in the following order :—

- (i) Maintenance of the exhibits in the public galleries ;
- (ii) Field work ;
- (iii) Care and maintenance of the collections ; and
- (iv) Research.

2. *Growth of expenditure*.—Its present expenditure of Rs. 2,30,000 and its staff have grown as below :—

	1913-14.	1922-23.	1924-25.	1927-28.	1931-32.
	Rs.	Rs.	Rs.	Rs.	Rs.
(A) Expenditure—					
Pay of officers .. ..	38,080	53,600	43,380	64,214	89,500
Pay of Establishments .. ..	25,300	43,260	38,503	50,516	67,000
Allowances, etc. .. ..	3,010	10,500	8,698	23,729	29,900
Supplies and Services .. ..	33,910	35,440	41,880	29,588	29,600
Contingencies .. ..	26,060	11,800	13,572	16,226	14,000
Grants-in-aid .. ..	..	25,000	..	..	..
Total .. ..	1,28,711	1,77,000	1,46,133	1,84,273	2,30,000
(B) Staff—					
(a) Officers .. ..	5	4	5	7	*8
(b) Ministerial .. ..	19	29	27	35	46
(c) Servants .. ..	75	34	33	33	40

\* Includes the temporary post of Research Officer, Andaman Fisheries.

3. *Proposals* :—

- (i) There are eleven universities in India with departments of zoology. Zoological survey work is not normally of a systematic nature and the work of the universities could and should be of the nature which must overlap the activities of a Government zoological department. Further, zoological survey cannot be said to have an economic value. We therefore feel justified in proposing that the budget for 1932-33 should be brought down to Rs. 60,000 including the amount (not exceeding Rs. 12,000) which may be found necessary for fisheries work. In view of its economic importance we think fisheries work should be continued, but it should be placed under the control of the Andamans

administration. In view of the importance of anthropology to a country like India and the facts that this subject has been prescribed for certain important examinations and that facilities for its study are still uncommon, we deem it desirable to continue that section. Finally, we might make it clear that we have no objection to the continuance of such purely scientific work as can be carried on by the staff that will be left.

- (ii) We recognize the serious curtailment of work which our proposals involve, but we feel that the essential duties can still be carried on with the budget proposed by us, provided that all unnecessary items of expenditure are deleted. In particular, we think the survey should not have such an expensive Director. The Superintendent should take administrative charge of the entire Indian Museum under the Trustees without extra emoluments and only a suitable share of his salary should be debited to the Zoological Survey. We observe that study-leave has been given liberally in the past (*viz.*, to 5 out of the 7 existing officers); this concession should for the present be severely restricted. Since the staff is recruited for work at Calcutta, the grant of compensatory and house-rent allowances and the concession of rent-free residential accommodation should be abrogated. *Prima facie* some of the duties can be "doubled-up".
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## CHAPTER XV.

## GRANT No. 53—ARCHÆOLOGY.

1. *Historical.*—(i) Prior to the introduction of the Reforms, conservation (as distinct from excavation) was a liability of the Local Governments and the greater part of the cost of conservation was paid for from provincial revenues. The Government of India used to give grants-in-aid (about a lakh). The Director-General, as adviser to the Government of India, used to administer these grants, but the Superintendents in charge of circles were under the Local Governments' control till 1927.

(ii) *Cost.*—The estimate for 1931-32 is Rs. 16·01 lakhs. The expenditure in 1913-14 including the amount expended from provincial revenues was 7·70 lakhs.

2. *Organisation.*—Up to 31st July 1931 the department had the following sanctioned staff:—

- (i) A Director-General (Rs. 1,750—2,250 plus £13/6/8 O. P.), (ii) two Deputy Directors-General, (iii) eight Superintendents in charge of circles, (iv) one Superintendent in charge of the Museum at Calcutta, (v) five\* Assistant Superintendents, (vi) one Assistant Superintendent for Exploration, (vii) one special officer for excavations, (viii) two Assistant Engineers, one for the U. P.† and one for the Punjab, (ix) six whole-time Epigraphists and one part-time one (two of these posts are vacant), (x) two Chemists at Dehra Dun, (xi) a Curator for the Central Asian Antiquities Museum at New Delhi, and (xii) one officer on special duty.

The scale of pay for Superintendents and Assistant Superintendents is Rs. 350—50—1,200, but Assistant Superintendents can only go up to Rs. 1,000. These scales apply to all except the Assistant Engineers and the Curator. Each Deputy Director-General gets a special pay of Rs. 250, and the Government Epigraphist a special pay of Rs. 100 p. m. The Assistant Engineers' scale is Rs. 500—25—750: one of these posts is vacant since 27th August 1931. The Curator's scale of pay is Rs. 350—50—700. The Director of Archæology in H. E. H. the Nizam's Dominions is the Epigraphist for Persian and Arabic inscriptions and is given a special pay of Rs. 150 by the Government of India.

There used to be eight circles including Burma but with effect from 1st August 1931 one circle has been abolished. Each is in charge of a Superintendent; some of them also have an Assistant Superintendent. The archæological section of the Indian Museum is also in charge of a Superintendent.

3. *Exploration.*—Excavation is in progress at Mohenjo-Daro, Taxila, Harappa, Paharpur, Nalanda and Nagarjunikonda. Mohenjo-Daro excavation is in charge of a Special Officer, and Taxila excavation in charge of Sir John Marshall who has been re-employed (on the pay, including overseas pay and the personal pay of Rs. 250 p. m., which he used to get as Director-General plus a special pay of Rs. 250) on a special duty, *viz.*, writing up the accounts of the Mohenjo-Daro, Harappa and Taxila excavations and preparing certain guide books and monographs.

\*Including two leave reservists.

†This officer was designated Assistant Superintendent.

4. *Proposals.*—(i) Though we recognise the pressing need for retrenchment, we do not consider it desirable that this department which is engaged in work of considerable national importance should be crippled. The Sub-Committee considers that a cut of 5½ lakhs will, as explained below, enable the financial exigencies to be reasonably satisfied without unduly curtailing the department. Our official colleague—Mr. Nixon—holds that its expenditure should be reduced so as to cost not more than 9¼ lakhs in all, but he has given no details of the scheme he has in view.

(ii) Excepting the U. P. and the Punjab, conservation work is at present carried out through the agency of the Local Governments' Public Works Departments. We attach importance to the need of properly conserving the more important monuments but except in the case of monuments in and near Delhi and Agra (which can be looked after by a special engineer at Delhi belonging to the Archæological Department) we see little real gain in conservation direct by a departmental agency. Even if the Local Governments do not reduce their usual charge for agency work, the taxpayer as a whole will stand to gain if local Public Works Departments in the United Provinces and the Punjab are invited to undertake conservation of the monuments in the outlying areas and execute it in accordance with the department's instructions. On the department's own showing there will be saving of at least Rs. 5,000 per annum. But since the grant for conservation will be reduced, the savings will in fact be larger. Our proposal will enable the post of one Assistant Engineer (which is vacant at present) to be reduced and the two special pays of Rs. 150 per mensem each to be abolished.

(iii) We hold that the expenditure on conservation should be reduced from 6.77 to 4.75 lakhs. The Inchcape Committee proposed that the number of protected monuments should be cut down from 2,511 to about 500; in fact, it has gone up to 2,685. Even the number of monuments under conservation has gone up from 811 to 1,377. In our opinion a judicious selection of the monuments to be conserved and some relaxation in favour of private bodies and institutions, subject to suitable conditions as regards retention of effective control by the department, should enable the department to get the best value for the outlay on conservation.

(iv) We further hold that in her present financial condition India cannot afford to spend money on new exploration. This should therefore stop. The post of the Special Officer for excavation should be abolished. A small amount will, however, be needed for the preservation of exposed excavations. Still, there should be a saving of 1¼ lakhs under this head.

(v) The number of circles should be reduced to six, *viz.*, Burma, Eastern, Southern, Western, Northern and Frontier. The Superintendentship of the archæological section of the Indian Museum should be doubled up with the charge of the Eastern Circle. The Central Circle should be abolished. One of the two circles with headquarters at Lahore has already been abolished with effect from 1st August 1931. These proposals should enable four Superintendents' and Assistant Superintendents' posts to be abolished and some other reduction of expenditure on establishment etc., to be effected. We estimate that the total savings will be about half a lakh.

(vi) We are unanimous that Sir John Marshall's special duty which is costing about Rs. 40,000 a year should be brought to an end. The Department should have utilised the material while he still held charge of it. His special duty appears to us to create an embarrassing precedent both of principle and of details. It may not be impossible for the department to arrange for this work to be continued in some manner within the budget provision we have suggested, after his special duty is brought to an end.

(vii) In the light of our proposals above, and as exploration is being practically stopped, we consider that the present staff should be curtailed. There should be only one Deputy Director. The Epigraphical Branch should have not more than four officers in future; we observe that one officer has proceeded on leave preparatory to retirement and another will be due for superannuation in a couple of years. The Epigraphist should be attached to Headquarters; he can then also serve as an additional Deputy Director, if necessary. There should be only one Chemist and only one Engineer. The Department should thus have 20 officers in future, viz :—

- (1) one Director, (2) a Deputy, (3) an Epigraphist, (4) six Circle Superintendents, (5) four Assistant Superintendents, (6) three other Epigraphists, (7) one Chemist, (8) one Engineer, (9) one Curator for the Central Asian Antiquities Museum, and (10) one leave reservist.

As regards the post of second Chemist, we understand that the incumbent is going on foreign service. Therefore the abolition of that post might with advantage be held in abeyance; meanwhile, the post should not be filled up.

(viii) There should be no special pay for the Deputy Director or the Epigraphist or the Superintendents in charge of the Northern and Frontier Circles.

(ix) The Department including its library should be permanently located at Delhi.

(x) There is room for economy under other sub-heads, but we need not go into detail. The scholarships should, however, be cut out.

5. *Summary of savings.*—The 1932-33 budget should thus be fixed at 10½ lakhs (plus Rs. 13,000 till such time as the Epigraphist retires or goes on leave preparatory to retirement). The economies resulting from the operation of revised scales of pay for future entrants as also the cost of compensation and pensions to the staff that will be discharged have been left out of our calculation.

## CHAPTER XVI.

## GRANT No. 54—MINES.

1. *Functions.*—The functions of the Mines Inspectorate are statutory under the Indian Mines Act and the rules and regulations made thereunder.

The Inspectorate consists of :—(i) one Chief Inspector (pay Rs. 2,100—2,500, plus overseas pay £13/6/8). (The present incumbent gets 2,500+ a personal pay of Rs. 250 p. m.), (ii) three Inspectors (pay Rs. 1,250—50—1,500, plus overseas pay £30), (iii) one Electrical Inspector\* (pay Rs. 950—50—1,550, plus overseas pay £30), (iv) five Junior Inspectors (pay Rs. 500—30—950, plus O. P. which is drawn by three of the five officers), and (v) an establishment of 37—superintendent, surveyors, draftsmen and clerks—and 26 servants, at a total estimated cost of Rs. 56,300.

2. *Growth of expenditure.*—The budget estimate for 1931-32 is Rs. 2,63,000 and the estimated receipts are Rs. 6,000; the net grant is Rs. 2,57,000. The expenditure has grown as shown below :—

	1913-14 (actuals).	1922-23 (budget).	1931-32 (budget).
	Rs.	Rs.	Rs.
Pay of officers .. .. .	46,338	1,28,850	1,46,500
Pay of establishment .. .. .	24,935	45,720	56,300
Allowances .. .. .	19,175	37,760	49,400†
Supplies and Services .. .. .	955	850	10,800 { (including 1,000 for English stores).
Contingencies, etc. .. .. .	6,909	14,150	
Total .. .. .	98,312	2,27,330	2,63,000

Since the Inchcape Committee reported, one Inspector's post has been created and one Junior Inspector's post has been made permanent.

3. *Proposals.*—(a) In view of the statutory duties of this Inspectorate and the recommendations of the Labour Commission, we agree that the number of officers should not be reduced. When, however, the present Chief Inspector retires (he completed 55 years of age on 27th August 1931), the number of Inspectors should be reduced to two, and the post of an Assistant Inspector should be created. In future, recruitment to the Inspectorate should, whenever practicable, be made at the bottom, i.e., in the cadre of Assistant Inspectors.

(b) In our opinion the scales of pay in this Department are higher than they need be. We are not in a position at this stage to make specific recommendations. We also observe that the scales of pay of the ministerial staff are

\* Present incumbent does not draw overseas pay but is drawing Rs. 1,550 in the scale Rs. 1,200—50—1,800.

† Includes the cost of passages and house-rent examination and other allowances.

unduly liberal, and we recommend that these should be revised as soon as possible, especially in the light of the fall in prices.

(c) Our other proposals for economy are :—

- (i) the ministerial establishment should be cut down from 37 to 32 and the number of servants from 26 to 20 ;
- (ii) the rates of travelling allowance in the provinces with which the Mines Inspectorate is principally concerned have been, or are likely to be, reduced. Under our proposals the number of officers entitled to travelling allowance at first class rates will be reduced by one. The actual expenditure in 1928-29 and 1929-30 was Rs. 34,262 and Rs. 34,734. We therefore feel that the provision for travelling allowance can safely be cut down from Rs. 36,300 to Rs. 30,000 ;
- (iii) in our opinion house-rent allowances at any centre outside the regular scheme for house-rent allowances should be abrogated ;
- (iv) if residential accommodation is supplied by Government, it should be charged for according to the usual rules ;
- (v) we propose that the provision under sub-head (E)\* should be reduced to about Rs. 1,500 and that the staff of the Mines Inspectorate should not be paid any fee, allowance or remuneration for work in connection with these examinations. We estimate that the savings will be about Rs. 6,000 ;
- (vi) the provisions for Supplies and Services and Contingencies should be reduced by Rs. 1,000 and for English charges by Rs. 800.

4. *Summary.*—(a) The minimum reduction of expenditure resulting from our proposals will be Rs. 43,500 (i.e., a little over 16½ per cent. of the 1931-32 budget) as below :—

- (i) Reduction of one post of Inspector and the creation of one post of Assistant Inspector — Rs. 23,400 *minus* (say) Rs. 2,400 = Rs. 21,000.
- (ii) Reduction of establishment—Minimum saving = Rs. 7,000. We estimate Rs. 8,400.
- (iii) Travelling allowances, etc., Rs. 6,300.
- (iv) Examination charges, Rs. 6,000.
- (v) Supplies and Services and Contingencies, Rs. 1,000.
- (vi) English charges, Rs. 800.

The 1932-33 budget should be reduced accordingly.

If leave and pensionary charges be also included, there will be an additional reduction of expenditure of about Rs. 5,000, but we leave this out of account in this connection.

(b) It will be noticed that under our proposals no compensation will be payable except perhaps in respect of some of the establishments.

\* Allowances and other charges in connection with examinations.



## CHAPTER XVII.

## GRANT No. 55—OTHER SCIENTIFIC DEPARTMENTS.

1. *Indian Museum, Calcutta.* (i) *Explanation of the grant.*—The Government of India make grants-in-aid to the Trustees of the Indian Museum, Calcutta, for (i) the maintenance of the Trustee's office, (ii) the Art section and Art Gallery, and (iii) Rents, rates and taxes. The provisions for 1931-32 are Rs. (i) 18,000, (ii) 16,900, and (iii) 14,400, respectively. The Government of Bengal contribute Rs. 8,300 per annum towards the upkeep of the Art section and the Art Gallery.

In 1922-23 the cost was Rs. 41,260; in 1931-32 it is Rs. 49,300. This amount includes an obligatory payment of Rs. 16,400 for rents, rates and taxes to the Calcutta Municipality.

The staff employed in 1922-23 was 58; it is 62 now.

(ii) *Proposals.*—(a) The only item under which the Trustees propose to offer a reduction is "Purchase of specimens". The reduction offered is Rs. 4,000, but this amount is reduced to Rs. 2,058, because the Trustees find it necessary to set-off against the proposed surrender of Rs. 4,000 the reduction of Rs. 1,942 made in the grant for rents, rates and taxes. This offer of Rs. 2,058 should be accepted and the Trustees may be prevailed upon to surrender permanently at least another Rs. 3,000, making in all Rs. 5,000.

(b) *Unitary administration.*—As regards the Indian Museum, we have one more proposal to make. In our opinion the present arrangement under which the Indian Museum is maintained in sections, some under the control of the Trustees and the others in charge of fairly highly-paid officers employed by the Government of India is needlessly costly. We hold it to be possible to reduce the expenditure on the pay and allowances of these officers if the administrative charge of the Museum is unified and entrusted to one officer working under the Trustees. If the Trustees can be persuaded to accept the arrangement proposed by us, the Superintendent of the Zoological section might be appointed as Director of the Museum without extra emoluments and the various sections might be placed in charge of assistants on substantially lower scales of pay than those now in force. We do not go so far as to suggest that he should be made an employee of the Trustees; we have no objection to a trial being given to the present system under which officers paid by Government hold charge of many of the sections. But, if on administrative or other grounds it be decided, now or later, to vest full control over him and his assistants in the Trustees, we see no strong reason against such an arrangement. For the present all we aim at is unified administrative control and substantial reduction of Government's expenditure on the maintenance of the Museum.

2. *Scientific Societies and Institutes* :—

(i) The Government of India also make grants-in-aid to the following scientific societies and Institutes :—

	Rs.
(a) Indian Institute of Science, Bangalore .. ..	1,50,000
(b) Bose Research Institute, Calcutta .. ..	1,03,000*

\*The Rs. 3,000 is for the printing, etc., of the transactions of the Institute.)

- |   |        |
|---|--------|
| (c) Indian Association for the Cultivation of Science, Calcutta .. .. . | 20,000 |
| (d) Asiatic Society of Bengal, Calcutta .. .. .                         | 5,000  |
| (e) Bhandarkar Oriental Research Institute, Poona .. .. .               | 5,000  |

(ii) *Proposals*.—As regards reduction of the expenditure on the items mentioned above the Sub-Committee does not feel justified in making any definite reductions in these grants. (Para. 10 of Chapter I may be seen). Mr. Nixon, however, holds that this group of institutions should also be subjected to retrenchment in common with the departments of Government.

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## CHAPTER XVIII.

## GRANT No. 56—EDUCATION.

1. *Explanation.*—This demand consists exclusively of direct grants-in-aid by the Government of India and similar minor items of expenditure and is exclusive of the expenditure on education in the minor administrations.

2. *Growth of expenditure.*—Leaving out the non-recurring grants to the Benares and Aligarh Universities the expenditure is Rs. 6,87,000 (estimated) in 1931-32 against Rs. 3,36,000 (actual) in 1913-14 and Rs. 4,17,000 (actual) in 1924-25.

3. *Proposals.*—(i) The Sub-Committee is not prepared to propose any definite reduction in the recurring or non-recurring grants to the Benares and Aligarh Universities or to other educational institutions. Mr. Nixon, however, “considers that these institutions should contribute their share in the retrenchment necessities of Government and that the recurring grants should be cut, by steps if necessary, by 10% and that the remaining capital grant to the Aligarh University should be spread out over two years instead of being paid in one year, the Benares University having already got its corresponding instalment”.

(ii) On the question of grants to the Chiefs' colleges or schools (at Ajmer, Lahore, Indore, Rajkot etc.), our provisional conclusion is that such grants should be abolished, subject to reconsideration in the light of any evidence which the Foreign and Political Department may give us at a later stage.

Arrangements should be made for their inspections by a cheaper agency— if possible, the Local Governments' agency. The cost of passages, leave etc., on account of officers lent to such colleges should not in any way fall on central revenues. We have been given to understand that the grant to one such officer of leave preparatory to retirement coupled with permission to take up employment in one such college was an exception, and we hope that occasions for such exceptional treatment will not arise in future.

(iii) On our proposals the reduction of expenditure in this grant will be Rs. 38,000. Besides, there will be a reduction of 6 lakhs in the 1932-33 budget owing to the completion of the payment of the non-recurring grants to the Benares Hindu University.

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## CHAPTER XIX.

## GRANTS No. 57—MEDICAL SERVICES AND 58—PUBLIC HEALTH.

(A) GRANT No. 57—*Medical Services.*

1. (i) *Explanation of the grant.*—Under the present constitution “Medical” (both administration and education) is a provincial transferred subject. The Government of India maintain a Director-General, Indian Medical Service, and his office and certain medical staffs and undertake medical work at certain centres. The cost of medical administration (including grants-in-aid) in the minor administrations is not budgeted for in this grant, but in the “area” grants.

2. *Functions of the Director-General.*—(i) These are:—

- (a) Control of medical administration in the minor administrations, political agencies and at Simla, Gwalior and on the North-East Frontier.
- (b) Advice to the Government of India, and to Local Governments on medical matters including grants-in-aid.
- (c) Control of the work of the Imperial Serologist.
- (d) Control of the five medical store depôts.
- (e) Recruitment for the I. M. D. and recruitment *in India* for the I. M. S.
- (f) Posting of I. M. S. and I. M. D. officers, when transferred to the civil side, to (but not *within*) the major provinces and to the Foreign and Political Department and of I. M. D. officers to the Railways.
- (g) Maintenance of the records of service of all officers of the I. M. S. and I. M. D. and of Army Sub-Assistant Surgeons.
- (h) “Service” matters, *e.g.*, leave, promotion, pension, discipline, dress etc.
- (i) departmental examinations.
- (j) All-India Medical Council.

(ii) *Largely military.*—It will be seen that as stated by the Department of Education, Health and Lands “only a portion of the Director-General’s work is done for the civil authorities”. The I. M. S. and I. M. D. are essentially military services. The expenditure on the Medical Store Depôts and their profits are found among the Army Estimates. The principal minor administrations (*e.g.*, North-West Frontier Province, Baluchistan, Ajmer-Merwara) have their own Chief Medical Officers. The State railways have just reorganised their own medical arrangements.

3. (i) *Organisation and cost of activities.*—The Director-General (pay Rs. 3,500) is assisted by a Deputy Director-General (Rs. 2,250 plus £30 Overseas Pay), one Assistant Director-General (Rs. 2,000—2,100 plus £30 Overseas Pay), one Assistant Director-General for stores work (Rs. 1,750 plus £30 Overseas Pay), two I. M. S. Captains and a Bacteriological Officer (these three

H11Brench

officers are a reserve for medical research) and a Chief Superintendent with gazetted rank. One of the Assistant Directors-General is also assistant to the Public Health Commissioner. The total provision in 1931-32 for officers is Rs. 1,61,400. The establishment costs Rs. 1,29,000 in salaries and consists of 42 ministerial and 26 servants. This establishment is used for the office of the Public Health Commissioner also, and 40 per cent. of the charges on this establishment are debited to the Public Health grant. Medical Superintendence, *i.e.*, headquarters work, costs Rs. 3,73,100 including Rs. 68,800 for the Public Health Commissioner's office establishment.

(ii) The Imperial Serologist and his office cost Rs. 62,900, but receipts exceed expenditure.

(iii) The cost of the part-time Chemical Examiner at Bombay, who is paid an allowance of Rs. 100 per mensem, is Rs. 1,720, out of which Rs. 720 is recovered from the Army as their share.

(iv) The following district medical staffs and medical activities are also maintained:—

(a) Two Civil Surgeons and two Assistant Surgeons at Simla at a cost of Rs. 56,500.

(b) A Civil and Military dispensary at Simla costing Rs. 29,100, out of which one-third is recovered from the Army.

(c) A Civil Surgeon and three Assistant Surgeons and some medical and other establishments on the North-East Frontier of Assam costing Rs. 31,800 *plus* Rs. 26,200 = Rs. 58,000.

(d) An Assistant Surgeon and establishment at Gwalior at a cost of Rs. 4,900.

(e) An X Ray Institute at Simla costing Rs. 76,800. (The one at Dehra Dun is being closed down.)

(f) All-India Medical Council, for which the 1931-32 provision is only Rs. 13,000 but which will require much more in the future.

(v) Apart from these, the main items of expenditure under 'Medical Services' are grants-in-aid, *viz.*—

a Dufferin Fund Rs. 3,70,000 (b) Hospital Aid Fund Rs. 2,000;

(c) Indian Nursing Association Rs. 35,000; (d) Portmore Nursing Home, Simla, Rs. 5,000 (e) Lady Reading Hospital, Simla, Rs. 5,000; (f) Walker and Ripon Hospitals, Simla, Rs. 14,000 = Total Rs. 4,31,000.

(4) *Growth of expenditure.*—The total amount of this grant is Rs. 9,95,000. Without extensive adjustments it is not possible to give comparative figures to show the growth of expenditure.

(5) *Inchcape proposal.*—The Inchcape Committee recommended that the post of Public Health Commissioner should be abolished his work being made over to the Director-General, Indian Medical Service, and that Medical and Public Health services should be amalgamated. At that time there were five officers in the Director-General's office and two in the Public Health Office;

the number of such officers in these offices in 1931-32 is seven in the Director General's section and one in the Public Health section of the office; in fact there are six working in the former and two in the latter.

(6) *Main proposals.*—(i) We have carefully considered the question whether it is necessary to maintain the D. G., I. M. S. and his office. Since "Medical" is a transferred provincial subject, the D. G., I. M. S. and his office appear to us to be a survival of the pre-Reform régime. We hold that inter-provincial transfers of I. M. S. and I. M. D. officers in civil employ or the maintenance of confidential records or roll at headquarters or the disposal of complicated "service" questions do not require a civil "head" of the medical services any more than in the case of any other All-India service operating largely in the major provinces. Co-ordination of the medical policies of the major provinces may, *per se* be a desirable objective, but the existing constitution does not demand it, and so far as we are aware, the provinces do not ask for it; nor indeed can India in her present financial condition afford to undertake it. We observe that in fact a large portion of the work relates to the Army. Medical stores, recruitment for the I. M. S. and the I. M. D., maintenance of the confidential records and rolls of officers in these services and other military affairs admittedly take up much of the time and attention of the Director-General and his office. It is only right that all such matters should be transferred to the Army Department. For recruitment in India of officers for the I. M. S. the services of the Public Service Commission should be fully utilised.

(ii) We agree that the Government of India need, and will continue to need, an officer to advise them on the medical administration of the central areas and give guidance on matters of medical policy in general. But for all such duties we hold that a single medical officer of sufficient standing and experience to function as a Deputy Secretary and to draw about a Deputy Secretary's pay should suffice. He may be designated Medical Adviser to the Government of India. His office should operate as a section of the Secretariat, and should also work jointly for the Public Health Adviser (*vide* paragraph 12).

(iii) In the absence of reliable knowledge of the amount of work which should be made over to the Army authorities the Committee can only make a rough division of the expenditure as follows:—

The extra cost to the civil secretariat would amount to about a lakh, about a lakh would be added to army estimates, and the remainder (about 1½ lakhs) of the present cost should be considered as savings. The pay of the existing staff should only be assimilated to secretariat rates of pay according to any future rates laid down for the Secretariat and not by present rates.

(7) *Other proposals.*—(i) The permanent superior medical staff at Simla consists of 2 Civil Surgeons at present. We consider that in future there should be only one; another can move up and down with the Government of India. This arrangement will merely mean that during the winter Simla will have only one Civil Surgeon and not two. We further note that the Army does not pay a contribution towards the cost of the staff at Simla.

On our proposals even direct and immediate savings will be about Rs. 12,000 per annum. With a doubt on the part of one member we urge that the horse allowances drawn by the Civil Surgeons at Simla should be discontinued.

(ii) As regards the Serologist and his establishments we urge that unless a strong enough case is made out in favour of continuing the duty, house-rent and other allowances drawn by the Assistant Serologist and the Civil Assistant Surgeons, these should be discontinued.

(iii) The medical establishment at the Gwalior Residency appears to us unnecessary. We observe that all political agencies do not possess a medical establishment on the spot. We have not been able to examine the Foreign and Political Department on this question; our provisional view is that this establishment should be abandoned.

(iv) We observe that the actual cost of the Civil and Military Dispensary at Simla in 1929-30 was about Rs. 23,000; the 1931-32 estimate is Rs. 29,100. An attempt should be made to bring it down to the 1929-30 level.

(v) We note that as in the case in sub-para. (i) the Army does not contribute towards the cost of the X-Ray Institute, Simla.

(vi) We further think that the medical budget for the North-East Frontier could be safely reduced by Rs. 5,000.

(vii) As regards the grants-in-aid aggregating 4.31 lakhs, we are generally speaking opposed to any serious reduction. But in view of the financial necessity we propose that they be reduced to 4 lakhs in the aggregate; we would, however, spread out the reduction over all the grants.

(viii) We do not recommend that the setting up of the All-India Medical Council be put off. But we propose that registration fees should be levied, and trust that the Council will shortly be in a position to pay its own way and cease to be a burden on central revenues.

(ix) We observe that an expenditure of Rs. 1,720 is incurred in Bombay. Now that there is a Customs laboratory at Bombay, which can perhaps be used for other purposes also, the need for incurring this expenditure should be examined. For the present we are leaving this possible saving out of account.

(8) *Summary*.—On our proposals the reduction of this grant will be 3.35 lakhs against which there will be an addition of 1 lakh to the Army estimates. The 1932-33 budget estimate should be reduced accordingly by 3.35 lakhs.

#### (B) GRANT NO. 58—*Public Health*.

(9) *Organisation and activities*.—Under the present constitution Public Health, Sanitation and Vital Statistics are provincial transferred subjects, except for reservations as to legislation in respect of infectious and contagious diseases. In addition to expenditure on public health incurred in the minor administrations the Government of India incur expenditure on the following public health activities. They maintain at their headquarters a Public Health Commissioner (pay Rs. 2,500—3,000 + £13-6-8 O. P.). He is assisted by one of the Assistant Directors-General, Indian Medical Service, and has an establishment which forms part of the Director-General's office and for which 40 per cent. of the cost (=Rs. 68,800 in 1931-32) is debited to the Public Health estimates. He advises the Government of India on questions relating to

public health and represents them at international conferences. An important contemplated scheme of large recurring expenditure is the Hygiene Institute at Calcutta (a Rockefeller foundation). Another important central activity is in connection with port and air-port health and quarantine, deratisation of ships and the pilgrim traffic. The expenditure on the Central Research Institute at Kasauli is also borne on these estimates. Lastly, the Government of India's grants-in-aid to the Research Fund Association (7½ lakhs a year), to St. John's Ambulance Association (Rs. 5,000), and to the Pasteur Institute at Kasauli (Rs. 17,700) are also borne on these estimates. Broadly speaking, the expenditure on public health in the minor administrations is budgeted for in the grants relating to the "areas" concerned.

(10) *Present expenditure and its growth.*—The estimated expenditure in 1931-32 is Rs. 13,92,000. Out of this Rs. 1,11,200 (and if the pay of the Assistant Director-General, Indian Medical Service, who does public health work, be added, Rs. 1,36,400) plus Rs. 68,800 is accounted for by the Public Health Commissioner and his office, by the staff, establishment and other charges in connection with the Hygiene Institute, Calcutta, and by some vaccination staff in Assam. Port Health establishments cost Rs. 1,13,400, and charges in connection with the pilgrim traffic amount Rs. 11,200. The Government of India's contribution on account of the Port Health establishments at Calcutta and Chittagong amount to Rs. 71,600. (This contribution is on the half-and-half basis, the other half being borne by the Port Trusts concerned.) For the ports of Madras, Bombay, Karachi and Aden, the Central Government maintain their own establishments at a cost of Rs. 1,47,400. In the case of Madras some contributions amounting to Rs. 1,600 are also paid. In the case of Bombay there is a recovery of Rs. 46,300 from the Government of Bombay. The Kasauli Institute costs Rs. 2,09,700.

It is not easy to give comparative figures of the cost of Public Health without extensive adjustments. But the following few figures will help to show how expenditure has grown compared with 1913-14 :

	1913-14.	1922-23.	1924-25.	1929-30.	1931-32.
	Rs.	Rs.	Rs.	Rs.	Rs.
"Administration" ..	93,916	1,39,000	..	1,14,749*	1,80,000†
Kasauli .. .. .	1,14,516	3,93,100	2,25,454	2,33,262	2,09,700
Port Health and epidemics..	..	..	2,18,011	2,35,727	2,21,800

\*Plus about Rs. 25,000 for the pay of Assistant Director-General.

†The 1931-32 figure includes the cost of the staff appointed in connection with the Hygiene Institute, Calcutta; this cost amounts to Rs. 61,700.

(11) *All-India Hygiene Institute.*—It only remains to add that it is in contemplation to open the All-India Institute of Hygiene and Public Health at Calcutta at an annual cost of nearly 3½ lakhs as against a provision of Rs. 61,700 in the current budget. Apart from the normal increase of expenditure the central revenues have thus to be prepared for an increase of expenditure of over 2½ lakhs on account of this Institute in 1932.



(12) *Proposals*.—Our proposals for the reduction of expenditure are :—

- (i) One of the recommendations of the Inchcape Committee was that the post of Public Health Commissioner should be abolished. It held that India's representation at international conferences could be undertaken by a senior officer on leave or by a recently retired officer, an honorarium being given if necessary. We agree with that Committee's view regarding the feasibility of India being represented at international conferences in the manner proposed by it. Indeed we think it is now time that India was represented, not necessarily by officials but, whenever practicable, by suitable non-official or other experts acquainted with the specific problems coming up for discussion. The Government of India, however, require, and will continue to require, an officer to advise them on public health questions. But, we do not consider it necessary to maintain an officer of the present status of the Public Health Commissioner. A medical officer of sufficient standing and experience to function as a Deputy Secretary and to draw about a Deputy Secretary's pay with the designation of Health Adviser to the Government of India should, in our opinion, suffice for ordinary day-to-day work. (On individual questions the Government of India could consult the provincial Directors of Public Health.) His establishment should, as is the case at present with the Educational Commissioner, form part of the staff of the department. If and when it is necessary to send him out of India on deputation, his work should be carried on by the Medical Adviser proposed by us in paragraph 6 (ii). Our proposal would result in a saving of about Rs. 7,500. Besides, there would be some saving on the abolition of the post of the Assistant Director-General, who is now assistant to the Public Health Commissioner. This would amount to Rs. 25,200. Total savings would be well over Rs. 32,000.
- (ii) Establishment matters are referred to in paragraph 6 (iii).
- (iii) We observe that port health, quarantine, pilgrim and similar work in connection with epidemic diseases is costing nearly 2½ lakhs. This should be brought down to 1½ lakhs, saving Rs. 46,800.
- (iv) We understand that Government having accepted the munificent gift of the Rockefeller foundation, the Institute of Hygiene and Public Health will have to be opened in due course. We are of opinion that its initial annual cost to Government should not be allowed to exceed 2 lakhs in the present financial stress. We have considered the proposed scales of pay and allowances for the staff of the Institute; to us they appear to be unduly liberal. A reconsideration of the contemplated rates of pay etc., before vested interests are created, should enable Government to effect the reduction proposed by us without seriously interfering with the proposed functions of the Institute.

(v) As regards grants-in-aid, the annual grant of 7½ lakhs to the Research Fund Association should, for the present, be reduced to 2½ lakhs. The Association has a large fund accumulated mainly from Government grants in the past. On this ground the Inchaape Committee had also recommended the discontinuance of the grant. The fund which was 33½ lakhs then has now increased to 52.3 (face value) lakhs. Our proposal to reduce the grant to 2½ lakhs need not therefore lead to a very serious curtailment of the activities of the Association for some years.

(vi) In view of the fact that the Pasteur Institute, Kasauli, no longer receives the contribution which the Punjab Government used to make and that the Army Department contribution has also been withdrawn, we do not consider it desirable to reduce the Government of India's annual grant of Rs. 17,700. The annual grant of Rs. 5,000 to St. John's Ambulance Association may also be left intact.

(13) On our proposals the savings will be Rs. .32 + .47 + 1.25 + 5.00 = 7.04 lakhs of which 5.79 will be in the Public Health Grant and 1.25 in the Medical Services Grant. The 1932-33 budget should be framed accordingly.

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## CHAPTER XX.

GRANT No. 59—AGRICULTURE.

GRANT No. 60—IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

GRANT No. 61—CIVIL VETERINARY SERVICES.

*Administration.*

1. *Present organisation.*—As regards the grants for Agriculture, Civil Veterinary Services and the Imperial Council of Agricultural Research Department we have first of all to consider the existing arrangements in relation to central research. There is one self-contained 'department' (though on a miniature scale) in charge of the work relating to the Imperial Council of Agricultural Research. The Council was set up as a result of the Report of the Royal Commission on Indian Agriculture. Besides, the Department of Education, Health and Lands maintain an agriculture and veterinary section, mainly to deal with the two central research institutes at Pusa and Muktesar with their sub-stations. The Imperial Council of Agricultural Research Department has a Vice-Chairman (of the status of a Secretary to Government and paid at Rs. 4,000) assisted by a Secretary of the status of a Deputy Secretary to Government (pay on superior I. C. S. scale plus Rs. 400) and two Expert Advisers, one for agriculture and the other for animal husbandry (pay of each Rs. 2,500 to Rs. 2,750).

2. *Imperial Council.*—We see no reason to suggest any modification of the policy which led to the establishment of the Imperial Council for central research. We are also unanimously of opinion that Pusa and Muktesar should be placed under the control of the Imperial Council. We are further agreed that the services of the two Expert Advisers may be terminated. We observe that the two Central Research Institutes maintain all the necessary expert staffs and these can be utilised for such advice as Government might need. We therefore unanimously recommend the abolition of the two posts of Expert Advisers to the Imperial Council of Agricultural Research. (Also *vide* para. 11.)

3. *Proposals.*—On the question whether the Agriculture and Veterinary Section of the Department of Education, Health and Lands should be abolished and its work transferred to the Imperial Council of Agricultural Research department or *vice versa* this Sub-Committee favours the former alternative. Messrs. Nixon and Ramsay-Scott hold the opposite view on the ground that it will result in greater economy.

4. *Reasons.*—We hold that the considered policy of Government in setting up the Imperial Council of Agricultural Research department should be given a proper and adequate trial. A formal Government department is not as suitable an agency for controlling research as a body constituted on the lines of the Imperial Council. Under the present arrangements the Council does not directly control the two Central Research Institutes, *viz.*, Pusa and Muktesar; in our opinion it should do so. It would be manifestly anomalous that a body set up by Government for the express purpose of developing agricultural and allied research all over India (including such States as care to come into the arrangement) should be deprived of direct control over Government's own research institutes. The objection to Pusa and Muktesar being placed under

the Imperial Council of Agricultural Research Department on the ground that their Directors would thereby become, in effect at any rate, subordinate to the Expert Advisers of the Imperial Council appears to us to have no force. In fact, we have proposed the abolition of the posts of Experts. The Council, which has been rightly described as an instance of federalism in action, and which is in touch with all the Agricultural Research Institutions and their expert staffs is in the best position to advise Government with respect to Pusa and Muktesar. Nor, having in regard the responsibilities and constitution of the Council, is the Sub-Committee disposed to attach any weight to arguments based on an apprehension of 'jealousies' and 'suspicions', which in fact are unfounded. The Sub-Committee is convinced that circumstances and conditions have changed a good deal since the report of the Linlithgow Commission, and that its proposal is best calculated to promote the cause of agricultural research at the lowest cost.

5. The Sub-Committee, with the exception of the two members mentioned above, recommends that the Imperial Council of Agricultural Research Department should continue and that Pusa and Muktesar and their sub-stations should be placed under its administrative control.

#### GRANT NO. 59—AGRICULTURE.

6. *Pusa and its sub-stations.*—On the proposals for the reduction of expenditure on the Agricultural Research Institute at Pusa and its five sub-stations we are all unanimous.

The main Institute at Pusa and only one of its sub-stations, *viz.*, the sugar-cane station at Coimbatore should continue. The other sub-stations, *viz.*, the cattle-breeding farm at Karnal, the creamery at Anand and the animal husbandry institutes at Wellington and Bangalore are recent accretions. They were taken over from the Army at a cost of about Rs. 7,17,000 when the Army Department found that they had to lop off superfluities. None of them can be said to be engaged in research of a central character. If their accounts be critically examined in the light of the principles of commercial accounting they involve loss year by year, with the possible exception of the creamery at Anand. It has been claimed on behalf of the creamery that it has trained up men who have found little difficulty in securing private employment. Even if this claim be conceded, we must observe that such training is not a "central" subject. We understand that the Army Department will probably take back Wellington. Whether they do so or not, our unanimous recommendation is that these four sub-stations of Pusa should be disposed of, preferably to the local Governments concerned.

7. *Reorganisation and savings.*—Coming to Pusa and Coimbatore we observe that the Department of Education, Health and Lands have already under their consideration a scheme of reorganisation prepared by the present Director. He told us that the scheme proposes increased expenditure. The gross cost of Pusa and Coimbatore is 8.71 lakhs irrespective of the additional cost (*viz.*, Rs. 57,500) on account of estate and medical establishments. Our proposal is that even allowing for some increased expenditure as a result of the reorganisation the gross cost should be brought down by about a lakh; the Imperial Council of Agricultural Research Department should be given definitely to understand that these figures

must not be exceeded. Since a reorganisation scheme is already under Government's consideration, we do not propose to go into detail further than to suggest that the system of special pays to the staff should be critically scrutinised in accordance with the general principles which will be enunciated by us in our final report.

GRANT NO. 60—IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH DEPARTMENT.

8. *Functions and organisation.*—These have already been described in paragraph 1 above. The Sub-Committee, with the exception of two members, has already recommended that this Department should continue and that the Pusa and the Muktesar Institutes (with their sub-stations) should be placed under its administrative control. We need not here do more than indicate the economies which will result from our proposals.

9. *Vice-Chairman.*—We consider that the pay attached to the post of Vice-Chairman is excessive and we therefore would take the offer of the present Vice-Chairman to accept a salary of Rs. 3,000 from 1st April 1932, although he has made it clear that this is a voluntary offer personal to him. It will yield a saving of Rs. 12,000. Our colleague, Mr. Nixon, wishes to dissent from the principle of voluntary surrenders of pay.

10. *Secretary.*—As regards the Secretary, we recognise the force of the criticism that a small department like this does not require the services of two highly paid administrative officers. But during the period of reorganisation the training and experience of the present secretary will be needed. Our proposal therefore is that when his "tenure" expires (by which time the reorganisation will have been completed), he should be succeeded by a secretary of lower status. In our opinion an officer of the Agricultural Service of about 15 years' service should succeed him. He may be given the status of an Under- or Assistant Secretary to Government, *ex-officio*. We observe that though there is a post of an Assistant Secretary on Rs. 1,000—50—1,250, it has not been filled up. We recommend that this post should also be filled up; the first incumbent should be drawn from the Veterinary Service and should have about 11 years' standing in the service. We contemplate that the Assistant Secretary should in course of time succeed the Secretary and that one of them should belong to the Agricultural and the other to the Veterinary Service. This arrangement will enable the department to have two experts to advise the department on all the ordinary day-to-day problems relating to agricultural and veterinary research. On problems of some importance the department will take the advice of the Pusa and the Muktesar Institutes. The savings from this proposal will be the difference between the cost of the present Secretary and the cost of the Assistant Secretary proposed by us, *i.e.*, about Rs. 16,000 to Rs. 18,000 per annum.

11. *Expert Advisers.*—We are all agreed that these two posts should be abolished, and that the department should take such advice as it requires from the Pusa and Muktesar Institutes. In fact, our proposals above relating to the secretariat of this department are based on the assumption that the posts of the Expert Advisers will be abolished and that the new secretarial posts will be created only as vacancies occur among the two Expert Advisers. We

further propose that the present Expert Advisers should, if possible, be absorbed at Pusa and Muktesar respectively. The saving on their salaries etc., alone will be nearly Rs. 65,000.

12. *Establishment.*—As regards the establishment for this Department we consider that the present establishment strengthened by a further establishment costing about Rs. 32,000 (we understand from the Vice-Chairman that this would be just about half of the present cost of the Agriculture and Veterinary Section of the E, H. and L. Department) will suffice for the Imperial Council of Agricultural Research Department even when it takes over Pusa and Muktesar. We may in this connection observe that this department has not yet recruited the temporary establishment which was sanctioned with effect from the current financial year. We recommend that pending Government's decision on our proposals it should not be recruited.

13. *Other savings.*—In the course of his oral evidence the Vice-Chairman told us that he saw no objection to the permanent location of his department at Delhi. His view was that if the Vice-Chairman, Secretary, the Experts and some camp staff were to be allowed to move with the Government of India, it would be possible to carry on the work of the department and at the same time to remain in touch with the Government of India. This is one of the departments which we think should remain permanently at Delhi. This will yield a saving of Rs. 5,000 on the rent of the building at Simla in which the department is at present located and Rs. 10,000 on hill journey and other allowances. Besides, additional rents realised for the housing accommodation provided by Government at Delhi will yield about Rs. 5,000 to Rs. 6,000, but we leave this out of our calculation.

The provision for contingencies should be cut down from Rs. 18,900 to about Rs. 15,000. Savings about Rs. 4,000. If the department does not move between Delhi and Simla, it should not be difficult to effect this saving.

14. *Research grant.*—The annual research grant of 5 lakhs should for the present be reduced to 2½ lakhs a year. (As an alternative to this proposal, Mr. Nixon throws out the suggestion that "the whole grant for research should be held in abeyance for a couple of years, which would provide money for the Government to consider the scheme for the reorganisation of Pusa which the Director has formulated".) The provision of Rs. 10,000 for travelling allowances of the Governing Body and the Advisory Board should in future be charged to the budget of the Imperial Council and not to central revenues.

15. *Sugar Cable Service.*—We observe that the 1931-32 provision is Rs. 23,800. In our opinion this service should be maintained but on a genuinely self-supporting basis, which should include a certain percentage for its share of the overhead expenses on the department and the Council. The expenditure should be cut down to Rs. 20,000. Further, the Service should be budgeted for in the Council's own budget and not in the civil estimates of the Government of India.

16. *Council's own budget.*—Although the Imperial Council is a statutory body controlling its own budget, we think that Government should invite it to scrutinise its expenditure with a view to securing all possible economies.

17. *Summary.*—When effect is given to our proposals, this department's net budget for administration will be reduced from 2.76 to 1.28 lakhs (or, when the

deduction of about .10 on account of the present Vice-Chairman's pension, which is paid by the Madras Government, ceases to be operative, Rs. 1.38 lakhs). The provision of .24 lakh for the sugar cable service will disappear, and the research grant will be reduced to 2.5 lakhs. The total 1931-32 budget is 8 lakhs gross or 7.75 lakhs net; it will be reduced to 3.78 lakhs.

It will be seen that we have not proposed any reduction of the establishment except of the Expert Advisers' stenographers and peons. Were it not for our proposal that Pusa and Muktesar should be transferred to the control of this department, we should have proposed some reduction of establishments and a further reduction of the budget.

When Pusa and Muktesar are transferred to the control of this Department, there will be an additional expenditure of about Rs. 32,000 on account of extra staff. If, however, new staff is engaged, the additional expenditure will be less than Rs. 32,000. On the other hand, there will be a corresponding saving of approximately Rs. 68,300 (*i.e.*, Rs. 64,000 on pay etc., and the rest on contingencies etc.), on the Agriculture and Veterinary Section of the Education, Health and Lands Department. We have omitted this from our calculation.

#### GRANT NO. 61—CIVIL VETERINARY SERVICES.

18. *Explanation of the grant.*—Expenditure on these services is incurred in two parts, *viz.*, (a) on the Muktesar and the Izatnagar branches of the Imperial Institute of Veterinary Research and on a small grant-in-aid, and (b) in the minor administrations. Under (a) the cost amounts to over 8 lakhs, but against this expenditure there are receipts of Rs. 9,27,500 (estimated). Grant No. 61 deals with (a), the expenditure under (b) being provided for in the respective "area" grants.

The Muktesar branch of the Institute is, broadly speaking, now concentrating on research and the Izatnagar branch on the manufacture of various prophylactic and specific sera and vaccines for animal diseases.

19. *Expenditure and receipts.*—These have been as follows (in lakhs):—

	1913-14.	1921-22.	1922-23.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Expenditure	2.03	7.06	7.60	8.60	6.59	6.92	7.29	7.78	8.32	8.27
Receipts	1.09	4.43	4.97	13.10	11.06	12.26	14.68	15.60	11.22	9.27
Profit or loss	-.94	-2.63	-2.63	+4.50	+4.47	+5.33	+7.40	+7.82	+2.90	+1.00

20. *Organisation.*—The Muktesar branch is in direct charge of a Director (on Rs. 2,000—2,250 *plus* O. P.). There is also the necessary technical staff for direction and also for the various sections of work at Muktesar, *viz.*, Laboratories, Veterinary, Farm, Medical and Electrical. The Izatnagar branch is in the immediate charge of a Deputy Director who gets a special pay of Rs. 150. A Veterinary Deputy Superintendent and a Laboratory Assistant are also maintained at Izatnagar.

Besides these officers, each branch has varying establishments.

21. *Control.*—The Institute is at present under the administrative control of the Education, Health and Lands Department. With the exception of two

of us we have already recommended that it should be placed under the administrative control of the Imperial Council of Agricultural Research Department (*vide* paragraphs 3 and 4).

22. *Proposed economies.*—We have scrutinised the budget carefully. We find that, generally speaking, the institute earns very substantial profits for the Central Government. In our opinion not only should this Central Research Institute continue to be maintained but its activities should not be curtailed. There appears to be some room for reorganisation, but we would leave that work to the administrative department in charge of the Institute. *Prima facie* and in the light of the evidence placed before us we have come to the conclusion that apart from the savings (which are all temporary) offered by the department, the following immediate reductions can and should be made, *viz.*:—

(a) Reduction of the posts of temporary Veterinary Research Officer (Rs. 6,200) and of a Personal Assistant (Rs. 6,700) .. ..	Rs. 13,900
(b) Abolition of 10 establishment posts recently created .. ..	3,000
(c) Reduction of the provision for temporary staff .. ..	10,000
(d) Purchase of animals .. .. ..	10,000
(e) Supplies and Services (Rs. 5,000), Contingencies (Rs. 10,000) and English Stores (Rs. 15,000) .. .. ..	30,000
<b>Total reduction of expenditure .. .. ..</b>	<b>66,900</b>

We also propose that the decision to grant advance increments to the Engineer at Muktesar should be revised.

We further recommend that the grant of Rs. 3,000 per annum to the National Horse Breeding and Show Society should be discontinued. In our opinion animal-breeding and exhibition are essentially a provincial activity.

23. *Summary.*—The 1932-33 estimates under this grant should thus be reduced by Rs. 70,000.



## CHAPTER XXI.

## GRANT NO. 62-B—INDUSTRIES (INDIAN SCHOOL OF MINES, DHANBAD).

1. *Functions.*—The school was opened in December 1926 to provide “high-grade instruction in mining engineering and geology” with the object of “enabling Indians to qualify themselves for appointments in the Geological Survey, Survey of India and the Mines Department and to meet the growing needs of the mining industry for trained mine managers and geologists”.

*Organisation.*—The staff consists of (a) a Principal (pay Rs. 1,250—50—1,750, plus £30 O. P.), (b) four professors (pay Rs. 750—50—1,250, plus £300 O. P.; for Indians Rs. 1,000—50—1,500), and (c) two lecturers (pay Rs. 500—25—750). Establishment consists of 38 and the provision in 1931-32 is Rs. 47,300.

2. *Growth of expenditure.*—The grant for 1931-32 is Rs. 1,97,000, and estimated receipts are Rs. 16,300. The expenditure in each year since 1926-27 has been 1.89, 2.17, 2.45, 2.02, 2.06 and 1.97 lakhs respectively. (The last two figures are estimates.)

3. *Future of this school.*—We have carefully considered the question whether in view of the fact that fresh enrolment has been almost steadily declining the school should be suspended for a term of years or closed down. One of us—Mr. Nixon—was in favour of closing the school down for, say, 5 years on grounds of financial necessity. This proposal does not commend itself to any of the other members. In our opinion the school need not be run on the present unduly costly lines. We consider that the scales of pay are too liberal and should be brought down to levels corresponding to the scales generally in force for similar work in the educational institutions in India. In paragraph 6 we have stated that it should be possible to run the school for about one lakh (net).

In view, however, of the serious decline in fresh enrolment, we urge that Government should institute enquiries at an early date into the causes of such decline and to take such remedial action as may be practicable. If the enquiry discloses that genuine demand for the training, which the school provides, cannot be stimulated, other arrangements should be made for the recruitment in India of the staff required for the Mines Department and for the Geological Survey. As a last resort, students might be given scholarships for the study of mining abroad.

4. *Utilisation of Mines staff.*—We have considered the suggestion that on the analogy of the alleged practice in some European countries the school should be placed under the Mines Department and that the Chief Inspector of Mines should be appointed to work as Principal. It does not, however, appeal to us. But we are inclined to the opinion that Government should investigate the possibility of abolishing the post of Professor of Electrical and Mechanical Engineering and entrusting his teaching duties to the Electrical Inspector under the Mines Inspectorate. It seems to us that the theoretical teaching of electrical and mechanical engineering in a school of this type cannot be of such a character as to require the services of a whole-time Professor. We are not sure that a Lecturer is needed to teach English nor that a Lecturer for the teaching of French and German need be paid at the rate of Rs. 500—25—750.

5. *Other proposals for economy.*—Our other recommendations for economy are as below:—

- (i) Provision for travelling allowance should be reduced, as proposed by the Department, from Rs. 13,500 to Rs. 9,000.
- (ii) No fees should be payable to the staff of the school for the supervision of the admission examination nor for the certificate and the diploma examinations. Estimated savings Rs. 2,000.
- (iii) Apart from the terms of special contracts, no house-rent allowance should be paid to any member of the staff and rent should be charged according to the usual rules for residential accommodation supplied by Government. We cannot calculate the receipts.
- (iv) The provision for scholarships is Rs. 6,400. At present there are 37 scholarship holders out of a total enrolment of 70. The number of scholarships has not been reduced even though enrolment has gone down. In our opinion the number as well as the rates should be cut down so as to save at least Rs. 2,500.
- (v) The terms on which Government servants (for example of the Salt Department) are trained at Dhanbad should be revised. In our opinion all that Government need do in such cases is to provide the training free, but no travelling or other allowances or perquisites need be given.
- (vi) We have examined the list of establishments. Since the number of students has gone down, we consider that some reduction is possible by "doubling up" certain duties and giving some suitable work to the students themselves. In particular, we consider that the whole-time medical establishment is unnecessary. It will perhaps be sufficient to utilise the local medical establishment of the Bihar and Orissa Government or even a private practitioner by giving him a suitable allowance as is usually done in the case of educational institutions. We estimate a saving of Rs. 5,000 under this sub-head.
- (vii) The provision for Supplies and Services and Contingencies should be cut down to Rs. 40,000 and 20,000 respectively. Savings Rs. 9,600.

6. *Summary of savings.*—Under our proposals the immediate savings will be Rs. 23,600—about 12 per cent. of the 1931-32 gross budget. We have reason to believe that, when the school is reorganised on the lines suggested by us, it will be possible to run it at a net cost of approximately one lakh.

## CHAPTER XXII.

## GRANT No. 63—AVIATION.

1. *Explanation of the Grant.*—(i) *Analysis of present position.*—The total budget for Civil Aviation for 1931-32 may be set out as follows :—

	Rs.
	Lakhs.
Directorate etc. . . . .	2·27
Payments to Posts and Telegraphs Department for wireless . . . . .	4·13
Grants to Clubs etc. . . . .	1·88
Works . . . . .	13·01
English Stores . . . . .	5·82
Karachi-Delhi Charter Service . . . . .	3·69
Indian State Air Service . . . . .	4·68
Scholarships . . . . .	·28
Other expenses . . . . .	·02
<b>Total</b>	<b>35·77</b>

At least Rs. 11·80 lakhs under Works, Rs. 5·82 lakhs under English Stores (the cost of the aircraft for the Indian State Air Service, the order for which has already been placed), and Rs. 4·43 lakhs under the Indian State Air Service are of the character of capital expenditure. The department estimates that the figure of Rs. 4·13 lakhs for payments to the Posts and Telegraphs Department will, largely owing to delay in completing the programme, be reduced to Rs. 2·39 lakhs. Of the Rs. 13 lakhs for works, Rs. 6·22 lakhs (not yet incurred) are for ground lighting for an air service across India. The capital cost of this item is now put at about Rs. 5½ lakhs, but no provision apparently exists in the above figures for the maintenance of the ground lighting plan, which was estimated to amount to three-quarters of a lakh for a full year. Nor do the above figures take into account the increase in the meteorological budget due to aviation. The Department estimates that of the increase of Rs. 14·55 lakhs in the expenditure on Meteorology between 1924-25 and 1931-32 a sum of about Rs. 9·20 lakhs, in terms of average cost, can be ascribed to Civil Aviation. It appears to the Sub-Committee that a substantially large part of the increased expenditure under Meteorology would not have occurred had it not been for Aviation.

(ii) *Estimated future cost.*—Owing to the holding up of the final decision to go ahead with an Indian State Air Service some of the expenditure budgeted

for 1931-32 must inevitably lapse. If nothing had lapsed, the department anticipates the expenditure of future years as follows :—

(a) presuming the Indian State Air Mail Service from Karachi to Calcutta, to be proceeded with :—

	1932-33.	1933-34.
Directorate, etc. .. .. .	2·90	3·05
Works .. .. .	2·75	2·75
Air State Service .. .. .	9·50	9·00
Grants to Clubs, etc. .. .. .	2·00	2·00
Wireless Service .. .. .	4·10	4·10
Scholarships .. .. .	·25	·25
<b>Total</b> .. .. .	<b>21·50</b>	<b>21·15</b>
<b>Less Revenue</b> .. .. .	<b>2·00</b>	<b>3·00</b>
<b>Net total (Rs. lakhs)</b> .. .. .	<b>19·50</b>	<b>18·15</b>

Were the State Air Service to go on, the figure for 1932-33 would be increased by a part of the amount lapsing from 1931-32.

(b) for a restricted State Air Service from Karachi to Allahabad (which would involve the building of a hangar at Allahabad and the disposal of one of the aircraft) :—

	Gross.	Revenue.	Net.
1932-33 .. .. .	20·31	1·75	18·56
1933-34 .. .. .	19·15	2·50	16·65

The figure for 1932-33 must be increased by some of the lapsed expenditure from 1931-32.

2. *Proposals.*—The Sub-Committee is unanimously of opinion that, subject to the conditions mentioned in the next paragraph, the scheme for the inauguration of an Indian State Air Service should not be proceeded with for the present. It is a new contemplated service and its holding in abeyance does not mean, as does retrenchment in other departments, a general dismissal of staff. India is not in a financial condition at present to be able to undertake new commitments of such a character as the proposed State Air Service, while proposals of vital importance to the country entailing considerable expenditure are under contemplation, e.g., an Indian Military College for all arms, a Reserve Bank and other measures necessitated by the inauguration of a new constitution.

3. *Conditions.*—The conditions upon which the Sub-Committee has unanimously agreed to propose that the contemplated State Air Service should be held in abeyance are that no non-Indian commercial concern should be allowed to be started as the Indian link in an east and west through air run. The Sub-Committee is generally of the view that it is unlikely that the Government of India in the present financial circumstances throughout the world, will be faced at any early date with the alternative of either instituting an Indian

State Air Service or of having to accept the establishment of a non-Indian controlled service. Should however such an issue arise at any stage, the Sub-Committee recommends that the Government of India should unhesitatingly adopt the former course and proceed with the institution of a State Air Service. But against pressure and threats from any powerful non-Indian commercial interest, the Sub-Committee considers that the Government of India, at the limit of withdrawing all their ground organisation and meteorological facilities (the latter up to the borders of Persia) are not without effective weapons.

4. "Maintenance" basis.—(a) The unanimous conclusion of the Sub-Committee therefore is that until India is financially in a position to institute her own State Air Service, or until she is finally forced into inaugurating it in the protection of her own national interest, the equipment for civil aviation in India should be put on to a merely "maintenance" basis. The aircraft should be disposed of on the best possible terms as it will be uneconomical to keep it and incur heavy costs for storage, insurance and maintenance, particularly as it will be obsolete in, at any rate, four years' time. The services of the manager should be dispensed with. The Government of India should, in the view of this Sub-Committee, inform her co-signatories of the International Air Convention that this is her policy, forced on her by financial circumstances. The co-operation of His Majesty's Government should be sought in support of this policy. The Government of India should also take such action in regard to the French and Dutch services at present crossing India as is compatible with this policy.

(b) *Its estimated cost.*—The department puts the annual cost of a "maintenance" condition at:—

	1932-33.	1933-34.
Direction, etc. .. .. .	2-90	3-05
Works .. .. .	2-00	2-00
Grants to Clubs etc. .. .. .	2-00	2-00
Wireless Service .. .. .	3-24	3-24
Scholarships .. .. .	.25	.25
<b>Total Rs. (lakhs) .. .. .</b>	<b>10-39</b>	<b>10-54</b>

The Sub-Committee considers, in view of the details given by the department for the item Works, that a grant of one lakh for this purpose should suffice, and further that in a time of financial distress a sum of Rs. 1-50 lakhs for grants to Clubs etc., should meet the situation. The Sub-Committee is also agreed that the financial condition of India will, if the State Air Service is not instituted, not permit of nor require such a high and growing charge for the item Directorate etc., as is suggested by the department. At the most it would recommend the provision of a sum of Rs. 1½ lakhs for this item. An officer of the status and rate of pay of the present Deputy Director should suffice to direct the activities of this department on the restricted scale proposed.

5. *Summary of savings.*—(a) The Sub-Committee would fix the total Civil Aviation budget for 1932-33 at Rs. 7½ lakhs. It contemplates that these measures would yield a saving of about Rs. 13 lakhs in the budget of the present year. As compared with the Karachi-Calcutta scheme there would be a saving of over Rs. 12 lakhs in 1932-33 and over Rs. 11 lakhs in the next and probably following years. Against the figures for the Karachi-Allahabad scheme the saving would amount in 1932-33 to Rs. 11½ lakhs and in 1933-34 to Rs. 9½ lakhs. The sale proceeds of the aircraft will be additional to these figures.

(b) The approximate details, so far as they can be deduced from the department's figures, of the savings are :—

	1931-32.	1932-33.		1933-34.	
		As against Karachi to		As against Karachi to	
		(a) Calcutta.	(b) Allahabad.	(a) Calcutta.	(b) Allahabad.
Directorate etc. .. .. .		1.65	1.65	1.80	1.80
Wireless .. .. .	1.74	.86	.86	.86	.86
Grants to Clubs etc. .. .. .		.50	.50	.50	.50
Works .. .. .	6.70	1.75	10.06	1.75	8.75
Indian State Air Service .. .. .	4.28	9.50		9.00	
	12.72	14.26	13.07	13.91	11.91
Less revenue .. .. .		2.00	1.75	3.00	2.50
Net saving .. .. .	12.72	12.26	11.32	10.91	9.41

## CHAPTER XXIII.

## GRANT NO. 67—EMIGRATION (EXTERNAL).

(1) *Organisation.*—The grant for 1931-32 is Rs. 2,60,000. The Government of India maintain agencies in South Africa, Ceylon and Malaya. The 1931-32 budget estimates for these are Rs. 1,10,000, Rs. 43,200 and Rs. 34,900 respectively. The Agent in South Africa is paid £2,500 per annum and a sumptuary allowance of £500 and a motor-car allowance of £200. He is assisted by a Secretary belonging to the I. C. S. There is also a small establishment of a Superintendent on £650, a typist on £150 and two messengers. In Ceylon the Agent belongs to the I. C. S. and has an Assistant and an establishment of 9. The Agent in Malaya belongs to the Madras Provincial Civil Service; he has a small establishment of 4. The Ceylon and Malaya Agents each gets a special pay of Rs. 300 and motor-car allowances of Rs. 1,200 and Rs. 2,700 respectively. In India itself the following staff is maintained, *viz.* (i) At Calcutta:—A Protector of Emigrants and Superintendent of Emigration with an establishment of 17. (ii) In Madras Presidency:—Protectors of Emigrants at Madras, Negapatam and Dhanushkodi, a special officer for South African repatriates and a Medical Inspector of Emigrants at Madras. Establishments consist of 19. Only the Protector at Dhanushkodi is now a whole-time officer. (iii) In Bombay Presidency:—A Protector of Emigrants with some establishment at Bombay and Karachi.

(2) *Proposals.*—We have carefully considered whether the three Agencies and the establishments in India need be maintained. Our unanimous opinion is that they must be kept. Hence, the only scope for the immediate reduction of expenditure is through minor economies. Our concrete proposals are:—

- (i) The pay and allowances of the future incumbents of the post of the Agent in South Africa should be revised after the forthcoming negotiations with the South African Government are concluded. The status of the Agent's Secretary and of the Superintendent and their salaries should also be then revised. The provisions for travelling and other allowances and for contingencies should, however, be reduced from Rs. 18,000 and Rs. 18,300 to Rs. 15,000 and Rs. 15,000 respectively.
- (ii) As regards Ceylon we observe that since 1927 the total figures of arrivals in and departures from Ceylon are going down year by year. The post of the Assistant Emigration Officer (Rs. 250—400) for which the 1931-32 provision is Rs. 3,500 should therefore be abolished. The establishment should be reduced so as to reduce its cost from Rs. 9,000 to Rs. 7,000, and the provision for contingencies should be brought down from Rs. 4,000 to Rs. 3,000. The Agent's motor-car allowance should be reduced from Rs. 1,200 to Rs. 600 per annum.
- (iii) Our view is that the special pay of the Agent in Malaya should continue, but his motor-car allowance should be reduced from Rs. 2,700 to Rs. 1,200 per annum. The provision for temporary establishment should be brought down from Rs. 1,100 to Rs. 500 and that for 'other charges' from Rs. 14,500 to Rs. 12,000.

- (iv) As regards Bengal, we hold that action on the lines adopted or recommended by the Madras Government for their own province should be taken, and the post of Protector should be abolished, his work being made over to a Central Government's employee (e.g., to a Port or Customs officer). Even if an allowance of say Rs. 75 per mensem be given, there will be reduction of expenditure from Rs. 5,400 to Rs. 900 saving Rs. 4,500. The establishment of 17 should be cut down by 4 (2 clerks and 2 peons) so as to save Rs. 4,000, and the provision for other charges should be brought down from Rs. 5,200 to Rs. 4,500.
- (v) In Madras Presidency the part-time post of Protector at Madras has already been abolished and his duties made over to the Special Officer for South African repatriates, and the duties of the whole-time Protector at Negapatam have been made over to a Port Officer. We approve these measures. We observe that emigration to Malaya from Madras has practically ceased. On this ground as well as on that of economy we propose that the special pay of Rs. 100 per mensem to the Medical Inspector at Madras should be reduced to Rs. 50 per mensem. The cost of the establishments in Madras should be reduced by Rs. 2,000, the provision for travelling allowance and other allowances from Rs. 8,100 to Rs. 7,500 and for contingencies from Rs. 3,800 to Rs. 3,500.
- (vi) The only economies we propose for Bombay are the reductions of the cost of establishment from Rs. 3,400 to Rs. 2,600 (1929-30 actuals were Rs. 2,628) and of the provision for "other charges" from Rs. 300 to Rs. 250 (1929-30 actuals were Rs. 242).

(3) *Summary of savings.*—On our proposals immediate savings with effect from the budget estimates for 1932-33 will be Rs. 40,450, or say Rs. 40,000=15½ per cent. of the 1931-32 grant.



## CHAPTER XXIV.

## GRANT NO. 69-A—IMPERIAL LIBRARY.

(1) *Organisation.*—The budget grant for 1931-32 is Rs. 73,000. The Bengal Government contribute Rs. 20,000. Hence net cost to the Government of India is Rs. 53,000. The library is in charge of a Librarian on Rs. 750—50—1,250. The ministerial establishment consists of 15 at a cost of Rs. 23,200 and the menial establishment of 35 (sorters and servants) costs Rs. 9,400. There is also a temporary establishment estimated to cost Rs. 2,500.

(2) *Growth of expenditure.*—Expenditure has grown as shown below :—

	1913-14.	1924-25.	1929-30.	1931-32.
	Rs.	Rs.	Rs.	Rs.
Total expenditure . . . . .	..	61,436	76,610	73,000
Government of India's expenditure . . . . .	..	40,000	41,436	53,000

The growth of expenditure since 1924-25 is on the pay of establishments and on allowances and other expenses. In 1924-25 the Librarian's scale of pay was Rs. 1,000—1,500. Even though it was reduced to Rs. 750—50—1,250 in 1929-30, we are of opinion that the present scale is too high and should be reduced.

(3) *Proposals.*—The Department of Education, Health and Lands have offered savings amounting to Rs. 14,500, but some of these are apparently not permanent. We think it should be possible to reduce expenditure by about Rs. 16,500. The abolition of the temporary appointment of an *ex-officio* Secretary to the Council of the Imperial Library effects a reduction of Rs. 2,400. It should be possible to save Rs. 5,000 under establishments including Rs. 2,500 for the temporary establishment. The provision for the purchase of books etc., may be reduced from Rs. 14,500 to Rs. 8,000, that for travelling allowance from Rs. 3,000 to, at the most, Rs. 840, and that for contingencies by about Rs. 500. Considering that in 1929-30 travelling allowances, rent and contingencies actually cost Rs. 7,956, the 1931-32 provision of Rs. 10,000 appears to us to be an over-estimate: under our proposals it will be reduced to Rs. 7,540. On these lines total permanent reduction will be Rs. 16,560. We propose that the 1932-33 budget should be reduced from Rs. 73,000 to Rs. 56,500.

## GRANT NO. 69-F—INDIAN WAR MEMORIAL.

(1) *Organisation.*—The Indian War Memorial is a museum of war trophies maintained in the Fort at Delhi by the Department of Education, Health and Lands. The establishment consists of one Curator on Rs. 300—350 and six servants. Of the total estimated expenditure of Rs. 7,100, establishment accounts for Rs. 5,300 and other charges for Rs. 1,800. In 1929-30 the Memorial cost Rs. 6,056.

(2) *Proposal.*—In our opinion, the establishment is excessive and is unduly costly. In particular, the Curator's pay Rs. 300—350 appears to us to be too liberal. Our recommendation is that the collection should be handed over to the Chief Commissioner of Delhi and the grant should be reduced from Rs. 7,100 to Rs. 2,000; saving Rs. 5,100.

## CHAPTER XXV.

## GRANT No. 69-C—EXPLOSIVES.

1. *Functions and organisation.*—The Explosives Department is maintained for the administration of the law relating to explosives and petroleum.

The staff consists of (v) a Chief Inspector on Rs. 1,450—100—2,000 *plus* overseas pay. (The present Chief Inspector gets a special pay of Rs. 300 per mensem since 1st April 1931), (vi) two Inspectors (one on Rs. 700—50—800 and the other on Rs. 350—800) and two temporary Inspectors (one on Rs. 450 and the other on Rs. 350). Establishments (13 ministerial and 10 servants) cost Rs. 24,000. In 1924-25 the establishment was 8 ministerial and 8 servants.

2. *Growth of expenditure.*—Expenditure has grown as below :—

	1913-14.	1924-25.	1929-30.	1931-32.
	Rs.	Rs.	Rs.	Rs.
Pay of Officers .. .. .	} 83,000	47,830	35,955	50,700
Pay of establishment .. .. .		17,160	19,638	24,000
Travelling allowance .. .. .		31,400	24,376	31,500
Gross expenditure .. .. .		83,000	95,081	86,297

3. *Proposals.*—In the case of a small Department like this with statutory duties to perform all over the country the scope for retrenchment is limited. But, if advantage is taken of certain favourable circumstances, it is possible to effect an appreciable reduction of expenditure. Our proposals are :—

- (v) The present Chief Inspector will have completed 55 years of age on the 4th of November 1931. We recommend that one of the Inspectors should be sent abroad for training in explosives and, if found suitable, should be promoted as Chief Inspector on a considerably lower scale of pay than the present one.
- (vi) The provision for travelling allowance should be reduced from Rs. 31,500 to Rs. 20,000.
- (vii) The number of clerks should be reduced from 13 to 10 (i.e., to two more than in 1924-25) and of servants from 10 to 8.
- (viii) We observe that the present Chief Inspector as well as his predecessor were on a personal scale of pay and were also given a special pay. We urge that special concessions like personal scales of pay and additional special or personal pay should not be granted.
- (ix) We further note that at present the services of the officers of this department can be secured without payment. There is therefore a natural tendency to requisition them somewhat freely. The only practicable way of checking such a tendency is to frame rules for the appearance of the officers of this department to give evidence in law courts and to charge suitable fees.
- (x) Government should see that the two temporary posts of Inspectors are not made permanent on the mere ground of increased work.

- (vi) We have scrutinised the grounds for the grant of house-rent allowances to the staff of this department, and have found them unconvincing. The mere fact that an officer uses a portion of his house as his office room when he has no *real* office should not entitle him to a house-rent allowance outside the regular scheme for house-rent allowances. We, therefore, recommend that this concession should be abrogated.
- (viii) We consider it practicable to reduce the work of this department by leaving much more to be done by the agency of the provincial magistracy and police. This is one of the grounds on which we have reduced the provision for travelling allowances.
4. On our proposals, the savings will be about Rs. 27,000. The 1932-33 budget should be reduced to Rs. 85,000. When our proposals are given full effect, the budget should come down to Rs. 75,000.
-

## CHAPTER XXVI.

## GRANT No. 69-I—BROADCASTING.

1. *Expenditure.*—The 1931-32 budget estimates (total Rs. 2·96 lakhs) for allowances at headquarters and for the broadcasting stations at Calcutta and Bombay are Rs. 5,000, Rs. 1,39,000 and Rs. 1,52,000 respectively. Receipts of Rs. 1,35,000 have been estimated for 1931-32. In 1930-31 the receipts were Rs. 1,47,268 and the expenditure was Rs. 2,72,965; there was thus a loss of Rs. 1,25,697.

2. *Organisation.*—The Calcutta station has a Director on Rs. 1,000 p. m. and the establishment costing Rs. 36,000 consists of a programme director, engineers, clerks and servants. There is a provision of Rs. 41,200 for the artists who perform for the broadcasting service. Supplies and services cost Rs. 26,800 and contingencies Rs. 21,000.

The Bombay station has a Director on Rs. 600 per mensem and an establishment consisting of a programme director, engineers, clerks and servants costing Rs. 31,400. There is a provision of Rs. 44,000 for the artists and of Rs. 5,100 for travelling and other allowances. Supplies and services cost Rs. 34,500 and contingencies Rs. 29,800.

3. *Proposals.*—The Government of India paid 3 lakhs for the two stations and their equipment and undertook this service as an experimental measure for two years. We are aware that that period is not yet over. We have also taken into consideration the facts that stockists of radio goods will suffer and some private radio installations will, to some extent, be rendered useless, if the service is shut down completely.

We concede that there is some force in the argument that broadcasting has its uses, but we see no early prospect of its becoming a self-supporting service. At present it involves a net loss of about 1½ lakhs. Our conclusion therefore is that it should be closed down. As regards the disposal of the two stations at Calcutta and Bombay a suggestion was made that the plant, machinery, apparatus and other similar equipment might be stored and a small establishment estimated to cost Rs. 700 p. a. might be entertained to look after them. We cannot accept this suggestion, for we fear that these are likely to get out of date very soon. Our proposal therefore is that they should be sold outright for what they can fetch.

ABDUR RAHIM.  
RAM SARAN DAS.  
ABDUR RAHIM (for Mr. A.  
Rangaswamy Ayangar).  
S. C. MITRA.  
M. SHAH NAWAZ.  
HAR BILAS SARDA.  
J. RAMSAY SCOTT.  
J. RAMSAY SCOTT (for K. B.  
Hafiz Wilayatullah)  
J. C. NIXON.

(As regards the late Mr. K. C. Roy's views para. 24 on page 10 may be seen.)

Dated 16th September 1931.  
Simla.

S. P. SHAH,  
Secretary.

Summary of immediate reduction of expenditure (with effect from the 1932-33 budget) resulting from the proposals in Chapters II to XXVI of this Report.

Serial No.	Chapter number and name of grant.	Grant No.	1929-30 Actuals. (Lakhs).	1931-32 Budget. (Lakhs).	Immediate reduction. (Lakhs.)	Remarks regarding the proposed reduction.
1	II. Taxes on Income ..	17	70.35	75.87	7.00	There will also be additional revenues of 50 lakhs from the proposal in paragraph 4 (iv).
2	III. Stamps .. ..	20	.00	— .03	NH	
3	IV. Forest .. ..	21	10.16	11.30	6.61	
4	V. Executive Council ..	28	5.97	5.79	NH	
5	VI. Bureau of Public Information.	32-B	1.67	1.41	.40	
	VII. Intelligence Bureau ..	32-C	11.68	7.11	.47	Plus a substantial reduction in the grant for 2.80 lakhs for Secret Service Contingencies. Amount of reduction cannot be estimated.
7	VIII. Central Board of Revenue.	41	3.23	3.07	.82	Of this .43 will accrue when the present senior member retires
8	IX. Police .. ..	45	1.93	1.99	.30	
9	X. Survey of India ..	48	40.27	41.50	27.50	
10	XI. Meteorology ..	49	12.90	21.48	5.98	
11	XII. Geological Survey ..	50	5.68	5.69	3.55	
12	XIII. Botanical Survey ..	51	2.75	2.98	1.81	
13	XIV. Zoological Survey ..	52	2.03	3.80	1.70	
14	XV. Archaeology ..	53	16.12	16.01	5.38	The reduction will be 5.50 when the Epigraphist retires.
15	XVI. Mines .. ..	54	2.51	2.63	.44	
16	XVII. Other Scientific Departments.	55	5.18	3.24	.06	
17	XVIII. Education ..	56	8.44	18.87(1)	6.38	About .27 is still provisional. 6 lakhs (non-recurring grant) would have gone out in any case.
18	XIX. Medical Services ..	57	10.62	9.96	3.36	There will be an addition of 1 lakh to Army Estimates.
19	Public Health .. ..	58	15.26	13.92	5.68	1.38 more will have to be added to 1932-33 budget for the Hygiene Institute (in place of 3½ lakhs proposed by the Department).
20	XX. Agriculture .. ..	59	15.86	15.37	6.91	Some receipts also would be lost when the sub-sections are given up.
21	Imperial Council of Agricultural Research.	60	16.65	8.00	4.22*	.24 on account of sugar cable service receipts will also be lost.
22	Civil Veterinary Services	61	7.79	8.30	.67	
23	XXI. Industries .. ..	62	2.07	1.97	.24	
24	XXII. Aviation .. ..	63	17.64	35.77(2)	28.52	
25	XXIII. Emigration—(External).	67	2.40	2.60	.40	
26	XXIV. Imperial Library.	69-A	.67	.63	.17	
27	Indian War Memorial	69-F	.06	.07	.05	
28	XXV. Explosives .. ..	69-C	.86	1.12	.25	
29	XXVI. Broadcasting ..	69-I	NH	2.96	2.96	About 1½ lakhs receipts will go. Sale proceeds of stations and equipment cannot be calculated.
	Total .. ..		289.84	321.77	121.21	

\* When Pusa and Muktesar are taken over there will be additional expenditure; it will be off-set by savings in E. H. and L. Department larger than the additional expenditure.

(1) Includes non-recurring grants of 6 lakhs each to Benares and Aligarh.

(2) Includes 4.19 lakhs shown in High Commissioner's and Secretary of State's budget.

**REPORT**  
(INTERIM)  
OF THE  
**GENERAL PURPOSES SUB-COMMITTEE**  
OF THE  
**RETRENCHMENT ADVISORY COMMITTEE**

**DECEMBER 1931**

**PART II.**

4



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TABLE OF CONTENTS.

	Pages.
CHAPTER I—General Observations . . . . .	1—27
CHAPTER II—Grant No. 16—Customs . . . . .	28—33.
CHAPTER III—Grant No. 18—Salt . . . . .	34—44
CHAPTER IV—Grant No. 19—Opium . . . . .	45—49
CHAPTER V—Security Printing and Currency Note Presses, Nasik . . . . .	50—52
CHAPTER VI—General Administration . . . . .	53—89
Introduction . . . . .	53—54
Grant No. 27—Staff, Household and Allowances of the Governor-General . . . . .	55—56
Grant No. 29—Council of State . . . . .	57—59
Demand No. 30—Legislative Assembly and Legislative Assembly Department . . . . .	60—61
Demand No. 32—Home Department . . . . .	62—63
Grant No. 32-D—Reforms Office . . . . .	64
Grant No. 33—Public Service Commission . . . . .	65—73
Grant No. 34—Legislative Department . . . . .	74—77
Grant No. 35—Department of Education, Health and Lands . . . . .	78—80
Grant No. 36—Finance Department . . . . .	81—83
Grant No. 38—Commerce Department . . . . .	84—85
Grant No. 40—Department of Industries and Labour . . . . .	86—87
Grant No. 42—Payments to Provincial Governments on account of the administration of "agency" subjects . . . . .	88
CHAPTER VII—Grant No. 44—Administration of Justice . . . . .	89
CHAPTER VIII—Grant No. 46—Ports and Pilotage . . . . .	90—101
Grant No. 47—Lighthouses and Lightships . . . . .	90 and 102—105
CHAPTER IX—Grant No. 64—Commercial Intelligence and Statistics . . . . .	106—110
CHAPTER X—Grant No. 65—Census . . . . .	111
CHAPTER XI—Grant No. 66—Emigration—Internal . . . . .	112—113
CHAPTER XII—Grant No. 68—Joint Stock Companies . . . . .	114
CHAPTER XIII—Grant No. 69—Miscellaneous Departments . . . . .	115—119
CHAPTER XIV—Grant No. 71—Currency . . . . .	120—123
CHAPTER XV—Grant No. 72—Mint . . . . .	124—127
CHAPTER XVI—Grant No. 76—Miscellaneous . . . . .	128—139
CHAPTER XVII—Grant No. 80—Delhi . . . . .	140—163
CHAPTER XVIII—Grant No. 82—Andamans and Nicobar Islands . . . . .	164—169
CHAPTER XIX—Grant No. 85—Expenditure in England under the control of the Secretary of State . . . . .	164—169
Grant No. 87—Expenditure in England under the control of the High Commissioner . . . . .	164—167 and 170—180
CHAPTER XX—Ecclesiastical (Non-voted) . . . . .	181—185
CHAPTER XXI—Matters arising out of Part I of the Report . . . . .	186—190
Summary of immediate reduction of expenditure with effect from 1932-33 . . . . .	194—194D



## CONSTITUTION AND TERMS OF REFERENCE OF THE SUB-COMMITTEE.

The General Purposes Sub-Committee was charged with -

- (i) the review of all central expenditure except that on the Army, the Posts and Telegraphs Department, the Railways, Civil Works, Audit and Accounts, Stationery and Printing and the Indian Stores Department. (Other Sub-Committees were set up for the purpose of reviewing the public expenditure on these excepted items.)
- (ii) consideration of, and co-ordination of, the proposals made by the other Sub-Committees relating to the pay and allowances of Government servants.

*Constitution.*—The Sub-Committee was constituted as below :—

- (1) Sif ABDUR RAHIM, K.C.S.I., Kt., M.L.A., (Chairman).
  - (2) The Hon'ble Rai Bahadur Lal RAM SARAN DAS, C.I.E., M.L.A., Member.
  - (3) Mr. RANGASWAMY AYANGAR, "
  - (4) Mr. S. C. MITRA, M.L.A., "
  - (5) Mian Muhammad SHAH NAWAZ, C.I.E., M.L.A., "
  - (6) Mr. K. C. ROY, C.I.E., M.L.A., "
  - (7) Rai Sahib HAR BILAS SARDA, M.L.A., "
  - (8) Mr. RAMSAY SCOTT, M.L.A., "
  - (9) Khan Bahadur Hafiz WILAYAT ULLAH, I.S.O., [M.L.A.], "
  - (10) Mr. J. C. NIXON, I.C.S. (representing the Finance Department), Member.
- Mr. S. P. SHAH, I.C.S. (up to 7th June 1931 Mr. W. R. TENNANT,  
I.C.S.), Secretary.

*Reference*—

“To make recommendations to the Committee\* for effecting forthwith or by stages all possible reductions in the public expenditure of the Government of India under review of the Sub-Committee, having regard especially to the present and prospective position of the revenue. In so far as questions of policy are concerned, these will be left for the exclusive consideration of the Government, but it will be open to the Sub-Committee to review the expenditure and to indicate the economies which can be effected if particular policies are either adopted, abandoned or modified.”

---

\* i.e., to the Retrenchment A

Committee.

## CHAPTER I.

### GENERAL OBSERVATIONS.

(1) *Expenditure Surveyed.*—The General Purposes Sub-Committee has the honour to present its second interim report in which the following grants showing a total expenditure of Rs. 32,43,54,000, of which Rs. 13,70,26,000 a voted and Rs. 18,73,28,000 non-voted, have been dealt with. Of these, Rs. 24,12,39,000 represent grants under Interest heads, Pensions and Refunds, leaving a total of Rs. 8,31,16,000 with respect to which possibilities of economy have been considered. (These figures include 39·43 lakhs for the Nasik Presses.)

16—Customs; 18—Salt; 19—Opium; 25 and 26—Debt Services; 27—Staff, etc. of the Governor-General; 29—Council of State; 30—Legislative Assembly and Legislative Assembly Department; 32-A—Home Department; 32-D.—Reforms Office; 33—Public Service Commission; 34—Legislative Department; 35—Department of Education, Health and Lands including the Office of the Keeper of Records; 36—Finance Department (Ordinary Branch); 38—Commerce Department; 40—Department\* of Industries and Labour; 42—Payments to Provincial Governments for the administration of Agency Subjects; 44—Administration of Justice; 46—Ports and Pilotage; 47—Lighthouses and Lightships; 64—Commercial Intelligence and Statistics; 65—Census; 66—Emigration—Internal; 68—Joint Stock Companies; 69—Miscellaneous Departments—Examinations, Office of the Controller of Patents and Designs, Actuary, Bushire Coal Depot, Courts of Enquiry and Boards of Conciliation; 71—Currency; 72—Mint; 74—Superannuation Allowances and Pensions; 76—Miscellaneous—Allowances and Rewards, Books and Periodicals, Charitable Donations and European Vagrancy, Tariff Board and other special commissions and committees of enquiry, Compensations, Rents, Rates and Taxes on central buildings, Grants-in-aid, Local Clearing Office, Indian Soldiers' Board, Indian Delegation to the League of Nations, International Labour Conference, Other miscellaneous and unforeseen charges, Institute for Disabled Soldiers, Other miscellaneous charges; 77—Refunds; 80—Delhi; 82—Andamans; 86—Expenditure under the control of the Secretary of State; 87—Expenditure under the control of the High Commissioner; Ecclesiastical (non-voted).

We sat from the 5th October 1931 to 29th October 1931 and examined 30 representatives of the Secretariat and heads of the Departments, also Sir Chunnil V. Mehta and Mr. B. Dass, Member of the Legislative Assembly. For the details of the sittings see Appendix I (page 15.)

In our first report our attention was mainly concentrated on a number of specific activities and projects of the Education, Health and Lands and the Industries and Labour departments. In this report, in addition to certain undertakings of the Government of India, we had to survey the general features of various administrative organs of Government, their constitution and interrelation and the channels and processes through which Government business is conducted. We have also considered the means that exist of controlling expenditure both in the Government and in the Legislative Assembly and have suggested certain improvements in this connection.

(2) *Statement of financial position by the Hon'ble Finance Member.*—Since the first report was issued, the Hon'ble the Finance Member has made an important statement on the financial position in introducing a bill in the Legislative Assembly to supplement the Indian Finance Act, 1931. In it he has given us a detailed and up-to-date picture of the gravity of the situation and the direction

in which it is drifting. He has told us that the deficit in 1931-32 and 1932-33 has been estimated to reach the appalling figure of 39 crores and 5 lakhs. There has been a serious fall under every head of customs revenue and in the income-tax revenue, in addition to heavy losses in commercial undertakings of Government, in extraordinary receipts and under financial headings. He further says that there is no justification for expecting any large improvement in the budgetary position next year and that in fact income-tax revenue may be considerably less than in the current year. He states "I feel that Hon'ble Members are entitled to ask for this (meaning a more definite and detailed reduction in expenditure) and that we have no justification in putting plans for taxation before them except under the most solemn pledge of effecting the maximum reduction of expenditure. I feel no hesitation in taking this line because it is the right line in the public interest. Any improvement that we can effect by way of reduction of expenditure is a certain improvement but any improvement that we seek to make by increasing taxation depends entirely on our estimate being realised and in the present conditions with reduced purchasing power and when the effects of the reduced gold value of the rupee on imports are still unknown, estimates, particularly of customs revenue, are to say the least highly uncertain". This is a frank and clear statement of the fundamental truth of public finance particularly applicable to the present conditions and correctly expresses the conviction which has underlain all our proposals. In dealing with the retrenchment proposals contained in our first report showing a saving of 1,21 lakhs out of a budget of 3,21 lakhs he accepted the figure (subject to further examination by Government), reduced by a margin of 20 lakhs, representing what he estimated as the charge for compensations and recurrent pensions payable in respect of officials whose posts are abolished, reckoning thus to get a net saving of about a crore on this part of the field. With respect to the remainder of the field now surveyed by us and presumably also the Foreign and Political Department and the "minor" administrations of North West Frontier Province, Baluchistan and Ajmer-Merwara which we have not yet dealt with, he gave a provisional estimate of a net saving of 90 lakhs. But he added, that if the General Purposes Sub-Committee find economies of greater extent than his own estimate so much the better. We do not know, for he has not told us, on what data this estimate of the Finance Department is based. But in this report which still excludes the expenditure under the control of the Foreign and Political Department we have found on a survey of the entire administrative arrangement of the Government and a close examination of its official establishments and procedure of business that economies of a much larger extent are possible in the demands which we have hitherto been able to explore.

(3) *Principles followed* :—We may here state that in making these proposals we have been guided by the same principles that we applied in dealing with other departments examined in our first report. We have proceeded strictly on the basis of the present constitution as indeed required by the implication of our terms of reference though not in so many words. At the same time we have not disregarded the warning of the Finance Member that there is a great deal of additional expenditure ahead of us in connection with the Round Table Conference and the subsidiary commissions and committees of enquiry and schemes like the proposed Reserve Bank.

(4) *Present constitution and administrative arrangements*.—In order that our proposals may be understood in their true significance, it is necessary that we should bear in mind the general features of the present constitution and the nature of the administrative machinery with its component parts. The Government of India is a subordinate government, the paramount control of its policy and of the entire Indian administration being vested in the British

Parliament and exercised by the Secretary of State for India at Whitehall. Some of the functions of the Secretary of State were delegated to a High Commissioner in London first appointed in 1920-21. The budget of the Secretary of State and his Council and office establishment under administrative heads was £295,168 immediately before the office of the High Commissioner was created, i.e., in the year 1919-20. His gross budget now (i.e., for 1931-32) is £220,125 not taking into account his salary which is borne by the British Budget and the High Commissioner's gross budget is £189,675.

This shows in the total an increase in expenditure in London of £114,632 within the last eleven years.

The chief features of the evolution of the government in India are well-known. In addition to the two older presidencies of Madras and Bombay, fully equipped and self-administering provincial governments have been established for the rest of India, excepting the frontier areas of the North West and Baluchistan and the smaller areas of Ajmer-Merwara and the Andamans. Provincial governments have come into being either by detachment of certain areas from the Central Government or by separation from the larger provinces and this process of decentralisation is still at work. The Central Government, however, retains powers of general control and supervision over the policy and administration of all local Governments with the exception of subjects popularly known as "transferred".

By the Reforms of 1921 which opened a new chapter in the constitutional development of India the important subjects of Education, Medical and Health, Agriculture, Local Self-Government, Public Works, Provincial Finance and provincial services, and in some provinces Forests and Irrigation were transferred to the charge of Ministers responsible to the respective Legislatures. *Prima facie* these transfers should imply a very considerable relief to the Central budget. But we have shown in the first interim report that contrary to the spirit of the Government of India Act expensive establishments are still maintained in connection with some of these transferred subjects necessarily swelling its expenditure.

The Local Governments themselves through Executive Councils presided over by the Governor with full secretarial and departmental staff at the headquarters and extensive administrative and executive establishment in the districts, sub-divisions and other units of district administration administer the "reserved" subjects. It is therefore the general situation in the country and important questions affecting the good government of India as a whole which lie within the province of Government of India in the exercise of its powers of control and supervision over the administration of the provinces.

The main subjects that are centrally administered are All-India Finance, the Central Revenues, Army, Foreign relations, Political agencies, legislation affecting the whole of India, "minor" administrations (viz., the North West Frontier Province, Baluchistan, Delhi Province, Ajmer-Merwara and the Andamans), Commerce, Railways, Posts and Telegraphs and Labour. In the Central Government are also vested the residuary powers. The administrative arrangements within the Government of India itself have been developing along similar lines. The tendency throughout has been towards decentralisation of work through 'departments', 'attached offices', subordinate offices fully equipped with their staffs. They work under six different divisions of the secretariat each in the charge of a Member of the Viceroy's Council.

(5) *Growth of Expenditure.*—The following table will show the growth of expenditure in different divisions of the secretariat and in the departments and 'attached' and 'subordinate' offices as manifested in the respective budgets of 1913-14 (a pre-war and normal year), 1921-22 (shortly after the Reforms when

the Inchcape Retrenchment Committee was appointed under financial stress somewhat similar to the present, though not so acute), 1924-25 (when the effects of the economy proposals of the Inchcape Committee would be expected to appear in the budget) and 1931-32 (the present financial year). Details under each head with explanations are given in Appendix II (pages 16-21).

	1913-14.	1921-22.	1924-25.	1931-32.
Expenditure accounted for on behalf of the—				
Commerce Department . . . . .	40·84	61·42	63·63	83·64
Department of E., H. & L. . . . .	68·13	1,46·51	1,18·92	1,62·52
Finance Department. . . . .	4,64·78	6,30·75	5,83·01	7,29·35
F. & P. Department . . . . .	4,07·07	4,89·12	5,49·43	6,52·76
Army Department. . . . .	29,88·26	59,59·16	59,73·20	56,54·18
Legislative Department and Legislative Assembly Department.	3·98	14·85	13·67	15·35
Industries & Labour Department . . . . .	7,12·34	13,13·34	12,63·42	16,81·17
Home Department . . . . .	56·69	1,08·59	1,05·93	1,87·23
	47,42·09	87,23·74	86,71·21	91,46·20

(6) *Commissions and Committees.*—In addition, however, to the Secretariat and the various permanent departments and offices a great deal of the business of the Government of India is transacted through Commissions and Committees of enquiry. We give in appendix III (pages 22-27) a list showing the various Commissions and Committees that were appointed since 1921. Their total cost amounts (in lakhs) to Rs. 1,43·07 as shown below :—

1921 . . . . .	10·59
1922 . . . . .	3·27
1923 . . . . .	23·77
1924 . . . . .	9·77
1925 . . . . .	9·15
1926 . . . . .	19·07
1927 . . . . .	20·08
1928 . . . . .	11·61
1929 . . . . .	29·48
1930 . . . . .	2·67
1931 . . . . .	3·71
	1,43·07

The above figures tell their own tale.

(7) *Government departments and non-official agencies.*—Now let us take a bird's eye-view of the various official and non-official agencies maintained at present in this country for the discharge of Government of India's responsibilities. For securing the support of the people in their financial and their legislative proposals and for ascertaining public opinion on the administration, the Government act mainly through the central legislature namely the Assembly and Council of State. The Legislative Department (a purely official body and distinct from the Assembly and the Assembly Department) with the Law Member in charge drafts bills for all departments of Government, interprets for them Statutes, Regulations and Rules, gives opinion on the legal questions that arise from day to day—having recourse for this purpose in specially

important or difficult matters to the Advocate General of Bengal and the Standing Counsel to the Government of India. The Department also administers the establishment of the Council of State. In all questions involving prolonged enquiries, Government, as already stated, avail themselves of commissions and committees of enquiry specially appointed for the purpose.

The official agencies of Government in addition to the Secretariat proper are, as mentioned above, allocated in different departments each in the charge of a Member of the Viceroy's Executive Council.

In the *Home Department* we have the following fully-equipped and self-contained offices :

The Public Service Commission (to help Government in the administration of all-India services in matters of recruitment, discipline, determination of domicile for the purposes of Lee concessions, questions relating to promotion and the like), the Bureau of Public Information (to collect and supply information to Government as to the trend of public opinion and to do publicity work on its behalf), the Intelligence Bureau otherwise popularly known as the Criminal Intelligence Department (which collects information for and advises Government in dealing with all-India problems relating to law and order and the effects thereon of political activities).

In the *Commerce Department* the Tariff Board makes enquiries and submits its recommendations in connection with fiscal proposals, the Commercial Intelligence and Statistics Department is entrusted with work of the nature indicated by its title and the Nautical Adviser and the Chief Surveyor along with the Chief Inspector of Lighthouses and Lightships advise Government with respect to shipping matters. The Actuary is in charge of Insurance and other actuarial work. The Railway Board with its own Financial Commissioner administers all State Railways, also under the Commerce Member.

The *Industries and Labour Department* has the Director General and his staff in charge of Posts and Telegraphs. A Chief Engineer and his staff administer the Public Works Department and similarly the Geological Survey, Mines, Dhanbad School of Mines, Meteorology, Civil Aviation and the Indian Stores Department are each administered by separate directorates and administrative officers.

In the *Education, Health and Lands Department* the main portion of the work relating to Medical, Health, Education and Agriculture has been transferred under the Government of India Act of 1919 to the charge of Ministers in the provinces. But for dealing with such aspects of the work for which the Central Government makes itself responsible, we have the Director General of Indian Medical Service, the Public Health Commissioner, the Educational Commissioner, the Imperial Council of Agricultural Research and the Agriculture and Veterinary Experts. The department has also charge of the Survey of India, Archaeology, Botanical Survey, Zoological Survey, Forests, Emigration, various Research Institutes and other Scientific Departments each with its own separate staff and a departmental head.

The *Finance Department's* ancillary offices are : The Military Financial Adviser for Military Finance, the Financial Commissioner for Railways, and the Financial Adviser for Posts and Telegraphs, with their staffs, to advise the Honourable Finance Member with respect to their respective subjects. The Central Board of Revenue administers the revenue-collecting departments of Government (Customs, Taxes on Income, Salt, Opium and Stamps) and advises Government on revenue matters generally. The Accounts and Audit offices, the Controller of the Currency, the Masters of Mint, the Nasik Security Printing and Currency Note Presses have complete administrative staffs of their own.

In matters relating to Exchange, Currency, Mint, Public Debt, administration of Government securities and other kindred matters, the Finance Member receives information and advice among other sources from the Controller of Currency and the Imperial Bank of India. For preparing the Budget there is a responsible Budget Officer with the necessary establishment. The Finance Department proper, *viz.*, the Secretariat which is called the Ordinary Branch has in addition to the above departments and offices the following sections:— Finance and Accounts, Expenditure Branches I and II and the Schedule Branch for controlling expenditure, the Regulations Branches I and II for interpreting the C. S. R. and Fundamental Rules, the Cash Branch and the General Branch.

The problem with which we are specially concerned in the present enquiry relates principally to the growth of official staff with consequential increase in expenditure under the heads of pay, pensions, various forms of allowances, the cost of certain privileges and concessions, contingencies and supplies and services. Much of the increased expenditure is due either to the creation of ancillary departments and offices or to gradual expansion of those that already existed as will be seen from the history of the grants under their respective heads. One would have naturally expected that with extensive devolution of Government of India's responsibilities to local Governments on the one hand and the creation or expansion of subsidiary and subordinate offices under the Secretariat on the other, the work of the Central Government in the Secretariat proper would, in the first place, be considerably lightened. But it will appear from the budgets of the various sections of the Secretariat that their expenditure also has in most cases gone on increasing, in some more than in the others.

*New Services.*—The following are instances of new services which have been undertaken by the Central Government since 1921 for which large and expensive staffs and in many cases with highly paid directorates have been separately provided:—

Grant.	New service.	Budget provision, 1931-32. (In lakhs).	Remarks.*
17—Taxes on Income.	Centralisation of income-tax administration.	71.18 (approximate).	See Appendix II which shows that the cost of collection through provincial agency was 4.69.
21—Forest . . .	Training of probationers for the Indian Forest Service.	73 (approximate).	Part II, Chap. XXI, para. (III).
37—Separation of Accounts from Audit.	Institution of experimental offices in the United Provinces and N. W. F. P. and for certain central departments in connection with the scheme for the separation of accounts from audit.	Figures not separately available.	The total extra cost of the scheme is proposed to be saved under orders of the Finance Department.
42—Audit . . .	Establishment of a Commercial Audit Branch.	Figures not separately available.	This has been dealt with by the Public Works and Audit and Accounts Departments Retrenchment Sub-Committee.

\* The numerals refer to the chapters and paragraphs of this report in which reductions have been proposed by this Sub-Committee.

Grant.	New service.	Budget provision, 1931-32. (In lakhs.)	Remarks.
46—Ports and Pilots.	(i) Institution of the training ship 'Dufferin' for the training of Indians for the Indian Mercantile Marine.	2.38	Part II, Chap. VIII, para. 8 (c) (ii).
47—Lighthouses & Lightships.	(ii) Centralisation of the administration of shipping and navigation and of lighthouses and lightships.	Figures not separately available.	Part II, Chap. VIII, para. 8.
49—Meteorology	Provision of meteorological facilities in connection with civil aviation.	9.20 (estimated).	Part I, Chap. XI, para. 5.
60—Imperial Council of Agricultural Research.	Agricultural Research	8.00	Part I, Chap. XX, para. 17.
62—Industries	Indian School of Mines, Dhanbad.	1.97	Part I, Chap. XXI, para. 6.
63—Aviation	Development of civil aviation.	35.77	Part I, Chap. XXII, para. 5.
67—Emigration—External.	Appointment of Agent in South Africa.	1.10	Part I, Chap. XXIII, para. 3.
69—Miscellaneous Depts.	Broadcasting.	2.96	Part I, Chap. XXIV, para. 3.
76—Miscellaneous	Tariff Board	2.32	Part II, Chap. XVI, para. 12.
80—Andamans	Reclamation of swamps	3.23.	Part II, Chap. XVIII, para. 7(a).
W. I. S. Agency (non-voted).	Assumption by the Government of India of direct relations with the States in Western India.	11.00 (approximate).	This shows the increased expenditure caused by the creation of this Agency.

(9) *New offices.*—In connection with the work formerly performed in the Secretariat itself, expensive new offices with highly paid officers in charge have also recently come into existence, some instances of which are given below :—

Grant.	New offices.	Budget provision, 1931-32. (In lakhs).	Remarks.*
30—Legislative Assembly & L. A. Department.	L. A. Department	4.17	Part II, Chap. VI, para. 5, page 60.
32—Home Department.	Reforms Office	2.34	Part II, Chap. VI, para. 5, page 64.
32—Home Department.	Bureau of Public Information.	1.39	Part I, Chap. V, para. 4.
33—Public Service Commission.	Public Service Commission.	3.66	Part II, Chap. VI, para. 6, page 69.
41—Central Board of Revenue.	Central Board of Revenue.	3.07	Part I, Chap. VIII, paras. 5 and 6.
87—High Commissioner.	High Commissioner's Office.	75.11*	Part II, Chap. IX, paras. 9 and 10.
70—Indian Stores Department.	Indian Stores Department.	8.32 (net)	This is being dealt with by the Stores and Stationery and Printing Sub-Committee.

\*Includes miscellaneous expenditure as well, *viz.*, leave salaries and agency items amounting to Rs. 41.32 lakhs.



(10) *To what extent is increased expenditure due to the development of a democratic form of Government?*—It is said generally that a substantial portion increased expenditure is due to the development of a democratic form of Government taking the place of pure bureaucracy. Let us analyse the facts in this connection. The central Legislature and their departmental establishments with a total budget of Rs. 10·14 lakhs (the Legislative Assembly Department's budget is Rs. 4·17, the Legislative Assembly's budget is 4·12, and the Council of State's budget accounts for the growth of expenditure in the Legislative Department which administers it to the extent of about Rs. 1·85) must be entirely attributed to this source. We must also add under this head the increase in the number of commissions and committees of enquiry which within the last ten years cost the central revenues Rs. 1,43 lakhs. Further there can be no doubt that the activities of the Legislature have to some extent added to the work of most of the Government departments and the Secretariat in collecting information in order to enable Government to answer the interpellations of honourable members and to deal with resolutions and private bills.

But the real and effective cause of the growth of expenditure in so far as it is attributable to the introduction of popular voice in the administration is the dual character of the system leading to a conflict of outlook and interests. As a result of the Reforms there are two systems at work, each pulling its own way. It is perhaps the natural tendency of all centres of power to increase their own strength. We must not therefore wonder if the official Government tries more and more to fortify its position by as many lines of defence as possible. The popular voice on the other hand strives to assert its own authority on the administration. One signal outcome of the position is to be seen in successive concessions to the popular demand in the shape of commissions and committees of enquiry whose reports ultimately find their way into the official crucible. There has been yet another incentive to the growth of expenditure in the cry for Indianisation of the administration which in more than one instance has, we are persuaded, led to the creation of new posts. For instance the Railway Board consisted of four members in the year 1929 when an additional member—a statutory Indian—was appointed. It would be possible to add other instances.

(11) *New activities.*—A part of the increased expenditure is due to the Government of India having undertaken certain new activities. In our first report we recommended that new activities like the State Air Service and Broadcasting should be kept in abeyance until the financial situation improves and that the expenditure on certain other activities should be considerably curtailed either because in course of time their spheres of operation have become substantially narrowed or because of the development of certain institutions such as the Universities which can take up the work at less cost with perhaps better results, and in the cases of some departments on the general ground that they are over-staffed, for example, the Survey of India, the Geological Survey, Botanical Survey, the Forest Institute at Dehra Dun. The Tariff Board which has been dealt with in this report came into existence as a result of the fiscal policy adopted by Government on the recommendation of the Fiscal Commission.

(12) *Main problem before the Committee.*—Our main problem, however, is concerned with the continuous increase in expenditure in the Central Government caused by an overgrowth of staff. There can be no doubt that much of this growth is due to the establishment of separate ancillary departments and offices but since most of them have come into existence recently, we have, in order to avoid causing undue disturbance of existing arrangements, refrained

from recommending their merger in the Secretariat, although we believe that such a course would result in substantial reduction of the staff. We have, on the other hand, proposed reduction of the staff both in these subsidiary offices and the Secretariat proper and we also suggest that each case should be carefully watched with a view to see whether some of the headquarters establishments could not be amalgamated with the Secretariat with resulting economy. The present arrangements in so far as they lead to considerable duplication of work, as in our opinion they undoubtedly do, must be suitably modified in the interests of economy and also because they must lead in most cases to a loss of real efficiency. We have come to the conclusion that the only practicable solution of the position, however, largely depends on how far the Government and the Secretariat are prepared to change their attitude towards the ancillary departments and offices and the directorates of the latter towards their officers and assistants, both of which classes, we note, are educationally well equipped and undoubtedly very well paid. To take one instance, each of the revenue-collecting establishments of the Government of India is in the charge of a responsible and experienced officer assisted by junior officers of a good status—in many cases belonging to the I. C. S., and at the headquarters, in addition to the Secretariat proper, there is a Central Board of Revenue for purposes of supervision and control. As if these two sets of supervising and controlling agency over the local administration and executive staff were not enough, we find in the Salt department another intermediary—the Commissioner, Northern India Salt Revenue Department. We have accordingly recommended the abolition of his office. We are convinced that supervision and co-ordination is generally very much over-done in the Government of India. What is clearly needed is greater reliance on the sense of responsibility of the various units of administration. This view of the position is confirmed by such an eminent body as the members of the Public Service Commission in their replies to our questionnaires. They say:—“In most matters of importance with which the Public Service Commission deal it appears to them, as far as they can ascertain, that after the matter has been most elaborately considered by the five members of the Commission it is considered, *ab initio*, in the Government offices.” This one sentence describes briefly but conclusively the evil of the present system. The distinguished Chairman of the Commission, Sir Ross Barker, cited cases before us in support of the above statement. The Commission also told us that Government of India do not sufficiently utilise their services and that in fact they could do much more work than what is actually entrusted to them.

Similarly we find that in practice enough use is not made of the results of the labours of non-official commissions and committees of enquiry. Here again the respective departments feel themselves bound to subject to ‘elaborate and detailed examination’—to quote the very words of the memorandum of the Industries and Labour Department—the reports of these commissions and committees so that further considerable expenditure of public time and money is caused by a reconsideration of the very subject by officials of the Secretariat who have not the same opportunities nor in many cases the qualifications for dealing with it. There are now the reports of two such important bodies, the Labour Commission and the Banking Enquiry Committee before Government and according to the usual procedure it is naturally expected that additional staff would be requisitioned in order to deal with them. If one bears in mind the distinguished personnel of these two commissions, the time and labour they devoted to their task, the number of witnesses they examined, the Governments and the officers they consulted, the places they had to visit in connection with their enquiries and the amount of money which these enquiries cost to the country, it cannot be difficult to realise how indefensible

is the attitude and procedure which is ordinarily adopted by Government in these matters. If Government on the other hand confined themselves, in such cases, to the examination of the recommendations from the point of view of well-established policies and their political and financial effects, there would be a considerable saving in time and public expenditure.

In short, the proposals for economy which we have made can be easily carried out if Government treated their own subsidiary departments and officers and non-official bodies like commissions and committees of enquiry and also the legislature as so many responsible parts of Government and not as more or less extraneous and irresponsible bodies, the result of whose activities must in every case be scrutinised with a jealous and suspicious eye.

(13) *Organisation of the Secretariat.*—The Secretariat is not only overstaffed but the multiplicity of nomenclatures and official designations that prevail is apt to be misleading and to create confusion. We have for instance in the "officers" list, 'Secretary', 'Additional Secretary', 'Joint Secretary', 'Deputy Secretary', 'Additional Deputy Secretary', 'Assistant Secretary', and 'Superintendents'. We have proposed that the normal officers' staff should consist of one secretary, one deputy secretary and one under-secretary and the establishment should be in charge of a Registrar, while the ministerial work in connection with 'cases' will be under the disciplinary supervision of assistants in charge of distinct groups. Assistants should not direct to officers. The posts of assistant secretaries and of superintendents who are promoted assistants should as a rule be done away with. The secretary, assisted by a deputy secretary, will help the Hon'ble Member in dealing with all important questions of policy and the political and financial effects of departmental proposals. In some special cases we have proposed an additional deputy secretary. We are convinced that in many departments there is too much noting. That should be reduced to the minimum. Routine cases, as far as possible, should not be allowed to occupy the time of officers. The under-secretary, if he is a junior officer, should only deal with the less important cases under the guidance of the deputy secretary or the secretary. We also wish to make it quite clear that except in cases where the posts of secretary or deputy secretary have been reserved by Statute for members of the I. C. S. all the others should be open to members of the other services and to assistants, if found fit. We have proposed a small extra remuneration for the assistants who will be placed in charge of sections. The above arrangements will be found entirely feasible, if the practice which now exists to a very limited extent, for heads of certain subsidiary departments and offices to submit cases direct to the Honourable Member in charge, be largely extended. We do not believe that this would result in decisions of Government being based on a narrower point of view and we are clearly of the opinion that no mere Secretariat etiquette or technicalities should be allowed to stand in the way of considerably modifying the procedure in the direction we have indicated.

We have recommended considerable retrenchment of the staff but we may add that if we had the time and the opportunity to examine still more closely the details of administrative arrangements at the headquarters and more particularly the establishments maintained in the provinces such as of the Customs, Income-tax, Salt and Ports and Pilotage, we believe we would have been in a position to recommend even larger economies. We are further of opinion that, if necessary, office hours may be extended in appropriate cases.

(14) In our first Report we recommended the withdrawal of the Lee concessions excepting those in the form of increased salaries which, pending consideration of the general question relating to pay and allowances, would be subjected, as proposed by us, to percentage cuts. We were unable then to show the cost of these concessions but we are now informed that it amounts altogether to Rs. 52 lakhs, the share of the Central Government being 14 or 15 lakhs. We hold that having regard to the present state of the country's finances Government should retrench this item of expenditure whatever justification did or did not exist for it at the time the Lee Commission made their recommendations. This will mean a saving of Rs. 14 or 15 lakhs in the central budget.

We may observe here that real justification for growth of expenditure in a government should be sought in the increased wealth of the country and contentment of the people, but no such justification can be claimed in view of the falling revenues in spite of increased taxation in all forms and ever-growing political troubles due largely to economic distress and unemployment among various sections of the population.

(15) *Ecclesiastical expenditure.*—We have proposed that the Ecclesiastical establishments, which cost altogether over Rs. 32 lakhs, should not be a charge on the Indian revenues. The maintenance of an established Christian Church in this country is in our opinion a violation of religious neutrality which is the cornerstone of the policy of British régime in India. A portion of this budget provides for spiritual ministrations to the British Army, but how much exactly, the Commerce Department, which is in charge of the subject, could not tell us. It is not within our province to examine the need for providing for the services of clergy and chaplains for the Christian population generally or for the British Army in India and the General Purposes Sub-Committee would indeed be loath to stand against any class of people living in India receiving religious ministrations. But we had no hesitation in holding that the Indian revenues should not be burdened with the maintenance of an established Christian Church. In India there are very zealous and worthy missionary bodies of all denominations throughout the land and we entertain no doubt that they would be glad to take charge of the necessary religious services to all Christians employed in the Civil or Military departments of Government. Further, there is no reason whatever why the Christian population in India, permanent or temporary, should not like the others make their own provision for the satisfaction of their religious and spiritual needs. State-maintained established churches have, we believe, disappeared from practically the whole of Europe and America and the British Colonies and from parts of Britain itself. It is an anomaly that India of all countries should be made to maintain an established Anglican Church. We are told that some Moulvis and Granthis are maintained in the Indian Army establishments, but we entertain no doubt that retrenchment of these insignificant items of expenditure would in no way be objected to by the people if the Indian budget were relieved of the extremely heavy expenditure on the ecclesiastical establishments.

It has been suggested that since the East India Company confirmed many grants of revenue-free land in favour of Muhammadan and Hindu religious establishments, the maintenance of Christian ecclesiastical establishments is not a breach of religious neutrality. This argument is based on an entire misreading of history. In the first place the grants referred to were mostly confirmed by the Company either as the Diwan or Chief Revenue Officers of the Mughal Rulers of the day or from purely political considerations and it is

a fantastic travesty of facts to suggest that they did so in anticipation of the Government that followed establishing a Christian Ecclesiastical service to be maintained out of Indian revenues. This is made still clearer by the fact that the British Government in India which subsequently took over charge of certain Muhammadan and Hindu pious endowments for purposes of better management was soon afterwards compelled by the pressure of Christian sentiment in England not to associate itself with non-Christian institutions. Further, the grants of revenue-free lands by way of Inams or Jagirs or Maañis were in fact made in most cases to certain holy fakirs and sanniyas for their monasteries and not for the maintenance of Muhammadan or Hindu ecclesiastical establishments properly so called.

It has also been said that our proposal that the revenues of the Central Government should not be charged with the expenditure on Ecclesiastical establishments is not within the purview of a retrenchment committee. The contention amounts to this that though we can properly recommend 'reduction' of expenditure to any extent that may be justified, we are not at liberty to recommend abolition of a certain head of expenditure altogether, however opposed it may be to any established policy of Government. Such an argument would only be tenable if the maximum proportion or quantum of reduction had been laid down by the terms of reference but no such limitation has, in fact, been imposed. On the other hand, we have recommended the total abolition of expenditure on certain activities and these recommendations have been accepted by Government, even though such activities were in no way opposed to any policy of Government, e.g., Broadcasting, the Indian State Air Service.

We would, however, make an exception in the case of the grant amounting to about Rs. 1.33 lakhs for Christian cemeteries, because we think that India should be responsible for providing the last resting place for those who die in this country while in her service.

Mr. Ramsay Scott would confine his statement of the case to the following proposition:—

"That the maintenance of the ecclesiastical establishments by the Government of India is inconsistent with the accepted and avowed policy of religious neutrality and non-discrimination in favour of any creed."

(16) *Further action by Government.*—We have already expressed our belief that there is room for still further reducing the expenditure of Government by curtailment of the staff and by reorganisation and we have in some specific cases recommended that Government should not be satisfied with the proposals that we have been able to make within the time at our disposal but should make supplementary enquiries. We should also note that as in most of the departments dealt with in our first interim report so in almost every department and office surveyed by us in the present enquiry the salaries and allowances are much in excess of what India can afford to pay. But we have made no definite proposals on the subject as it is a matter which will be the subject of a special enquiry.

(17) *Form of Estimates.*—We have mentioned in our first report that we are not satisfied with the way the "Detailed Estimates and Demands for Grants" is framed. We have again with respect to the grants examined in the present report encountered difficulties in ascertaining from the Detailed Estimates and Demands for Grants what exactly is the nature and amount of expenditure under certain heads. Nowhere in the Estimates and Demands for Grants could we find information relating to the cost of the concessions and privileges in the form of increased pay, passages for officers and their families, and other similar

items included in what are known as the Lee concessions. Similarly it is impossible to ascertain what is the actual cost of free residential accommodation provided for certain classes of officers. We also see no justification for the gross expenditure of the Nasik Security Printing and Currency Note Presses, which amounts to Rs. 39.43 lakhs, not being shown in the Detailed Estimates and Demands for Grants. We have further noticed that in more than one instance the receipts are not shown. We have also evidence that in some cases the figures given are not altogether reliable, for instance, the estimate for Civil Aviation.

(18) *Financial control.*—Although in our questionnaire (question No. 6) we asked for a full statement regarding the system of financial control over expenditure, it was not supplied to us by the Finance Department. A non-official body like ours, not possessing sufficient inside knowledge of the financial administration, was naturally handicapped, in the absence of a proper memorandum from the department, in eliciting by oral examination of its representatives all the information necessary to enable us to arrive at a satisfactory conclusion on the very important question whether the control of the Finance Department over the expenditure of the Government of India is or is not adequate and efficient.

On such data, however, as were available, our survey of the expenditure so far reviewed has convinced us that the financial control of the Finance Department needs to be considerably strengthened. The considerable increase in expenditure, which has taken place since effect was given to the recommendations of the Inchope Retrenchment Committee, is in itself ample evidence to show that there has been laxity of control. Much greater vigilance is required on the part of the Finance Department to prevent any growth of expenditure. Any growth in revenue should not, in our opinion, be permitted to result in increased expenditure. Such increase in revenue, as may accrue, must be devoted to reducing the burden of taxation.

Although there are three sections (Expenditure Branches I and II and the Schedule Branch) in the Finance Department in addition to such provision as exists in each department for the examination of new proposals in their financial aspects, we are not satisfied that the control over such expenditure is sufficiently vigilant. Nor are we satisfied that the Standing Finance Committee supplies the necessary amount of check, probably owing to the fact that it does not get an accurate picture of the general financial position when the new proposals are submitted to its scrutiny. We suggest that the normal expenditure having been brought down to a level which would leave a reasonable surplus in the hands of Government even in times of depression such as these, proposals entailing additional expenditure should only be entertained when careful revenue estimates admit of such additions. We are perfectly conscious that the present financial stress is in some measure due to factors which could not have been, and were not in fact, foreseen by any country. At the same time, we are not satisfied that the present budgetary position has not been at least substantially brought about by preventable causes.

There is another factor which contributes to the growth of expenditure without reference to the revenue position. The Secretary of State being the final authority for the disposal of revenues of British India can and does enter into commitments without the approval of the Government of India, who have to handle the revenues and who are in the best position to know what moneys they have got available. The grant of Lee concessions, which, it is a matter of common knowledge, were forced upon the Government of India, is a case in point.

(19) *Appreciation of the Staff's work.*—We once again express our appreciation of the services rendered to the Sub-Committee by our Secretary, Mr. S. P. Shah, I.C.S., whose energy and enthusiasm has greatly lightened our work. Our thanks are also due to the Assistant (Mr. N. N. Singh), the stenographer (Mr. Gur Bakhsh Singh), the clerk (Mr. S. M. Badrud-Din) and the Assembly reporters, who had to work very hard throughout the sittings of the General Purposes Sub-Committee.

(20) *Summary of savings.*—We give below a table showing the effect of our proposals under various heads but it must be borne in mind that it was not possible to make exact calculations in a few cases.

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Summary of immediate reduction of expenditure (with effect from the 1932-33 budget) resulting from the recommendations made in Part II of the Report.

Serial No.	Chapter number and name of grant.	Grant No.	1929-30	1931-32	Reduction	Remarks on the reductions or additional revenues proposed. Other remarks appear as foot-notes.
			Grant (Actuals).	Grant (Budget).	proposed.	
			Lakhs.	Lakhs.	Lakhs.	
1	II. Customs . . .	16	96-17	96-44	16-00	
2	III. Salt . . .	18	127-05	124-12	12-00	
3	IV. Opium . . .	19	48-81	73-63	2-21	
4	V. Security and Note Presses, Nasik. . .	..	..	..	..	Also additional revenue of .11 lakh. Some other savings cannot be calculated. Savings proposed amount to 1½ lakhs, vide Summary.
	VI. General Administration. . .	..	..	..	..	Army Department and Military Finance have both been excluded from consideration.
5	(1) G. G.'s staff, household, etc.	27	14-31	15-26	1-68	Only about .40 is a genuine permanent saving.
6	(2) Council of State . . .	29	1-53	1-55	.65	
7	(3) Legislative Assembly and Legislative Assembly Department.	30	7-36	8-29	.41	Saving will be .70 when the Deputy Secretary's post is abolished.
8	(4) Home Department	32	6-07	6-02	1-52	
9	(5) Reforms Office . . .	32-D	..	2-34	.70	
10	(6) Public Service Commission.	33	3-62	3-66*	1-36	Additional receipts of Rs. 2,500.
11	(7) Legislative Department including Solicitor's branch.	34	5-29	5-51	1-24	Includes a saving of .26 in the Solicitor's branch.
12	(8) E., H. & L. Department including the Records Office.	35	7-76	8-18	2-25	Includes a saving of .24 in the Records Office.
13	(9) Finance Department (O. B.).	36	6-47	7-44	1-71	Military Finance left out.
14	(10) Commerce Department.	38	3-94	4-83	.98	
15	(11) I. & L. Department.	40	5-94	6-53	1-90	
16	(12) Delhi-Simla move . . .	..	..	5-79†	2-48	
17	(13) Payments to Local Governments for "agency" work.	42	2-58	2-80	Nd	
18	VII. Administration of Justice.	44	.53	.55	Nd	
19	VIII (1) Ports . . .	} 46	9-61	11-92	1-50	There should be additional revenue of about 4½ lakhs.
20	Pilotage . . .					

\*Plus .64 under grant No. 69-B.—Examinations, savings on which are .14.

†The 1931-32 provision for the Delhi-Simla move is already included in the 1931-32 provisions for the departments and attached offices. Many but not all of these provisions have been shown in this column. The provision has not been included in the total.



Serial No.	Chapter number and name of grant.	Grant No.	1929-30	1931-32	Reduction	Remarks on the reductions or additional revenues proposed. Other remarks appear as foot-notes.
			Grant (Actuals). Lakhs.	Grant (Budget). Lakhs.		
21	(2) Lighthouses and Lightships.	47	13.88	12.98	.25	Plus some other savings. But we leave the entire savings out of account.
22	IX. Commercial Intelligence, etc.	64	3.21	5.81	2.76	An additional saving of .10 when Milan office is opened. Also see remarks against Serial No. 49.
23	X. Census . . . .	65	.27	33.89	24.14	The reduction is automatic.
24	XI. Emigration—Internal.	66	.43	.47	.16	
25	XII. Joint Stock Companies.	68	1.29	1.43	.09	
	XIII. Miscellaneous Departments.	69	..	..	..	Total saving in these portions of grant No. 69 is .26 lakh on the 1931-32 provision of 1.88 lakhs.
26	(1) Examinations . . .	69-B	.56	.69	.14	
27	(2) Patents and Designs.	69-D	.90	.98	.11	
28	(3) Actuary . . . .	69-E	.33	.21	.01	
29	(4) Bushire Coal Depot.	69-G	..	.02	Nil	
30	(5) Courts of Enquiry, etc.	69-I	.07	.005	Nil	
31	XIV. Currency . . .	71	44.18	50.25	3.30	Plus some other savings.
32	XV. Mint . . . .	72	29.35	27.72	2.50	Plus some other savings and also a saving of .09 in the near future.
	XVI. Miscellaneous . .	76	..	..	..	Total saving in grant No. 76 is 2.46 lakhs on the 1931-32 budget provision of 35.11 lakhs.
33	(1) Allowances and Rewards.	76-A	.23	.32	.07	
34	(2) Books and Periodicals.	76-B	.74	.81	.16	
35	(3) Donations and Vagrancy.	76-C	.14	.15	Nil	
36	(4) Tariff Board . . .	76-D	2.24	2.32	1.00	
37	(5) Other Committees and Commissions of enquiry.	76-D	16.22	1.08	Nil	Savings likely to accrue cannot be estimated.
38	(6) Compensations . .	76-E	25.52	25.52	Nil	
39	(7) Rents, etc. . . .	76-F	2.13	2.14	Nil	There will be some savings, but they cannot be estimated.
40	(8) Grants-in-aid . .	76-G	.55	.56	.18	On the Victoria Memorial.
41	(9) Local Clearing Office.	76-H	.19	.19	.18	Extra expenditure on one clerk accounted for under Legislative Department.

Serial No.	Chapter, number and name of grant.	Grant No.	1929-30	1931-32	Reduction proposed.	Remarks on the reduction of additional advances proposed. Other remarks appear at foot notes.
			Grant (Actuals). Lakhs.	Grant (Budget). Lakhs.		
42	(10) Indian Soldiers' Board.	76-I	13	15	05	See last civil estimates are concerned saving will be 15.
43	(11) Miscellaneous and unforeseen charges.	76-J	12.45	06	45	
44	(12) Institute for Disabled soldiers.	76-K	87	25	25	
45	(13) Other Miscellaneous charges.	76-L		66	12	
46	XVII. Delhi	80	44.06	47.06*	6.05	
47	XVIII. Andamans	82	46.35	42.22†	9.40	Includes automatic saving of 3.23 lakhs "on works".
48	XIX. Secretary of State.	86	36.24	34.77	8.00	Plus such saving as may be effected in India's contribution to the League of Nations.
49	High Commissioner	87	92.13	75.14‡	10.78	There will be an addition of about .40 to expenditure when Milan office is opened. When Stores Department is reorganised, there will be an additional saving of about five lakhs.
50	XX.—Ecclesiastical—Non-voted		31.63§	32.71	31.11	Include savings in minor administrations, etc.
Total			760.05	791.73	153.82	

**Summary.**—On our proposals the reduction of expenditure will be 153.82, or if the deterioration at Nasik is also taken into consideration, 153.57 lakhs. (In 1932-33 an extra lakh will be needed by Commerce Department.) To this 153.57 lakhs may be added about 15 lakhs on account of the present cost of Lee concessions (now specifically estimated by the Finance Department) to the civil estimates of the Government of India. From this 168.57, the saving of about .25 on grant No. 47 should be excluded, since the saving does not affect the central Government's expenditure but the *pro forma* accounts of the Lighthouses and Lightships Fund.

It should also be borne in mind that of the savings proposed above the following are automatic, *viz.*, 1.50 under Pilotage, 24.14 under Census and 3.23 under Works (Andamans).

\*Including expenditure provided for in other grants, the Delhi grant is 104.81 lakhs.

†Including expenditure provided for in other grants, the Andamans grant is 45.73 lakhs.

‡Includes 40.01 for leave salaries, pensions, etc., disbursed under instructions from India.

§Includes 2.15 provided in the grants for minor administrations, which has not been included in the total.

||Includes 2.29 for minor administrations and .25 for works in the Civil Works grant. These two amounts are not included in the total.

Savings or expenditure which are contingent or cannot be estimated have not been included in the calculation, and additional revenues likely to accrue have been indicated but have been excluded from the calculation.

Taking both parts of our interim report together, the reduction of expenditure on our proposals will be 288.92 lakhs on grants amounting in the aggregate to 11,13.49 lakhs. This is = 26 per cent.

*Explanations.*—(1) Under grant No. 21—Forest a saving of 6.61 was recommended in the first part of our Interim Report. On our revised proposals in Chapter XXI this saving *will be reduced* by 1.31 to 5.30 lakhs. (2) The forecasted expenditure for the Nasik undertakings is 9.43 lakhs. On the Sub-Committee's proposals the reduction in expenditure would be 1½ lakhs. But, for purposes of the 1932-33 budget there will be a net deterioration to the extent of .25 lakh.

## APPENDIX L.

Statement showing the attendance of members at the meetings.

Names.	5th October to 29th October.	13th Novem- ber.	16th November to 5th December.	Total.	Remarks.
Days of sitting . . .	17*	1	12	30	*One (29th October) was an informal meeting when Mr. Nixon and Secretary met to frame an estimate of savings. Mr. Ramsay-Scott was also in attendance.
Sir Abdur Rahim . . .	16	1	12	29	
The Honourable R. B. L. Ram Saran Das.	10	..	3	13	
Mr. Rangaswamy Ayan- ger.	..	..	..	NW†	†Was in England throughout in connection with the R. T. C.
Mr. S. C. Mitra . . .	12	1	12	25	
Mian Muhammad Shah Nawas.	..	..	4	4	
R. S. Harbilas Sarda . .	5	1	9	15	
Mr. Ramsay-Scott . . .	14	1	12	27	
K. B. Hafiz Wilayat Ullah	6	1	4	11	
Mr. J. C. Nixon . . .	17	..†	12	29	†Was out of Delhi on Duty.

Note.—Mr. K. C. Roy was a member but he died on 7th September 1931.

16  
APPENDIX II.

*Expenditure accounted for on behalf of the Finance Department.*

	1913-14.	1921-22.	1924-25.	1931-32.
<b>SECRETARIAT GRANT.</b>				
Finance Department (Civil) . . . .	4.10	6.26	4.85	7.44
Finance Department (Military) . . . .	1.56	6.06	5.53	6.96
Central Board of Revenue . . . . .	..	..	2.31	3.07
<b>Total Secretariat Grant . . . . .</b>	<b>5.66</b>	<b>12.32</b>	<b>12.69</b>	<b>17.47</b>
<b>OTHER GRANTS.</b>				
Customs . . . . .	41.34	64.96	66.08	96.44
Taxes on Income. . . . .	4.69	23.06	59.44	75.87
Salt . . . . .	92.52	1,56.13	1,26.66	1,24.12
Opium . . . . .	1,52.41	1,79.82	2,35.14	73.63*
Stamps . . . . .	1.68	36.28	4.69	—03†
Home Administration—Secretary of State and High Commissioner . . . . .	39.27	1,09.79	70.42	1,09.91
Currency . . . . .	35.64	48.71	35.68	50.25
Mint . . . . .	19.90	13.92	13.68	27.72
Miscellaneous‡ . . . . .	1,12.57§	60.41	46.74	35.11
Audit and Accounts . . . . .	39.69	67.64	76.64	1,16.56
Adjustments with Provincial Govern- ments . . . . .	..	28.94	50.74	..
Payments on account of Agency Sub- jects . . . . .	..	.21	1.48	2.30
	<b>5,45.27</b>	<b>8,01.99</b>	<b>7,99.98</b>	<b>7,29.35</b>

\* Decrease due to reduction of cultivation in pursuance of the policy of stoppage of exports from 1935.

† Stamps being manufactured in India, expenditure on purchase in England has disappeared. The cost of manufacture is not shown under this grant.

‡ The various Departments of Government administer the subjects included in this grant.

§ Includes "Civil furlough and absentee allowances" which are now debited to the respective subject heads of account.

|| Now distributed over the respective subject grants.

In order to arrive at comparable figures, which have been given below, the following adjustments have been made :—

- (1) Owing to change in opium policy, the reduction in expenditure in 1931-32 is nominal only. 73-63 has therefore been taken as the figure of expenditure in 1913-14, 1921-22 and 1924-25.
- (2) As in the case of (1), — '03 has been adopted as the figure of expenditure in 1913-14, 1921-22 and 1924-25.
- (3) Since the expenditure in 1921-22 and 1924-25 under " Adjustments with Provincial Governments " represented partly arrear payments and partly charges which are now shown under the respective subject grants, the whole of the amounts shown under the two years have been eliminated.

After these adjustments the totals for the various years will stand as follows :—

1913-14.	1921-22.	1924-25.	1931-32.
4,64-78	6,30-75	5,83-0	7,29-35

*Expenditure accounted for on behalf of the Commerce Department.*

	1913-14.	1921-22.	1924-25.	1931-32.
<b>SECRETARIAT GRANT.</b>				
Commerce Department . . . . .	3-46	4-99	3-22	4-89
<b>OTHER GRANTS.</b>				
Commercial Intelligence . . . . .	1-51	2-97	2-97	5-81
Joint Stock Companies . . . . .	*	1-30	1-33	1-43
Ecclesiastical . . . . .	19-15	30-81	31-30	32-43
Ports and Pilotage and Lighthouses and Lightships . . . . .	16-72	21-65	24-81	39-14
	40-84	61-42	63-63	83-64

*Expenditure accounted for on behalf of the Department of Education, Health and Lands.*

	1913-14.	1921-22.	1924-25.	1931-32.
<b>SECRETARIAT GRANT.</b>				
Department of Education, Health and Lands . . . . .	..	4-19	5-07	6-98
Education Department . . . . .	2-74	..	..	..
Keeper of Records . . . . .	74	88	98	1-20
Revenue and Agriculture Department . . . . .	2-45†	3-52	..	..
Total Secretariat Grant . . . . .	5-93	8-59	6-05	8-18

\* Figures not separately available.

† Used to deal with many sources of revenue which are now " Provincial ".

	1913-14.	1921-22.	1924-25.	1931-32.
<b>OTHER GRANTS.</b>				
Forest . . . . .	2.98	10.82	10.63	11.30
Survey of India . . . . .	25.94	42.63	31.83	41.50
Botanical Survey . . . . .	.45	33.53	3.85	2.98
Archaeology . . . . .	3.58	10.72	13.73	16.01
Zoological Survey . . . . .	1.29	1.55	1.46	2.30
Other Scientific Departments . . . . .	.44	4.44	5.46	3.24
Education . . . . .	3.36	3.53	4.17	18.87
Medical Services . . . . .	4.53	4.53	2.04	9.94
Public Health . . . . .	11.90	11.20	5.39	13.92
Agriculture	5.47	10.08	18.56	15.37
Imperial Council of Agricultural Research . . . . .	..	..	..	8.00
Civil Veterinary Services . . . . .	2.03	7.06	7.32	8.30
Emigration—External . . . . .	.23	.32	.53	2.60
	68.13	1,49.00	1,11.02	1,62.51
<i>Expenditure accounted for on behalf of the Home Department.</i>				
<b>SECRETARIAT GRANT.</b>				
Home Department Secretariat . . . . .	3.24	6.62	5.79	6.02
Reforms Office . . . . .	..	..	..	2.34
Bureau of Public Information . . . . .	..	.84	1.33	1.39
Intelligence Bureau . . . . .	3.67	8.29	5.57	7.11
Total Secretariat Grant . . . . .	6.91	15.75	12.69	16.86
<b>OTHER GRANTS.</b>				
Staff, etc., of the Governor General . . . . .	10.63	9.84	13.77	15.26
Executive Council . . . . .	5.50	5.49	5.28	5.79
Public Service Commission and Staff Selection Board . . . . .	..	.15	.11	3.66
Administration of Justice . . . . .	..	..	.55	.55
Police . . . . .	..	.7	1.97	1.99
Census . . . . .	.41	..	..	33.89
Delhi* . . . . .	12.70	37.50	32.73	47.06
Andamans and Nicobar† . . . . .	20.54	39.79	38.73	42.22
	56.69	1,08.59	1,05.93	1,67.26

\* Education, Health and Lands and other departments also administer some of these subjects.

† "Forest" is administered by the Department of Education, Health and Lands.

*Expenditure accounted for on behalf of the Foreign and Political Department.*

	1913-14.	1921-22.	1924-25.	1931-32.
Foreign and Political Department Secretariat . . . . .	7.17	9.93	8.54	11.74
North-West Frontier Province . . . . .	1,22.41	1,75.03	2,20.55	2,46.78
Baluchistan . . . . .	53.17	60.36	71.57	79.34
Ajmer-Merwara . . . . .	9.09	13.20	14.23	18.48
Rajputana . . . . .	12.18	13.21	14.18	12.92
Central India . . . . .	15.89	13.14	14.18	12.92
Hyderabad . . . . .	6.57	5.36	5.33	9.90
Excise (non-voted) . . . . .	..	..	..	2.40
Political and Watch and Ward . . . . .	1,74.53	1,80.39	1,64.34	2,26.82
Bangalore . . . . .	6.06	10.50	22.66	14.18
W. I. S. Agency . . . . .	..	..	13.85	16.83
	4,07.07	4,81.12	5,49.43	6,52.29

*Expenditure under the control of the Army Department.*

Army Department Secretariat . . . . .	3.85	6.20	6.68	6.61
Military Expenditure . . . . .	29,84.41	59,52.96	59,66.52	56,47.57
	29,88.26	59,59.16	59,73.20	56,54.18

*Expenditure accounted for on behalf of the Legislative Department and Legislative Assembly Department.*

Legislative Council . . . . .	1.71	..	..	..
Council of State . . . . .	..	2.25	2.06	1.55
Legislative Department . . . . .	2.27	6.80	6.44	5.51
Legislative Assembly and Legislative Assembly Department . . . . .	..	5.80	5.17	8.29
	3.98	14.85	13.67	15.35



*Expenditure accounted for on behalf of the Department of Industries and Labour.*

	1913-14.	1921-22.	1924-25.	1931-32.
<b>SECRETARIAT GRANT.</b>				
Industry Department . . . . .	"	5.24	..	..
Public Works Department . . . . .	3.21	4.16	..	..
Inspector General of Irrigation . . . . .	.55	.85	..	..
Department of Industries and Labour . . . . .	..	..	5.43	6.53
	3.76	10.25	5.43	6.53
<b>OTHER GRANTS.</b>				
Irrigation . . . . .	14.70	27.11†	29.52	31.89
Indian Posts and Telegraphs and Indo-European Telegraph Departments . . . . .	4,94.49	9,09.12	8,50.48‡	11,98.05
Meteorology . . . . .	4.27	6.70	6.68	21.48
Geological Survey . . . . .	3.06	4.19	4.58	5.89
Mines . . . . .	.98	1.76	2.17	2.63
Industries . . . . .	..	.57	80.91§	1.97
Aviation . . . . .	..	.87	.22	31.58
Emigration—Internal . . . . .	.82	1.00	.52	.47
Miscellaneous Departments ¶ . . . . .	2.32	3.33	3.90	6.57
Indian Stores Department ** . . . . .	..	4.03	10.64	8.32
Civil Works . . . . .	1,55.82	1,53.53	1,77.73	2,41.28
Stationery and Printing . . . . .	32.12	79.54	35.34	63.29
	7,12.34	12,02.00	11,88.12	16,19.75

\* In 1913-14 there was a combined Commerce and Industries Department. The total expenditure has been shown under "Commerce Department".

† Budget estimate.

‡ Budget figure.

§ This includes figures for steel bounties.

|| This represents Dhanbad School of Mines.

¶ Some of the subjects included in this grant are administered by other departments.

\*\* Recoveries are now shown as minus expenditure. In 1924-25 they were shown as revenue and expenditure was voted gross. Certain receipts formerly treated as minus expenditure have been re-classified as Revenue.

In order to arrive at comparable figures, the following adjustments have to be made :—

- (1) In 1931-32, gross cost of the Indian Stores Department should be taken.
- (2) Gross figures should be taken for the years 1921-22, 1924-25 and 1931-32 under Stationery and Printing. (The figures for 1921-22 do not take into account certain recoveries, the figures for 1924-25 are net and the figures for 1931-32 take into account only certain recoveries.)

Making these adjustments the totals would stand as follows :—

1913-14.	1921-22.	1924-25.	1931-32.
7,12·34	13,13·34	12,36·42	16,81·17

## APPENDIX III.

(Reference—paragraph 6 on page 4.)

*Statement showing the Commissions and Committees appointed since 1921 together with their cost from year to year.*

Serial No.	Title of Commission, etc.	Year in which appointed.	Cost.
1	2	3	4
			Rs. a. p.
1	The Press Laws Committee . . .	1921	18,317 0 0
2	The Repressive Laws Committee . . .	1921	14,058 0 0
3	The Racial Distinctions Committee . . .	1921	35,821 9 8
4	The Second Telegraph Committee . . .	1921	2,500 0 0
5	The Military Requirements Committee . . .	1921	6,929 0 0
6	The Committee appointed to consider the Esher Committee's report.	1921	N/A.
7	The Cantonment Reforms Committee . . .	1921	Cost unknown.
8	The Indianisation Committee . . .	1921	Cost unknown.
9	Government Securities' Committees . . .	1921	11,000 0 0
10	Railway Finance Committee . . .	1921	67,916 0 0
11	Indian Railway Committee . . .	1921	4,60,080 0 0
12	Deck Passengers' Committee . . .	1921	59,934 0 0
13	Burma Reforms Committee . . .	1921	20,000 0 0
14	Special Committee to enquire into and report on certain matters relating to the Indian Institute of Science, Bangalore.	1921	N/A.
15	Statute Law Revision Committee . . .	1921	N/A.
16	Committee on Indian Students . . .	1921	14,341 0 0
17	Fiscal Commission . . .	1921	3,47,803 0 0
18	Braithwaite Committee . . .	1922	22,448 0 0
19	Committee on Public Petitions . . .	1922	N/A.
20	Staff Selection Board Committee . . .	1922	N/A.
21	Indian Arms Rules Committee . . .	1922	16,046 1 0
22	North West Frontier Enquiry Committee . . .	1922	76,550 0 0
23	Railway Industries Committee . . .	1922	N/A.
24	Seamen's Recruitment Committee . . .	1922	7,383 13 11

Serial No.	Title of Commission, etc.	Year in which appointed.	Cost.
			Rs. a. p.
25	Machinery Committee . . . . .	1922	1,200 0 0
26	Bengal Pilot Service Committee . . . . .	1922	6,000 0 0 †
27	Railway Risk Note Committee . . . . .	1922	4,186 0 0 .
28	Railway Depreciation Committee . . . . .	1922	88,933 0 0
29	The Indian Retrenchment Committee . . . . .	1922	71,000 0 0
30	The Waziristan Committee . . . . .	1922	Cost unknown.
31	New Capital Enquiry Committee . . . . .	1922	8,500 0 0
32	Preliminary Committee on Workmen's Compensation Bill.	1922	3,913 6 0
33	Railway Accounts Committee . . . . .	1922	68,050 0 0
34	Piece Workers' Committee . . . . .	1922	2,911 13 3
35	Tarif Board . . . . .	1923	17,78,002 0 0*
36	Indian Mercantile Marine Committee . . . . .	1923	1,37,623 0 0
37	Railway Statistics Committee . . . . .	1923	27,941 0 0
38	Committee to make recommendations regarding the re-organisation of the administrative methods of the Forest Department.	1923	4,450 0 0
39	Coal Dust Committee . . . . .	1923	12,652 0 0 †
40	Committee on Police Uniforms . . . . .	1923	1,500 0 0
41	Calcutta High Court Committee . . . . .	1923	2,934 0 0
42	Indian Bar Committee . . . . .	1923	1,12,000 0 0
43	Royal Commission on Superior Civil Services	1923	3,00,000 0 0
44	Civil Justice Committee . . . . .	1924	2,60,000 0 0
45	The Reforms Enquiry Committee . . . . .	1924	48,000 0 0
46	Locomotive Standards Committee . . . . .	1924	33,569 0 0
47	Colonies Committee . . . . .	1924	87,770 4 0
48	The Auxiliary and Territorial Forces Committee.	1924	17,500 0 0
49	The Indian Taxation Enquiry Committee . . . . .	1924	4,86,000 0 0 †

\* Expenditure upto 1931-32.

† Expenditure incurred upto 1929-30.

‡ Influenced by discussions in the Indian Legislature. A resolution was also moved in the Council of State in 1923.

Serial No.	Title of Commission, etc.	Year in which appointed.	Cost.
1	2	3	4
			Rs. a. p.
50	The External Capital Committee . . . .	1924	Nil.
51	Coal Committee . . . . .	1924	76,162 0 0
52	The Posts and Telegraphs Department Committee.	1924	30,090 0 0
53	Track Sub-Committee . . . . .	1925	30,000 0 0
54	Carriage and Wagon Standards Committee .	1925	74,198 0 0
55	The State Railways Workshop Committee .	1925	75,187 0 0
56	Bridge Sub-Committee . . . . .	1925	40,000 0 0
57	Committee to enquire into the question of giving financial assistance to the Lady Hardinge Medical College, Delhi.	1925	2,703 9 0
58	Deputation of the Government of India to South Africa.	1925	75,000 0 0
59	Committee on the cost accounting in the Army in India.	1925	20,624 0 0
60	Indian Sandhurst Committee . . . . .	1925	1,67,871 0 0
61	Committee to report on horse breeding in India	1925	13,496 0 0
62	Royal Commission on Indian Currency and Finance.	1925	2,87,000 0 0
63	Standing Committee of Chief Engineers .	1925	*
64	Committee to enquire into the working of the London Timber Agency of the Government of India.	1925	10,060 0 0
65	The Indian Economic Enquiry Committee .	1925	1,18,000 0 0
66	Tariff Board (Cotton Textile Industry Enquiry).	1926	1,36,919 0 0
67	Government of India delegation to South Africa.	1926	1,17,000 0 0
68	Committee to report on the condition of the Imperial Library, Calcutta.	1926	Nil.
69	Frontier Civil Forces Committee . . . . .	1926	37,574 0 0
70	Committee to enquire into the Back Bay Reclamation Scheme.	1926	1,39,000 0 0
71	Track Sub-Committee . . . . .	1926	25,000 0 0

\* The cost involved was very small. As the members of the Committee belonged to various Railways. As their pays and allowances were borne by their respective Railways.

Serial No.	Title of Commission, etc.	Year in which appointed.	Cost.
1	2	3	4
			Ra. s. p.
72	Vocational Training Committee . . . . .	1926	3,852 0 0
73	Committee of enquiry appointed to investigate the affairs of the Army Canteen Board.	1925	Nil.
74	The Ordnance Supply Committee . . . . .	1926	12,227 15 0
75	The Second Innes Committee . . . . .	1925	250 0 0
76	Royal Agricultural Commission . . . . .	1926	14,34,666 0 0*
77	Indian Army Ordnance Accounts Committee.	1926	1,066 0 0
78	The Indian States Committee . . . . .	1927	2,07,284 0 0†
79	The States Opium Enquiry Committee . . . . .	1927	32,365 0 0
80	Indian Road Development Committee . . . . .	1927	1,31,229 0 0
81	Transfer of Property Committee . . . . .	1927	21,990 0 0
82	Government of India Deputation to Africa . . . . .	1927	66,000 0 0
83	Deputation of Educational Experts to South Africa.	1927	30,000 0 0
84	Committee to enquire and report on the allocation of a permanent site for the Delhi University Buildings and the extent and nature of assistance to be given to it.	1927	1,899 0 0
85	Committee on the organisation of Medical Research under the Government of India.	1927	12,477 0 0
86	Committee to consider the question of residence and accommodation for members of the Indian Legislature.	1927	Nil.
87	Advisory Committee in connection with the scheme for the encouragement of Indian Artists by providing facilities for the decoration of certain Government Buildings in New Delhi.	1927	625 0 0
88	The Indian Cinema Committee . . . . .	1927	1,96,949 0 0
89	The Indian Statutory Commission . . . . .	1927	12,97,284 0 0†
90	Trade Mission . . . . .	1928	44,851 0 0
91	Age of Consent Committee . . . . .	1928	2,95,400 0 0

\* Includes expenditure in England.

† Against this expenditure, a portion of which was incurred in 1930-31 His Majesty's Government have made a contribution of £20,000 and promised a further contribution of £60,000 out of which 1/3rd of the expenditure incurred by Provincial Governments on account of the Commissions of enquiry should be refunded.

‡ Exclusive of Rs. 25,000 contributed by the Indian Research Fund Association.

Serial No.	Title of Commission, etc.	Year in which appointed.	Cost.
1	2	3	4
			Rs. a. p.
92	Indian Central Committee . . . . .	1928	6,01,495 0 0*
93	Auxiliary Committee of the Indian Statutory Commission.	1928	2,09,161 0 0
94	Indian Sale of Goods Bill Committee . . . . .	1929	8,206 0 0
95	Watch and Ward Committee . . . . .	1929	2,548 0 0
96	Hides Cess Enquiry Committee . . . . .	1929	46,426 0 0
97	Indian Forestry Committee . . . . .	1929	27,300 0 0
98	Haj Enquiry Committee . . . . .	1929	1,97,800 0 0
99	Primary Education Committee . . . . .	1929	48,933 0 0
100	Royal Labour Commission . . . . .	1929	12,80,000 0 0
101	Indian Central Banking Enquiry Committee.	1929	6,14,518 0 0
102	Indian Provincial Banking Enquiry Committees.	1929	6,50,939 0 0†
103	Central Areas Banking Enquiry Committees .	1929	71,283 0 0
104	The Peshawar Disturbances Enquiry Committee.	1930	76,550 0 0
105	Special Committee to examine a bill to amend and define the law relating to partnership.	1930	9,292 9 0
106	The Salt Survey Committee . . . . .	1930	40,073 0 0
107	The Lady Hardinge Medical College Enquiry Committee.	1930	2,948 0 0
108	Special Committee appointed to investigate certain facts relevant to the economic and financial relations between British India and Indian States.	1930	28,156 0 0
109	The Drugs Enquiry Committee . . . . .	1930	1,10,000 0 0
110	Committee to enquire into the causes of the high mortality among repatriated Indians on board S. S. "Sutlej."	1930	400 0 0
111	Committee to enquire into the working of the special organisation in Madras for dealing with emigrants returning to the Presidency from South Africa under the scheme of assisted emigration.	1930	No expenditure was incurred.

\* Includes expenditure both in India and England.

† Inclusive of Rs. 92,614 contributed by Local Governments.

Serial No.	Title of Commission, etc.	Year in which appointed.	Cost.
1	2	3	4
			Rs. a. p.
112	Inland Steam Vessels Rates Advisory Committee, on the complaint of the Pioneer Motor Boat Company, Dacca, against the India General Navigation, and Railway Company, Limited, and the River Steam Navigation Company, Limited.	1931	*
113	North West Frontier Province Subjects Committee.	1931	35,510 0 0
114	Sind Financial Enquiry Committee	1931	25,240 0 0
115	The Tribal Control and Defence Committee	1931	25,819 0 0
116	The North-West Frontier Province Regulation Committee.	1931	52,066 0 0
117	The Indian Military College Committee, 1931	1931	18,138 7 0
118	Posts and Telegraphs Accounts Enquiry Committee.	1931	15,300 0 0
119	Court of enquiry under the Indian Trades Disputes Act.	1931	24,000 0 0
120	Retrenchment Committees (including Retrenchment Office and Sub-Committees).	1931	1,75,000 0 0

\* The machinery of the Railway Rates Advisory Committee was utilised in undertaking this enquiry. The question whether the General Budget should pay a contribution to the Railway Budget for the cost of the enquiry, and if so the amount thereof, have not yet been settled.



## CHAPTER II.

## GRANT No. 16.—CUSTOMS (96·44 lakhs).

(1) *Explanation of the grant.*—The Customs grant of 96·44 lakhs is one of the largest grants in the civil estimates of the Government of India, and consists of the following items :—

	Lakhs.
(i) Pay of officers (8·09) and of establishments (49·78) . . . . .	57·87
(ii) Compensations, which are mostly non-voted . . . . .	16·64
(iii) Payment of overtime and holiday allowances to officers . . . . .	9·71
(iv) Grants to charitable, recreation and similar welfare institutions . . . . .	2·43
(v) Allowances, honoraria, etc. . . . .	3·28
(vi) Boats—Purchase and repair of boats (·42); their equipments and stores (·30) . . . . .	·72
(vii) Supplies and services (1·44) and contingencies (2·50) . . . . .	3·94
(viii) Payment to other departments, governments etc. . . . .	2·14
(ix) Land customs charges other than pay of staff . . . . .	1·31
(x) English charges on stores . . . . .	·04
Deduct contributions (·85)* and "probable savings" (·78) . . . . .	—1·63
	96·42=96·44

(2) *Customs policy.*—Broadly speaking, the land frontier of India is free, the only exceptions being (i) the frontiers along the foreign enclaves, viz., the French and Portuguese settlements, (ii) Burma-Siam frontier and (iii) the Virangam-Dhandhuka cordon. As regards harbours along the sea the policy is to encourage trade to go to the major ports, where the necessary trained technical staff is available. The harbours and ports of maritime states are, generally speaking, treated as "foreign" ports; the important exceptions to this rule are Bhavnagar and ports in Cochin and Travancore States. Customs establishments are maintained on the frontier between Afghanistan and the North-West Frontier Province and Baluchistan in order to check the goods passing through India free of duty under the trade convention with Afghanistan.

(3) *Functions.*—The Customs Department as such is concerned with (a) the collection of the most important single head of central revenue, viz., revenue from customs including that from certain excises, e.g., motor spirit, petroleum, etc., and (b) with work incidental to its main duty at the ports or the land frontiers, e.g., prevention of smuggling, collection of statistics, control of prohibited or restricted goods. It also collects light dues and cesses and royalties for local administrations and certain funds. Other work connected with the ports, e.g., the administration of ports, pilotage, lighthouses, emigration, pilgrim traffic is no part of its own responsibility, even though under the present arrangements officers of one department frequently look after the work of other departments in addition to their own duties.

(4) *Administration.*—India has at present six ports classed as major ports, viz., Calcutta, Bombay, Madras, Karachi, Rangoon and Chittagong. At these and some of the outlying ports customs work is under officers of the Customs Department; at other outlying ports it is looked after by officers of other departments, generally Port Officers, an allowance being paid to them for their customs work. The arrangements are by no means uniform. In Bombay Presidency the Salt Department looks after (i) sea customs work everywhere except at Bombay proper, and (ii) land customs work. *Per contra*, the Customs Department performs duties in connection with imported salt at Calcutta and Chittagong. At some of the Burma ports the customs

\* Establishment charges recovered from other departments, private bodies, recoveries on account of supervision of factories by customs officials or of customs staff at private wharves, and similar contributions from others for various services rendered.

staff is responsible for lighthouses and lightships. For the administration of customs on the Orissa coast the Government of Bihar and Orissa are still responsible, and receive a share of their cost. This outline shows that the administration of customs still retains many of the vestiges of the pre-reform system under which Local Governments used to be responsible, as agents, for customs, salt, ports, lighthouses, etc. It may also be added that in connection with inward foreign postal articles customs work is done by the Posts and Telegraphs Department in return for an annual payment of two lakhs.

(5) *Organisation*.—The Customs Department used to be controlled by the Commerce Department, but since 1924 the administrative control vests in the Central Board of Revenue. Apart from the exceptional cases where another department or a Local Government still looks after customs work (e.g., minor ports in Burma and Bombay, or ports in Bihar and Orissa), the agency by which the Central Board of Revenue controls the work is the customs staff at the various ports.

At five of the six major ports there are collectors of customs; two of these posts are reserved for the I. C. S. and the other three are filled by officers of the Imperial Customs Service. Among the outlying ports Chittagong is the most important and customs work there is in charge of an Assistant Collector of the Imperial Customs Service.

The Collector has under him the necessary staff consisting of (i) Assistant Collectors, (ii) audit and account officers, (iii) Appraisers and examiners, (iv) preventive service men and wharfingers, (v) chemists, (vi) clerks and (vii) inferior servants including boat crews. The following table shows the present strengths of each class of establishments at each of the six major ports, their outposts, and at the land frontiers under (a) officers and (b) establishments.

	Calcutta.	Bombay.	Rangoon.	Madras.	Karachi.	Chittagong.	Outports.			Land frontiers.
							Burma.	Madras.	Bombay.	
(i) Officers—										
Collector	1	1	1	1	1	..	..	..	..	..
Assistant Collectors*	7	7	3	3	3	1	..	..	..	..
Audit, etc.	..	..	1	1	1	..	..	..	..	..
Chemists	2	1	1	1	1	..	..	..	..	..
Others	10	10	2	2	2	..	6	..	..	5
Total	20	19	8	8	8	1	..	6	..	5
(ii) Establishments—										
Appraisers and Examiners	37	33	12	11	21	2	..	..	..	..
Preventive Service men.	273	88	109	47	43	21	..	100	..	4
Wharfingers	..	111	..	..	26	..	..	..	..	..
Chemists	8	3	1	1	1	..	..	..	..	..
Clerks	408	344	169	148	150	30	..	189	..	5
Inferior (including crews).	443	464	201	79	192	31	..	652	..	12
Others	16	39	23	2	8	2	..	..	..	1
(iii) Total	1,185	1,119	515	288	451	86	..	941	..	22

\* In addition to above there are leave and training reserves of three Assistant Collectors and three probationers.

While each of the five custom houses has its own chemical staff on the spot, "chemical control" work is, at present, in charge of the present incumbent of the post of professor of chemistry at the Government College, Lahore; he has a small special staff to assist him.

It only remains to add that unlike the Income-Tax or the Salt Departments, the Customs Department has no recognised class II service. It has however been proposed to classify certain posts as class II posts under the recent "classification" rules.

(6) *Scales of pay.*—Apart from the one selection post for which the pay is Rs. 3,000 *plus* overseas pay, the regular scale of pay for Collectors of Customs is Rs. 2,250—100—2,750 *plus* overseas pay. The Imperial Customs Service is on the scale of Rs. 350—50—1,500 *plus* overseas pay. The scales of pay for other posts vary from port to port.

(7) Growth of expenditure and receipts (in lakhs)—

	1913-14.	1922-23.	1924-25.	1929-30.	1930-31.	1931-32.
Expenditure . . . . .	41.34	72.74	77.12	96.17	94.61	96.44
Receipts . . . . .	11,13.78	45,41.84	44,98.19	51,27.66	54,63.81	56,46.97

A comparison of the ratio of expenditure to receipts is not of much help, since the growth of receipts is primarily due, not to the increased volume of trade but to enhancements in, and new additions to, the tariffs. Thus, since 1924-25 Government stores pay customs duties; till then they used to come in free. The general tariff which used to be 5 per cent. in 1913-14 and 15 per cent. up to 1930-31 is now 25 per cent. Customs work has also grown in complexity not only since 1913-14 but even since 1922-23.

(8) *Inchcape Committee's proposals.*—This Committee's observation that compared with 1913-14 there was probably a falling off of trade in the period ending 1922-23 may be true of the state of trade today, but the precise position cannot be verified statistically. That Committee recommended that "the strength and pay of the staff at the various customs houses should be examined with a view to possible economies" but "having regard to the importance of maintaining the revenue", it did not recommend any further reduction. In fact, it was found necessary to increase the staff, and in the case of some establishments, to enhance the scales of pay.

(9) *Departmental proposals.*—The Central Board of Revenue proposes to reduce the number of Assistant Collectors' posts by five, subject to the proviso that two accounts officers' posts should be added to the cadre. This would save 57 lakh. A lump cut of 10 per cent. is proposed in the other gazetted and non-gazetted staff; on the former the saving would be 33 lakh, and on the latter 4.78 lakhs. Other savings proposed are 50 on allowances, 20 under establishment charges paid to other departments and governments, 05 under land customs charges and 65 under other expenditure. Total 7.07 lakhs.

(10) *Our proposals.*—(i) From a study of the statistics relating to the expenditure, the revenue collected, and the numbers of staff to be controlled we conclude provisionally that there is no intrinsic justification for treating all collectors of customs alike in the matter of pay. We shall take this up at a later stage of our enquiry.

(ii) The sanctioned cadre of Assistant Collectors was 21 in 1913-14 and 24 in 1922-23 and now stands at 30. We agree with the Board's proposal that the cadre should be reduced. The net reduction it offers is three, i.e., ten per cent. We do not think this goes far enough. We propose that, taking Collectors and Assistant Collectors together, at least six posts should be reduced;

the proposed reduction is a little over fifteen per cent. As regards the reduction of expenditure, we shall assume that it will be *pro rata*. Further, we think that the cost on other officers' posts should be similarly reduced by 15 per cent. In this connection our remarks in the next sub-para. may be seen.

The aggregate savings on our proposals will be 1.18 lakhs at the ports and .03 at the land frontiers, i.e., a total of 1.21 lakhs.

(iii) The Board has offered to effect a ten per cent. reduction in the establishments. We do not consider this offer adequate in the case of this department. India's overseas trade, both import and export, has declined appreciably. We recognise that a highly trained technical staff cannot be increased or decreased with every change in the volume of trade. But we hold that this contention, even if valid in the case of appraisers, chemists, and similar classes of technically trained men, is hardly applicable to the case of preventive ser-vice-men, and the ministerial and menial establishments. It has again been argued that the decrease in the total volume of trade does not necessarily indicate a proportionate decrease in customs work; in fact, we have been told that owing to the operation of the tendency for small individual consignments to increase at the expense of large and uniform ones, customs work is tending to increase inspite of the volume of trade remaining more or less the same. We concede that this contention has a little force, but we think it has been overstated. Our view is that taking everything into consideration a reduction of 15 per cent. in the *provision* for establishment is practicable. If the men to be retired or discharged are properly selected, the proportion so dealt with need not go up to 15 per cent. nor need it be uniform as between the various classes and grades of customs services; this remark applies to sub-para. (ii) also.

Our proposal should yield a saving of 7.47 lakhs.

(iv) The staff is recruited for work at the ports, almost all of which are expensive stations. In our opinion the entire system of compensatory and house-rent allowances should therefore be abrogated. We cannot calculate the savings, since we do not know the amounts provided for such allowances. We are therefore reduced to proposing a cut of 15 per cent. on the provision for all allowances except those for overtime work. Finance Department has already issued orders cutting down certain allowances; hence we think it will not at all be difficult to effect the reduction proposed by us, especially because the numbers will also decrease.

The resulting saving will be .49 lakhs.

(v) Similarly, in the case of the following provisions the 1932-33 budget should be reduced by 15 per cent., viz., (a) purchase and repair of boats, (b) stores and equipment of boats, (c) charges for the detection of offences, (d) supplies and services, (e) contingencies, (f) "other charges" at the land customs stations.

The total savings will be .78 lakh, even after allowing for the entire minus provision for "probable savings" under this sub-paragraph.

(vi) The 1931-32 grant contemplates receipts of 12.35 lakhs by way of overtime fees realised from merchants and shippers and shipowners (6.52), penalty fees levied for work on Sundays and special holidays (4.73), and bond and other fees realised from merchants for work done during ordinary working hours (1.11). Out of this 12.35 lakhs the 1931-32 budget provides for the following payments, viz., (a) 6.47 lakhs to officers out of merchants' overtime fees, (b) 3.39 to officers out of the penalty fees including crown overtime, (c) 1.34 plus .57 brought forward from 1930-31, i.e., 1.91 lakhs which is the amount available for grants out of penalty fees to seamen's and customs welfare institutions.

The following table gives the necessary information for the years 1929-30, 1930-31 and 1931-32 :—

	1929-30. (Actuals.)		1930-31. (Revised Estimates.)		1931-32. (Budget.)	
	Receipts.	Expendi- ture.	Receipts.	Expendi- ture.	Receipts.	Expendi- ture.
Merchants' overtime	6.34	6.36	5.75	5.84	6.52	6.47
Penalty fees	4.30	3.09 } 1.10†	3.81	3.39 } 1.10†	4.73	3.38 } 1.91†
*Bond and other fees for work during ordinary hours	1.09		1.06		1.11	

We have examined very carefully the theory and practice of the system of levying penalty fees and overtime charges. We have no doubt that shippers and shipowners find it convenient to pay these rather than let their cargoes remain uncleared. We therefore propose that the system of charging such fees should remain unaltered in essence. We consider this case to be somewhat analogical to the case of "late fees" and "double charges" in the Posts and Telegraphs Department.

We are not, however, convinced that it is necessary to pay to customs officials the whole or even a large part of the fees so realised. A large proportion goes to preventive servicemen who, we consider, are already well-paid. Their duties correspond to the duties of police officers and the men used at one time to be drawn, to some extent, from the police. The scales of pay are in our opinion extremely liberal when compared with those in force for the corresponding grades of provincial police services operating in the ports concerned. We have been told that on the average "overtime" and similar emoluments amount to about one-third of the pay proper. Hence, we can see no justification for these additional emoluments. We may also cite the case of the ports establishments, who, broadly speaking, are paid, not the whole, but only one-half of the overtime earned for Government. The labour involved in the case of customs officials is not physical; hence, the analogies of railways, mint and similar departments are not applicable to the case of the customs establishments. We hold that the ordinary theory of Government service, *viz.*, that a Government employee is deemed to be in service all the twenty-four hours of the day should be acted upon in this case. Scores of Government departments—central and provincial—involve overtime work for their staffs, but the payment of overtime allowances or even bonus is an exception proving the rule that a public servant must, whenever necessary, put in extra work without expecting extra wages. In fact, in the case of Customs and similar services such overtime work should be regarded as one of the normal incidents of service. We are not sure that the system of "overtime" allowances does not encourage abuses. On all these grounds, we hold that the entire system of overtime, etc., allowances can and should be abolished. But, in the case of those already in service we would not go so far. With the exception of Mr. Ramsay-Scott we hold that Government are entitled to appropriate to themselves the whole or a part of the receipts from overtime and penalty fees charged to the public. The Sub-Committee, however, having regard to the practice that has obtained hitherto, recommends that 50 per cent. of the receipts should be appropriated to Government. Mr. Ramsay-Scott would, however, confine his recommendation to an appropriation of not more than one-fourth.

\* These are entirely credited to Government.

† Payments to charitable and welfare institutions.

Payments from merchants' overtime fees and from penalty fees including crown overtime are made to officials of the department. The balance of fees levied for work on Sundays and special holidays after payment of penalty fees and crown overtime to officers becomes available for payment to seamen's and customs welfare institutions. In fact, we observe that a large majority of the institutions actually in receipt of grants are recreation clubs and institutions for mutual financial assistance among customs officials. Grants to such institutions are not a statutory obligation on Government, though we concede that it has been the customary practice of Government so far to make them. While we hold that Government are entitled and justified in refusing to continue these grants, we do not recommend such action. Some consideration should be shown to the institutions, since they would naturally expect the grants not to be discontinued all of a sudden. We therefore recommend that the same principles and percentage cuts should be applied to these grants as in the case of payments to officers.

Although receipt in 1931-32 are estimated to amount to 11.25 lakhs, the estimate of the amount available for expenditure is 11.77. Since, our proposal is for the reduction of expenditure rather than the increase of receipts, we estimate a saving of 5.88 lakhs from our proposals in this sub-paragraph.

(vi) Out of the provision of 2.14 for payments to other departments, governments and bodies the Board has offered a saving of .20. We recommend that it should be accepted.

(vii) Chemical control work should, in our opinion, be made over to the Government Test House at Alipore.

(viii) We only wish to add that since the appointment of junior Indian members of the I. C. S. as Assistant Collectors is intended to train them for appointment as Collectors of Customs drawn from the I. C. S., the post of Assistant Collector held by an Indian member of the I. C. S. should not be brought under reduction. Such reduction as is given effect to should be in the cadre of Assistant Collectors belonging to the Imperial Customs Service.

(11) *Summary of savings.*— On our proposals the aggregate reduction of expenditure will be 16.03, or say, 16 lakhs.

## CHAPTER III.

## GRANT No. 18.—SALT (125·15 lakhs).

(1) *Explanation of the grant.*—The 1931-32 estimates for all the Salt departments are Rs. 1,24·12 lakhs plus Rs. 1·03 lakhs (=£7,725) for overseas pay, leave salaries, etc., paid in sterling. The budget may be summarised below :—

Direction.	Salt purchase and freight.	Royalties and compensations.	Capital expenditure.	Total†	
(i) N. I. S. R. . . . .	31·09*	..	31·54	1·02	63·35
(ii) Madras . . . . .	11·26	3·85	4·88	2·66	21·70
(iii) Bombay . . . . .	26·02	6·05	·87	·60	33·54
(iv) Burma . . . . .	1·66	..	..	..	1·66
(v) Bihar and Orissa . . . . .	·76	..	..	..	·76
(vi) Bengal . . . . .	2·91	..	·20	..	3·11

(2) *Salt policy and functions of the Salt Department.*—Broadly speaking, the production of salt is not a Government monopoly except in Northern India and at Kharaghoda. Wherever salt is manufactured in India, it is "excised". In Madras Presidency, Government retain the power of buying up salt from the factories at stipulated prices, the object being to control the price. Salt manufactured or purchased by Government is sold at cost price, which is arrived at by certain formulæ; for this purpose Kharaghoda and Northern India sources are lumped together. Salt is not manufactured in Bengal, Assam, Bihar and Orissa, the United Provinces and the Central Provinces. The Salt Departments of Bombay, Madras and Burma are *mainly* concerned with the collection of the excise duty and preventive work. The import duty on salt imported into Bengal is collected by the Customs Department. In Northern India, however, the salt policy has led to concentration of production, which is a Government monopoly; preventive work is an important feature of the administration of salt in Northern India. The Indian Statutory Commission suggested that the proceeds of the salt duty should be transferred to the provinces and distributed on a population basis (Volume 2, paragraph 294). The Round Table Conference proceedings indicate that "salt" may be federalised.

(3) *Organisation.*—(i) *General.*—The administrative control of all salt departments is vested in the Central Board of Revenue. There are four regular Salt departments, *viz.*, N. I. S. R., Bombay, Madras and Burma. In Sind, apart from the small separate establishment maintained at Maurypur (Karachi) salt is still administered by the Government of Bombay as agents for the Government of India, who pay one-fourth of the cost of the combined "salt and excise" establishment. The Local Government of Bengal and, in respect of certain parts of Bihar and Orissa, the Government of that province, continue to be responsible for preventive work and are paid 2 lakhs and 76 lakh respectively for this "agency" work by their combined "salt and excise" establishments.

The Collector of Salt Revenue, Bombay, also looks after (a) sea customs work at the minor ports of Bombay Presidency (*minus* Sind), (b) land customs work along the Virangam-Dhandhuka line, and (c) the minor ports and lighthouses and lightships; in respect of (c) the Commerce Department make a contribution. *Per contra* the Customs Department looks after salt work at Calcutta and Chittagong. The Salt and Customs Departments do not charge for the work done by the one for the other.

\* *Viz.* 1·21 direction, 25·62 other working expenses and 4·06 preventive establishments.  
† Totals will not necessarily tally, since they take account of probable savings.

(ii) *N. J. S. R.*—The largest salt administration is the Northern India Salt Revenue Department. It works the two main salt sources in Northern India, viz., (1) the salt mines at Khewra, Warchha, Kalabagh and Kohat and (2) the "brine salt" works at Sambhar, Pachbadra and Didwana. It also looks after preventive work over the whole of Northern India including the Central Provinces and Bihar. The Department is administered from Delhi by a Commissioner drawn from the I. C. S. who gets a special pay of Rs. 250; the post is not, however, reserved for the I. C. S. The other superior staff and their scales of pay (apart from overseas pay) may be set out as below:—

- (a) *Direction.*—A Deputy Commissioner\* and a Personal Assistant of the rank of a Superintendent (250—600 plus a special pay of 50).
- (b) *Manufacture.*—Two General Managers (1,100—1,400), an Assistant General Manager (700—900) an Assistant Commissioner (700—1,000), 11 Superintendents (250—600) and a Treasury Officer (300—350).
- (c) *Weightment.*—An Assistant Commissioner (1,000) and five Superintendents (250—600).
- (d) *Workshop Supervision.*—A Superintending Mechanical and Electrical Engineer (1,000—1,200) at Khewra and an Electrical and Mechanical Engineer (775—875) at Sambhar.
- (e) *Medical.*—Two assistant surgeons (225—450 plus a special pay of 30 and 350 plus a special pay of 125).
- (f) *Preventive.*—Two Assistant Commissioners (700—900 plus a special pay of 100) and five Superintendents (250—600 plus a special pay of 100).

The regular establishment numbers nearly 1,500 men and there are provisions aggregating Rs. 58,300 for temporary establishments.

(iii) The Madras Salt Department is administered by a Collector of Salt Revenue. The post is reserved for the I. C. S. and the Collector gets a special pay of Rs. 200. Under him there are four Assistant Commissioners, one on 1,000—1,200 and the others on 600—900. One of them works as Secretary to the Collector and receives a special pay of Rs. 100. The other gazetted executive staff consists of 12 Inspectors on 300—540.

The regular establishment numbers 1,958.

(iv) In Bombay Presidency also the Collector of Salt Revenue's post is reserved for the I. C. S. but it carries no special pay. The other gazetted staff consists of a Personal Assistant (300—600), a Chief Accounts Officer (300—1,000), seven Assistant Collectors (one on 1,050—1,200 and six on 300—1,000)† and an Assistant Surgeon (200—450 + a special pay of 70). There is also a Deputy Superintendent of Lighthouses (Rs. 450—850) under the Collector, but he does no salt work.

The regular establishment numbers 5,186.

The above-mentioned staff includes an Assistant Collector and an establishment (temporary) costing Rs. 12,400 and Rs. 72,200 respectively for land customs work along the Virangam-Dhandhuka line.

(v) In Sind the Local Government's excise staff looks after salt work, and the Government of India pay them  $\frac{1}{4}$  of the cost of the combined staff. The provision in 1931-32 for this purpose is Rs. 81,000. Besides, a separate Sind Salt Department is maintained at a cost of Rs. 80,000 with a Superintendent (on Rs. 600) in charge.

\* The post was held by a departmental officer and has been abolished with effect from September 1931. The Personal Assistant's post has been converted into a Secretary's post (on Superintendent's scale plus a special pay of Rs. 100—160).

† For non-Asiatics the scales are Rs. 200 less but they get £25 in lieu of the Rs. 200.



(vi) In Burma the Commissioner of Income-tax works also as Commissioner of Salt Revenue and gets Rs. 200 as special pay. Under him is a Collector of Salt Revenue (1,000—1,250) and two Superintendents (400—900).

The regular establishment numbers 126.

(4) Expenditure, receipts and net revenue (in lakhs)—

	1913-14.	1922-23.	1924-25.	1929-30.	1931-32.
Expenditure (including sterling expenditure).	92.52	1,51.36	1,27.40	1,28.08	1,25.15
Receipts minus refunds . . . . .	5,16.79	6,82.48	7,39.05	6,76.46	7,05.00
Net Revenue . . . . .	4,24.27	5,31.12	6,11.65	5,48.38	5,79.85

*Note.*—From 1888 to 1903 the salt duty was Rs. 2-8-0 per maund. In 1903 it was reduced to Rs. 2; in 1905 to Rs. 1-8-0 and in 1907 to Re. 1. In 1916 it was raised from Re. 1 to 1-4-0 per maund. In 1923-24 it was raised to Rs. 2-8-0 but was again reduced to Rs. 1-4-0 in 1924-25. This is the rate in force now. It has, however, been subjected to a surcharge of 25 per cent. by the Supplementary Finance Act, 1931.

A statement is appended at the end of this Chapter setting forth the salt budget (both expenditure and revenue) of each salt department and how it has been rising or falling.

(5) *Commercialisation of accounts.*—The Incheape Committee had recommended the introduction of commercial accounts in all the salt departments, but only those of the Northern India Salt Revenue Department are maintained on the commercial system. In that department there was a "profit" of Rs. 56 lakhs against "losses" of about 3½ lakhs in each of the two previous years. The accumulated loss since 1st April 1924 up to the end of 1929-30 was 3.69 lakhs. Fixed assets then stood at 85.10 lakhs.

(6) *Development schemes in hand.*—Consequent upon the Tariff Board's enquiry and the Salt Survey Committee's report, a differential duty of 4½ annas per maund has been imposed on imported salt with effect from 18th March 1931. A part of the proceeds of this duty will be devoted to the development of salt sources in India, especially in Northern India, Sind (including Karachi) and along the east coast, with the object of capturing the markets in Bengal and Assam, which at present, are served by imported salt.

(7) *Limitations on scope for economy.*—The Central Board of Revenue rightly points out that certain items of expenditure are either obligatory or affect revenue directly. Thus, royalties and compensations, pensions, establishment charges paid to other Governments or departments, interest on capital outlay and contributions to the depreciation fund, payments to railways for the collection of statistics or for the examination of wagons (for customs purposes) are more or less obligatory. Royalties and compensations are payable to various States and Governments; some of them are fixed sums while others depend on clearances. Expenditure on "manufacture, excavation and despatch" and "purchase, conveyance and storage" directly affects revenue; the scope for genuine reduction of expenditure on these items is restricted. The obligatory expenditure amounts to 49.33 lakhs and "expenditure yielding revenue" to 21.23 lakhs. The budget provision genuinely amenable to retrenchment is thus reduced to 53.56 lakhs plus a part of the 21.23 lakhs.

(8) *Board's action and proposals.*—(i) The Board has given effect to an old idea and abolished the post of the Deputy Commissioner of N. I. S. R. and converted the post of a Personal Assistant to the Commissioner into that of a Secretary on a higher special pay. (ii) Various vacancies were left

unfilled and certain minor economies effected, in the various salt departments. (iii) The Board also offered to explore the possibility of amalgamating the duties of local heads of central revenue departments, e.g., those of Collectors of Salt Revenue in Bombay and Madras with those of the respective Collectors of Customs. All this was estimated to yield a saving of 6-20 lakhs in the 1931-32 budget. But the genuine permanent reduction of expenditure would have been only 1-66 lakhs, so far as we can estimate it.

Subsequently the Board has offered the following savings, viz., (i) 4½ lakhs under pay, allowances and contingencies, (ii) 1 lakh under works, (iii) 2½ lakhs under supplies and services including salt purchase and freight, (iv) ½ lakh under depreciation charges and interest on capital. Total 8-75 lakhs.

The savings offered under works amount, to a certain extent, to the mere postponement of inevitable expenditure and those under (iv) are due mainly to the revaluation of assets. On our proposals the savings are appreciably larger. Hence, we cannot recommend the acceptance of the Board's offer. We shall, however, take account of each item of the offer in the relevant portions of our proposals.

(9) *Our proposals* :—

A.—N. I. S. R. DEPARTMENT.

(i) After a careful consideration of the *pros and cons* we have come to the conclusion that the post of Commissioner, N. I. S. R., and his office should be abolished.

His duties are, broadly speaking, two-fold, (i) general control and supervision over the work of the two manufacturing divisions and (ii) supervision over preventive work over almost the whole of Northern and Central India. As regards the first, we observe that a well-paid and qualified staff is already maintained (*vide* paragraph 3-ii). Manufacture being concerned with technical processes, all supervision from a distance must tend to become largely formal and financial; in other matters it must, to a large extent, involve duplication. The Commissioner and his officers were no doubt useful institutions when the salt policy, viz., monopoly and concentration in Northern India, had to be given effect to and preventive work was necessarily a very important element in that policy. But the monopoly as well as the concentration of manufacture are now accomplished facts, and the need for an officer of a high status is no longer what it used to be.

On this important question we examined Sir Chunilal V. Mehta, K.C.S.I., under whose Chairmanship the Salt Survey Committee recently enquired into the feasibility of developing the salt sources in the Salt Range, Rajputana, Sind, etc. It is true that that Committee did not directly examine the question whether the post of the Commissioner and his office should be retained or not. But it had, in fact, an opportunity of studying the utility of that office as an intermediate link between Khewra and Sambhar on one side and the Central Board of Revenue on the other. Sir Chunilal V. Mehta's opinion is that if the manufacturing divisions are in charge of fairly good men, the Commissioner's post and his office are not needed, even after taking into account the need for staff in connection with the development schemes contemplated by his Committee. He has naturally qualified his view by adding that his Committee had no concern—direct or indirect—with preventive work; but, in other respects, it is an unqualified opinion. We may now deal with the bearing of preventive work on the need or utility of the Commissioner's office.

Article 20 of the Irwin-Gandhi agreement relating to the manufacture and sale of salt for local needs (App. I, page 42) renders intensive preventive work in the interests of Salt Revenue less important in future. It is a relic of the old days and its value has declined considerably all over India. In any case we cannot see the reason for maintaining a small special staff for preventive work over almost the whole of Northern and Central India. In the nature of things, an arrangement like this must be inefficient and wasteful, unless the work to be done by it is very light. Preventive work can be looked at from two points of view, *viz.*, salt revenue and law and order. If the former is a central subject, the latter is definitely a provincial one, and Local Governments should be charged with its administration. In our opinion they alone with their widespread police, excise and revenue organisations embracing every inhabited site can be in the best position to look after the illicit manufacture of salt or its smuggling-in without payment of duty. This in fact is the position in Bengal, Sind and over a considerable part of Bihar and Orissa. Even if the Local Governments of the provinces concerned have to be paid for the preventive work to be made over to them, we hold that from the point of view of the tax-payer in general it will be a cheaper arrangement.

The Central Board of Revenue also told us in reply to our questionnaire that "apart from the question of adjustment between the central and provincial governments, it may still be economical to the tax-payer as a whole to have preventive work performed as a part-time function by excise staff which is already employed in the areas concerned"—(*vide* appendix II, page 42, in which the reply is quoted *in extenso*).

Thus, our considered conclusion is that the Commissioner's office is now an anachronism. We understand that the question of its abolition was at one time considered in the Finance Department. We definitely recommend that it should be abolished. The Commissioner's powers should, broadly speaking, be delegated to the general managers of Khewra and Sambhar. As suggested by Sir Chunilal Mehta, the *present* general manager of Khewra might be placed in technical supervisory charge of Sambhar and Pachbadra and be constituted the Central Board of Revenue's technical adviser on salt questions. If our recommendation is accepted, we think the Central Board of Revenue should continue to consist of two members, and should take over up to about half of the establishments and of the provisions for allowances and contingencies.

Incidentally we may mention that in our view the only remaining important manufacturing centre in India, *viz.*, Kharaghoda should also be placed in charge of a responsible officer, *e.g.*, the Assistant Collector of Salt Revenue in charge of land customs work at Viramgam which is only a few miles from Kharaghoda. Such officer should, in matters relating to Kharaghoda, be invested with the present powers of the Collector of Salt Revenue, Bombay, and should be empowered to deal direct with the Central Board of Revenue.

(ii) Further, we think a ten per cent. reduction should be made in (1) the provisions under the head "manufacture" after excluding the item "manufacturing and excavation charges", (2) weightment *minus* despatch charges, (3) stores and workshop establishments and (4) medical establishment. We may add that our proposal is not essentially different from the Board's own offer of nearly 10 per cent. on pay, allowances and contingencies. We estimate a saving of 78 lakh. We should here add since the salt manufactured or mined by Government is sold at cost price, the receipts from salt will also be affected when the cost of the production decreases. But such an adjustment takes time; meanwhile the reduction in expenditure will be reflected *in toto* in the civil estimates. In this connection sub-para (iv) may be seen.

(iii) We estimate a further saving of about 1.89 from the abolition of the special preventive establishments in the N. I. S. R. Department, as proposed, by us in sub-paragraph (i). We reckon that Local Governments will, on the analogy of Bengal and Bihar and Orissa, have to be paid something as an inducement to take up such work and that possibly half of the present expenditure on the pay and allowances of the staff and on genuine contingencies is all the saving that can be expected. Such an arrangement should in no case prove more costly than the present one, since the Government of India can point to the fact that even a special establishment can be maintained for about 4 lakhs on a scale reasonably sufficient for the work entrusted to it.

(iv) We observe that in the case of Sambhar overhead charges (excluding royalties, etc.) amounted to 21.44 and 16.86 pies as against 9.9 and 8.9 pies at Kharaghoda in 1928-29 and 1929-30 respectively. Sambhar is a bigger manufacturing unit and in most other respects conditions at Sambhar are not less favourable to economical production than at Kharaghoda. Hence we are constrained to observe that we consider the production at Sambhar unduly costly. The staffs at Sambhar as well as Khewra, etc., appear to us to be both excessive and unduly expensive. We know that under the present policy it is the consumer who has to pay the price, whatever it might be. But we think there is no reason why the consumers' interests should not be furthered by all practicable means. We therefore think this question should be carefully investigated by the department and every effort be made to reduce "overheads" at Sambhar to as near the Kharaghoda level as practicable. Since under the accepted policy of developing the Northern India Salt Sources, the output at Sambhar and Pachbadra is likely to be increased, the cost of production per maund should go down still further. We have only to add that this view has been confirmed by Sir Chunilal Mehta.

(v) On our proposals the savings after allowing for a ten per cent. reduction of the deduction for "probable savings", and leaving out possible savings under "works", "contribution to depreciation fund" and "interest charges" to be accounted for under the salt grant as a whole, will be 3.47 lakhs.

#### B.—MADRAS.

(vi) On the analogies of the combination of income-tax and opium work in the U. P. and of income-tax and salt work in Burma we hold that it should not be difficult to abolish the post of the Collector of Salt Revenue, Madras, after making over his duties to the local Collector of Customs. In fact, the Central Board of Revenue have such an arrangement already in view. Including the provision for passages this proposal will yield a saving of Rs. 26,300.

(vii) In any case, the special pay of Rs. 200 per mensem for the C. S. R., Madras, should be abolished. We observe that the C. S. R., Bombay's duties are heavier and more varied. The numbers of officers and establishments controlled are far larger and the grant administered is bigger by about 50 per cent. He has an important manufacturing centre, viz., Kharaghoda, to supervise; Madras has nothing corresponding to it. He also does customs, lighthouses and minor ports and land customs work; these duties have no counterpart in the case of the C. S. R., Madras. And yet we note that the C. S. R., Bombay, gets no special pay.

(viii) In case, however, the post is retained, the number of Assistant Commissioner's posts should be reduced to three by the abolition of the post of Secretary to the Collector.

(ix) The Central Board of Revenue offered about ten per cent. on pay, allowances and contingencies; we propose a ten per cent. reduction in the provisions for (a) Inspectors, (b) Establishments, (c) Allowances, (d) Supplies and Services and (e) Miscellaneous contingent expenditure. Allowing for a reduction of the deduction to be made for "probable savings", we estimate a saving of .97 lakh from the proposal in this sub-paragraph.

(x) Leaving out savings under "Works" and "Salt purchase and freight" for the present, the total savings in the Madras Salt Department will, on our proposals, be 1.23 lakhs.

#### C.—BOMBAY.

(xi) The feasibility of amalgamating the duties of the Collector of Salt Revenue with those of the Collector of Customs should be considered. As the Bombay Customs Department is one of the two heaviest customs charges, we refrain from making a positive recommendation. In case the post is retained, the number of Assistant Collectors should be reduced from seven to five; otherwise, from seven to six. For purposes of an estimate of savings we shall assume the former. Savings will be .20 lakh.

(xii) The Bombay Salt Department is, so far as we are aware, unique in possessing an expensive Chief Accounts Officer. We see no reason why arrangements which are good enough for the other provinces should not suffice for Bombay. This post should therefore be abolished, saving Rs. 7,900.

(xiii) Action more or less on the lines of the Central Board of Revenue's offer to reduce the provisions for pay, allowances and contingencies by about ten per cent. would yield savings of 2.43 lakhs as below :—

(a) Establishments . . . . .	1.91
(b) Further reduction in the provision for "bad climate allowance" . . . . .	.09
(c) Allowances . . . . .	.24
(d) Supplies and Services except payment to Railways for the collection of statistics and for the detention of wagons for customs examination . . . . .	.10
(e) Contingencies except the provision for the amelioration of the condition of <i>agarias</i> (salt makers on a small scale) . . . . .	.09

(xiv) Leaving out possible savings under "works" and "salt purchase and freight" and making a reduction of Rs. 1,000 in the deduction for "probable savings" under "pay of officers" our proposals will yield a saving of 2.70 lakhs.

#### D.—SIND.

(xv) Both salt and customs work at Karachi is light and can be amalgamated in charge of the Collector of Customs. No extra emoluments need be paid. The Superintendent's post should therefore be abolished, saving Rs. 7,200.

(xvi) A ten per cent. cut on the provision for establishments, allowances, supplies and services and contingencies and the abolition of the provision of Rs. 3,100 (on the general ground that staff recruited for work at a particular centre or centres should not be given house-rent, compensatory local and similar allowances) will yield savings of Rs. 5,870.

(xvii) Total savings, excluding those under "works" and "salt purchase" will be .13 lakh. Besides, now that Sind has a separate salt department at Karachi, the most important centre of the salt industry in Sind, an attempt should be made to get some reduction in the contribution payable to the Government of Bombay in respect of their combined salt and excise staff.

## E.—ADEN.

(xxiii) There are only six guards and servants and the total provision for their pay is only Rs. 1,800. Including allowances, contingencies and works the total 1931-32 provision for Aden is only Rs. 3,000. Since under the accepted scheme for the development of the Aden salt industry some expansion is probable, we think no reduction in the budget should be made.

## F.—BENGAL.

(xxix) The 1931-32 grant includes a provision of .91 lakh for special establishments, viz., 19 executive subordinates, clerks, etc., and 59 servants. A ten per cent. cut on the pay and on the controllable portions of supplies and services and contingencies and the abolition of house-rent and other allowances will yield a saving of Rs. 5,480.

## G.—BURMA.

(xx) In the case of the Commissioner of Income-tax, U. P., we have recommended that what, in effect, amounts to a special pay of Rs. 250 should be abolished. Since the salt duty in the case of the Commissioner of Income-tax, Burma, is much lighter than the opium duty in the U. P. and even income-tax work is not amongst the heaviest in India, we must recommend the abolition of the special pay of Rs. 200 per mensem drawn by the Commissioner of Income-tax, Burma.

(xxi) In our opinion the Commissioner can easily look after salt work in addition to his income-tax work, if suitable arrangements are made to provide him with assistance as regards office supervision. The post of Collector of Salt Revenue is superfluous and should be abolished. Saving Rs. 13,700.

(xxii) A ten per cent. cut on the provisions for the pay of establishments, travelling allowances, supplies and services (excepting salt purchase and freight) and contingencies (except rents, rates and taxes) and the abolition or serious curtailment of house-rent and other allowances will yield a saving of about .15 lakh.

(xxiii) On our proposals the total savings in Burma will be .31 lakh.

## H.—GENERAL FOR ALL SALT DEPARTMENTS.

(xxiv) To the savings shown by us in detail in the preceding sub-paragraphs may be added the savings proposed by the Central Board of Revenue, viz., 1 lakh under works, 2.50 under supplies and services and under salt purchase and .75 under depreciation charges and interest. Total 4.25 lakhs.

NOTE.—The Board had included the savings contemplated by it on supplies and services in this figure, but we have restricted the figure to salt purchase and freight and have taken a separate account of the savings from supplies and services other than salt purchase and freight. The provisions for salt purchase and freight and manufacturing and excavation and despatch charges being substantial amounts, we think there should be little difficulty in giving effect to our proposals in this sub-paragraph.

(10) *Summary of savings.*—On our proposals the reduction of expenditure for purposes of the 1932-33 budget will be 7.89 [paragraphs (1) to (xxiii) plus 4.25 (paragraph xxiv)] lakhs. Total 12.14 or, in round figures, 12 lakhs.

It may also be possible to get the Local Governments of Bengal, Bihar and Orissa, etc., to accept lower contributions for "agency" work, the reasons being the decline in the importance of preventive work and the probable reductions in the scales of pay in force in the provinces and in the Local Governments' expenditure in general.

Reference—Paragraph 9 (i).

#### APPENDIX I.

##### ARTICLE 20 OF THE IRWIN-GANDHI SETTLEMENT OF MARCH 1931.

“ Government are unable to condone breaches of the existing law relating to the salt administration nor are they able in the present financial condition of the country to make substantial modifications in the Salt Acts.

For the sake however of giving relief to certain of the poorer classes, they are prepared to extend their administrative provisions, on lines already prevailing in certain places, in order to permit local residents in villages immediately adjoining areas, where salt can be collected or made, to collect or make salt for domestic consumption or sale within such villages, but not for sale to, or trading with, individuals living outside them.”

#### APPENDIX II.

Extract from paragraph 2 of the Central Board of Revenue's reply to our questionnaire :—

“ Preventive work is at present done for the Government of India in connection with salt by provincial establishments in Bengal, Bihar and Orissa and Sind. The Board proposes to undertake an examination of the cost of having this work done by separate establishments working under the Collector of Customs or some other local head of a department under the Board. When this examination is concluded, it may show that the present arrangement is the most economical to the central revenues ; otherwise, we shall have still to choose between maintaining a separate central staff or using the results of the enquiry to induce the local Governments to accept a lower contribution towards the cost of their own staff which does the work. It will be clear that, apart from the question of adjustment between the central and provincial governments, it may still be economical to the tax-payer as a whole to have preventive work performed as a part-time function by excise staff which is already employed in the areas concerned.”

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Statement showing expenditure on and receipts from Salt.  
 Reference—Paragraph (4).

(The figures are in lakhs of rupees.)

EXPENDITURE.

	Actual, 1924-25.	Actual, 1925-26.	Actual, 1926-27.	Actual, 1927-28.	Actual, 1928-29.	Actual, 1929-30.	Revised, 1930-31.	Budget, 1931-32.
<b>CHARGES IN INDIA.</b>								
<b>NORTHERN INDIA SALT REVENUE DEPARTMENT.</b>								
Working expenses:—								
Direction . . . . .	1'35	1'30	1'37	1'24	1'28	1'45	1'33	1'21
Manufacture . . . . .	16'85	12'33	11'00	14'19	14'05	15'49	15'56	14'53
Weightment . . . . .		1'23	'69	1'39	3'58	3'32	3'41	3'29
Stores and Workshop Establishment	'06	'29	—51	—1'00	—'80	—'64	—'76	—'81
Medical Establishment . . . . .	<i>NH</i>	'29	'26	'27	'26	'27	'30	'27
Contribution to Depreciation Fund.	2'60	2'54	2'58	3'04	2'92	2'76	2'54	2'04
Cost of Accounts and Audit . . . . .	'31	'49	'53	'56	'63	'60	'53	'54
Pensionary charges . . . . .	<i>NH</i>	'80	'80	'78	'79	'79	'62	'63
Preventive establishment . . . . .	3'89	3'74	3'69	3'94	3'92	4'04	4'19	4'06
Interest on capital . . . . .	3'01	3'72	3'89	4'08	4'97	4'38	4'78	4'74
Compensations . . . . .	20'52	24'25	22'26	25'03	23'59	23'75	22'35	21'54
Capital Outlay . . . . .	7'20	7'13	4'80	'50	'58	1'12	'71	1'02
Deduct—Probable savings . . . . .	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	—'20
Miscellaneous . . . . .	—'13	<i>NH</i>	—'10	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>
Total—N. I. S. E. Department . . . . .	65'65	68'49	61'94	64'57	65'77	67'88	65'66	43'25
<b>MADRAS.</b>								
Direction . . . . .	10'54	10'54	10'40	10'51	10'29	10'48	10'87	11'26
Salt purchase and freight, . . . . .	4'04	3'72	6'66	4'77	'97	1'86	2'41	3'85
Works . . . . .	2'80	2'98	3'34	3'39	2'62	2'91	2'80	2'56
Compensations . . . . .	4'87	4'89	4'68	4'88	4'87	4'87	4'83	4'83
Deduct—Probable saving . . . . .	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	<i>NH</i>	—'80	—'85
Total Madras . . . . .	22'25	22'13	25'28	23'55	18'76	20'10	20'16	21'70
<b>BOMBAY.</b>								
Direction . . . . .	22'29	23'48	23'00	24'01	24'89	25'54	25'93	25'87
Establishment paid to or received from other Governments, etc.	'48	'50	'49	'50	'62	'63	'66	'64
Salt purchase and freight. . . . .	10'43	6'53	6'24	5'44	6'05	6'43	7'75	6'06
Works . . . . .	<i>NH</i>	'88	'88	'97	'99	'66	1'01	'61
Compensations . . . . .	'79	'92	'84	'91	'84	'89	1'18	'87
Total Bombay . . . . .	33'99	32'32	31'45	31'83	32'89	34'15	36'56	33'54
<b>BHARAT.</b>								
Direction . . . . .	1'02	1'02	'94	'99	1'17	'91	'95	'91
Establishment charges paid to or received from other Governments, etc.	2'00	2'00	2'00	2'00	2'00	2'00	2'00	2'00
Compensations . . . . .	'20	'20	'20	'20	'20	'20	'20	'20
Total Bengal . . . . .	3'22	3'22	3'14	3'19	3'37	3'11	3'15	3'11



Statement showing expenditure on and receipts from Salt—*contd.*

(The figures are in lakhs of rupees.)

EXPENDITURE—*contd.*

	Actuals, 1924-25.	Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	Actuals, 1928-29.	Actuals, 1929-30.	Revised, 1930-31.	Budget, 1931-32.
<b>CHARGES IN INDIA—<i>contd.</i></b>								
<b>BURMA.</b>								
Direction . . . . .	'64	4'04*	1'58	1'53	1'38	1'58	1'55	1'66
Total Burma . . . . .	'64	4'04	1'58	1'53	1'38	1'58	1'55	1'66
<b>BIHAR AND ORISSA.</b>								
Establishment charges paid to other Governments . . . . .	'76	'76	'76	'76	'76	'76	'76	'76
Total Bihar and Orissa . . . . .	'76	'76	'76	'76	'76	'76	'76	'76
<b>ASSAM.</b>								
Direction . . . . .	'01	'01	'01	'01	'01	'01	<i>Nil</i>	<i>Nil</i>
Total Assam . . . . .	'01	'01	'01	'01	'01	'01	<i>Nil</i>	<i>Nil</i>
<b>CHARGES IN ENGLAND.</b>								
Leave salary, deputation pay and sterling overseas pay and stores.	'68	'28	'48	1'57	'90	1'23	1'02	1'03
Exchange . . . . .	'25	'08	'16	<i>Nil</i>	<i>Nil</i>	'01	<i>Nil</i>	<i>Nil</i>
Total England . . . . .	'88	'27	'64	1'57	'90	1'04	1'02	1'03
<b>GRAND TOTAL</b> . . . . .	1,27'40	1,32'24	1,24'76	1,27'01	1,13'83	1,28'03	1,25'00	1,26'18

\* Includes adjustments in respect of previous years.

## REVENUE.

Northern India Salt Revenue Department.	1,07'06	1,27'47	1,57'41	1,64'56	2,43'72	1,52'64	1,48'29	1,62'57
Madras . . . . .	1,89'92	1,47'59	1,43'01	1,44'55	1,47'55	1,47'45	1,42'90	1,47'84
Bombay . . . . .	1,73'34	1,52'20	1,53'44	1,53'91	1,56'11	1,57'84	1,56'53	1,54'93
Bengal . . . . .	2,85'91	1,71'64	1,76'78	1,63'75	1,76'02	1,84'09	2,04'48	2,05'12
Burma . . . . .	82'81	84'05	84'16	86'39	84'52	84'42	82'55	84'53
Bihar and Orissa . . . . .	<i>Nil</i>	'01	'01	'01	<i>Nil</i>	'01	'01	'01
Assam . . . . .	'01	'01	'01	'01	'01	'01	<i>Nil</i>	<i>Nil</i>
<b>Total</b> . . . . .	7,59'05	6,32'97	6,69'82	6,63'18	7,59'92	6,76'46	6,86'00	7,06'00

## CHAPTER IV.

## GRANT No. 19.—OPIUM (73·63 lakhs).

(1) *Explanation of the grant.*—The opium budget for 1931-32 is 73·63 lakhs. It may be set out as follows:—

	Lakhs.
(i) Purchase of old stocks of opium in Mewar State . . . . .	7·30
(ii) Payments for special cultivation in Malwa . . . . .	27·00
(iii) Payments to cultivators in the United Provinces . . . . .	27·97
(iv) The Opium Factory at Ghazipur . . . . .	4·21
(v) Superintendence and other establishments in the United Provinces . . . . .	5·46
(vi) Miscellaneous charges at Calcutta . . . . .	·05
(vii) Establishment and other charges elsewhere . . . . .	·08
(viii) Compensations (·09 in Bengal, and ·46 to some States) . . . . .	·55
(ix) High Commissioner (·04 stores plus ·97 establishments*) . . . . .	1·01

(2) *Opium Policy and Revenue Prospects.*—As regards British India the Government of India exercise a monopoly of cultivation and manufacture of opium. A compensation of Rs. 9,000 is paid to the French Government in consideration of the surrender of the right to cultivate opium in Chandranagar (Bengal). The policy *vis-a-vis* the Indian States varies. In consideration of the surrender of the right to cultivate opium, compensations aggregating 46 lakh are paid to some States (in Kaira, Ahmedabad and Banaskantha). Outside British India the tracts suitable for opium cultivation in India are Malwa and Mewar. Some of the Malwa States (*e.g.*, Sitamau) depend on opium cultivation for a considerable share of their public revenues. The present policy of Government is to give certain States a share in the internal market for Indian opium and thus to lead up to a closer control over their production of opium. Malwa opium is rather cheaper than "Benares", *i.e.*, U. P. opium. An important decision taken in 1930 was to buy up old stocks of opium in the Mewar State; this commits Government to an expenditure of over 72 lakhs spread over ten years. The object underlying it was to secure control over opium produced in Mewar and suppress its smuggling into British India and the Far East. The opium so purchased is cheaper than "Benares" or Malwa opium. It is to be disposed of at cost price for consumption in the States.

Under India's ratification of the Opium Convention of 1925 the exports of opium (called "provision" opium) to the Far East, where it is largely used for smoking, are being reduced and, except for medical and scientific uses, will come to an end after 1935. "Provision" opium is supplied at a profit. "Excise" opium is meant for consumption in India and will continue to be manufactured at Ghazipur for supply at cost price to the excise departments of the provinces and administrations and also those of some Indian States (*e.g.*, H. E. H. the Nizam's). As regards opium for medical and scientific uses, Indian opium has already lost ground rapidly owing to its comparatively low and perhaps also decreasing morphine content.

(\* Note.—The establishment charges consist of leave salaries and deputation allowances and sterling overseas pay. They are included in the Indian budget estimates because the accounts are commercialised.)

(3) *Functions*.—The Opium Department arranges for the cultivation of poppy in the United Provinces and for the purchase of opium produced in Malwa and of stocks of opium held in the Mewar State. At Ghazipur the crude opium is manufactured into "provision", "excise" and "medical" opium.

(4) *Organisation*.—The Opium Department is under the administrative control of the Central Board of Revenue. The Opium Agent's post carries a pay of Rs. 2,500—100—3,000 plus £13/6/8 Overseas Pay and is reserved for the I. C. S. There used to be a full-time Opium Agent, but since 1924 the Commissioner of Income-Tax, United Provinces, works also as Opium Agent; the Income-Tax and Opium Departments share the cost of his pay and allowances equally.

Expenditure on "superintendence" in the United Provinces also includes the cost of—

(a) a Superintendent of gazetted rank (Rs. 520—20—860) and 19 clerks and 11 servants at headquarters, and

(b) 22 "District" Opium Officers, 113 clerks and 274 servants in the districts of the United Provinces.

The old cadre of District and Assistant Opium Officers is on the scale Rs. 750—50—1,000—100—1,400\*. But the policy now is to recruit officers of the Provincial Civil Service, U. P. and give them a special pay of Rs. 50 and for work as District Opium Officers Rs. 100 p.m. over their pay as Deputy Collectors. The 1931-32 provision for the pay of the twenty-two District and Assistant Opium Officers is 1.81 lakhs and for that of the district establishments 1.43 lakhs.

For the Opium Factory there are (a) a Managing Director (on Rs. 1,250—50—1,500 plus £30 O.P.), (b) a Factory Superintendent and Assistant Superintendent who, in addition to their pay, are paid factory allowances of Rs. 250 and 150 p. m. respectively, and an Opium Chemist (on Rs. 600—50—1,200). The Factory establishment of 195 (inclusive of 140 servants) consists of chemists, engineers, medical officer and clerks and including .22 lakh for temporary establishments costs 1.12 lakhs.

A scheme costing Rs. 2,000 was recently sanctioned for research on opium alkaloids as a part of the measures for retaining India's position in the world market for medical and scientific opium.

Lastly, mention should be made of the Excise Commissioner for Rajputana and Central India whose cost is borne on the Foreign and Political Department estimates but whose duties are mainly concerned with opium.

(5) *Expenditure, receipts and net revenue.*—

	1915-16.	1922-23.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Expenditure . . .	152'44	186'61	285'57	211'47	100'44	87'01	84'95	48'81	75'24	78'68
Receipts . . .	242'25	378'92	379'76	415'00	433'14	894'52	826'59	804'10	852'60	213'68
Net Revenue . . .	90'91	192'31	144'19	203'53	332'70	807'51	271'64	255'29	187'36	141'98

The opium accounts are now maintained on a commercial basis. According to the accounts for the year ending 30th September 1929 the fixed assets stood at 16.01 and the floating assets at 203.02 lakhs.

\* For officers of non-Asiatic domicile the scale is Rs. 650—50—700—50/2—800—100/2—900—900—950—100/2—1,150 plus overseas pay.  
19.30 lakhs was surrendered in February and March 1930 due to lower output.

It will be seen from paragraph (2) that the policy underwent a radical change in 1925, and necessitated a reduction in the outturn of opium. Hence, comparisons with the figures of any year before 1925-26 are not of much use. Even after 1925-26 they are not easily comparable.

(6) *Nature of the opium budget.*—If the provision for the purchase of opium and opium stocks, compensations and contribution to the Municipal Board of Ghazipur be left out of account, the nominal grant of 73·63 is reduced to 10·81 lakhs as below :—

(i) Pay of officers and establishments (6·48) and allowances, etc.	7·14
(ii) Supplies and Services (2·27) and Contingencies (.75)	3·02
(iii) Works (.54), stores (.04) and other charges (.07)	.65

The Central Board of Revenue rightly argues that this portion of the budget is the only one susceptible of any reduction. At first it offered a reduction of Rs. 47,540 of which only Rs. 27,410 represented genuine permanent reduction. The Board now hopes to realise a saving of ten per cent. on the opium grant excluding the provisions for the Purchase of Opium and Supplies and Services, i.e., heads D and E excluding Supplies and Services. This saving would amount to .75 lakh, i.e., to 7 per cent. of the 10·81 lakhs mentioned above.

(7) *Our proposals.*—(i) In view of the lightness of income-tax work in the United Provinces we do not see sufficient reason why the Commissioner should get the higher scale prescribed for the Opium Agent at a time when opium revenue was much larger than it now is. In effect, this amounts to an extra special pay of Rs. 250. It should be abolished. Savings will be Rs. 3,000.

(ii) We observe that the Opium Agent's office has an expensive Superintendent. This post should be reduced to that of a Head Assistant on about Rs. 250 to Rs. 350. Savings will be Rs. 4,000 to Rs. 5,000.

(iii) We see no justification for the continuance of the *exceptional* amenity which opium officers at Ghazipur enjoy (*viz.*, free medical attendance on their families) and which costs Government Rs. 100 p.m. by way of an allowance to a medical officer at Ghazipur. We recommend that it should be cut out. Savings will be Rs. 1,200.

(iv) The policy of scattered cultivation in the United Provinces with the object of keeping up various nuclei which could be expanded for opium cultivation should be given up immediately and the number of divisions be reduced from 14 to 9. The present cost of superintendence in the fourteen divisions is 4·84 lakhs. We estimate that our proposal will yield a saving of one lakh. It also renders it unnecessary for us to examine the district staffs in detail with a view to possible reduction. But, we must urge the need for selecting the senior officers for retirement.

(v) The Incheape Committee had recommended the abolition of the post of the Managing Director. In fact, the Opium Agent's post was converted into a part-time one by amalgamating his duties with those of the Commissioner of Income-Tax, U. P., and the Managing Director's post was left untouched. In our opinion the following remarks of that Committee are applicable even to-day, possibly with greater force :—

"The appointment of Managing Director, costing Rs. 18,000, did not exist in 1913-14, but was introduced during the war for a special purpose, namely, to develop the production of opium alkaloids, for which at that time there was a considerable demand. We understand that this demand has now practically disappeared and we recommend that the appointment be abolished."

We further observe that from the point of view of income-tax work the United Provinces is a light charge. We do not agree with the Central Board of Revenue that the Managing Director's post cannot be abolished so long as the head of the department is the Commissioner of Income Tax. We note that the present Managing Director has already put in over 33 years of service and is over 55 years of age. We recommend that the post should be abolished forthwith. Savings will be Rs. 18,200 plus 4,800 (O. F.)\* = Rs. 23,000.

(vi) The factory allowances of Rs. 250 to the Factory Superintendent and of Rs. 150 to the Assistant Factory Superintendent are altogether too liberal. Special pay was sanctioned for the factory charges long before 1913-14, and the amounts remained unvaried, at least since 1909. The factory is no longer the heavy charge it must have been when opium revenue was, at least comparatively, a much larger source of central revenues than it now is. With the gradual reduction of the manufacture of provision opium the charge will be lighter still. We have also to bear in mind the amenities available at Ghazipur. In the light of all these considerations we see no justification for retaining the factory allowances. The concession of rent-free quarters should prove a sufficient attraction to the officers selected for factory superintendence. But, since we are going to propose that this concession be abrogated, we propose that the factory allowances should be reduced to the equivalent of house-rent at 10 per cent. and should not be paid, if rent-free quarters continue to be provided. Savings will be Rs. 4,800.

(vii) We do not see why the Opium Department should have such a costly Chemist. The present Chemist was appointed in 1915 when opium alkaloids were needed for the war. We were told by the Central Board of Revenue that the question of abolishing the post is under its consideration. We think it should be abolished. We would, however, suggest that the present incumbent of the post should, if possible, be absorbed somewhere, specially in work requiring the services of an applied or an industrial Chemist, e.g., in Customs Chemical Work.

(viii) The cost on account of the pay of officers and of establishments at the Factory has not only not gone down but has even gone up slightly in spite of the adoption of the policy of extinguishing exports. We are not satisfied with the Opium Agent's view, as the result of his enquiry in 1930, that there was no scope for retrenchment. As regards officers we have made detailed proposals. We recommend that factory establishment also should be reduced by one-tenth so as to save Rs. 12,000.

(ix) Three individual officers get a personal allowance of Rs. 100 p.m. (subject to the maximum of their time-scale) as a reward for war services. We think the need for continuing them should be scrutinised afresh. We consider such allowances objectionable in principle and specially so at a time of such acute financial stress.

(x) We are not satisfied that any special pay should be necessary to attract provincial service men into the Opium Department. We hold that the practice of treating service in departments other than the land revenue departments as so onerous or special as to deserve special pay is altogether out of date and even unfair to the regular provincial services. We recommend that in future no such special pay should be offered. If experience proves that the right type of officers is not being attracted into the Opium Department, the special pay might be revived.

\* Included in our calculation, because the accounts are "commercialised".

(xi) The practice of re-employing pensioners on temporary posts at rates of remuneration equal, or almost equal, to full pay prior to retirement *minus* pension should be discouraged. Younger men should get the chance. Our proposals will yield small savings, but they cannot be calculated.

(xii) In addition to the reduction involved in our proposal in sub-paragraph (iv) the provision for travelling allowances for the district opium staffs (·64 lakh) should be reduced by Rs. 8,000.

(xiii) The provisions for Supplies and Services and Contingencies for the Factory as well as for the district staffs should be curtailed so as to save Rs. 25,000.

(xiv) The provision of ·54 for "works" should, for the present, be reduced to ·30. Actual cost in 1929-30 was ·30.

(xv) The concession of rent-free quarters should be abrogated for every member of the staff. We estimate that the additional revenue will be a considerable amount—perhaps, not below ·06.

(xvi) It is understood that the Factory plant is capable of generating electricity in excess of the factory requirements. If it be supplied to staff quarters and the adjacent localities, at rates generally in force in similar stations in the U. P., we estimate that Government should derive an additional *net* revenue of about ·05 per annum.

(xvii) When the present agreement with the French authorities at Chandranagar expires at the end of 1932, opportunity should be taken to persuade them to surrender their rights under the Treaty of 1815 without compensation with effect from the year of complete stoppage of the export of "provision" opium. As regards the Indian States to whom compensations are paid at present similar action should be taken.

(8) *Summary of savings and of additional revenue.*—On our specific proposals the reduction of expenditure will be 2·21 lakhs and additional revenue of ·11 lakh will also accrue. Some other savings cannot be calculated.

## CHAPTER V.

## SECURITY PRINTING AND CURRENCY NOTE PRESSES, NASIK (39·43 lakhs).

(1) *Explanation.*—The gross expenditure on these Presses does not figure in the civil estimates. The only places where, so far as we are aware, they are at all mentioned are in grants No. 20—Stamps and 88—Capital expenditure on the Nasik concerns. The former grant provides Rs. 5,000 for leave salaries of the officers and staff of the Presses. Grant No. 88 is a nominal grant for Rs. 1,000, as the net amount required for “capital” expenditure is a *minus* amount of 3·94 lakhs. In an indirect manner the Presses figure in the grant for Currency also, *viz.*, in the provision of 17·80 lakhs for the cost of currency note forms.

We have considered the question whether this commercial undertaking with its personal ledger account falls within our purview as a committee for retrenchment and we have come to the conclusion that it does. We have shown above that the civil estimates have to bear a part of the real gross expenditure of the Presses. A reduction of the cost of running them would be reflected in the cost of currency note forms and stamps. We have therefore scrutinised their affairs in the light of such information as we possess in the absence of detailed estimates set forth in the grants.

(2) *Functions.*—Their main functions are to manufacture and print currency notes, revenue and judicial stamps and postage stamps, post cards, etc. There is also a Central Stamp Store maintained in conjunction with the Security Press. Occasionally it is asked to print special stamp papers of extraordinary denominations. Prior to the establishment of these Presses currency notes and stamps used to be obtained from the Bank of England and from Messrs. Thomas de la Rue and Co. on contract.

(3) *Organisation.*—Finance Department is in administrative charge and the Master deals direct with that department. The Master's scale of pay is Rs. 2,000—200—3,000, *i.e.*, the same as that of the Mint Masters at Calcutta and Bombay. The present Master's actual pay is Rs. 3,000 *plus* a special pay of Rs. 675 and a compensatory allowance of Rs. 200. But this pay is personal to him. He is on extension of service up to 20th October 1932. To assist him there is a Deputy Master, whose actual emoluments including a special pay of Rs. 100, a compensatory allowance of Rs. 220 and overseas pay of £30 are Rs. 2,420. The pay of the Deputy Master's post has not yet been fixed and this pay is personal to the present incumbent. There is also a post of an Officer on Special Duty which is due to terminate in January 1932. His emoluments, are, pay Rs. 1,050, a special pay of Rs. 118-2-0 and overseas pay of £30. The non-gazetted staff consists of a Press Manager on Rs. 1,200—50—30—1,400 *plus* 10 per cent. compensatory allowance, an Engraver on the same scale, 11 Technical Supervisors on Rs. 400—40—600 *plus* 10 per cent. compensatory allowance, 11 Technical Junior Supervisors on Rs. 200—15—350—20—550, 4 Technical Assistant Supervisors on Rs. 100—10—150—15—300. The control staff consists of 2 Chief Supervisors on Rs. 750—50—1,000, 6 Junior Supervisors on Rs. 200—15—350—20—550 and 23 Assistant Supervisors on Rs. 100—10—150—15—300. There are also the usual clerical and accounting establishments, store-keepers and some watch and ward and inferior establishments.

(4) *Proposals.*—(i) In Part I of our Interim Report we said (paragraph 2 of Chapter III, page 14). “*Prima facie*, however, we are of opinion that the *gross* expenditure of this and of all other commercial undertakings

should be submitted to the Legislature in the usual way". We have been given to understand that while the gross expenditure is not incorporated in the Demands, it also does not receive the normal attention of even the Finance Department. So far as we can see, the rules under which this situation arises are *ultra vires* of the Government of India Act. We observe that the gross expenditure of some "commercialised" undertakings, e.g., the Railways, the Posts and Telegraphs Department, the manufacturing side of the Northern India Salt Revenue Department, is submitted to the scrutiny and control of the Legislature for the purpose of "grants", and we do not see why that of the Security and Note Presses should be treated as an exception. We therefore recommend that the gross expenditure should be included in the Demands for Grants for 1932-33 and future years.

(ii) We may here refer to a suggestion which has been made to us that taking into account the fall in prices it is doubtful whether Nasik is now producing as cheaply as the former contractors would have done. We do not consider this a cogent argument in favour of reverting to the former system, but it appears to us to indicate that this concern is perhaps not running as economically as it should do. We therefore recommend that Finance Department should undertake as early as possible a thorough examination of the spot of the expenditure at Nasik with a view to its reduction to a scale commensurate with India's needs and capabilities.

(iii) The scales of pay for many of the posts in these Presses appear to us unduly liberal. The annual increment of Rs. 200 in the case of the Master's post has its parallel only in the case of the two posts of Mint Masters on which it was presumably based; this incremental scale is exceptionally liberal. Many of the officers get not only the pay proper but also special pay and free quarters or compensatory allowances in lieu thereof. Whenever accommodation is provided at the public expense, we understand, it is on an unduly expensive scale. While we propose to deal with questions of pay at a later stage, we recommend, in accordance with the plan we have followed so far, that the entire system of special pays and free quarters or allowances in lieu thereof should be abrogated. Nasik is a very healthy station not very far from Bombay and provides all the amenities of a district headquarters. We can see no reason why compensatory allowances should be given or accommodation provided free. Rent should therefore be charged.

(iv) We have examined the "Civil" and the "establishments" lists. The staff appears to us to be excessive and confirms our *prima facie* impression that the management is not as economical as it might be and manufacturing costs are unduly high. We would in any case have recommended some reduction of the staff. But we take note of Government's decision to re-issue 25 per cent. of the currency notes received back into the currency offices instead of destroying them. We recommend that the supervisory staff—both officers and others—at Nasik should be reduced by 25 per cent. and the operative staff should be reduced as indicated in para. (5) below.

In this connection we are told that the present Master's extension is due to expire a year hence. We observe that as regards the normal "day to day" working neither Mint has a Deputy Master. We recommend that on the same analogy the Nasik Presses should, when the present Master retires, have no Deputy Master. The next highest officer can take charge when the Master is out of the station and he can officiate for the Master when the latter is on leave.



(v) The general fall of prices should also enable some economy, say 10 per cent., to be effected in the expenditure on stores and materials.

(5) *Summary of savings.*—Our proposals will yield savings of about 1½ lakhs on the two Presses. But so far as the budget position of 1932-33 is concerned, there will, on the whole, be a deterioration to the extent of about .25 lakh, as explained below separately for each Press.

(a) *Currency Note Press.*

On the "forecast" figures for 1931-32 we think, the gross expenditure should be reduced by about 3.25 lakhs, including a reduction of 25 per cent. in all supervisory charges. In this way we estimate that the reduced out-turn will still yield a "profit" of about a lakh, which will improve the budget position by this amount as compared with the figures used by us in Chapter XIV on the Currency grant.

(b) *Security Printing and Stamp Dept.*

We consider that a 25 per cent. reduction of supervisory charges should be brought about, and steps should be taken to bring the "carry-over" of stocks to a minimum. The "off-take" for 1932-33 seems likely to be below the normal of recent years. We anticipate a gross "turn-over" of about 16 lakhs, and a gross "profit" of about 4 lakhs. Taking interest charges into account, the net "profit" seems likely to be about a lakh, resulting in a deterioration of the budget position by about 1½ lakhs.

## CHAPTER VI.

## GRANTS NOS. 27 TO 42.—GENERAL ADMINISTRATION.

- (1) The following are the various grants for General Administration :—
- (i) the Staff, household and allowances of the Governor General.
  - (ii) the Executive Council.
  - (iii) the Council of State.
  - (iv) the Legislative Assembly and Legislative Assembly Department.
  - (v) the following regular departments of the Government of India, viz., (a) Foreign and Political, (b) Home, (c) Legislative, (d) Education, Health and Lands, (e) Finance, (f) Commerce, (g) Army and (h) Industries and Labour.
  - (vi) the Reforms Office.
  - (vii) the following attached offices, viz., (a) Public Information Bureau, (b) Intelligence Bureau, (c) the Public Service Commission, (d) Central Board of Revenue.
  - (viii) Payments to provincial governments for their "agency" work on behalf of the Government of India.
  - (ix) Separation of accounts from audit (in part.)

(2) In the first part of our Interim Report we have already dealt with grants Nos. 28—Executive Council, 32-B—Bureau of Public Information, 32-C—Intelligence Bureau and 41—Central Board of Revenue. By mutual agreement between the Army Sub-Committee and the General Purposes Sub-Committee the Army Department and Military Finance were left to be dealt with by the former. As regards the Foreign and Political Department, we intend to take it up at a later stage of our enquiry. The grant relating to the Separation of Accounts from Audit was, *ab initio*, within the purview of the Public Works, Accounts and Audit Sub-Committee. All the remaining grants under General Administration will be dealt with in this chapter.

(3) We have explained each grant separately. Wherever possible, we have given some historical, statistical and other information. Owing to the pressure under which our work has had to be performed we have not found it possible to work out adjusted and fairly comparable statistics showing the growth or decline of the staff and expenditure of each department and office, nor to trace in a comprehensive manner and in fair detail the various changes relating to the organisation and work in the Secretariat as a whole. Some information relating to this will, however, be found in Chapter I and in the individual grants.

(4) The only other matter to which we would refer here is the question of savings on account of our \*proposal relating to the Delhi-Simla move. These have had to be worked out for the Secretariat as a whole rather than for each individual department or office.

Our proposal was that Government should take the necessary steps so that Secretariat departments could be left in Delhi all the year round, and that pending measures to render Delhi suitable for the accommodation of the Secretariat and attached offices and their staffs as many offices as possible, particularly the attached offices, should be left permanently at Delhi or at Simla.

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\*Paragraph 19, Chapter I, Part I of our Interim Report.

We have not had the detailed information, nor even the time, necessary to enable us to propose in every case whether a particular office or branch of an office should remain at Delhi or at Simla, or should remain migratory as at present. In certain specific cases, however (e.g., the Public Service Commission, the Imperial Council of Agricultural Research Department, the Archaeological Department), we have definitely proposed their permanent location at Delhi. We also understand that in one case, viz., the Indian Stores Department, Government have already issued, or intend to issue, orders to that effect. Provisionally therefore we have accepted the view that it would be reasonable to assume that taking the Secretariat and such of its attached offices as are under our purview, as a whole, one-third would on our proposals remain permanently at Delhi, one-third permanently at Simla and only the remaining one-third would continue for the present to be migratory. In the case of the staff of offices permanently located at Delhi or at Simla we recommend that house-rent and other allowances paid to ministerial officers should be examined and we consider that the present provision of 1.39 lakhs could be reduced by 20 per cent. This might be done by a revision of the existing code regulating such allowances. Further, on our hypothesis one-half of the provisions for hill journey allowances and hill journey charges would become unnecessary in 1932-33 and two-thirds with effect from a future date when Government find it practicable to work up to the provisional scheme contemplated by us.

In the absence of uniform details on the respective grants we have had, in some cases, to make our own estimates of what the present provisions are. In some cases we have left them unadjusted. The calculation is therefore approximate.

We may also add that we have left out the Army Department, since we have held that its problems including the question of locating it permanently at Delhi or Simla or keeping it migratory are not within our purview.

The following table shows the existing provisions for House rent and other allowances (Col. 1), Hill journey allowances (Col. 2) and Hill journey charges (Col. 3) and the approximate savings we estimate :—

	Rs.	Rs.	Rs.
Legislative Assembly Department . . . . .	15,700	29,600	5,000
F. and P. Department . . . . .	21,000	68,200	4,600
Home Department (Secretariat) . . . . .	10,700	35,800	6,800
Director of Public Information . . . . .	..	1,000	1,000
Intelligence Bureau . . . . .	16,000	10,000	5,500
Reforms . . . . .	5,000	..	3,000
Public Service Commission . . . . .	1,000	9,000	1,500
Education, Health and Lands Department <i>minus</i> Records.	9,000	52,000	6,000
Legislative Department . . . . .	10,000	31,100	5,000
Finance Department (O. B.) . . . . .	10,000	59,500	4,000
Commerce Department . . . . .	9,800	34,000	2,600
L. and L. Department . . . . .	7,300	50,000	4,200
Central Board of Revenue . . . . .	23,700	..	10,000
<b>Total</b>	<b>1,39,200</b>	<b>2,90,200</b>	<b>69,200</b>
<b>Ratio of savings</b>	<b><math>\frac{1}{2}</math></b>	<b><math>\frac{1}{2}</math></b>	<b><math>\frac{1}{2}</math></b>
<b>Amounts of savings (in lakhs)</b>	<b>.28</b>	<b>1.90</b>	<b>.30</b>
<b>Total savings (in lakhs)</b>	<b>2.48</b>		

GRANTY No. 27.—GRANTY, HOUSEHOLD AND ALLOWANCES OF THE GOVERNOR  
GENERAL (15-26 lakhs).

(1) *Explanation of expenditure and its variations.*—The expenditure on the Governor General's salary and supplementary allowance and other heads has grown or decreased as below (the figures are in lakhs of rupees) :—

	1913-14	1921-22	1924-25	1929-30	1930-31	1931-32
Salary . . . . .	2-51	2-29	2-51	2-51	2-51	2-58
Supplementary allowances . . . . .	. . . . .	. . . . .	. 21	. 40	. 40	. 40
Outward allowances (sanctioned) . . . . .	1-12	1-20	1-42	1-53	1-73	1-63
Miscellaneous (sanctioned) . . . . .	..	. 30	. 30	. 28	. 43	1-41*
Private Secretary and his establishment . . . . .	1-20	3-04	2-26	1-81	2-15	1-93
Military Secretary and his establishment . . . . .	2-10	2-30	2-06	2-91	4-05	3-11
Tour Expenses . . . . .	4-14	4-53	4-12	4-73	3-42	4-21
English charges on salaries . . . . .	..	..	..	..	..	. 12
Total . . . . .	11-29†	14-13	13-77	14-31	14-79	15-26

The cost of some Vice-regal establishments, viz., band, bodyguard and personal staff is borne on the Army estimates. In addition, some expenditure is incurred in England, the figures for which cannot be separated from outlay debitable to other minor heads of "General Administration".

*Variations of expenditure since 1924-25.*—(1) Contract allowance has gone up by .21. This is largely due to the occupation of the New Vice-regal House at New Delhi.

(2) The maintenance of gardens is costing .21 more than in 1924-25. This growth of expenditure is due partly to the transfer of .09 from civil works and partly due to the occupation of the Vice-regal House at New Delhi.

(3) An increase of .09 is due to the fact that customs duty is now levied on stores meant for the Vice-regal household; they used to be admitted free in 1924-25.

(4) Tour expenses are a fluctuating charge.

(5) Postage and telegram charges have gone down by .40 and the aggregate effect of the variations of expenditure on minor items is to increase the expenditure by .23.

(6) *Establishments.*—Apart from the staff borne on the Army estimates (viz., the band, bodyguard, Military Secretary and the personal staff) the Vice-regal staff is divided into two branches controlled by the Private and the Military Secretaries respectively.

The Private Secretary's is the smaller branch and consists of a Private Secretary (I. C. S. scale plus a duty allowance of Rs. 250)—the present incumbent is not an I. C. S. officer, an Assistant Private Secretary (800)—40—1,200) and a Registrar (700)—40—800). The establishment in this branch consists of 15 ministerial and 26 servants.

\* Includes the unexpended grant of 1-04 lakhs for motor cars.

† In the Income-tax Report the figure is 10-63 lakhs.

\* The officers under the Military Secretary's control are a Comptroller of the Household (1,500—1,700), a Surgeon (1,850), a Superintendent of the Gardens (600—750), an Assistant Surgeon (500—900), a Personal Assistant (900—1,000) and a Registrar (600—800). The establishments in this branch consist of 20 ministerial, 39 servants, 26 medical and 8 for the gardens.

The following table analyses the estimated 1931-32 expenditure in each branch :—

	Pay of officers.	Pay of Establishment.	Allowances.	Present and charities.	Postage, etc.	Supplies and Services.	Gardens.	Other contingencies.	Passages.
(1) Private Secretary	·47	·70	·16	·04	·45	..	..	·10	·01
(II) Military Secretary	·83	·89	·25	·06	...	·22	·68	·11	·01

(3) *Savings offered.*—(i) The Private Secretary has offered to abolish the posts of Senior Assistant and Treasurer (pay Rs. 450) and one stenographer. The resulting saving including that on allowances is estimated at about Rs. 15,000.

(ii) The Military Secretary has agreed to the following reductions, the savings being shown in brackets :—

- (a) Abolition of a post of Registrar (·10); (b) Supplies and Services (customs duty on stores) (·01); (c) Contract allowances (·06); (d) State conveyances (1·15) and (e) Tour expenses (·21), but the offer under (e) is provisional.

Of the reduction of 1·15 under State conveyances 1·06 is due to the omission of the inaugural grant provided in the current year, and ·09 is the permanent saving offered on two items, viz., (i) six carriage horses that were previously maintained for use in the State carriages have been transferred to the Bodyguard which was short of establishment by over six horses. Thus, their maintenance, while in no way increasing the Army Department expenditure, will not be a charge against State conveyances and motors. The saving under this head is Rs. 4,000. (ii) The reduction of five posts in the Viceregal stables and of one post of European chauffeur will result in a further saving of Rs. 5,000.

His Excellency the Governor General has also decided upon the reduction of the number of the A.-D.-Cs. from 6 to 5 and to effect a further reduction to 4 if experience of the Delhi and Calcutta seasons shows such reduction to be practicable. The saving, however, accrues in the military and not the civil estimates.

(4) *Our proposals.*—We greatly appreciate the savings spontaneously offered by His Excellency the Governor General and recommend that they be accepted.

(5) *Summary of savings.*—1·68 lakhs. Of this ·40 lakh is in the nature of a genuine permanent saving.

## GRANT No. 29.—COUNCIL OF STATE (1·55 lakhs).

(1) *Administration*.—The administration of the Council of State is in the hands of the Legislative Department and except for the pay (Rs. 4,250 p. m.) and allowances of the President, the travelling and other allowances of members and contingencies the expenditure on account of the Council of State is charged to grant No. 34 relating to the Legislative Department.

(2) *Establishment*.—The Personal Assistant to the President and the Editor of Debates are exclusively employed on Council of State work. The Legislative Department contends that the other staff substantially employed on Council of State work consists of one Superintendent, two Assistants and one clerk, and that their work is equivalent to one or, at the most, two full-time ministerial posts.

(3) *Expenditure and its variation (in lakhs) :—*

	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
(a) Pay of President.	·55	·51	·54	·51	·52	·51	·51	·51	·51	·51	·51.
(b) Members' allowances and other expenditure.	1·68	1·24	1·29	1·55	1·20	1·26	1·80	·79	1·02	1·29	1·04
Total	2·23	1·75	1·83	2·06	1·73	1·77	1·81	1·80	1·53	1·80	1·55

Fluctuations of expenditure are due mainly to the length of the sessions and the extent of members' attendance. The average duration of the sessions per year during the last three years has been 53 days at Delhi and 13 days at Simla. It should be remembered that members of the Council of State used to receive greater privileges than members of the Legislative Assembly in the matter of allowances.

(4) *Departmental Proposals*.—A resolution adopted recently by the Council of State recommended that the Members' privileges, as regards the scale on which (i) travelling allowances and (ii) the length of the period before and after a session of the Council for which daily allowances can be claimed, be assimilated to those of members of the Legislative Assembly. The department have accordingly proposed to effect savings to the extent of Rs. 12,800.

(5) *Our proposals*.—We have considered the question whether the whole-time post of a President for the Council of State could be abolished. The department have urged certain reasons against the tentative suggestion made in our questionnaire that an official of the necessary standing, say, the Hon'ble the Law Member, might be appointed to act as President during the period of the Council's actual session. We quote the question and the department's reply in extenso :—

Q.—So long as the present practice of appointing an official as President lasts, the feasibility of appointing an official of the necessary standing to act as President only during the period of actual sitting of the Council of State may be considered. Would it be constitutionally feasible, if necessary after modification of the law, for the Honourable the Law Member to preside over the Council of State's deliberations without any extra emoluments ?

A.—“ Each of the two alternative suggestions contained in this question was carefully considered before the first President of the Council of State was appointed. The first alternative was found to be open to grave objection. In the first place, it was felt that to provide the Council of State with a purely occasional President who, from whatever source selected, could never fill a place in the constitution comparable with that of the President of the Legislative Assembly would involve a refusal to the Council of State of its proper equipment and would be wholly out of keeping with the part designed to be played by the Council in the working of the constitution. In the second place, it was felt that an official called upon temporarily to discharge the duties of the President of the Council of State and designed to revert on the conclusion of the session to an ordinary post in the service of Government could not possibly command that confidence in his independence which is the first requisite in a President of a legislative body.

The suggestion that the Law Member should be appointed to be President of the Council of State was rejected on even more compelling grounds. The powers of the President of the Council of State are precisely the same as those of the President of the Legislative Assembly. They correspond with the powers of the Speaker of the House of Commons, not with those of the Lord Chancellor in presiding over the House of Lords, and are of such a nature as to render it manifestly improper that the office of the President of the Council of State should be filled by the Law Member or by any other Member of the Government. In amplification of this objection it should be observed that the Law Member must necessarily be the principal spokesman of Government in the Council of State and in the Legislative Assembly alike on any question which raises primarily an issue of law, that the questions on which he is required to intervene in debate will often be highly controversial and that it would plainly be out of the question that a Member of Government compelled by his position as such to play a potentially controversial part in debate in both Houses should preside over the Council of State.

The objections to the second alternative remain decisive. They do not arise out of the provisions of the Government of India Act and could not be removed by an amendment of that Act which would be compatible either with the existing constitutional position or with the contemplated constitutional position. The objections to the first alternative retain their full weight, but might not attach in an insuperable form to the permanent appointment to be President of the Council of State, in addition to his own duties and without extra emoluments, of an official so situated in his existing capacity as to possess the necessary independent status, provided always that the qualifications required for his permanent appointment were such as to render him suitable to hold the appointment of President of the Council of State. If, *e.g.*, the services of the Chairman of the Public Service Commission could be made available for the purpose—a point which is not within the purview of this department and with reference to which it has addressed no inquiry to the Department concerned—the appointment of the incumbent for the time being of that office to be President of the Council of State might afford an acceptable solution. It will of course be realized that in any event no change can be made until the existing President vacates his office.”

We have considered the counter-suggestion thrown out by the Department, but it does not appear to us to be acceptable. The constitutional objections urged against our suggestion regarding the Hon'ble the Law Member do not sound convincing to us. We note in this connection that the House of Lords

is presided over by the Lord Chancellor—a member of the British Cabinet. Should there be any legal objection against the arrangement proposed by us, it should be removed by a suitable amendment of the law. Nor do we see any force in the objection that the Hon'ble the Law Member is at times required to take part in debates in the Legislative Assembly, for we note that ordinarily he is appointed *ex-officio* member of the Council of State and not of the Legislative Assembly. Further, there is no reason why, as in the case of some other departments, the Secretary to the Legislative Department or other suitable official should not be able to discharge such duties in the Legislative Assembly.

Since the pay, etc., of the President amount at present to over half a lakh of rupees, and the duty is light and for a short period, we urge that no mere legal or technical objection should be allowed to stand in the way of an obvious measure of economy. We recommend definitely that the Hon'ble the Law Member should act as President of the Council.

(ii) The department's offer of ·13 on account of the reduced provision for the allowances of members may be accepted.

(6) *Summary of savings.*—Rs. 52,400 plus 12,800=·65 lakhs.

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DEMAND NO. 30.—LEGISLATIVE ASSEMBLY AND LEGISLATIVE ASSEMBLY  
DEPARTMENT (8.29 lakhs).

(1) *Functions*.—All business connected with (i) the duties imposed on the Secretary of the Legislative Assembly by the Rules and Standing orders for the conduct of business in the Legislative Assembly and (ii) the proceedings of the Legislative Assembly.

(2) *Organisation*.—*Officers*.—Apart from the whole-time President (pay Rs. 4,000) and a Deputy President (pay Rs. 1,000) for four months, the staff consists of a Secretary (pay Rs. 2,500—3,250), a Deputy Secretary (pay Rs. 1,500—2,000), an Assistant Secretary, two Superintendents and a Watch and Ward Officer for three months. Establishment consists of 53 "Reporters, Assistants, and clerks" and 34 servants.

(3) Expenditure—

1929-30.	1930-31.	1931-32.
(Actuals.)	(Budget.)	(Budget.)
7.38	8.29	8.29

The Department was created on the 10th January 1929 and comparison with earlier years is not possible. Notwithstanding the accrual of increments to the staff the provision for the current year is the same as the budget estimate for last year owing to the fact that contingencies have been reduced from Rs. 61,000 to Rs. 48,000.

(4) *Department's proposals*.—No savings have been proposed except that the Department would be prepared to lend the services of such of its clerical and reporting staff as could be spared during the non-session periods for work on committees and conferences and in the regular departments of the Secretariat.

(5) *Our proposals*.—(i) Following our general plan for the reorganisation of work in the Secretariat offices we think, there should be only two officers, viz., a Secretary and an Under Secretary. The present Assistant Secretary can be given the rank of an Under Secretary without extra emoluments. The present Deputy Secretary's post is only temporary and should be abolished as soon as he has had sufficient training and experience to fill the Secretary's post. The two posts of Superintendents should be abolished and a Registrar's post should be created in their place. Branches should be placed in charge of Assistants—in this case only one—who should be paid Rs. 50 p. m. for this work.

(ii) We further think that the establishment should be reduced by five ministerial and five servants' posts.

(iii) Miscellaneous contingent expenditure should be reduced by ten per cent. so as to save Rs. 4,800. The watch and ward staff should be substantially reduced.

(iv) In our opinion the present rule permitting the drawal by members of the Legislative Assembly of the cost of haulage of a motor car irrespective of its amount needs revision. We think a limit of Rs. 500 in all for both journeys—outward and return—should be imposed.

(v) We note that with a few exceptions the members of the Legislative Assembly have expressed themselves against any reduction in the members' allowances. We therefore make no recommendation on this subject.

(vi) On the above specific proposals and by the application of our general recommendations we estimate that there will be a saving of about 41 lakh in 1932-33 and of about 70 lakh in the first year after the Deputy Secretary becomes Secretary. Savings on hill journey and house-rent allowances and hill journey charges have been dealt with for the Secretariat as a whole.

(vii) When the new constitution is inaugurated, the Legislature may need more staff. We are, however, keeping this contingency out of our calculation for the present, and think that the arrangements proposed by us should continue till then.

## DEMAND No. 32.—HOME DEPARTMENT (60·2 Lakhs).

(1) *Functions*.—This department deals with all business connected with Internal Politics, Law and Justice, Police, Jails, the Indian Arms Rules, the Indian Civil Service, the Minor Administrations of Delhi, Andamans and Coorg, Registration, Naturalization of Aliens, Lunatic Asylums, Escheats and intestate property, European Vagrancy and Census. The scope of the Department has remained practically unaltered since 1921 except that certain subjects like police, jails, law and justice have become provincial subjects, mostly reserved. The Home Department are also in administrative charge of the Calcutta High Court.

This department, however, has three attached or subordinate offices under its administrative control, viz., the Bureau of Public Information, Intelligence Bureau and the Public Service Commission. Though the budget of the Reforms Office appears in that of the Home Department in the 1931-32 grants and it performs functions which ordinarily belong to, and were performed formerly by, that department, it is now a separate office.

(2) *Organisation*.—The department is manned by a Secretary, a Joint Secretary, a Deputy Secretary and an Under Secretary, two Assistant Secretaries and six Superintendents. The establishment consist of 68 ministerial and 68 servants.

In addition to the above staff there is an officer on special duty with the necessary establishments engaged on work connected with the recently promulgated Civil Services (Classification, Control and Appeal) Rules.

(3) The expenditure and staff of the Home Department have grown as shown below :—

	1913-14.	1922-23.	1924-25.	1931-32.
(i) Expenditure . . . .	3·24	6·22	5·79	6·02
(ii) Staff—				
Officers . . . . .	4	9	7*	6*+1 O.S.D.
Superintendents . . . .	—‡	6	5	6
Assistants and clerks . .	51†‡	65†	62+3‡	68+8‡
Servants . . . . .	57†	69†	60+4‡	68+15‡

(4) *Department's proposals*.—The Home Department has offered to abolish one Assistant Secretary and (†) also a Superintendent, an Assistant and two clerks, and to replace these posts by those of routine clerks. The abolition of four posts of peons has also been offered. The total net saving contemplated amounts to Rs. 34,560. The Department has also offered to effect a permanent cut of Rs. 17,700 in contingencies. Taking into consideration other reductions, the total saving offered is 52 lakh.

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\*Exclusive of officers employed in the attached offices who carry on the work of the Home Department.

†Not known if this includes temporary men or not.

‡Temporary.

§Superintendents are included under Assistants and Clerk.

(5) *Our proposals.*—(i) We think, a Secretary, a Deputy Secretary and an Under Secretary are sufficient. The posts of Assistant Secretaries and Superintendents should be abolished and be replaced by one post of a Registrar for the entire office.

(ii) After weighing the pros and cons we think that the establishments both ministerial and inferior can be reduced by 8 per cent, and contingencies by 10 per cent.

(iii) On our proposals the net savings will be 1·52 lakhs. The savings on house-rent and hill journey allowances and hill journey charges have been accounted for under the Secretariat as a whole.

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## GRANT NO. 32-D.—REFORMS OFFICE (2·34 Lakhs).

(1) *Organisation.*—This office was set up in May 1930 for five months in the first instance, to deal with the problems of constitutional reform arising out of the report of the Indian Statutory Commission. Extensions were sanctioned subsequently and are due to expire on 29th February 1932.

It has a Reforms Commissioner of the status of a Secretary to Government, a Joint Secretary, a Deputy Secretary, an Assistant Secretary and a Superintendent. These officers are paid on the usual Secretariat scales. The establishment at present consists of 5 Assistants, 6 clerks, 2 stenographers and 17 servants.

(2) *Cost.*—The budget provision for 1931-32 is 2·34 lakhs as below :—

Pay of officers.	Pay of Estab- lishments.	Allowances, etc.	Contingencies.	Passages.
1·37	·54	·11	·30	·02

(3) *Departmental proposals and action for economy.*—At first the Reforms Office offered to accept the following lump cuts, viz., ·15 in pay of officers, ·06 in pay of establishments and ·02 in contingencies. The ministerial establishment and one of the two daftarries get 20 per cent. for work in this "special" office, and the Reforms Office presumed that it would either be retained or reduced on grounds not peculiar to its work.

When the Joint Secretary was absent from India from 26th September 1930 to 21st February 1931 in connection with the Round Table Conference, the vacancy was not filled. During his absence from 15th August 1931 till 15th January 1932 also it is going to remain unfilled, and when he comes back it is proposed to keep the Deputy Secretary's post unfilled. Besides, three posts of Assistants are also kept vacant at present.

The other officers meanwhile expect to remain fully occupied with constitutional and administrative work arising out of the proceedings of the Round Table Conference and any Committees which may be set up or be in progress in India in pursuance of the recommendations of the Round Table Conference. The requirements of the Reforms Office after the Conference and Committees are over cannot be foreseen.

Subsequently, however, the Reforms Office has offered to relinquish the post of Deputy Secretary, to continue to leave unfilled a post of an Assistant and to retrench two other posts of Assistants. It also proposes to cut out a major part of the provision of Rs. 7,600 for the payment of deputation allowance of 20 per cent. of pay to some of its staff. The total savings offered amount to about Rs. 43,000.

(4) *Our proposals.*—(i) Considering the standing in the I.C.S., of the officer holding the post of Joint Secretary, we can see no reason why the Reforms Office should offer to relinquish the post of Deputy Secretary and not that of the Joint Secretary. We recommend that the Joint Secretary's post should be abolished.

(ii) On our usual plan the Assistant Secretary's post should be abolished and the Superintendent's should be converted into that of a Registrar. The Reforms Office's offer to retrench certain ministerial posts should be accepted.

(iii) Contingencies may be reduced by 10 per cent.

(5) *Summary of savings.*—On our proposals and on those of the Reforms Office relating to the reduction of establishment the savings in this office will be at least ·70. The savings on hill-journey and house-rent allowances and hill-journey charges have been accounted for under the Secretariat as a whole.

**GRANT NO. 33.—PUBLIC SERVICE COMMISSION (3·66+·64=4·30 Lakhs).**

1. *Functions.*—The Public Service Commission was set up with effect from 1926-27 under section 96 (C) of the Government of India Act, 1919. The functions of the Staff Selection Board were then absorbed into the wider functions assigned to the Commission. These relate to (A) Recruitment, (B) Disciplinary cases, and (C) Other service matters. For a précis see appendix II (pages 72-73).

2. *Organisation.*—The Commission consists of five members, of whom one is Chairman, appointed by the Secretary of State in Council. The Chairman's pay is Rs. 5,000 and an ordinary member's pay is Rs. 3,500. The Secretary to the Commission gets a special pay of Rs. 400. The establishment consists of a Superintendent and 22 assistants and clerks, all on the attached office scale, and 27 servants. There is also a small provision of Rs. 400 for temporary establishment.

3. *Cost.*—The Staff Selection Board used to cost a little over Rs. 10,000 a year. The following table shows the cost of the Public Service Commission and that of holding examinations\* (in lakhs) :—

	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Pay of officers	1·23	2·50	2·58	2·56	2·464	2·508
Pay of establishments	·13	·38	·47	·53	·527	·595
Allowances, passages, etc.	·40	·66	·69	·33	·339	·372
Contingencies	·25	·25	·26	·20	·210	·185.
<b>Total</b>	<b>2·01</b>	<b>3·78</b>	<b>4·00</b>	<b>3·62</b>	<b>3·54</b>	<b>3·66</b>
Cost of examinations*	..	..	..	·55	·55	·64

\*Transferred to Grant No. 69-B "Miscellaneous Departments" since 1929-30.

It will be seen that the pay and allowances of the staff, particularly the officers, absorb a large proportion of the grant.

4. *Departmental proposals.*—The Commission at first offered for the year 1931-32 a reduction of expenditure to the tune of Rs. 43,300, viz., Rs. 26,800 on the pay and leave salary of members, Rs. 8,000 under allowances, Rs. 4,500 on the pay and allowances of the establishments and Rs. 4,000 under "Examinations". These were mostly of a temporary nature. Permanent reductions of (a) Rs. 12,600 including Rs. 2,000 on the pay of establishments, Rs. 6,000 under allowances and Rs. 4,500 under contingencies, and (b) Rs. 14,000 under Examinations have been offered subsequently. Home Department has further offered to examine the question whether the number of Members should be reduced to four "as soon as circumstances on the Commission permit".

5. *Our proposals.*—(i) We may first draw attention to the relevant remarks and proposals of the Simon Commission,\* the Government of India† and the Minorities‡ and Services§ Sub-Committees of the Round Table Conference. The Public Service Commission occupies a position of such importance, both actual and potential, in the political development of India, that we have no hesitation in endorsing the unanimous view that it must be maintained. We also think that the scope of recruitment through the Public Service Commission under Functions Rule 8, *i.e.*, for Central Services, Class II, and for special posts, should be extended. We further hold that in the interests not only of economy but of public service the Government of India should utilise the agency of the Commission, more than they do at present, in connection with service questions. This was one of the recommendations of the Lee Commission, who, in paragraph 30 of their report, said that they were confident that the Public Service Commission would become in course of time the recognised expert authority in India on all service questions. We also endorse the remark of the Public Service Commission that in “most matters of importance with which the Public Service Commission deal, it appears to them, as far as they can ascertain, that after the matter has been more elaborately considered by the five members of the Commission, it is reconsidered *ab initio* in the Government offices”. We remark that such a procedure entails waste of public time and money and is further likely to conduce to inefficiency. We should also like the Government of India to persuade some local Governments which do not at present sufficiently utilise the services of the Commission to do so. We note that the United Provinces Government already do so for their Provincial Civil (executive) and Police Services. It is true that the Punjab Government contemplate the establishment of a purely provincial commission. We would, however, like the Government to explain the position to that Government, particularly from the point of view of economy.

(ii) The maximum number of members *permitted* by Section 96-C of the Government of India Act, 1919, is five. The actual number has, *ab initio*, been five; in fact, the Lee Commission had recommended the appointment of the maximum number. That this number has not been determined by the nature or amount of work but by other considerations is clear from the extracts from the Public Service Commission's and the Home Department's replies to our questionnaires; we have printed them as appendix I (pages 70-71).

The Madras Services Commission consists of a Chairman and two members. According to the Bill introduced in the Punjab Legislative Council, the Punjab Services Commission is to consist of a Chairman and not more than two members. The British Commission consists of a Chairman and two Commissioners one of whom acts also as Secretary. The South African and Canadian Commissions are believed to have only one member and the Australian Commission two.

We agree that it is desirable to avoid any action which is reasonably likely to disturb the confidence of the members of the Services (whether European or Indian) in the Commission, and propose therefore to examine the position in some detail.

\*Paragraphs 336-339, pages 294-295 of the Report (Volume 2).

†Paragraphs 203 to 211, pages 182-189 of the Despatch on proposals for Constitutional Reform.

‡Paragraph 13 of the Report of this Sub-Committee (page 158 of Volume III of the Proceedings of the Indian Round Table Conference).

§Paragraph 5 of the Report of the Services Sub-Committee (page 252 of Volume VIII of the Proceedings of the Indian Round Table Conference).

Firstly, the present Chairman is not due to leave before about the end of October 1932, and unless an Indian is specially selected to succeed him, his successor as Chairman will be a European. It should also be noted that the present recently appointed Secretary is also a European.

Secondly, the Lee Commission had emphasised the "importance of securing as members of the Commission men of the highest public standing who will appreciate the vital and intimate relationship which should exist between the State and its servants", and who will be "detached, so far as practicable, from all political associations". Accordingly and on that Commission's recommendation, the salaries were fixed at high levels corresponding, even in the case of members, to those considered adequate to attract suitable men for the posts of judges for the High and Chief Courts. The Commission states that "the experience of the last five years shows that the Indian and the European members of the Commission are equally anxious to do justice to the members of the services, whether European or Indian" and that "the Indian members of the Commission are as careful as the European members to do justice to European appellants. If the past is a safe index of the future, it is not unreasonable to hope that a majority of Indians on the Commission would not prove detrimental to the interests of European officers". We fully endorse the Commission's view contained in these quotations.

Thirdly, we observe that the obligation on the Governor-General-in-Council to consult the Commission in disciplinary cases is confined to (a) appeals under the Statutory Appeal Rules, (b) recommendations of removal or dismissal to, and forwarding of appeals under the Statutory Appeal Rules to, the Secretary of State, and (c) questions whether service interests have been adversely affected by the abolition of any post or posts. In relation to memorials and to questions connected with the pay, allowances, pensions, leave rules, provident and family pension funds and conditions of service generally there is no such obligation. In every case, whether there be an obligation on Government to seek the Commission's advice or not, *the Commission is a purely advisory body*; all matters of policy are reserved for the Secretary of State or the Government of India. Neither is bound to accept the Commission's advice and can reject it if the circumstances of the case justify such a decision.

Fourthly, we consider that the Indian members of the Commission are absolutely right in holding that "whatever may have been the attitude of the European members of the services on the eve of the Lee Commission, the work of the Indian members of the Commission during the last five years has largely allayed fears and removed doubts" and in believing that an Indian majority on the Commission will not be objected to by a large number of British officers.

Fifthly, we are loath to import racial considerations into the discussion of this question. But, since the only ground on which the Home Department as well as the two European members on the Commission hold that the European element should remain in a majority (whether numerical or effective with a European Chairman's casting vote) is in essence a racial one, we are constrained to accord our support to the view urged by the two Indian members that it is "not just and reasonable to have a majority of one race continuously for ten years". Even on this narrow ground we consider that the claim to an Indian majority for the next five years is not unreasonable.

Sixthly, at a time of such acute financial stress when Government have considered it necessary to place on the Indian taxpayer an unprecedentedly heavy burden of taxation, we cannot justify to ourselves the heavy cost of maintaining two members when admittedly they are not necessary for the disposal of the work. The claim to a European majority amounts, in essence,



to a claim to "extra-territoriality" in service matters relating to Europeans. We are not at all sure that the services themselves have made any such claim. In any case, we cannot see any chance of public opinion in India tolerating such an attitude and we believe that the interests of the services will in the long run gain and not lose if no such claim is made by or for them.

On all these grounds we must reject the Home Department's view that the number of members cannot be reduced to below four, and must urge emphatically its reduction to three. We consider it advisable that in the composition of the Commission the interests of the different sections of the people and the services should not be lost sight of.

Our proposal will yield a saving of Rs. 84,000 per annum on the pay of two members and perhaps of Rs. 6,000 on leave salary, allowances, etc., i.e., a total saving of about Rs. 90,000. We shall take account of allowances elsewhere and shall take only Rs. 87,000 as the possible saving from this proposal.

(iii) Our minor proposals for economy are :—

- (a) We doubt if the Secretary need be given a special pay of Rs. 400. His duties (including the statutory duty of recording the Commission's decisions) though responsible, are more or less of a routine nature. The qualifications expected of him are knowledge of and experience in administration and expert knowledge of examination work. The post is at present held by an officer of the Indian Educational Service. We are not convinced that it is necessary to draw upon any of the Imperial Services for this post, and we think it would be sufficient to have a secretary of the status of Assistant Secretary to Government. In any case, even if he continues to be drawn from an All-India Service, we hold that the special pay attached to the Secretary's post should not exceed Rs. 200. We may here observe that the special pay attached to the post of Secretary, Central Board of Revenue, whose responsibilities are, if anything, greater than those of the Secretary to the Public Service Commission and who actually is Deputy Secretary to Government *ex-officio*, is Rs. 300, and that Deputy Secretaries in the provincial secretariats get a special pay of Rs. 200.
- (b) The Home Department has offered to reduce the number of stenographers by two, but it contemplates that the Commission would consist of four members. In the light of what we have proposed we think that it is practicable to cut out three of the five stenographers. For the present, however, we recommend that the department's offer be accepted.

As regards the other ministerial establishment, we think an immediate reduction of expenditure to the extent of Rs. 10,000 per annum can safely be effected. We may add that an extra stenographer or two and half a dozen ministerial hands could be engaged on a temporary basis for about five months when there is something like pressure of work.

We also think that the Chairman and members should not get more than a Jamadar and a peon each and that the number of other servants should be reduced by four.

We estimate that our proposals in this sub-paragraph will yield a saving of about Rs. 17,000 per annum.

- (c) The provision of Rs. 500 for medical treatment may be reduced to Rs. 200. The provision of Rs. 18,500 for travelling allowance is admittedly high. The Chairman and members of the Commission are entitled to reserve first class compartments; we think this privilege should, in future, be confined to the Chairman, the other members being given a coupé compartment of two berths or when a coupé is not available, two first class berths.

The Commission agree that in the future touring will not have to be on the same scale as in the past. Home Department has suggested that the provision might be reduced to Rs. 8,500. In the light of our proposals the resultant saving should be more than Rs. 10,000. But, for the present we are content to accept the saving offered, *viz.*, Rs. 10,000.

We further hold that this office should be permanently located at Delhi. The provision for hill-journey and house-rent allowances should be deleted and that for other allowances should not exceed Rs. 3,000. In view of the fact that work in the hot weather is light, the privilege of recessing in the hills may be granted to the members of the Commission perhaps on a more liberal scale than in the case of other officers. So long as one member is available on the spot, we anticipate no serious difficulty about the disposal of work. We think it should be possible to save nearly the whole of the provision for hill-journey, house-rent and other allowances. But allowing for possible additional expenditure on travelling allowances, we estimate a net saving of about Rs. 13,000.

On our proposals the total saving on "Allowances, honoraria, etc." will be Rs. 24,300.

- (d) The provision for contingencies may be cut down from Rs. 18,500 to Rs. 13,000. Savings Rs. 5,500 against Rs. 4,500 offered by the department.
- (e) We agree that candidates for special posts called up for interviews and applicants for the posts of railway apprentices should continue to be paid travelling allowances. But we think that all candidates should be made to pay fees sufficient to put this part of the budget on a self-supporting basis. We therefore propose that this fee should be raised from Rs. 5 to Rs. 7-8-0. This will add about Rs. 2,500 to the receipts.
- (f) The Commission stated that the question of reducing the scales of fees for setting and marking of papers and supervising and invigilating at examinations as far as possible was under its consideration. An economy of Rs. 14,000 has since been offered. We recommend that the offer be accepted. We shall take account of this under Grant 69-B.

6. *Summary of savings.*—Our proposals will yield the following permanent reduction of expenditure on this grant :—

- (i) Abolition of two posts of Members, Rs. 87,000, (ii) Reduction of Secretary's special pay from Rs. 400 to an amount not exceeding Rs. 200 = Rs. 2,400, (iii) Reduction of at least two posts of stenographers, Rs. 7,000, (iv) Reduction of other establishments, Rs. 10,000, (v) Reduction of the provision for allowances, etc., Rs. 24,300, (vi) Contingencies, Rs. 5,500. Total, Rs. 1,36,200. (A saving of Rs. 14,000 on examinations is being taken account of under Grant No. 69, page 115.)

Besides, there will be additional receipts of about Rs. 2,500.

## APPENDIX I.

Reference—Paragraph 5 (ii).

Q.—The Committee requests the Department to consider whether it is essential to have as many as five members including the Chairman and whether the volume of the Commission's work justifies this. Could not the members be reduced to three, *viz.*, a European, a Hindu and a Muhammadan? It asks whether it would be feasible to combine the duties of the Secretary and Member, as is understood to be the practice in England where also there are only two members?

A.—*Public Service Commission's reply.*

A.—It cannot be said that the volume of the Commission's work requires as many as five members and so far as the volume of work is concerned it could be done equally well with three Members, though the reduction would make it difficult to arrange for the representation of the Commission at the various provincial selection boards. But since the questions are decided by a majority of votes the advantages of fixing the strength of the Commission at three or five are obvious. The main functions of the Commission are to make that portion of recruitment for All-India Services and Central Services, Class I, which is made in India, and give advice in disciplinary cases and on service questions. These disciplinary cases generally consist of appeals preferred by members of the aforesaid services and such memorials presented by them as may be referred to the Commission. In regard to these appeals and memorials the Commission are a purely advisory body. If the number of members is reduced from five to three, *viz.*, one European, one Hindu and one Muslim, it is to be considered what effect it will have on European officers of the services. The experience of the last five years shows that the Indian and European members of the Commission are equally anxious to do justice to the members of the services whether European or Indian. The Indian members of the Commission are as careful as the European members to do justice to European appellants. If the past is a safe index of the future, it is not unreasonable to hope that a majority of Indians on the Commission would not prove detrimental to the interests of European officers. At the same time it will not be right to ignore the views of these officers and the majority of the Commission believe that however unreasonable this view may be, the proposal would disturb the confidence of European officers in the Commission. The Indian members consider that whatever may have been the attitude of the European members of the services on the eve of the Lee Commission, the work of the Indian members of the Commission during the last five years has largely allayed fears and removed doubts, and they believe that an Indian majority on the Commission will not be objected to by a large number of European officers. They further urge that it will not be just and reasonable to have a majority of one race continuously for ten years, and emphasize the reasonableness of having an Indian majority for the next five years. They are prepared to revert to the present constitution, *viz.*, three Europeans and two Indians, if the experiment of an Indian majority does not prove successful.

2. With regard to a possible proposal that there should be only four members, the Commission is working with only four members at present. It is not a very satisfactory arrangement, because it is likely to impose on the Chairman an obligation to exercise his casting vote. According to the views stated above, the normal strength of the Commission should be three or five members (including the Chairman). But as a pure measure of economy it might be possible to reduce the number of members to four, *viz.*, two Europeans and two Indians, till the period of financial stringency is over.

*B.—Home Department's reply.*

Some of the considerations to be borne in mind in deciding whether the number of members of the Commission could be reduced are stated in the Commission's reply. The main consideration is that the constitution of the Commission should be such as to command the confidence of the public and of those services with which the Commission are concerned—not merely of European members of those services, but of all members. It is also necessary that the Commission should be so constituted as to represent among its members various qualifications. There is, for instance, a statutory rule that at least two of the members shall be persons who have been for at least ten years in the service of the Crown in India. It is also desirable that there should be a member with educational experience. There are obvious reasons that render it necessary that there should be one Hindu member and one Mohammadan member. Practical considerations make it desirable that there should be an odd number of members. These various considerations were weighed by the Government of India and the Secretary of State in Council, when the Commission was under creation, and the conclusion then reached was that the most satisfactory Commission would be one of five members.

Apart from financial considerations, the Home Department are of opinion that the reasons for the conclusion then reached still hold good. In particular, they consider it of very great importance that on the eve of far-reaching constitutional changes the confidence of the services should be maintained and that changes should not be made which would seriously affect that confidence. Without a reference to local Governments they are not in a position to say with certainty how far a reduction in the number of members would affect the services, but they regard it as essential that, whatever the constitution may be, two members should have service under the Crown in India.

The Home Department recognise that financial requirements may make it impracticable to continue to satisfy all the conditions which it is desirable to secure and which have been secured in the past. They would, therefore, be prepared to examine the suggestion that the number of members should be reduced to four as soon as circumstances on the Commission permit. The saving effected by reducing one membership would be about Rs. 45,600 per annum, including savings on account of travelling and other allowances and on account of personal peons. They do not think that the number of members should be reduced below this, but, so far as circumstances permitted, they would be prepared not to make officiating appointments in leave vacancies while one member of the Commission was on leave. They can give no absolute assurance in this respect, because it might be necessary to replace a member on leave possessing special qualifications, by an officiating member with similar qualifications.

The Home Department are also prepared to take up in consultation with the Finance Department the question whether the pay of future members, including the pay of future Chairmen, could not be somewhat reduced. The question of the pay of the Chairman would probably depend on whether he were recruited in England or from the services in India. It would ordinarily be necessary to give higher pay in the case of the former than in the case of the latter, since no pensionary rights are attached to the Chairman of the Commission as such.

It will be, of course, understood that changes in the composition of the Commission or in the pay of the members are matters for the decision of the Secretary of State.

## APPENDIX II.

## FUNCTIONS OF THE PUBLIC SERVICE COMMISSION.

A.—(1) *Recruitment to All-India and to Class I Central services.*

(i) To advise Government on any question connected with recruitment to an All-India Service or a Central Service, Class I, and referred to it.

(ii) In the case of recruitment by *competitive examination*:—to advise Government in regard to the regulations prescribing the (a) qualifications of candidates and (b) conditions of admission to, and the syllabus of, the examination, and to discharge certain auxiliary duties in this connection.

(iii) In the case of recruitment by *selection*:—(a) to advise Government in regard to the rules regulating the qualifications of candidates, to interview the candidates and perform other auxiliary functions, and (b) in cases of inadequate communal representation, to recommend candidates in accordance with Government orders. (Officers holding temporary posts can be confirmed by Government, consultation with the Public Service Commission being necessary only if the appointment in the temporary capacity was made with such consultation.)

(iv) In the case of recruitment by *promotion* to any permanent post in an All-India Service (other than the I. C. S.) or a Central Service, Class I:—to consider the claims of each nominated candidate and advise whether his qualifications are sufficient and his record satisfactory, and arrange the list in order of preference.

*Exception.*—(a) Officers holding H. M.'s Commission and (b) members of an All-India Service or a Central Service, Class I.

A.—(2) *Recruitment to Provincial Services, Central Services, Class II, and special posts.*

(v) Similar functions in regard to recruitment to any Central Service, Class II or to any special post, when so required by the Governor-General in Council.

(vi) The Commission *may*, subject to Governor-General in Council's approval, perform such functions in regard to recruitment to provincial services and special posts as the Local Government may invite it to undertake.

B.—*Disciplinary cases.*

(vii) The Governor-General in Council must consult the Public Service Commission (except when its advice has been given previously and no fresh question has arisen),

(a) before considering any appeal under the Statutory Appeal Rules against any order of censure, withholding of promotion or increments, reduction, suspension, removal or dismissal,

(b) before passing any original order withholding promotion or increment or of reduction, removal or dismissal.

[*Explanation.*—An order giving notice of the termination of a contract of employment in accordance with the terms thereof is outside the scope of (a) or (b) above.]

(c) before recommending to the Secretary of State in Council the removal or dismissal of any officer or forwarding an appeal made to him under the Statutory Appeal Rules.

(viii) The Governor-General in Council may consult the Commission in regard to orders on memorials by an officer of any All-India or Central Service.

(ix) The Governor, Chief Commissioner or the Local Government of any province may consult the Commission before passing any order of the kind specified in (vi) (a), (vi) (b) and (viii).

*C.—Other Service matters.*

(x) The Commission shall advise (a) the Governor-General in Council on any question connected with the pay, allowances, pensions, provident or family pension funds, leave rules, or conditions of service generally of an All-India or Central Service, which he may refer to the Commission and (b) any Local Government, if so requested by that Local Government.

(xi) The Governor-General in Council shall refer to the Commission for its advice all cases in which the question arises whether or how far the interests of any officer or class of officers of an All-India or a Class I Central Service have been adversely affected by the abolition of any post or class of posts.

(xii) The Commission shall advise the Secretary of State on any question which he may refer to it through the Governor General in Council.

## GRANT NO. 34.—LEGISLATIVE DEPARTMENT (5·51 lakhs).

A.—*The Department proper* (4·68 lakhs).

(1) *Functions*.—This department is charged with all business connected with—

- (i) Legislation in the Indian Legislature ;
- (ii) Legislation in Local Councils ;
- (iii) Rules and Standing Orders for the conduct of business in the Indian Legislature except in so far as the said Rules and Standing Orders impose duties on the Secretary of the Legislative Assembly ;
- (iv) Rules for the conduct of business in the local Legislatures ;
- (v) the proceedings of the Council of State ;
- (vi) the publication, translation and supply to Government officers and the public, of Acts of the Indian Legislature and Regulations under section 71 of the Government of India Act ;
- (vii) the nomination and election of Members of the Indian Legislature ;
- (viii) the preparation and publication of Codes other than Codes appertaining to provinces which have Legislative Councils, Statute Books, Digests, General Rules and Orders and other similar works ;
- (ix) Indian Law Reports ;
- (x) Un-official references for opinion from other Departments ;
- (xi) the duties of the Solicitor to the Government of India ;
- (xii) the League of Nations ; and
- (xiii) the Peace Treaties and the administrative control of the Clearing Office (Enemy Debts).

The Solicitor's branch will be dealt with separately except as regards cost, (*vide* paragraph 3) and some other similar matters.

(2) *Organisation*.—The Legislative Department proper has the following officers :—

A Secretary, a Joint Secretary and Draftsman (pay Rs. 3,000—4,000),  
a Deputy Secretary, an additional Deputy Secretary for five months, two Assistant Secretaries and two Superintendents.

The establishments consist of five Reporters (for the Council of State), one of whom is Editor of the Debates, 49 clerical (including two stenographers and the Personal Assistant to the President of the Council of State) and 42 servants. There is a total provision of Rs. 4,900 for temporary establishments

## (3) Cost\* (including Solicitor's branch) and its growth (in lakhs) :—

	1913-14.	1921-22.	1924-25.	1925-26.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Pay of officers . . . . .	1.06	2.78	2.54	2.71	2.97	2.95	2.61	2.42	2.53
Pay of establishments . . . . .	.74	2.50	2.81	2.96	3.11	2.99	1.84	2.02	2.14
Allowances and passage contributions . . . . .	.20	.65	.58	.64	.65	.58	.40	.44	.54
Contingencies . . . . .	.27	.85	.43	.45	.45	.35	.39	.33	.30
Translator's department . . . . .	.03	.06	.07	.07	.07	.07	.05	..	..
<b>Total</b> . . . . .	<b>2.35</b>	<b>6.84</b>	<b>6.44</b>	<b>6.82</b>	<b>7.24</b>	<b>6.94</b>	<b>5.29†</b>	<b>5.21</b>	<b>5.51</b>

The office is divided into five sections as below :—

- (i) Council and General (A superintendent, 6 Assistants and 6 clerks).
- (ii) Publication (A Superintendent, 9 Assistants and 8 clerks).
- (iii) Printing (The equivalent of an Assistant and 3 clerks).
- (iv) Establishment (One Assistant and 2 clerks).
- (v) Issue, Record and Library (1 Assistant and 8 clerks).

The staff has varied as shown below :—

Staff on 1st April.	1914.	1922.	1924.	1928.	1929.	1930.	1931.
Number of superior officers . . . . .	3	10	8	8	7	7	7
Assistant Secretaries, Superintendents, Registrars, etc. . . . .	4	8	5	5	4	4	4
No. of ministerial establishment . . . . .	32	93	62	77	45	52	54
Number of servants . . . . .	62	100	65+38	64	42	42	42

(4) *Inchoape Committee's proposals.*—Out of the ten officers the Inchoape Committee recommended that the posts of a Deputy Secretary, one other officer and one of the officers in the Solicitor's Branch should be abolished, saving .24, .20 and .15 respectively. Other reductions aggregating .49 lakh were also recommended.

(5) *Department's proposals.*—The Department has offered the following savings, viz., (a) omission of the provision for an additional Deputy Secretary next year and (b) a reduction of five clerical and four servants' posts. The savings amount to Rs. 42,700 but they do not all appear to be permanent.

\* The cost of the solicitor's branch is included in the above figures ; in 1931-32 it is estimated at .83 lakh.

† The drop from the peak attained in 1927-28 was due to the creation of the Legislative Assembly Department from 1st January 1929.



(6) *Our proposals.*—(i) From the application to this department of our general recommendation as to the organisation of the Secretariat we estimate net savings as below :—

	Lakh.
(a) Abolition of the post of Joint Secretary and Draftsman including his passage contribution . . . . .	. 40
(b) Abolition of two posts of Assistant Secretaries, two of Superintendents and reduction of the provision for voted leave salary . . . . .	. 52
(c) 10 per cent. on other contingencies . . . . .	. 03
(d) Deduction for one Under Secretary and one Registrar and for charge allowances to assistants in charge of sections . . . . .	. 23

(ii) In the case of this department we also propose that eight ministerial posts should be abolished and one should be created for the disposal of the remaining work of the Local Clearing Office. Saving will be .26.

(iii) In addition, there will be a saving of .26 in the Solicitor's Branch (*vide* B below).

(7) *Summary of savings.*—98 lakh in the department proper, and .26 in the Solicitor's Branch. A saving of .23 on account of hill-journey and house-rent allowances and hill-journey charges in this department has been accounted for under the Secretariat as a whole.

#### B.—Solicitors' Branch (.83 lakh).

(8) *Organisation.*—This branch is manned by three officers, *viz.*, the Solicitor (on Rs. 3,000), the Second Solicitor (on Rs. 1,200—1,800 *plus* overseas pay of £13-6-8) and the Assistant Solicitor (on Rs. 1,000—1,200). The present Second Solicitor also gets a personal pay of Rs. 350 and a special pay of Rs. 250 for work connected with the Local Clearing Office. The Solicitor is due to vacate his post in March 1932. The establishment consists of 2 clerks and about half a dozen peons.

(9) *History.*—Up to 1919 solicitor's work used to be done for the Government of India by a Calcutta firm of solicitors, one partner of which was called the Government Solicitor. The actual cost of this arrangement in 1918—the last year of its operation—was Rs. 67,000. In 1919-20 Government decided to have a whole-time solicitor attached to the Secretariat. As the solicitor selected was a senior man, it was decided to give him an assistant. A little later, a second assistant was recruited to the branch. We understand that the idea was that the first assistant should replace the Solicitor and the branch should be reduced to two.

(10) *Cost.*—The estimated cost of this branch is .83 lakh and is included in the estimates for the Legislative Department.

(11) *Inchape Proposals.*—The Inchape Committee recommended that since a vacancy was likely to occur within a year "occasion should be taken to reduce the number of solicitors to two". The Department did not find it practicable to give effect to this recommendation immediately. In 1927, however, it proposed to abolish the Third Solicitor's post and he was sent away. But before the post was actually abolished, he was recalled.

(12) *Our proposals.*—(i) As stated in paragraph (2) a permanent staff of three men was not intended, and we are not satisfied that three men are required now. We observe that during the absence of one of the officers on long leave two officers have generally carried on the work of this branch. So far as we are aware, two officers are even at present carrying it on during the Second Solicitor's absence on leave for seven months. We therefore propose that the branch should in future consist of two officers. We are of opinion that the Solicitors' Branch requires one senior solicitor or barrister with considerable professional experience and not more than one other professional man to assist him. We therefore propose that there should be only two men and having regard to the policy, which we understand was laid down by Mr. Montagu, one of them should be a qualified Indian. In these circumstances the post that should go out is that of the Second Solicitor. We further suggest that one of the senior assistants in the Legislative Department should have the professional qualifications of a solicitor or barrister.

(ii) Since the ministerial staff consists of only two clerks, there is no scope for retrenchment there. But we consider that it is possible to reduce the number of peons by two.

(13) *Summary of savings.*—The savings will be Rs. 25,300 *plus* approximately Rs. 600 on account of the reduction in the average provision for passages *plus* about Rs. 400 for chaprasis. The additional saving of about Rs. 2,100 on account of this officer's overseas pay has been left out of account here.

GRANT No. 35.—DEPARTMENT OF EDUCATION, HEALTH AND LANDS  
(Rs. 8.18 lakhs).

(1) *Functions*.—All business connected with the administration of Education, Oriental languages, Records, Books and Publications, Reformatory schools; Archaeology and Epigraphy; Arts and Museums; Medical Institutions and the Civil Medical services exclusive of officers on the Political cadre; Medical research; Public Health; Land Revenue; Land Surveys, Land Acquisition and Alienation; Civil Veterinary Department; Agriculture; Famine; Co-operation; Forests and arboriculture; Central agencies for research or promotion of special studies; Botanical Survey of India; Zoological Survey; Food-stuffs; Administration of the Indian Emigration Act; Indians overseas within the Empire, in territories administered by any part of the Empire under a B or C mandate and in Surinam; and the Haj pilgrimage; cinchona cultivation and the supply of quinine; Imperial Library; local self-government in Berar and throughout British India except British Baluchistan and Ajmer-Merwara.

We shall deal first with the department proper and then with the office of the Keeper of Records.

*A.—Department proper (6.98 lakhs).*

(2) *Organisation*.—A Secretary, a Joint Secretary (temporary), an Educational Commissioner (Rs. 2,500—3,000), a Deputy Secretary, an Additional Deputy Secretary, an Under Secretary, an Assistant Secretary, and six Superintendents, 88 Assistants, clerks, etc., and 73 servants. There is also a provision of Rs. 5,000 for an Officer on Special Duty.

(3) *Growth of expenditure and staff—*

	1921-22.	1924-25.	1931-32.
(i) <i>Growth of expenditure.</i>			
Pay of officers . . . . .	1.91	1.86	2.66
Pay of establishments . . . . .	1.32	2.05	2.93
Allowances, etc. . . . .	.45	.64	.84
Grants-in-aid, etc. . . . .	..	..	.3
Contingencies . . . . .	.51	.52	.51
<b>Total . . . . .</b>	<b>4.19</b>	<b>5.07</b>	<b>6.97</b>
(ii) <i>Growth of staff.</i>			
Officers . . . . .	9	9	14
Clerical staff . . . . .	45*	73	88
Servants . . . . .	61*	63	73

\*Education Department alone to which was subsequently added in 1923-24 a part of the old Revenue and Agriculture Department.

(4) *Inchape Committee's proposals*.—This Committee thought that, in view of the essential modification of the position of the Central Government *vis-a-vis* the provinces under the Reforms Scheme in respect of education and medical administration, there was little justification for the retention of the Educational Commissioner, the Bureau of Education, or the Central Advisory

Board or, indeed for the continuance of the Department as a separate entity. As a result of the regrouping of the subjects proposed by that Committee the whole Department of Education and Health emerged in the new garb of the Department of Education, Health and Lands.

(5) *Departmental proposals.*—The Department has offered various savings amounting to nearly 26 lakh in the Department proper and 24 lakh in the office of the Keeper of Records. A hope is held out that as a result of the examination of the office by an officer with office experience further savings might be possible.

(6) *Our proposals*—

A.—*The Department proper.*

(i) Following our general recommendations regarding the constitution of the Secretariat we recommend the abolition of the posts of Joint Secretary, Additional Deputy Secretary, Assistant Secretary and six Superintendents. A Registrar for the entire office with Assistants in charge of sections should take the place of the Assistant Secretary and the Superintendents.

(ii) The Educational Commissioner should be replaced by an officer of suitable standing in the Indian Educational Service, whose total emoluments should not exceed Rs. 1,500 per mensem.

(iii) We think, the establishment should in any case be reduced by 15 per cent. and contingencies by 10 per cent. We may note in this connection that in the case of this Department we have recommended the curtailment or transfer of certain activities.

(iv) On our proposals the gross savings will be 2.14 lakhs. After deducting .13 for the Registrar and for allowances to Assistants-in-charge, the net savings on the department proper will be 2.01. There will also be a permanent saving of .24 on the Office of the Keeper of Records. Besides there will be a saving of .34 on account of hill-journey and house-rent allowances and hill-journey charges. This has been accounted for under the Secretariat as a whole.

B.—*Office of the Keeper of Records (1.20 lakhs).*

(7) *Functions, organisation and cost.*—This office dates from 1891 and its primary duties are to (i) repair and preserve the records in its custody and to supply them (or information from them) to Government offices, and (ii) subject to certain limitations, render their contents accessible to the public for purposes of historical research. The office is in charge of the Keeper of Records (pay Rs. 1,300—40—1,500) who is also, *ex-officio*, Assistant Secretary to Government. The ministerial establishment of 33 (a Superintendent, clerks, etc.) is estimated to cost .62 lakh and the inferior establishment of 67 servants .19 lakh. There is also a provision of Rs. 1,400 for temporary establishment.

Work connected with the Historical Records Commission is done in this office, and the 1931-32 session of the Commission was estimated to cost Rs. 5,500.

(8) *Growth of expenditure and of staff :—*

	1913-14.	1921-22.	1924-25.	1925-26.	1929-30.	1931-32.
<i>(a) Expenditure.</i>						
Pay of officers . . . . .	·23*	·15	·16	·17	·18	·21
Pay of establishments . . . . .	·49	·64	·71	·73	·82	·83
Allowances, etc. . . . .	·01	·04	·05	·02	·05	·04
Contingencies . . . . .	·01	·04	·08	·08	·17	·12
Total . . . . .	·74	·87	·98	1·00	1·22	1·20
<i>b) Establishment.</i>						
Ministerial . . . . .	33	33	33	33	33	33
Inferior . . . . .	49	65	65	65	67	67

\*There were two officers in 1913-14, one being an Assistant on Rs. 600—1,000.

(9) *Proposals.*—(i) There is only one officer and apart from the question of pay for the post, there is no saving possible on the “pay of officers”.

We must, however, remark that the pay is far too liberal even if the Education, Health and Lands Department's view, that it should correspond to the pay of a professor, be accepted. We shall make our proposals elsewhere.

(ii) We fully appreciate the value of the Historical Records Commission and the need for holding its meetings at intervals. But we are not so sure that it need meet at various centres, nor that an exhibition is necessary. In any case, we recommend that it should not meet in 1932-33.

(iii) As regards specific economies the Department have offered a reduction of ·24 lakh. We recommend that this offer be accepted, but this saving should be treated as a permanent saving and not as mere reduction of expenditure for the 1932-33 budget.

## GRANT No. 36.—FINANCE DEPARTMENT—ORDINARY BRANCH (7.44 lakhs).

(1) *Functions.*—(i) General Finance, that is to say—

- (a) the Public accounts and estimates ;
- (b) the Public expenditure ;
- (c) the Public Ways and Means, including loans to and from the Public Treasury ;
- (d) the management of the Public funds ;
- (e) Taxation ;
- (f) Provincial and local finance ; and
- (g) the borrowing of public bodies ;

(ii) Customs ;

(iii) Taxes on Income ;

(iv) Salt ;

(v) Opium ;

(vi) Excise ;

(vii) Stamps ;

(viii) Currency and Banking, that is to say—

(a) the Mints ;

(b) Coinage ;

(c) Paper Currency ; and

(d) the Imperial Bank of India and other Banks ;

(ix) Salaries and allowances, that is to say—

(a) the pay and allowances of public officers ;

(b) Leave to public officers ; and

(c) Pensions and gratuities ;

(x) The Civil Accounts Department, including Treasuries.

Army Finance and the Military Accounts Department are dealt with by a separate organisation under the control of the Hon'ble the Finance Member.

(2) *Organisation.*—*Officers.*—A Secretary, an Additional Secretary, a Deputy Secretary, a Budget Officer (Rs. 1,500—2,000), an Under Secretary, two Assistant Secretaries (Rs. 350—1,400 and special pay Rs. 250) ; one Assistant Secretary (on Rs. 1,000—1,250), and seven Superintendents. In addition there is at present a Joint Secretary.

*Establishments.*—90 Assistants, clerks and stenographers and 50 servants.

The posts of Additional and Joint Secretaries are temporary.

(3) *Growth of expenditure and staff.*—The following table shows the growth of expenditure and staff :—

	1913-14,	1921-22,	1924-25,	1929-30,	1930-31,	1931-32,
	Actuals.	Actuals.	Actuals.	Actuals.	Revised.	Budget.
<i>(i) Expenditure.</i>						
Pay of officers . . . . .	1-70	2-70	1-89	2-33	2-94	2-87
Pay of establishment . . . . .	1-49	2-22	2-09	2-89	3-04	3-29
Allowances, honoraria, etc. . . . .	.26	.52	.51	.74	.82	.83
Contingencies . . . . .	.66	.81	.37	.51	.48	.44
Grants-in-aid . . . . .	..	..	..	.01	.01	.01
<b>Total . . . . .</b>	<b>4-11</b>	<b>6-25</b>	<b>4-86</b>	<b>6-48</b>	<b>7-29</b>	<b>7-44</b>

<i>(ii) Numbers.</i>						
Officers . . . . .	12	12	12	13	15	15
Staff . . . . .	61	55	59	76	90	90
Menials . . . . .	49	48	42	48	48	50

(4) *Salient features.*—Prior to the Reforms this Department had to deal with provincial budgets as well ; in all important cases the sanction of the Government of India and of the Secretary of State was required.

The Reforms separated provincial from central finance and relieved the Finance Department of provincial finance work. It also got larger powers of expenditure sanction.

After the report of the Incheape Committee, the Finance Department was relieved of (i) work connected with salt, opium and stamps, these subjects being transferred to the C. B. R. in its dual capacity as an administrative body and as the Central Revenues branch of the Finance Department, (ii) railway finance and (iii) Posts and Telegraphs finance. There has, all the same, been a considerable increase in the number of officers and other staff.

(5) *Savings offered.*—The Department's final offer consists of the following items :—

- (i) abolition of the following posts, namely, an Assistant Secretary, 6 Assistants, 7 posts in the second division ;
- (ii) reduction of Rs. 13,000 in the provision for temporary establishments.

Including corresponding savings in allowances and after making a deduction for special pay to the Chief Superintendent and an Assistant, the estimated savings amount to .75 lakh. The Department has further offered to consider the reduction of the status of the post of Additional Secretary to one of Joint Secretary, when the present incumbent vacates the former post.

(6) *Our proposals.*—Considering that the Finance Department was given considerable relief as stated in paragraph 4, we cannot accept the view that the present number of officers is the minimum with which the work can be carried on. Instead, however, of entering into a detailed consideration, we

propose that our usual plan should be applied to the Finance Department also. Instead of giving only one Deputy Secretary to the Finance Department, we would, however, give it two. We estimate that the savings on the abolition of the posts of Additional Secretary, Officer on Special Duty, Attaché, three Assistant Secretaries, seven Superintendents and the provision for leave salaries will be 1.67 lakhs. We think, the establishment can safely be cut down by 10 per cent. saving .33 lakh, and other contingent charges can be reduced by about Rs. 4,000. Allowing for the expenditure on the posts of an Additional Deputy Secretary and a Registrar and for charge allowances to Assistants in charge, we estimate a net saving of 1.71 lakhs.

Savings on house-rent and hill-journey allowances and hill-journey charges have been taken account of under the Secretariat as a whole.



## GRANT No. 38.—COMMERCE DEPARTMENT (4·83 lakhs).

(1) *Functions.*—(i) Shipping and matters connected with it, (ii) Trade and commerce and connected matters, (iii) Import and export regulations, (iv) Exhibitions, (v) Life assurance, (vi) Actuarial work, and (vii) Ecclesiastical matters.

*Recent additions to activities.*—(i) Tariff Board, (ii) Ecclesiastical work transferred from the Department of Education, Health and Lands, (iii) Centralisation of work connected with navigation and mercantile marine, (iv) Work connected with the League of Nations and the international conferences, (v) administration of the Training ship "Dufferin".

(2) *Organisation.—Officers.*—A Secretary, a Joint Secretary, a Deputy Secretary, three Assistant Secretaries (two permanent, one temporary), and five Superintendents including two temporary ones.

*Establishments.*—50 Assistants and clerks and 38 servants.

(3) *Growth of expenditure and staff.*—The expenditure and staff have grown as below :—

1913-14. 1921-22. 1924-25. 1931-32.

(i) *Expenditure.*

Pay of officers . . . . .	} 3·46	1·67	1·20	2·00	
Pay of establishment . . . . .		2·14	1·20	1·94	
Allowances, passages, etc. . . . .		·49	·34	·64	
Contingencies . . . . .		·69	·48	·25	
Total . . . . .		3·46	4·99	3·22	4·83

(ii) *Staff.*

	1921	On 1st April 1924	1931
Officers, i.e., administrative and superintendents . . . . .	8	7	11
Clerical establishment as provided for in budget . . . . .	45	37*	50†
Menials . . . . .	35	33	38
* Actual strength was 40 permanent and 2 temporary		= 42 + Stenographers.	
† " " " is 46 " " " 22 " "		= 68 + " "	

(4) *History.*—In 1913-14 Commerce and Industries Department formed a single Department. In 1917 the Munitions Board was created to meet war requirements; when the war came to an end, the Board was converted into the Board of Industries and Munitions and later, in 1921, into a separate Department of Industries.

The Commerce Department used to deal, *inter alia*, with Customs. In 1924 Customs administration was transferred from its control to that of the Central Board of Revenue on the ground that, apart from delegation, there was little prospect of diminution of work in the Secretariat and that therefore the Secretariat proper should be freed from the functions of detailed administrative control exercised by it in the past. In fact, however, the two tables in paragraph 3 show that both staff and expenditure have grown substantially.

(5) *Departmental proposals.*—The Department has offered to try to effect a reduction in the number of Assistant Secretaries from 3 to 2 on the understanding that the posts of Joint Secretary and Deputy Secretary remain. As regards the subordinate establishments it proposes to await the examination of the office by an officer on special duty.

(6) *Our proposals.*—(i) We consider the Department's offer altogether inadequate. The Joint Secretary's post was temporary. It was understood that, so long as the Joint Secretary's temporary post was filled, the Deputy Secretary's post should remain unfilled. Now that, with effect from the current year, the Deputy Secretary's post has also been filled up, we do not see why Commerce Department should wish both posts to be kept alive. The maximum extent up to which we would be prepared to go is to give this Department an Additional Deputy Secretary. In accordance with our usual plan for the organisation of work in the Secretariat, we propose that all the posts of Assistant Secretaries and Superintendents be abolished and be replaced by one post of a Registrar in charge of the establishments and the office. Assistants should be placed in charge of branches.

(ii) During the last seven years the ministerial establishment\* has increased by almost 62 per cent. in spite of the fact that the important subject of Customs was taken away from the Commerce Department. We however appreciate the force of the Commerce Department's contention and agree that in this case the percentage of reduction in the establishment should be small; we propose that the provision for establishment should be reduced by 5 per cent. Contingencies should, however, be reduced by 10 per cent.

(7) On our proposals the net saving will be .98 lakh. The savings on house-rent and hill-journey allowances and hill-journey charges have been taken into account for the Secretariat as a whole.

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\* Even after leaving out the staff for the Lighthouse officers, and the permanent Commercial Accountant and Assistant Actuary.

## GRANT NO. 40.—DEPARTMENT OF INDUSTRIES AND LABOUR (6.53 lakhs).

(1) *History*.—This department dates from 1921 when it took the place of the Board of Industries and Munitions which was no longer required. The Inchcape Committee made proposals regarding the allocation of business in the Secretariat. These proposals were accepted in part and as one of the results of the survey of the position the Industries Department absorbed the Public Works Department, including its Posts and Telegraphs branch.

(2) *Functions*.—Development of Industries (Central aspects); Geology and Minerals; Explosives; Petroleum; Printing and Stationery; Patents and Designs; Copyright; Factories Act; Legislation relating to steam boilers; Legislation on the subject of Electricity (including water-power grants); Inter-provincial Migration; Stores; Labour Legislation; International Labour Organization; Meteorology; Post Office; Telegraphs; Telephones; Wireless telegraphy; Cables; Civil Aviation; Civil buildings; Communications; Irrigation and canals; Miscellaneous Public Works and Allotment of office accommodation to Secretariat and attached offices.

(3) *Organisation*.—The superior administrative officers number four, viz., a Secretary, a Joint Secretary, a Deputy Secretary and an Under Secretary. Besides, there is a provision of Rs. 13,800 in the 1931-32 budget for an Officer on Special Duty. Other officers are two Assistant Secretaries and eight Superintendents. Establishments number 158 including 71 servants.

(4) *Present expenditure and staff and their growth*.—For a proper appreciation of the growth of expenditure on this department it is necessary to group it with the enlarged Commerce Department and the now defunct Public Works Department.

1913-14. 1921-22.\* 1924-25. 1929-30. 1930-31. 1931-32.

(i) *Expenditure.*

Commerce . . . . .	} 3.46	4.99	3.22	3.94	4.26	4.83	
Industries and Labour . . . . .		} 5.24	} 5.43	} 5.94	} 6.04	} 6.53	
Public Works Department . . . . .							5.01
<b>Total . . . . .</b>		<b>6.67</b>	<b>15.24*</b>	<b>8.65</b>	<b>9.88</b>	<b>10.30</b>	<b>11.36</b>

	1913-14.			1921-22.*			1924-25.			1929-30.			1931-32.		
	Officers.	Clerks.	Servants.	Officers.	Clerks.	Servants.	Officers.	Clerks.	Servants.	Officers.	Clerks.	Servants.	Officers.	Clerks.	Servants.
(ii) <i>Officers, clerks and servants.</i>															
Commerce . . . . .	9+53	+40		11+46	+40		7+27	+33		8+48	+38		11+50	+38	
Industries and Labour } . . . . .				13+60	+49		} 14+83	+68		14+86	+71		15+87	+71	
Public Works Department . . . . .				11+60	+50										

\*Note.—The Board of Industries and Munitions was still in existence.

(5) *Departmental proposals*.—A reduction of expenditure by .33 lakh has been proposed, viz., .25 in the Industries Branch and .08 in the Public Works Branch; the former includes .18 on account of the discontinuance of the post of an officer on special duty.

(6) *Our proposals.*—Our general plan of Secretariat organisation involves the abolition of the posts of the Joint Secretary, the two Assistant Secretaries and the eight Superintendents, a Registrar taking the place of these officers and Assistants being placed in charge of branches. The provisions for establishments, allowances and contingencies should be reduced by ten per cent. Deducting .14 for a Registrar and for charge allowances to Assistants, the *net* reduction of expenditure from our proposals will be 1.90 lakhs.

(7) *Summary of savings.*—1.90 lakhs. An additional saving of .31 lakh on account of hill-journey and house-rent allowances and hill-journey charges has been taken into calculation for the Secretariat as a whole.

**GRANT No. 42.—PAYMENTS TO PROVINCIAL GOVERNMENTS ON ACCOUNT OF THE ADMINISTRATION OF "AGENCY" SUBJECTS (2·30 lakhs).**

(1) *Explanation of the grant.*—This grant of 2·30 lakhs (of which 1·43 is non-voted) is intended for payments to the Local Governments of Madras (.38), Bombay (1·70) and Bengal (.22) for their administration of "agency" subjects, e.g., Political, Haj Pilgrimage, Quarantine, Ecclesiastical, Major Ports, etc. The payments represent a share of the cost of the respective secretariats.

No payment is specifically made to Madras and Bengal. The Government of Bombay are paid .32 for passport work done in the passport branch of the political department of the Bombay Secretariat and .04 for that done in the passport branch of the office of the Commissioner in Sind. (The allowance of Rs. 200 p. m. to the Bombay Passport Officer is met out of the payment to the Bombay Government.) The reason for this is that passport work is heavy only at Bombay and Karachi. In 1914 the Government of Bombay had to create temporary posts in their Secretariat to cope with extra work in connection with passports. In 1921 some of them were made permanent, and the Central Government decided to bear the cost of these posts in accordance with the Devolution Rules.

In addition to this payment to Bombay Government of .36 for passport work at Bombay and Karachi, central revenues bear an expenditure of .10 lakh (provided in grant No. 45-Police) on the special passport establishments at Bombay (a Deputy Inspector on Rs. 275 and a clerk) and Aden (2 clerks).

(2) *Proposals.*—The departments concerned hold that no cheaper agency can be devised for the performance of "agency" work. We accept this view. But, we observe that the objects for which payments are made are somewhat specific in the case of Bombay. Since the cost of administration is likely to be reduced in that province, the question of reducing the amount paid to the Government of Bombay by approximately 10 per cent. (this being the percentage cut likely to be enforced in the provinces also) may be taken up with them. For the present we leave out of our calculation any saving that may possibly accrue from our proposal.

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## CHAPTER VII.

## GRANT No. 44.—ADMINISTRATION OF JUSTICE (·55 lakh).

(1) *Explanation of the grant.*—This grant of ·55 lakh consists of only two small items of ·40 and ·15 lakh representing the payment to the Local Governments of Bengal and Bombay respectively for services rendered by certain law officers of theirs to the Central Government. The administration of justice including the constitution, powers, maintenance and organisation of law-courts is a provincial reserved subject, subject to central legislation as regards courts of criminal jurisdiction and High Courts and courts of similar status. In the Governors' provinces the Government of India have only the general powers of superintendence, direction and control. The position of the Calcutta High Court is, however, an anomaly inasmuch as administrative control over it is vested in the Government of India.

The provision for the administration of justice is therefore made in the budgets of the respective major provinces or the minor administrations.

(2) *Proposals.*—(i) The payment made to the Government of Bengal comprises ·36 lakh as the Government of India's share of the total expenditure of the Local Government on account of the salaries of their law officers (*viz.*, Advocate General, Standing Counsel, Legal Remembrancer and the Government Solicitor) and ·04 for contingent charges incurred by the Legal Remembrancer on behalf of the Central Government, *e.g.*, fees to pleaders, etc. This latter part of the payment varies from year to year. The contribution to the Government of Bombay is calculated on the same basis.

Both the Local Governments were consulted on the possibility of effecting a reduction of ten per cent., but they replied that no reduction was feasible. Under these circumstances we are unable to make a definite recommendation. We think, however, that if, as is probable, the Local Governments concerned adopt "percentage cuts" of pay, whether on the Government of India's lines or on different ones, there might be a good case for inviting the Local Governments to give some relief to the Government of India.

(ii) As regards the High Court at Calcutta a question we have considered is whether it would lead to economy in the Home Department if the position of that High Court is assimilated to that of the other High Courts. The Simon Commission proposed that the expenses (including judicial salaries) of all courts of the status of a High Court should be charged on central revenues and the administrative control should in each case be vested in the Central Government. We understand that this question is under consideration in the Home Department and that no decision has been reached. We would therefore content ourselves with the remark that the financial consequences of the proposal should be fully weighed against any administrative benefit likely to accrue from it; especially as the prospective revenue position of the Central Government is by no means so bright as it appeared to that Commission.

(iii) We should like to add that under the present arrangements the expenditure of the Calcutta High Court is apt to pass without sufficient scrutiny either of the Local Government or of the Government of India. We also think that the Government of India should initiate the necessary enquiries for retrenchment in that sphere.

(3) *Summary.*—No specific reduction of expenditure can be suggested.

## CHAPTER VIII.

## GRANT No. 46.—PORTS AND PILOTAGE (26·16 lakhs).

## GRANT No. 47.—LIGHTHOUSES AND LIGHTSHIPS. (12·98 lakhs).

(1) *Introductory*.—Prior to 1929-30 there was only one budget head, *viz.*, "Ports and Pilotage", and it comprised the following classes of expenditure, *viz.*, (i) Bengal Pilot service, (ii) port officers' establishments and marine courts, (iii) shipping offices, (iv) marine survey departments, (v) the training ship "Dufferin", and (vi) lighthouses and lightships. The administration of the central subject "Shipping and Navigation" was, broadly speaking, in charge of the maritime Local Governments as agents for the Government of India, and the method of financing some of the above-mentioned services varied considerably from province to province.

The Inchaape Committee observed that there was little uniformity as to the authority by which these services were administered or as to the basis for the levy of fees on shipping. It recommended that the various services mentioned above should *all* be made self-supporting and proposed the reduction of expenditure from 26·32 to 24·21 lakhs. But since the entire policy was under Government's review at the time, it refrained from a detailed examination.

With effect from 1929-30 the administration was centralised and reorganised. As a result of this change the cost of "Ports and Pilotage" has increased considerably, and although the Inchaape Committee recommended that all the services should be made self-supporting, the receipts from the mercantile marine department have generally been below fifty per cent. of the expenditure, even when leave, pensionary and certain overhead charges are left out of account. As a result of the retrenchment proposed by it the Commerce Department hopes that in future about a half of the expenditure will be covered by the levy of fees. On the analogy of the law\* in force in the United Kingdom it thinks that the practice of India should be the same as in the United Kingdom. It hopes that when the retrenchment proposed by it is brought into operation, the aggregate amount produced by fees levied under the Merchant Shipping law will be approximately equal to one-half of the expenditure on the mercantile marine department in respect of the services for which the fees are leviable.

As regards pilotage the service is confined to Bengal for the navigation of the Hooghly river, and the accepted policy is to treat and administer it on a self-supporting basis.

The administration of lighthouses and lightships was also placed on a definitely self-supporting basis. A separate grant is now voted for "lighthouses and lightships" service, but the creation of a separate fund automatically transfers the excess or the deficit of receipts over expenditure to the Fund in stead of leaving it to be borne by the civil estimates.

We shall now deal with the two grants separately.

\*Vide section 3 of the Fees (Increase) Act of 1923.

## GRANT NO. 46.—PORTS AND PILOTAGE (26.16 Lakhs).

(2) *Explanation of the grant.*—This grant covers three distinct services, viz., (i) the administration of "Ports", i.e., headquarters direction and the mercantile marine departments, (ii) the cost of the Bengal Pilot Service and (iii) the cost of the training ship, the "Dufferin". The expenditure (in lakhs) on each has been :—

	1913-14.	1926-27.	1928-29.	1929-30.	1930-31.	1931-32.
(i) Ports including headquarters Directions		5.20	5.97	7.26	8.61	9.54
(ii) Pilotage	10.54	16.16*	12.51	12.87	12.08	14.24
(iii) Training ship	Nil	67†	2.08	2.35	2.40	2.38

\* Unusually heavy expenditure on the building, repairs and outfit of ships.

† In 1927-28 the R. I. M. S. Dufferin was converted into a training ship; before that it was on a "maintenance" basis.

(3) *Functions.*—The various mercantile marine departments comprising port establishments, shipping offices and ship survey departments perform the usual functions that are discharged by every government in matters relating to the mercantile marine.

The Bengal pilotage establishment is maintained for the pilotage of ships on the Hooghly, the navigation of which owing to the shifting sand-banks and the narrow channel kept available for ships to pass along, is difficult and cannot be entrusted to ordinary ship's crews.

The training ship is intended to train men for careers in the mercantile marine. The R. I. M. S. Dufferin was taken over in 1925, a price of 1.25 lakhs being paid to the Marine Department. In 1927-28 it was converted into a training ship at a cost of 4.36 lakhs and was opened as such in December 1927.

(4) *Organisation.*—(i) Under the scheme of centralisation of mercantile marine administration inaugurated by the Indian Merchant Shipping (Amendment) Act, 1928, with effect from 1st April 1929, Commerce Department is in direct administrative charge of the Ports and Pilotage services. A Nautical Adviser and a Chief Surveyor are maintained at headquarters to advise Government on matters relating to mercantile marine and ship survey questions respectively.

(ii) The coasts of India have been divided into six districts based on the major ports of Calcutta, Bombay, Madras, Rangoon, Karachi and Aden. Chittagong also is a major port, but for mercantile marine purposes it is a sub-district of Calcutta district. Each district is in charge of a chief executive officer called the "Principal Officer". At Bombay, Madras and Aden the Port Officers used to be employees of the respective Port Trusts or Port Funds; they are now directly in Government's employ. The Principal Officers are assisted by engineer-surveyors, ship-surveyors, shipping masters and subordinate establishments. The Principal Officers are also Superintendents of Lighthouses under the Indian Lighthouse Act except in the Bombay district. The following table shows the mercantile marine



establishments maintained by the Central Government in their own employ in the districts :—

	Calcutta.	Chittagong.	Madras.	Bombay.	Rangoon.	Karachi.	Aden.
(1) Ports Establishments—							
Principal Officer . . . . .	1	..	1	1	1	1	1
Nautical Surveyor . . . . .	1	1*	..	1	1	1	NW
Wireless Telegraph Inspector . . . . .	1	..	..	1	1†	(Part-time.) NW	NW
Ministerial . . . . .	18	3	..	} 10	} 24	} 6	} T
Servants . . . . .	18	7	..				
(2) Shipping Offices—							
Officers { Master . . . . .	1	--	--	1	--	--	--
Deputy and Assistants . . . . .	2	--	--	3‡	--	--	--
Ministerial . . . . .	30	..	..	} 23	--	--	--
Servants . . . . .	13	..	..				
(3) Ship Survey Department—							
Officers { Principal . . . . .	1	..	1	1	1	1§	..
Assistants . . . . .	5	--	--	4	--	--	--
Ministerial . . . . .	5	--	--	} 8	--	--	--
Servants . . . . .	16	..	..				

\*Half of his pay is recovered from Chittagong Port Commissioners.

†Used to be non-gazetted.

‡Reduced to two from 14th September 1931.

§This is also the Principal Officer of the District.

The existing arrangements in the districts are somewhat complicated, the reason being that the staff also administers the provincial subject of "Inland Navigation". Thus, in the Calcutta district one-third of the cost of ship survey establishments and the cost of the "Fifth engineer and ship surveyor" and his staff are recovered from the provincial government. In the Chittagong district Rs. 1,000 per annum is paid to the Government of Bengal towards the cost of the ship survey department. In the Madras district contributions are paid to the Minor Ports Fund and the Local Government on account of certain establishments and contingent expenditure on account of ports and ship survey work, and certain recoveries are made for lighthouse work. In Bombay and Karachi some recoveries are made from the Government of Bombay towards the cost of the ship survey department. Similar arrangements are in operation in the other districts also. At certain ports, e.g., Karachi, combined establishments are maintained for the Principal Officers and the ship survey sections.

The pay of officers varies. Members of the Royal Indian Marine appointed to mercantile marine appointments get their grade pay *plus* a staff pay which, it is claimed, is fixed with reference to the officer's status and the duties of his post. The staff pay takes the place, in part of provisions, lodging and services to which the officer would be entitled while serving afloat.

(iii) *Pilotage*.—For the needs of the Bengal Pilot service two pilot vessels the "Lady Fraser" and the "Andrew", are maintained under the command of one of the Branch pilots in rotation for a year.

The cadre of officers on service afloat consists of 2 Commanders, 2 Chief Officers and 4 second and additional officers and 8 engineers. The crew serving afloat numbers 144 men. There is also an establishment of 11 for the "Aid". Actual piloting work is done by pilots who are divided into various grades, viz., Branch pilots, Master pilots, Mate pilots, First and Second Mate Leadsman and Leadsman Apprentices. The sanctioned strength of the service is fifty pilots and twelve leadsmen. The pay of leadsmen ranges from Rs. 200 to Rs. 350 plus 50 per cent. of lead money collected, and that of pilots varies from Rs. 400 to Rs. 2,250 plus overseas pay. The pilots on the running list also get extra emoluments in the shape of night pilotage fees; these are claimed to be in the nature of overtime pay.

The seniormost officer of the Bengal Pilot Service is, *ex-officio*, Deputy Port Officer (Pilotage), Calcutta, and is responsible for pilotage work. He is on a special scale of pay, viz., Rs. 2,550 plus overseas pay. It seems that pilotage establishments, other than crews, are not charged to the pilotage grant, though we understand that a share of the cost of the Port Establishments is charged to the *pro-forma* accounts relating to pilotage.

(iv) The training ship has six officers, a Captain Superintendent (pay Rs. 1,800), a Headmaster on Rs. 1,500, a Chief Officer, two other officers and an Assistant Surgeon. The establishments comprising school masters, boat-swain instructors, clerks, engine drivers, lascars, servants, etc., number 59.

(5) *Growth of staff and expenditure.*—The following two tables show how the staff and expenditure in India have grown compared with 1924-25. But owing to the radical change of policy inaugurated in 1929-30 comparison with the figures of previous years is not of much help. In fact, the old arrangements had to be continued during the major part of 1929-30. Hence the figures of even that year are not particularly useful for comparative purposes.

TABLE A.—STAFF.

	1924-25.		1931-32.	
	Ports.	Pilotage.	Ports.	Pilotage.
Officers . . . . .	19	16 plus 72	34*	16 plus 58
Crew . . . . .	9	144	191	155
Clerical and Menial	128	..		

\*Including one part-time post.

TABLE B.—EXPENDITURE.

	1912-14.	1921-22.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
(i) Ports Direction	..	..	..	..	..	..	..06	58	58	66
Port Officers' establishments.	..	2.22	1.24	1.41	1.74	1.39	1.73	2.15	3.22	4.42
Shipping Offices . . . . .	..	..	79*	1.50	1.63	1.44	1.93	1.88	1.94	2.05
Ship Survey Department.	..	..	31	1.54	1.84	1.95	1.96	2.09	2.45	2.68
Scholarships and Miscellaneous.	..	..	..	..	..	06	07	07	10	05
Total for Ports	6.02	3.92	4.28	4.88	5.19	5.35	5.92	8.11†	8.01	9.51
(ii) Training Ship	..	..	..	17	67	5.27	2.06	2.35	2.40	2.38
(iii) Pilotage . . . . .	10.54	14.69	14.22	17.65	16.15	14.19	12.51	12.87	12.03	14.24

\*Does not include expenditure on Bombay Shipping office.  
†7.26 after deduction of recoveries of .85.

(6) *Receipts*.—The following table shows receipts under head “Ports and Pilotage”. They include receipts from the shipping offices and the “Dufferin” but exclude those from Bengal pilotage.

	1928-29.	1929-30.	1930-31.	1931-32.
Mercantile Marine Department . . . . .	4.68	3.83	4.23	4.32
Training ship . . . . .	.17	.30	.35	.44
Total . . . . .	4.85	4.13	4.58	4.76

(7) *Departmental proposals* :—

A.—*Ports* (Grant 9.54 lakhs).

Commerce Department at first proposed to effect savings as shown below :—

	Sanctioned Budget, 1931-32.	Reductions	
		in 1931-32.	in future.
	Rs.	Rs.	Rs.
(i) Headquarters Establishments . . . . .	66,500	2,000	14,500
(ii) Marine Engineering (State Scholarships) . . . . .	4,000	400	400
(iii) Madras District . . . . .	32,000	1,000	1,400
(iv) Bombay District . . . . .	2,99,200	14,090	14,200
(v) Training Ship . . . . .	2,37,700	8,000	..
(vi) Karachi District . . . . .	35,100	2,850	1,250
(vii) Aden District . . . . .	33,000	300	..
(viii) Calcutta District . . . . .	3,59,400	10,850	57,500
(ix) Chittagong Sub-District . . . . .	19,000	100	..
(x) Rangoon District . . . . .	1,04,000	620	620
Total . . . . .	11,89,900	40,210	89,870

It will be seen that the savings under (i) were effected, before the present retrenchment campaign began, by the appointment of a new Nautical Adviser and a new Chief Surveyor at headquarters on lower rates of pay. The saving offered under (viii) includes an automatic saving of Rs. 54,700 (provision for the payment of arrears of rent for the Calcutta port and shipping offices), which would have accrued in any case. The other savings amount to Rs. 20,870.

B.—*Pilotage* (Grant 14.24 lakhs).

A reduction of 1.06 lakhs in the 1931-32 grant was offered but the main items offered were .50 due to the postponement of the reconditioning of S. P. V. “Andrew”, .20 on marine stores, .10 on the cost of coal, .22 on the pay of officers.

The following note embodies the Commerce Department's proposal as regards permanent reduction of expenditure :—

“Though the Service is in the first instance financed by Government, the expenditure is recouped by pilotage fees, and *pro-forma* accounts are maintained

to ensure that receipts cover expenditure. Owing to the present depression in trade there is a deficit at present, but steps are being taken to balance revenue and expenditure and in the current year Rs. 1,06,000 has been surrendered by reductions of expenditure. Automatic savings are expected under pay of officers and by this means and with other economies the income and expenditure are expected to balance. The Pilotage Dues Committee has been appointed to enquire into pilotage fees. Their report is expected shortly and the question whether any increase in fees is desirable will then be taken up."

C.—The "Dufferin" (Grant 2.38 lakhs).

The Commerce Department has stated that the provision for the training ship cannot be reduced permanently without impairing its efficiency. It has also explained that the "arbitrary" cut of Rs. 11,000 made by Finance Department has made it necessary to postpone the dry-docking of the ship for repairs, and that it will have to ask for an extra grant of Rs. 15,000 in the next year's budget.

(8) Our proposals:—

A.—Ports (Grant 9.54 lakhs).

(i) Excluding the expenditure on the training ship, the 1931-32 provision for Mercantile Marine administration amounts to 9.54 lakhs. The department has offered genuine savings of only Rs. 20,670. We consider this altogether inadequate, and we are persuaded that a reduction of the provision for 1932-33 by 1.50 lakhs as compared with that for 1931-32 is not at all difficult to effect. In this connection we draw attention to table B in paragraph 5, especially to the extraordinary increase in the cost of port officers' establishments compared with 1929-30. We may explain some lines along which expenditure can be reduced by at least the amount proposed by us.

(ii) We appreciate the need for technical advisers to the Government of India. But, we can see no valid reason why these officers should not be posted at the ports. We think it should not be difficult to obtain their advice from the ports. Occasional visits to the headquarters of Government may be necessary. We think, contact with actual work in the districts will be distinctly helpful to them and to Government. We do not consider that there is enough work for the two advisers at headquarters. The extensive re-organisation undertaken in the interests of centralisation may have required the services of advisers on the spot. Now that a very large portion of this work has presumably been completed, the need for the advisers at headquarters must be far less. If we may say so, their work was in the nature of special duties which should now come to an end. If any portion of the initial work is still outstanding, special posts may be created to complete it, provided that it is not possible to utilise the services of officers at the ports for this purpose.

We therefore propose that these two posts should now in the interests of economy be abolished, saving Rs. 55,000 in pay and possibly about Rs. 5,000 in other items.

(iii) We are not quite convinced that it would be impossible to combine the functions of these two officers. We find that the Principal Officer in charge of a port is, to quote the Commerce Department's words, "the chief executive officer of Government in all matters relating to mercantile marine administration and exercises general supervision over the whole of the district staff including, inter alia, the staff for the survey of ships." It seems to us therefore that it

should not be altogether impossible to come across a Principal Officer who might be able to combine the advisory duties of the Nautical Adviser and Chief Surveyor. So far as we can see, mercantile marine and survey duties are combined at some ports, e.g., Bombay and Karachi; in fact we note that the Karachi officer is an engineer officer. In any case, we propose that the feasibility of such combination of duties should, though strictly as a second alternative to our proposal in (ii), be reconsidered, not in the light of an abstract theory but of concrete facts. We may concede that it is better to have two specialist officers, but the question is whether the extra administrative convenience is worth the cost at a time of acute financial stress like the present; we think it is not.

(iv) The numbers of officers are 12 at Calcutta, 13 at Bombay (including the Collector of Salt Revenue as Superintendent of Lighthouses, *ex-officio*), 2 at Madras, 2 at Karachi, 2 at Chittagong (one being a provincial officer), 4 at Rangoon and 1 at Aden. We hold that it is possible to reduce the numbers at Calcutta, Bombay and Rangoon by eight in all and we recommend accordingly. Commerce Department has abolished only one post, *viz.*, the temporary post of the Additional Assistant in the Shipping Office, Bombay.

(v) The Commerce Department's contention that in the case of officers belonging to the Royal Indian Marine the staff pay is fixed with reference to the officer's status and duties does not convince us as to the necessity of the present scales of emoluments which include staff pay, special pay and motor car or conveyance, compensatory local, house rent, Burma, R. I. M. craft supervision, travelling, overtime and closed holidays and other allowances. The following table shows the present actual emoluments of some such officers and the unusually high ratio they bear to grade pay:—

		Grade pay.	Staff pay.	Special pay.	Motor allowance.	Compensatory, Local, house-rent and other allowances.	Total.
(a) Calcutta	(i)	900	870	200	100	150+178	2,398
	(ii)	800	620	100	75	150+110	1,855
	(iii)	900	700	150	150	150+152+75+32	2,309
	(iv)	700	500	..	150	135+175+75	1,735
(b) Chittagong	(i)	625	620	..	..	300	1,545
	(ii)	650	500	..	..	75	1,225
(c) Bombay	(i)*	900	870	..	100	150	2,020
	(ii)	900	870	..	100	150	2,020
	(iii)	700	370	..	..	50+135+160	1,415
	(iv)	650	500	..	50	135+125	1,460
	(v) & (vi)	500	450	..	150	120+143	1,363
(d) Madras	(i)	900	870	..	..	73	1,843
(e) Karachi	(i)	800	700	..	150	..	1,650
(f) Rangoon	(i)	900	870	..	..	150+150+150	2,229
	(ii)*	700	500	..	..	135	1,335
	(iii)	625	500	..	..	50+120+120	1,415
	(iv)	800	500	..	..	50+135+135+113	1,733

\*These officers are on leave.

We have selected only a few cases at random, but they are fairly typical and serve to illustrate the point that we wish to make, *viz.*, the unusually liberal treatment of Royal Indian Marine officers with such a profusion of allowances. Some of these allowances, *e.g.*, motor car allowances, we consider altogether unnecessary in the case of *officers* and some others as not justified by the nature of the duties performed.

They are also permitted to retain various classes of fees. Their number is large and we shall deal with only the two most important classes.

So far as we are aware, the Mercantile Marine Department is the only one in which *officers* get overtime allowances. The surveyor gets half of the overtime, Sunday and certain closed holidays fees for the survey of ships. The fees charged for shipping and discharging crews on Sundays and holidays and out of office hours on working days are paid to the officers in the shipping offices working overtime in certain cases; in others they are credited to Government. Such overtime allowances can, in some cases, be handsome additional emoluments, as the following cases show:—Shipping Master, Calcutta's average monthly overtime fees amount to Rs. 560 and his Deputy's to Rs. 150. In the case of the Shipping Master at Bombay they amount to Rs. 367.

Examination fees levied from candidates taking the mercantile marine examinations are generally credited to Government, but in the case of Masters and Mates examinations they are paid to the examiners who are generally employees of the department. The amounts earned out of such fees by each individual officer varies according to the post held and its importance. To give a few illustrations, the Principal Officer, Bombay's monthly average of income out of examination fees is Rs. 113, and the Nautical Surveyor's Rs. 86.

The least that we must in this case recommend is that special pay and motor car, compensatory local, house-rent, overtime, Burma and all other allowances should be abrogated and the officers should, as is the case at Aden and almost so at Madras, be given only grade pay *plus* a suitable staff pay not exceeding the staff pay on the present scales. We may add that our recommendation as to the abrogation of local, compensatory and house-rent allowances is based on general grounds which we have applied to all other similarly circumstanced services recruited for work at the expensive stations. We must further remark that while many officers at Calcutta get *motor car* allowances, no officer at Rangoon gets them, though we note that three officers get *conveyance* allowances of Rs. 50 per mensem each. We cannot see why there should be any need for liberal motor car allowances at Calcutta. In this connection we might make it clear that we cannot accept the justification for the rapid growth of expenditure on allowances when the number of officers is a most constant. To give only one illustration, allowances to the ship survey staff at Calcutta have grown from Rs. 23,204 (actuals) in 1929-30 to Rs. 33,100 (budget) in 1931-32, and to the port staff at Rangoon from Rs. 8,100 (budget) in 1930-31 to Rs. 13,100 (budget) in 1931-32.

(v) We have similarly found cases in which contingent expenditure has grown rapidly in spite of a general fall in prices. Thus, the provision for contingencies for the ship survey department at Calcutta has been raised from Rs. 6,435 (actuals of 1929-30) to Rs. 7,300 in 1931-32. Similarly the provision for "Other charges" for the Rangoon Port Establishments has grown from 19 in 1929-30 to 27 lakh in 1931-32. The entire contingent expenditure needs a searching scrutiny by the department.

(vi) We can see no reason why an official motor car should be maintained for the use of officers, as one is in fact maintained for the officers of the shipping office, Bombay.

(vii) We are not satisfied that the "pooling system" for launches is used to the fullest extent possible and we propose that the feasibility of its extension to ports where it is not in operation be reviewed. The pooling arrangements should not be confined to mercantile marine, marine transport, lighthouses and similar cognate departments and every attempt should be made to "pool" launches with, e.g., customs, salt, port police—in fact with every department, central or provincial, or local body (e.g., a Port Trust) which maintains them. We also propose that suitable instructions designed to prevent the abuse of Government launches be issued to all concerned.

(viii) As regards the three posts of Wireless Telegraphy Inspectors (appointed under section 243 of the Indian Merchant Shipping Act of 1923 to enforce compliance with the requirements of the law in this respect) at Calcutta, Bombay and Rangoon, we are not at all satisfied that the inspection work cannot or should not be transferred to officers of the Royal Indian Marine or of the Posts and Telegraphs Departments. Commerce Department states that it tried the former arrangement at Bombay and Rangoon but found it unsatisfactory. We are, however, looking at the problem not from the point of view of absolute efficiency but of feasibility in relation to cost. We propose that the entire question be reviewed from this point of view.

(ix) While it is possible for us to enter into further detail, we consider it unnecessary to do so. We trust, the few illustrations we have given, a majority of which are typical, will show that expenditure has been allowed to grow with undue rapidity and that a rigorous examination should enable it to be reduced without any appreciable difficulty by 1.50 lakhs for the purposes of the 1932-33 budget. Considering that our proposal amounts in effect to one for the permanent reduction of expenditure by only .81 in a budget of over 9½ lakhs, we consider we have not expected or asked for too much.

(x) We would also draw attention to what we have stated in some detail in paragraph 1 and recommend that independently of the law or the practice of other countries including the United Kingdom the various mercantile marine services should be placed on a really self-supporting basis, including leave, pensionary, overhead, depreciation, interest and other charges. The Incheape Committee made the same recommendation and we presume that it must have been aware of the law and the practice in the United Kingdom through its Chairman—a prominent figure in the mercantile marine of the world. Commerce Department admits that in this respect neither the Board of Trade rule nor the British law is binding on the Government of India. We must urge that we can see no justification for the continuance of what, in effect, amounts to a subsidy of about four to five lakhs a year. Our proposal will add about 4½ lakh to the receipts under "Ports and Pilotage," and will tend to bring the administration under closer scrutiny by the commercial community than the present arrangement does.

(xi) Finally, we think the time is now ripe for an extension of the principle of local self-government to the administration of the mercantile marine department, subject to the legislation relating to it continuing to be central and, if necessary, even made federal. We note that under the arrangements which were superseded by the centralisation scheme inaugurated in 1929-30 the port officers at Bombay, Madras and Aden used to be employees of the respective Port Trusts or Port Funds. Even if a complete reversion to that arrangement be considered impracticable, we can see little reason why the powers of statutory local bodies like Port Trusts should not be extended so

as to include many of the duties at present discharged by the Central Government's own staff. We think it will be a cheaper arrangement and should work efficiently. We believe that local self-government in this respect is indicated by the trend of political developments. We may also add that the Inchcape Committee also "understood that the Government of India were inquiring into the question whether these offices should not be placed under the Port Commissioners at these ports" (the reference being to Calcutta and Rangoon, provision for which was included in the estimates reviewed by that committee).

B.—*Pilotage* (Grant 14.24 lakhs).

(i) Although this is claimed to be a self-supporting service and *pro forma* accounts are maintained for that purpose, we hold that reduction of expenditure should be effected by all practicable means. We do not accept the view that the aim should be merely to balance receipts against expenditure, but rather to reduce expenditure to the lowest practicable limit and then to adjust the fees charged to the public accordingly. Even if the benefit inures, in the first instance, to the commercial community, we consider, it will ultimately be so much gain to the general public.

(ii) Considering the extremely high scales of pay (including overseas pay) in force for the Bengal Pilot Service and the fact that the officers are not actually engaged in piloting work every day of the month, we see no justification for the payment of "overtime" pay in the shape of night pilotage fees, for which the provision is 1.27 lakhs—nearly 20 per cent. of the pay proper of pilots and leadsmen. We consider the payment of "overtime" pay or allowances to officers objectionable in principle and hold that the usual principle that a Government servant is a public servant for all the twenty-four hours of the day should be applicable to this service also. In the case of those already in service, however, we consider it fair to make some exception, as we have done in the case of the Customs Department. Our recommendation therefore is that in view of the acute financial stress, the scales of night pilotage fees be reduced to one-half. This will yield a saving of about .64 lakh. Mr. Ramsay Scott thinks that the reduction should be one-fourth and not one-half.

(iii) We observe that even though the present trade depression has caused some fall in shipping (the Commerce Department's estimate of the decrease in the number of ships entering being 4 or 5 per cent.), the number of pilots has remained the same. We appreciate the force of the contention that pilots cannot be made in a few months and that therefore the number maintained for normal trade conditions may prove to be excessive in times of temporary depression but cannot on that ground alone be materially reduced. But at a critical juncture like the present one we see no justification for the retention in service of officers who have completed 55 years of age. We note that there are three such; and that another eight are already over 50. Some reduction of the number of officers can thus be carried out without causing undue individual hardship; and in our opinion the prospects of trade justify the reduction. We propose that the whole cadre of officers of the pilotage services be reduced so as to save at least 15 per cent. on their pay (Rs. 1,08,100 plus Rs. 8,06,100). Saving will be 1.37 lakhs. Since at least ten of the sixty officers have already reached their maximum pay (Rs. 2,200 plus £30 O. P.), our proposal to reduce the cost of the pay of officers by 15 per cent. will involve the reduction of the number of officers by a much smaller percentage. In fact we find that the retirement of the three superannuated officers would yield a saving of .94 lakh and that of two others, even allowing for the recruitment of fresh men at the bottom would yield another .58 lakh (Our calculation naturally includes overseas pay drawn by the officers).



(iv) The present establishments numbering 155 should also be reduced so as to save about 15 per cent. (.08) on their pay.

(v) The 1931-32 provision for victualling and store allowances of officers and men afloat is .35 against the 1929-30 actuals of .34. In the light of our proposals in sub-paragraphs (iii) and (iv) above and the fall of prices of foodstuffs, etc., we think, a provision of about .30 should suffice for 1932-33. It should be reduced accordingly, saving .05.

(vi) A reduction by ten per cent. in the provision for controllable contingencies should be effected, saving about Rs. 500.

(vii) Under "Purchase of marine stores and coal" Commerce Department offered for 1931-32 a saving of .30 apart from the saving on account of the reconditioning of the "Andrew". Considering that the total provision for stores and coal is 1.78 lakhs, we think it should be possible to repeat this saving, at any rate a large part of it, in 1932-33.

(viii) The provision of 1.50 lakhs for the reconditioning of the "Andrew" should, as proposed by the Commerce Department, be reduced to 1 lakh for 1932-33.

(ix) In the light of our proposals in (iii) and (v) the provision for mess and passage money of pilots should be reduced by, say, 10 per cent., saving about Rs. .03 lakh.

(x) On our proposals the total permanent reduction of expenditure will be 3.87 lakhs. As against this an extra provision of 1 lakh will be needed in 1932-33.

(xi) We further recommend that (i) a due share, based on accurate calculation, of the cost of all pilotage establishments should be charged to the pilotage grant, if, as it seems to us, this is not the present practice, and (ii) that interest on "capital" should, as recommended by the Inchcape Committee, be taken into calculation in framing the *pro forma* accounts. The fact that the present assets were acquired out of revenue may be taken as a technical plea against our proposal, but we consider it invalid in substance. It should not be difficult to take a valuation of the assets as they are to-day and to charge interest on such value.

(xii) We are not convinced that subject to necessary safeguards the Bengal Pilot Service cannot be brought under the control of a local authority. We see many advantages in such an arrangement, if it is not found totally impracticable. The direct voice of the commercial community of Calcutta will help to keep expenditure under control. It is a local Bengal service intended for the benefit of Calcutta. We note that the Bengal Pilot Service Re-organisation Committee recommended its transfer to the Port Commissioners, Calcutta, and we propose that the question should be examined afresh.

(xiii) Finally, we observe that Commerce Department states that it has made no attempt in the past to train up men of the *sarang* class for piloting work. We admit that as a class *sarangs* do not have the necessary education to qualify for the higher posts in the pilot services, but we cannot admit that that class is not suitable material. We consider that it offers a very promising field for the recruitment of men for the navigation not only of the high seas but also the deltaic river system of Bengal including the Hooghly, and we recommend strongly that attempts should now be made to secure suitable men from this class also.

## C.—Training Ship "Dufferin".

(i) Staff and expenditure have grown as shown below :—

	1928-29.	1929-30.	1930-31.	1931-32.
(1) Staff—				
Officers . . . . .	5+1	4+2	4+2	6
Establishments . . . . .	51	48	54	59
(2) Expenditure—				
Pay of officers . . . . .	·52	·63	·60	·69
Pay of establishments . . . . .	·34	·35	·41	·43
Allowances . . . . .	·24	·20	·23	·28
Cadets' boarding . . . . .	·14	·21	·27	·29
Total expenditure . . . . .	2·06	2·35	2·40	2·38

But we must observe that the ship did not have, *ab initio*, the full complement of staff, which was strengthened as the need was felt.

(ii) The Commerce Department's view as to the possibility of reduction of expenditure has been explained in paragraph (7). We agree that the efficiency of the training imparted should not in any way be impaired. Hence we have no specific proposals to make.

## GRANT NO. 47.—LIGHTHOUSES / AND LIGHTSHIPS (12·98 lakhs)

(9) *Explanation of the grant.*—The expenditure from the grant for lighthouses and lightships aggregating 12·98 lakhs in 1931-32 is in fact met from light dues levied on ships arriving at or departing from ports in British India. Though the receipts and expenditure are credited and debited in the Government accounts, the funds are kept apart from Government funds and are merely invested with Government. Thus, the civil estimates of Government are not affected.

(10) *Growth of expenditure.*—Before 1929-30 the expenditure related to certain lights in Burma, Sind and Bihar and Orissa and at Aden. The administration was in charge of the maritime Local Governments, and there was great diversity of practice with regard to the incidence of charges for the maintenance of lights. With effect from 1st April 1929 the scheme of centralisation relating to mercantile marine matters including lighthouses and lightships was brought into operation. The accounts were also commercialised. These two radical changes detract from the utility of the figures of cost in previous years as a guide to a study of the growth of expenditure.

The expenditure is now incurred on account of the direction at headquarters, various contributions and the establishments in the districts. It may be set out as below :—

	1929-30.	1930-31.	1931-32..
(a) (i) Direction proper*	1·03	1·60	1·42
(ii) Contributions to funds, etc.†	7·75	6·17	6·10
Total	8·78	7·77	7·52
(b) Lighthouses—			
Madras District	·59	·82	·84
Bombay District	·26	·30	·41
Karachi District	·26	·22	·21
Aden District	·45	·46	·53
Calcutta District	·06	·13	·20
Rangoon District	1·20	1·02	·89
Total	2·82	2·95	3·08
(c) Lightships—			
Karachi District	·30	·42	·29
Calcutta District	·30	·40	·45
Rangoon District	1·61	1·55	1·60
Total	2·21	2·37	2·34
Grand total for the whole grant‡	13·88	13·09	12·98

\* Including cost of a portion of the Commerce Department.

† Depreciation, Additions and Replacements, Reserve, Provident and General Reserve Funds and cost of account and audit and pensions.

‡ The "grand total" figures include a few small items not shown under (a), (b) or (c) and therefore do not tally with the totals of (a), (b) and (c) in 1929-30 and 1931-32.

The direct cost of lighthouses and lightships has been given in the table in paragraph 13 (iv).

(11) *Organisation*.—As a result of centralisation Government have, since 1928-29, sanctioned a headquarters establishment consisting of a Chief Inspector (pay, Rs. 2,000—100—2,500 *plus* overseas pay) and two Inspectors (Rs. 1,000—50—1,500), and a staff of 17 including two foremen and six assistant mechanics, a draftsman and a commercial accountant.

A portion of the cost of the Commerce Department charges is also debited to this grant; the provision for 1931-32 for this purpose is Rs. 13,200. Overhead charges are also debited to it.

As regards lighthouses numbering 26 in all no officers but only establishments are maintained; their numbers in each district are:—Calcutta (14)\*, Madras (38), Bombay (27), Karachi (9), Aden (15), Rangoon (56). No establishments are kept for the maintenance of beacons.

Lightships are maintained in Calcutta, Karachi and Rangoon districts. The South Patches Lightship in Calcutta district which used to be in Rangoon district has an establishment of 15. The lightship establishment in Karachi district numbers 16. The Rangoon district lightship staff consists of 5 officers called Commanders (paid at rates varying from Rs. 200 to 450) and 41 crew.

A comparative examination of the figures for 1926-27 to 1931-32 reveals the fact that, broadly speaking, the staff has not only not grown but has been reduced. The only important exception is the creation of the headquarters staff as a result of the scheme of centralisation.

(12) *Departmental proposals*.—Commerce Department holds that the service being a self-supporting one, no reduction of expenditure is necessary. It has therefore made no proposal to that effect.

(13) *Our proposals*.—(i) We have considered the question whether there is any point in our undertaking a scrutiny of this grant. On the grounds explained by us in paragraph B(i) of the preceding grant, while dealing with the Bengal Pilot Service, we hold that we should subject this grant also to scrutiny. But since any reduction of expenditure effected affords no relief to the civil estimates of Government, we shall omit the savings from our calculation of the total reduction of Government's own expenditure.

(ii) The posts of Chief Inspector and two Inspectors and their technical and other establishments at headquarters were created in 1928-29. We hold that one of the three posts can be reduced, especially if our proposal in the next sub-paragraph is given effect to. In fact, we are informed that at present there are actually only two officers and not three on active duty, one post of Inspector being held in abeyance. A leave reserve of one officer for a total cadre of three is uneconomical. We therefore propose that one of the two Inspectors' posts should be definitely cut out, saving nearly 14 lakh.

(iii) We see no justification for keeping the inspecting staff with their technical and other establishments at the headquarters of the Government of India. Their proper place is at the ports. Such advice as Government need can be obtained from the ports or from the Nautical Adviser, if this post is retained at the headquarters of Government. Apart from administrative convenience this arrangement should prove economical, since the expenditure on travelling allowances would, to a certain extent, be reduced. Since they are recruited for permanent work at the ports no local, compensatory, house-rent or other allowance should be payable.

\* These 14 are for lighthouse work on Bihar and Orissa coast.

(iv) Leaving out the provisions for contributions to the Depreciation and Reserve funds, and accounts and audit and pensionary and provident fund charges the expenditure may be set out as below :—

	1921-22.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Direction . . . . .							1.08	1.60	1.43
Lighthouses . . . . .	1.80	1.79	1.90	1.94	1.95	1.89	2.81	2.95	3.10
Lightships . . . . .	1.84	3.00	6.58	9.09	4.86	3.37	2.20	2.37	2.36

We consider that expenditure has not grown unduly in the districts. Some growth was inevitable as a result of centralisation; new expenditure had to be incurred in Madras and Bombay, where the service had previously been financed from the Madras Coast Light Fund and the Southern and Northern Group Port Funds. But, we feel that headquarters direction expenditure has, as shown below, grown rapidly since 1929-30, when the scheme of centralisation was brought into operation.

	1929-30.	1930-31.	1931-32.
Pay of Officers . . . . .	.34	.52	.54
Pay of Establishments . . . . .	.15	.28	.37
Allowances, etc. . . . .	.16	.26	.27
Supplies (tools, etc.) . . . . .	.018	.012	.043
Contingencies miscellaneous . . . . .	.035	.040	.045

On our proposal in sub-paragraphs (ii) and (iii) some reduction on these items (except the first) should follow as a mere corollary. We think, a reduction of the whole provision for house-rent and hill-journey allowances and of ten per cent. in the expenditure on the other items is not excessive. In fact we think a larger reduction is indicated in the last three items, in which the growth of expenditure has been rapid. But, we shall keep to the ten per cent. Our proposal should yield savings as below :—

- (a) Pay of establishments .04, (b) Allowances Rs. 3,300 plus Rs. 2,410, (c) Supplies and Services and Contingencies .01.

(v) The Public Works Department, Audit and Accounts Sub-Committee intimated to us that it had not taken up the question of construction of, and repairs to, lighthouse buildings and repairs to lightships. The position as it could ascertain from the Commerce Department was as below :—

New construction and improvement work in connection with lighthouse buildings have, so far, been carried out by the departmental technical staff under the supervision of the Chief Inspector. As regards repairs, the practice varies. In Bombay, Rangoon and Calcutta districts, repair is carried out through the agency of the Public Works Department, in Madras district the work is done departmentally under the supervision of the local Superintendent of Lighthouses, and in Aden and Karschi districts it has occasionally been carried out through the agency of the respective Port Trusts. In Aden even the agency of a private company

viz., the Perim Coal Company has sometimes been utilised. It has, however, been decided that in future heavy repairs in the Karachi district should be carried out through the Public Works Department.

Repairs to lighthouse machinery are carried out by the technical staff under the supervision of the Chief Inspector.

Repairs to the hulls of lightships are supervised by the Mercantile Marine Department.

We have considered the question whether any change is needed in the present practice with regard to (a) new constructions, (b) improvement and special repairs and (c) ordinary repairs to lighthouse machinery and lightships. This is a technical question and we are content to leave it to the department to introduce such modifications, if any, as appear to them necessary in the interests of economy.

(14) *Summary of savings.*—The total reduction of expenditure will be .25 lakh. It will be seen that this estimate leaves out of account the savings that will accrue from the proposals made by us in sub-paragraph (ii).

## CHAPTER IX.

GRANT No. 64.—COMMERCIAL INTELLIGENCE AND STATISTICS (5·81 lakhs).

(1) *Historical*.—In April 1914 the Commercial Intelligence Department was sub-divided into two separate organisations, *viz.*, the Bureau of Commercial Intelligence and the Directorate of Statistics. In the interest of economy they were re-amalgamated from 1st December 1922, and the status of the Director of Statistics was reduced.

(2) *Functions*.—The Commercial Intelligence section collects and disseminates information likely to be useful to firms in India, especially the smaller ones, regarding India's overseas and internal trade—actual or potential. The Statistics section compiles and publishes various classes of statistics. The administration of the Commercial Library and Reading Room at Calcutta is also vested in this department.

The principal publications of this department are (i) Review of the Trade of India, (ii) Statement of the foreign sea-borne trade and navigation of British India, (iii) Indian Customs Tariff, (iv) Statistical Abstract for British India, (v) Agricultural Statistics, (vi) Estimates of area and yield of the principal crops and (vii) Indian Trade Journal. Many of the publications are annual, and a few are biennial or quinquennial. Crop forecasts and cotton press returns are issued at intervals of less than a year. The Trade Journal is a weekly; its principal features are (a) information regarding foreign tariff changes, (b) notices of tenders invited, and information regarding contracts placed by Government departments, (c) republication of Government orders and notifications on trade matters and (d) crop reports and forecasts.

The department works in co-operation with the Directors of Industries in the provinces, other Government departments, the Indian Trade Commissioner at London, His Majesty's Trade Commissioner in India, trade consular officers and other authorities interested in India's trade. A new development is the scheme of special Indian Trade Commissioners at Hamburg, Milan, New York, Alexandria, Mombasa and Durban.

(3) *Organisation and cost*.—The department is manned by four officers, *viz.*, a Director General (Rs. 2,300—50—2,500 *plus* overseas pay £13-6-8), two Deputies (one on the senior I. C. S. scale *plus* a special pay of Rs. 200 and the other on Rs. 950—1,500) and a Local Trade Intelligence Officer (Rs. 500—25—800). Officers' pay costs ₹1 lakh.

The ministerial establishment of 121 is estimated to cost 1·74 lakhs in luding the necessary provision for "honorary" trade correspondents at Rs. 50 p. m.

The inferior establishment consist of 36 servants and costs Rs. 7,600.

There are provisions of Rs. 4,500 and Rs. 800 for temporary and caretaker's establishments. A small establishment of four is maintained at Bombay at a cost of Rs. 6,600 for the collection of statistics relating to the cotton industry.

So far, India has special trade representation at London and Hamburg only; this expenditure is not included in this grant but is shown in the High Commissioner's budget. An officer recently selected for the trade commissioner-ship at Milan is under training in India; his salary (Rs. 8,800 for 11 months) and travelling allowance (Rs. 1,000) are provided in this grant.

Additional staff estimated to cost Rs. 13,800 in 1931-32 was sanctioned in pursuance of the scheme, estimated to cost 2·26 lakhs a year (*viz.*, Rs. 13,800 for establishments and Rs. 2,12,100 for subsidies to railways and steamship lines), for the monthly and, in selected cases, weekly compilation of statistics of inland trade—rail and river-borne. But, this entire scheme has now been

held in abeyance. On the other hand, three other new schemes have been initiated during the current year and it is not proposed to hold them in abeyance. These schemes and the estimated cost of each are :—

- (i) Two additional clerks for compiling the statistics of the trade passing through the Kathiawar ports (Rs. 1,300).
- (ii) A Deputy Superintendent, one Assistant and 3 clerks for the improvement and extension of agricultural statistics (Rs. 7,800).
- (iii) Two temporary assistants for the analysis of the existing statistics bearing on the economic position and tendencies in India (Rs. 2,400).

(4) *Growth of expenditure—*

1913-14. 1921-22. 1922-23. 1923-24. 1924-25. 1925-26. 1926-27. 1927-28. 1928-29. 1929-30. 1930-31. 1931-32.  
(budget.) (budget.)

Expenditure . . . 1·51\* 2·97 3·04 2·47 2·48 2·67 2·65† 3·21† 3·26† 5·81

\*This 3·04 includes an arrear payment of ·51 to three Local Governments.

†Including Rs. 35,000 for priced publications which are now supplied free.

The Director General's pay was revised in 1926 from the senior I. C. S. scale plus a special pay of Rs. 300 to Rs. 2,300—50—2,500 plus O. P. of £13-6-8. Since 1924-25 ministerial and inferior establishments have increased by 60 and 9 respectively, and their pay has been revised. The increased cost of "allowances, honoraria, etc.," is due to the grant of compensatory and house-rent allowances, and, to a very small extent, to the grant of the Lee concessions. On the other hand, the payments to railways, steamship lines and local Governments (apart from the inland trade statistics scheme) have decreased from ·48 (net) to ·25, in spite of the initiation of a new service costing ·10, viz., rail and river-borne statistics relating to raw cotton. In pursuance of the Cotton Industry (Statistics) Act of 1926 another new service has been undertaken; the 1931-32 provision for it is Rs. 6,000. Fresh items of expenditure included in the 1931-32 budget have been fully explained in paragraph 3.

(5) *Inchoape and departmental proposals.*—The Inchoape Committee proposed that the budget should be reduced from 4·80 to 2 lakhs. It was accordingly brought down to 2·12 in 1924-25, but the actual expenditure in that year was 3·04 including ·51 for arrear payments.

The Commerce Department at first offered a saving of Rs. 12,155, but no portion of it is permanent. The department's view was that "no permanent saving can be proposed without giving up the new schemes sanctioned, after very careful investigation, for the improvement of statistics under various heads", and it added that it would strongly deprecate the permanent abandonment of the scheme for the revival of inland trade statistics.

Subsequently, the department offered to replace the Local Trade Intelligence Officer, when he retired,§ by the officer at present under training for the trade commissionership at Milan. Further, the provision required for the newly appointed Deputy Director General, viz., Rs. 1,500 a month would be less than the provision for the present I. C. S. officer. The Department thus offered a saving of ·32 lakh under "Pay of officers". The omission of the extra establishment provided in the 1931-32 estimates would enable the cost of establishment to be reduced from 2·17 to 1·92 lakhs, after allowing for the accrual

§ He was due for superannuation in June 1931.



of increments, and an additional saving of Rs. 2,000 would accrue under allowances. Besides, it offered to drop the scheme for the revival of inland trade statistics. The total reduction of expenditure offered would thus amount to 2.55 lakhs.

As regards the offer to keep the trade commissionership at Milan in abeyance, paragraph 6 (vii) of our proposals may be seen. We would further observe that the saving due to the appointment of a cheaper officer as Deputy Director, Commercial Intelligence, is automatic.

(6) *Our proposals.*—At a time of such acute financial stress all recent growth in this department except such as is clearly proved to be essential must be lopped off. We do not think that the Commercial Intelligence section should be closed down and only the statistics section maintained. We are satisfied that the relatively small expenditure on the former is justified by the services rendered to the trade, specially to the small firms. But, we hold that the department has been allowed to grow apace since 1924-25. Our proposals on the new activities will lead up to those relating to the staff.

(i) The following seem to be the new schemes sanctioned since 1924-25, viz—

(a) 1925-26.—Scheme to strengthen the office by the appointment of two clerks. Average cost Rs. 1,875.

(b) 1926-27.—(i) Strengthening of the office by the creation of four additional appointments of compilers and (ii) revision of pay of the stenographers. Average annual cost Rs. 4,400.

(c) 1927-28.—Entertainment of two clerks in connection with the statistical returns of cotton goods and yarn produced in Indian mills. Immediate extra cost Rs. 1,310; average annual cost about Rs. 2,000.

(d) 1927-28.—Creation of additional appointments of three Assistants two clerks, 1 Daftary and two peons for strengthening the office. Immediate extra cost Rs. 5,700; average cost Rs. 10,000.

(e) 1927-28.—Revision of pay of the clerical staff. Immediate extra cost Rs. 4,000; average annual cost Rs. 25,000.

(f) 1929-30.—Strengthening of the staff by the creation of one additional post in the Upper Division and two additional posts in the Lower Division and grant of a special allowance of Rs. 50 per mensem to the Assistant-in-charge of the Trade Journal. Immediate extra cost Rs. 2,970.

(g) 1930-31.—An additional clerk for the revision of some statistical forms relating to sea-borne trade returns and customs duty. Immediate extra cost Rs. 700 and average Rs. 1,230.

(h) Eight Honorary Trade Correspondents, six Assistants and four clerks for the analysis and improvement of the existing statistics illustrating or bearing upon the economic condition of, and tendencies in, India. Immediate extra cost Rs. 13,600. We should, however, add that these eight Honorary Trade Correspondents were, in fact, never appointed.

(i) 1930-31.—Four additional peons. Immediate cost Rs. 700.

(j) 1931-32.—(i) Inland trade statistics—rail and river-borne, (ii) Statistics of trade passing through Kathiawar ports, (iii) Improvement and extension of agricultural statistics, (iv) Extension of scheme (h).

Out of the schemes mentioned above we think only (b) (i), (c), (e) and (j) (ii) should be maintained. Some of the others merely represent a

reversal of the retrenchment effected before and after the enquiry by the Inchoape Committee. The savings from the cancellation of three of the 1931-32 schemes will be 2.36 lakhs. As regards savings from the cancellation of the schemes sanctioned in earlier years, we shall lump them with the savings proposed by us in sub-paragraph (iv). It will be seen that our proposal in that sub-paragraph will still enable some of these schemes to be alive.

(ii) When the present incumbent gives up charge, the head of the Department may be designated Director and not Director General. Although the change of name does not necessarily involve immediate reduction of expenditure, in this particular case it will, we think, be distinctly helpful in connection with the revised scale of pay which may be fixed for this post.

For managing the reduced activities we consider that two officers, viz., the Director General and a Deputy should be sufficient. The post held by the I. C. S. Deputy should be abolished, and not merely replaced by a cheaper appointment. The savings on pay alone will be Rs. 20,100.

If necessary, one of the Superintendents with some aptitude for intelligence work might be designated as Assistant Director General and paid a small special pay of, say, Rs. 50 for increased work and responsibility.

We may here observe that in 1913-14 this department had the following officers, viz., a Director (on Rs. 2,000), an Assistant Director (on Rs. 900) in charge of statistics and a Personal Assistant (on Rs. 500).

(iii) We are not satisfied that a Local Trade Intelligence Officer at Calcutta is necessary. We observe that there is no such officer at any of the other commercial centres; the need for maintaining one at the headquarters of the department cannot be greater than, e.g., at Bombay. This post should be abolished. The Deputy and the Assistant Directors should be able to keep the department in touch with local commercial interests. Savings Rs. 9,600 (pay) plus Rs. 500 (compensatory allowance) or say, Rs. 10,000. The present incumbent was due for superannuation in June 1931.

(iv) The establishments should be reduced by one-tenth, saving 20 lakhs.

We may add that even under this proposal the department will still have a ministerial establishment of 109 (against 86 in 1913-14 and 82 in 1924-25) and a menial establishment of 32 (against 25 in 1913-14 and 29 in 1924-25). In this connection it should also be remembered that in sub-paragraph (i) we have proposed the cancellation of certain schemes initiated or revived since 1924-25.

(v) Since the staff is recruited for work at Calcutta, the concession of compensatory and house-rent allowances should be abrogated. Out of the provision of Rs. 6,000 we estimate that about Rs. 5,000 will be saved.

The provision for travelling allowances may be reduced from Rs. 5,700 to Rs. 4,200, saving Rs. 1,500.

Under Contingencies the provisions of Rs. 2,000 for furniture and Rs. 4,500 for postage, etc., may be reduced so as to save Rs. 2,000. Curtailment of activities as proposed by us in sub-paragraph (i) will enable this saving to be effected without serious difficulty.

(vi) We agree that the Trade Journal should be maintained. It has, in a sense, been "self-supporting" for many years. But the heavy loss of one year of trade depression (1929-30) was enough to wipe out the "profits" (so-called) of the preceding three years. Though the accounts for 1930-31 are not available, the results are likely to be little better, perhaps worse, than

those for 1929-30. We observe that the "costing" ignores numerous important items of expenditure in commercial accounting. The questions of reducing the cost of production and increasing the price are under the Commerce Department's consideration. Hence all we need say is that a due share of all overhead and other expenditure, as understood in commercial accounting, should be included in the cost of production.

(vii) We cannot support the Commerce Department's decision to hold up the further progress of the scheme of special Indian trade commissionerships; commercial opinion is strongly in favour of the scheme and the benefit to India's trade through the direct trade relations, which the scheme will help to establish, will be adequate return for the expenditure involved. We urge that this scheme should be given priority over any of the schemes mentioned in sub-paragraph (i), if and when it is found feasible to enlarge the grant for this Department.

We have examined the scales of pay proposed for these posts. Except for New York, they appear to us unduly liberal. The officers to be appointed in the future and if possible even the officer selected for the Milan post should be put on the revised scales which may be fixed after an examination of the general question relating to pay, etc.

While we cannot give an estimate of the financial effects of this recommendation, it is clear that the 1932-33 budget will be reduced by Rs. 9,800, unless the training of the officer selected for Milan has to be continued or a new officer is selected for another trade commissionership.

(viii) Although we have for the present agreed to the Department's proposal to drop the scheme for internal trade statistics, we wish to make it clear that we have done so with considerable reluctance and only in view of the very difficult financial situation facing Government. We trust it will soon be possible for the Department to revive the scheme.

(7) *Summary of savings.*—On our proposals the immediate reduction of expenditure will be 2·86 and ·10 more when the officer selected for the trade commissionership at Milan is appointed to that post. So far as this grant is concerned, we have left out of account the additional expenditure which will be incurred when, *in pursuance of the present accepted policy*, effect is given to our proposal in paragraph 6 (vii).

## CHAPTER X.

GRANT No. 65.—CENSUS (33·89 lakhs).

(1) *Explanation of grant.*—The decennial census (enumeration) of India was duly carried out in March 1931. The post-enumeration work, viz., the abstraction and compilation of statistical information is in progress and is expected to go on during 1932-33. The work is in charge of the Census Commissioner.

The total estimated cost is 58·55 lakhs. Of this 27 lakh was incurred in 1929-30 and 14·22 lakhs was the revised estimate for 1930-31. The amount provided in the current budget is 33·89 lakhs (i.e., 6·02 for superintendence, 53 for enumeration, 25·75 for abstraction and compilation, 53 for miscellaneous staff and 1·06 for printing and stationery). 10·17 lakhs was originally estimated for the completion of the census operations in 1932-33. This estimate is now 9·75 lakhs.

In April 1931 the Finance Department reduced the 1931-32 budget provision by 5·74 lakhs, but later agreed to reduce this figure to 2·11 lakhs. It now appears probable that in place of this 2·11 lakhs the actual reduction effected will be only about a lakh.

(2) *Proposals.*—(i) The Census Commissioner has told us that census work is well ahead of the programme and that compared with the last census substantial saving of time is expected. Since the operations started, he has agreed to omit certain forms. Thus, compared with the last census, this census is expected to be carried out cheaply and expeditiously. We agree that it will be false economy to insist on any reduction of expenditure which will cause delay in the completion of the operations.

(ii) We consider that a special pay of Rs. 500 for the Census Commissioner is excessive, but since the work is likely to be completed by the end of 1932-33 we refrain from proposing that it should be reduced. At the same time we would like a note to be made that in connection with future census operations the special pay should not be pitched so high.

(3) *Summary.*—The present estimate of 9·75 lakhs for 1932-33 may remain unaltered. Even then there will automatically be an improvement in the budget position of 1932-33 by about 24·14 lakhs.

## CHAPTER XI.

## GRANT No. 66.—EMIGRATION—INTERNAL (.47 lakhs).

(1) *Explanation of grant.*—Under the existing constitution inter-provincial migration is a central subject, the administration of which rests mainly with Local Governments acting as the agents of the Government of India. Except in regard to migration to the eight labour districts of the Government of Assam, inter-provincial migration of labour in India is unrestricted. The law regulating migration applies at present to the following provinces—Madras, Bengal, United Provinces, Bihar and Orissa, Central Provinces and Assam. There are no restrictions on migration to Burma. But the Local Government have appointed (i) one of their officers (Director of Statistics and Labour Commissioner, Rangoon) to be the Protector of Immigrants and Emigrants, and (ii) also a whole-time Assistant Protector charged with the duty of seeing to it that deck passengers are not subjected to unnecessary hardships on arrival at, or departure from, Rangoon.

(2) *Organization and cost.*—The 1931-32 grant is Rs. 47,000. (i) Out of this, Rs. 6,000 represents the fixed contribution of Rs. 500 p. m. made by the Government of India towards the salary of the Chairman, Assam Labour Board. (ii) Administration and medical establishments in Assam cost Rs. 8,700 and Rs. 9,900 respectively, and other expenditure amounts to Rs. 4,100. On the other hand, the Assam Government make a contribution of Rs. 4,700 towards the cost (Rs. 8,700) of the administrative establishments. (iii) For Bengal there is a provision of Rs. 9,000 for two Assistant Superintendents of Emigration at Goalundo and Asansol, two Assistant Superintendents (non-gazetted) at Naihati and Kharagpur, a clerk, five servants and other expenditure. (iv) The provision of Rs. 1,000 for Madras only covers the pay and leave salary of two clerks. (v) Of the total provision of Rs. 13,000 for Burma, the Government of India's share of the cost of Protector is Rs. 4,000. The whole-time Assistant Protector of Immigrants and Emigrants costs Rs. 7,200. The rest of the Burma grant covers the pay of two servants, conveyance allowance of Rs. 600 and some miscellaneous expenditure.

(3) *Growth of expenditure.*—Expenditure on "internal emigration" has varied as below :—

1913-14.	1921-22.	1922-23.	1924-25.	1929-30.	1931-32.
.70*	1.00	.90	.53	.43	.47

\*An approximate figure arrived at by a division of total expenditure on emigration—both internal and external—in the 1922-23 proportions.

(4) *Department's proposals.*—Originally the Department of Industries and Labour offered savings of Rs. 3,355. It is not easy to ascertain which portion of this offer represented permanent reduction of expenditure. Subsequently the Department offered a reduction of Rs. 15,800 mainly by omission of the current year's provision of Rs. 13,000 for internal emigration under Burma.

(5) *Our proposals.*—(i) As regards Burma, the entire position was reviewed by the Royal Commission on Labour. They found that the appointment of the Protector "apparently arose out of a temporary situation connected with the over-crowding of deck passengers". They considered the position unsatisfactory and recommended the appointment of a whole-time Protector with statutory powers to enter industrial establishments employing Indian

labour. Now that the Government appear to have taken their decision on this point, we recommend that the department's offer, to save Rs. 13,000 under this head be accepted.

(ii) As regards Assam, the Government of India contribute Rs. 6,000 towards the pay of Chairman, Assam Labour Board. They also maintain certain administrative establishments in Assam (consisting of nine clerks and six servants) at a total cost of Rs. 3,400 plus Rs. 300. Even after deducting the Assam Government's contribution of Rs. 4,700, the amount which is to be met out of central revenues is Rs. 4,000, this being approximately equivalent to the pay of eight clerks at the rate of Rs. 40 per mensem. The medical staff consists of two sub-assistant surgeons and a compounder; they are employed at debarkation depots for emigrants at Gauhati and Tezpur. These depots passed nearly 60,000 and 5,000 emigrants respectively during the twelve months ending June 1930. Considering the disproportion between medical work at Gauhati and that at Tezpur, it may be possible to abolish the post of sub-assistant surgeon at Tezpur. The Assam Government may be called upon to make arrangements for medical inspection of steamers carrying emigrants, quarantine, disinfection, hospital for infectious diseases, rest houses for labourers and the arrangements for their feeding. In the absence of detailed information and the views of the Assam tea industry, we are not at present in a position to make a specific recommendation that the whole or any part of this cost should, on the analogy of the cess paid by that industry for the maintenance of the Assam Labour Board and its contribution towards the cost of the immigration hospital, be recovered from it. We propose that this question may be examined. For the present we are content to recommend the acceptance of the departmental offer to save Rs. 2,800 on the rest of the grant for internal emigration. We hope, however, that the reduction will not in any way weaken the vigilance exercised by Government in the interests of the welfare of the Indian labourer emigrating to Burma and Assam.

(6) *Summary of Savings.*—Rs. 15,800 = 0.16 lakh.

## CHAPTER XII.

## GRANT No. 68.—JOINT STOCK COMPANIES (1.43 lakhs).

(1) *Functions and Organisation.*—This Department is charged with the performance of statutory duties under the Indian Companies Act (VII of 1913). Generally speaking, the Local Governments act as agents for the Government of India. Except for a Registrar and an Assistant Registrar for Bengal, a Registrar for Bombay, and an Assistant Registrar at Madras, no officer is paid direct by the Government of India. In most provinces, however, the Government of India maintain special establishments for this work. The following table sums up the present arrangements and their cost :—

Province.	Officers.		Establishments.		Allowances, etc.	Contingencies.	Payments to Local Govts.	Total Expenditure.	Receipts.	Surplus (+) or Deficit (-).
	Number.	Cost.	Number.	Cost.						
Bengal	2	·21	28	·12	·001	·04	·37	1·00	+ ·68	
Madras	1	·04	12	·09	·05	·01	·15	·32	+ ·08	
Bombay	1	·19	10	·10	·01	·08	·28	·38	— ·04	
U. P.	..	..	6	·05	..	..	·09	·14	— ·08	
Punjab	..	·08	4	·03	·01	·01	·08	·18	+ ·08	
Burma	..	..	3	·08	..	·02	·08	·08	Nil	
B. and O.	..	..	..	..	..	·01	·01	·04	+ ·08	
C. P.	..	..	1	·08	·001	·042	..	·08	Nil	
Assam	..	..	1	·02	..	·008	..	·02	+ ·08	

(2) *Expenditure and receipts.*—Including charges and receipts in the minor administrations the expenditure and receipts of this department have been as below :—

	1921-22.	1924-25.	1926-27.	1929-30.	1931-32.
Expenditure	1·80	1·85*	1·44	1·29	1·48 *Including arrears of '09 and '05 paid to Madras and Punjab.
Receipts	2·02	1·56	1·78	2·39	2·16

The growth of expenditure is mainly due to the payment, since 1924-25, of establishment charges to the Government of Burma and to the accrual of normal increments.

For India as a whole, though not for each individual province, receipts have always exceeded the expenditure.

(3) *Departmental proposals.*—Commerce Department has proposed a saving of Rs. 7,130 including (a) Rs. 1,050 not required because this amount merely represents excess budget provision due to mere rounding off of figures for budget purposes and (b) Rs. 6,080, of which only a small portion is claimed to be of a permanent character. The department's view is that as the expenditure is at present more than covered by fees, it would be necessary to make a reduction in fees, if the expenditure were reduced to any considerable extent.

(4) *Our proposal.*—We do not share the department's view mentioned above. Since there always has been a surplus of receipts over expenditure, we see no reason why in the interests of their own financial position Government should not try to enlarge it. We understand that the Registrar at Bombay is a part-time officer, his other duty being that of Administrator-General, Bombay. His salary as Registrar is Rs. 1,200—50—1,800. In Bengal, on the other hand, the whole-time Registrar gets only Rs. 800—50—1,200. We cannot see the reason for this wide divergence between the Bombay and the Calcutta scales of pay, and recommend that the Bombay post should be placed on the Calcutta scale as soon as practicable. The saving will then be about Rs. 9,000.

(5) *Summary of savings.*—Rs. ·09 lakh.

## CHAPTER XIII.

GRANT No. 69.—MISCELLANEOUS DEPARTMENTS (6·57 lakhs).

(1) The following portions of this grant for which provisions exist in the 1931-32 budget were not dealt with in the first part of our Interim Report, viz. :—

- B.—Examinations.
- D.—Controller of Patents and Designs.
- E.—Actuary to the Government of India.
- G.—Miscellaneous—Bushire Coal Depot.
- I.—Courts of Enquiry and Boards of Conciliation constituted under the Trade Disputes Act, 1929.

We shall now deal with these *seriatim*.

## B.—Examinations.

(2) The total provision for 1931-32 is Rs. 69,100 and is accounted for as follows :—

- (I) India—Public Service Commission (Rs. 64,000) and India—Bengal (Rs. 100). (II) Madras (Rs. 1,000). (III) Bombay (Rs. 1,000). (IV) United Provinces (Rs. 1,000). (V) Punjab (Rs. 1,000). (VI) Burma (Rs. 1,000).

The provisions shown against the provinces are intended to meet the travelling allowance of the members of the Selection Committees and contingent expenditure in connection with the examination for recruitment to the Indian Police Service in India.

(3) A permanent reduction of Rs. 14,000 has been offered by Home Department and we recommend its acceptance. In this connection our observations on the grant for the Public Service Commission may be seen.

## D.—Controller of Patents and Designs.

(4) *Functions*.—This office is a statutory institution under section 55 (1) of the Indian Patents and Designs Act of 1911. Its principal function is to examine applications for patents in accordance with the provisions of Section 5 of that Act. Fees are charged for the service rendered to the public.

(5) *Organisation*.—The office is manned by seven officers, viz., a Controller (pay, Rs. 1,000—50—1,500) and six Examiners (pay, Rs. 300—25—800). The establishments consist of a Superintendent, 21 clerks and 17 servants.

The Controller gets a compensatory allowance of Rs. 100 per mensem and one of the Examiners gets a special pay of Rs. 100 per mensem.

(6) *Cost and its growth*.—Of the total 1931-32 provision of Rs. 98,200, the pay of officers and establishments absorb Rs. 44,200 and Rs. 39,100 respectively. The other provisions are Rs. 900 for travelling allowance, Rs. 1,200 for compensatory allowance to the Controller, Rs. 7,000 for the printing up of specifications and Rs. 5,800 for contingencies.



The following tables show the growth of (a) receipts and expenditure, and of (b) staff, (c) scales of pay and (d) expenditure on the detailed heads. An analysis of the principal reasons for the growth of expenditure has also been given—

## (a) Receipts and expenditure.

	1914.	1922.	1924.	1926.	1927.	1928.	1929.	1930.	1931.
Receipts . . . . .	.75	1.39	1.30	1.49	1.58	1.78	2.04	2.05	2.10
Expenditure . . . . .	.40	.50	.50	.64	.64	.74	.83	1.03	.98
Net Profit . . . . .	.35	.81	.80	.85	.94	1.04	1.21	1.02	1.12

## (b) Growth of staff.

	1913-14.	1922-23.	1924-25.	1929-30.	1930-31.	1931-32.
Controller . . . . .	1	1	1	1	1	1
Examiners . . . . .	Nil	2*	3*	3	6	6
Ministerial . . . . .	7	10	12	14	22	22
Servants . . . . .	7	11	12	13	17	17

\*They were then called Assistant Examiners.

## (c) Scales of pay of officers.

	1913-14.	1924-25.	1930-31.	1931-32.
Controller . . . . .	1,400—1,800	750—50—1,200	1,000—1,500	1,000—1,500
Examiners . . . . .	Nil	300—750	250—750	300—25—800

## (d) Expenditure (in lakhs) under detailed heads.

	1913-14.	1922-23.	1924-25.	1929-30.	1930-31.	1931-32.	
Pay of officers . . . . .	} .40	.24	} .41	.26	.36	.44	
Pay of establishments . . . . .		.22		.33	.38	.39	
Allowances . . . . .		.01		.02	.02	.02	
Printing charges . . . . .		.06		.05	.24	.28	.07
Contingencies . . . . .		.05		.04	.06	.08	.06
Total gross expenditure. . . . .	.40	.58	.50	.90	1.12	.98	

It will be seen that the principal reasons for the recent growth of expenditure (against which there has been a growth of receipts also) is the growth of staff necessitated by an increase in the number of applications and the decision to tighten up the procedure relating to the examination of applications so as to bring it into line with British procedure. The scales of pay for the officers

were also revised. We must also observe that in the light of the actuals of previous years, we fear the actual expenditure on printing will perhaps exceed the budget provision of Rs. 7,000.

(7) *Departmental proposals.*—The Department of Industries and Labour claims that this office was never intended to be a revenue-earning office. Hence, no savings were at first offered. Subsequently however it offered to keep the 1932-33 budget down to the 1931-32 level in spite of the inevitable growth due to the accrual of annual increments. This amounts to an offer to effect a saving of Rs. 3,025.

(8) *Our proposals.*—(i) We do not accept the department's claim that this office was never intended to be a source of revenue. The figures given in table (a) above show that there has always been a net surplus. We do not see why the surplus should not be made as large as possible without raising the fees charged to the public. We may here add that the full cost (including pensionary charges) are not included in the figures given above.

(ii) We see no reason why the compensatory allowance of Rs. 100 p. m. to the Controller, which was sanctioned in 1926 when the Controller's pay was on the scale of Rs. 750—50—1,200, should be continued. The Controller's scale of pay was only recently substantially raised and on 1st April 1932 his actual pay will be Rs. 1,100. The entire staff is recruited for work at Calcutta and therefore the cost of living at Calcutta is not quite a relevant argument. In our opinion this allowance should be abrogated.

(iii) Similarly we see no reason why one of the Examiners should get a special pay of Rs. 100 p. m. Their scales of pay were also raised only recently. We observe that the special pay was granted in lieu of the creation of a post of Assistant Controller. We cannot accept this as a valid ground and can see no justification whatever for it. In our opinion it should be abrogated.

(iv) We further hold that the staff has grown with undue rapidity even after making allowance for the increased work resulting from the recent amendment of the law. We think the number of officers, clerks and servants can all be reduced to a certain extent without prejudice to the service rendered to the public. The department agrees that one officer's post can perhaps be reduced, and we propose that it should be reduced. Saving will be about Rs. 5,000. We have examined the department's case in justification of the existing number of servants and have not found it altogether convincing. We propose that two clerical posts and two posts of servants should be abolished. On these proposals the savings will be Rs. 3,000 and Rs. 400 respectively.

(v) Contingencies should be reduced by ten per cent., saving Rs. 580.

(9) *Summary of savings.*—On our proposals the total reduction of expenditure will be Rs. 11,380 or say 11 lakh.

#### E.—Actuary to the Government of India.

(10) *Function and Organisation.*—The Actuary's function is to do actuarial work on behalf of the Government of India in relation to postal and other departments and in connection with the administration of the Indian Life Assurance Companies Act (VI of 1912) and the Indian Insurance Companies Act (XX of 1928). The office consists of an Actuary (pay, Rs. 1,300) and an Assistant Actuary of non-gazetted status (pay, Rs. 300).

The ministerial and other establishment forms a part of the Commerce Department.

(11) *Expenditure*.—The scales of pay for officers and total expenditure on the Actuary's office have varied as below :—

	1913-14.	1921-22.	1924-25.	1929-30.	1931-32.
(a) Scales of pay.					
Actuary . . . . .	1,750	2,000	2,000	2,000	1,300
Assistant Actuary . . . . .	Nil	500	500—550	300	300
(b) Expenditure.					
(i) Pay of Officers . . . . .	·20	·24	·30	·31	·15
(ii) Pay of establishment . . . . .	..	·06	..	·01	·04
(iii) Other charges . . . . .	·01	·02	·02	·01	·02

(12) *Proposals*.—(i) No reduction has been proposed by the Actuary or the Commerce Department. Considering that the budget of Rs. 20,900 consists of Rs. 19,100 for the pay of the Actuary and his Assistant, and Rs. 800 for travelling and Rs. 1,000 for hill-journey allowances, there is very little scope for retrenchment.

(ii) We have considered the question whether the Assistant Actuary should be retained. Our conclusion is that his post cannot be abolished.

(iii) In our opinion, however, the Actuary's office should be located at Delhi along with the Commerce Department or a part of it. His duties do not appear to us to render it necessary that his office should move up and down with the Government of India. This will yield a saving of Rs. 1,000.

#### G.—*Bushire Coal Depôt.*

(13) The recoveries, *viz.*, Rs. 2,000, exceed the expenditure (Rs. 400 pay of Tindal and Rs. 700 for rent of godowns) by Rs. 800. We have no proposals to make.

#### I.—*Courts of Enquiry and Boards of Conciliation.*

(14) *Explanation*.—The 1931-32 provision is only Rs. 500, *viz.*, Rs. 300 for allowances and Rs. 200 for other charges. The actual expenditure in 1929-30 was Rs. 6,643, *viz.*, Rs. 3,585 for "officers", Rs. 981 for establishments, Rs. 1,536 for allowances and Rs. 541 for other charges. The budget for 1930-31 was Rs. 10,000.

When such a body is set up, fees and travelling allowances for the Chairman and members, expenses for witnesses and the cost of the establishment are found by Government. Whether it will be necessary to set up a Court of Enquiry or a Board of Conciliation in 1932-33 and subsequent years cannot be known beforehand. Hence, the only question we could usefully investigate was whether any modification of the terms on which the members are appointed to serve on such bodies is needed. We have been informed that there is no hard and fast rule governing such terms. In the past no Court of Enquiry was set up, but in 1929-30 one Board of Conciliation was appointed. Its Chairman

was a retired judge of the Calcutta High Court and he was given Rs. 50 per diem. A daily allowance of Rs. 15 was paid to each of the other two members nominated by the parties to the dispute.

(15) *Proposals*.—We do not know the terms on which the members of the recently constituted court of enquiry into the dispute between the Railway Board and the All-India Railwaymen's Federation over the question of staff retrenchment have been appointed. But, judging by the terms on which the members of the Board of Conciliation constituted in 1929-30 were appointed, we have no proposals to make.

*Summary of savings on the grant.*

(16) On our proposals relating to items B, D, E, G, and I of this grant, the savings will be 26 lakh as below :—

Rs.
14,000—B.—Examinations.
11,380—D.—Patents and Designs.
1,000—E.—Actuary.
N4 —G.—Bashire Coal Depôt.
N4 —I.—Courts of Enquiry and Boards of Conciliation.
<u>26,380</u>

## CHAPTER XIV.

## GRANT NO. 71.—CURRENCY (50·25 lakhs).

(1) *Explanation of grant.*—This grant of 50·25 lakhs may be set out as follows :—

(i) Controller of Currency and the two Deputy Controllers at Bombay and Calcutta and their offices . . . . .	4·22
(ii) Reserve for temporary establishment . . . . .	1·00
(iii) Cost of currency note forms . . . . .	17·80
(iv) Cost of maintaining the seven currency offices . . . . .	16·82
(v) Currency Note Press . . . . .	·03
(vi) Remittance of Treasure [Railway freight (4·33), police escorts (1·69), other charges (4·22)] . . . . .	10·24
(vii) Works . . . . .	·13
(viii) English charges on stores . . . . .	·01

(2) *Functions.*—The Currency Department is charged with the

- (i) purchase, sale, import and export of silver and purchase and export of gold for Government,
- (ii) issue and sale of treasury bills and telegraphic transfers on London and remittances to the Secretary of State,
- (iii) watching of treasury balances and Government reserves and their distribution,
- (iv) issue and sale of Government loans,
- (v) questions relating to currency notes,
- (vi) remittance of treasure, and
- (vii) withdrawal of coin.

(3) *Organisation and cost.*—(a) The Controller's Office at Calcutta consists of the Controller (pay, Rs. 3,000—3,500), a Deputy Controller (pay, Rs. 1,500—1,800) and a Personal Assistant to the Controller (pay, Rs. 650). The establishment numbers 86.

The Bombay office is in charge of a Deputy Controller whose duties are more responsible than those of the Deputy at Calcutta and include those of a local intelligence officer. His pay is Rs. 2,000—2,500. He is assisted by an Assistant Currency Officer (pay, Rs. 500—850) and an establishment of 30.

The cost of these two controlling offices is as below :—

	Officers.	Establishments.	Allowances.	Contingencies.	Total.
Calcutta . . . . .	·74	1·60	·25	·42	3·01
Bombay . . . . .	·40	·47	·15	·19	1·21

(b) There are in all seven Currency Offices, each in charge of a Currency Officer. Their staff and cost are as follows :—

	Calcutta.	Bombay.	Madras.	Rangoon.	Lahore.	Cawnpore.	Karachi.	Total.
Number of Officers	1+2	1+2*	1	1	1+1	1+1.	1	7+6
Number of Establishments†	538	258	170	134	123	107	37	1,367
Total cost (lakhs)	6.03	3.46	1.92	1.01	1.49	1.41	.59	16.82

In the currency offices the strength of the establishment on the treasurer's side is determined automatically.

(4) *Growth of expenditure.*—Comparison with the figures of previous years is vitiated by many factors, as the following illustrative table in which certain items included in the totals are separately shown :—

	1913-14.	1924-25.	1929-30.	1931-32.
Total expenditure . . . . .	35.64	57.49	44.18	50.25
Stores . . . . .	18.94	21.54	8.87	.01
Press . . . . .	Nil	Nil	4.58	.03
Currency note forms . . . . .	Nil	Nil	Nil	17.80
Remainder . . . . .	16.70	35.95	30.73	32.45

If these items with their violent fluctuations due to changes of policy (e.g., the decision to manufacture currency notes in India) or of methods are excluded, the figures (last line of the above table) would give a better idea of the growth of expenditure. A still more reliable comparison can be made with the help of the figures of expenditure on certain selected items in respect of which policy or methods have not changed much. These are—

	1921-22.	1924-25.	1929-30.	1931-32.
(i) Controller, Deputies and their offices . . . . .	3.41	3.78	3.82	5.22‡
(ii) Currency Offices . . . . .	16.35	15.41	17.30	16.82
(iii) Remittance of Treasure . . . . .	7.40	8.01	9.73	10.24
(iv) Contingencies . . . . .	.64	1.44§	1.74	1.70

It should, however, be noted that the one-rupee note the handling of which had resulted in a very large increase of work in the currency offices was discontinued in 1926 and that since 13th June 1931 notes of the Rs. 500 and Rs. 1,000 denominations are universal.

(5) *Departmental proposals for economy.*—Neither the Controller nor the Finance Department at first offered any permanent retrenchment. But, later the department decided to give a trial to the re-issue of at least 25 per cent. of old notes received in the Currency offices. Uptil now the practice has been

\* Issue Officer and Coin Officer.

† Viz., Treasurers, superintendents, caretakers, tellers, shroffs, stenographers, clerks, etc.

‡ Includes 1.00 as reserve for temporary establishment.

§ This figure is approximate.

to issue only unissued notes. The financial effect of this change of practice is expected to be as below (savings are shown as +) :—

(i) Saving in the cost of new note forms . . . . .	+4.45
(ii) Cost of 82 men owing to a net reduction in the rate of examination . . . . .	— .95
(iii) Saving in sorting, listing, etc. . . . .	+ .10
(iv) Deduct for disappearance of present profit from manufacture of note forms owing to smaller output . . . . .	—2.00
Net Total . . . . .	+1.60

At a later stage of our enquiry, however, Finance Department offered to effect the following economies on the "average cost" basis, viz. :—

	Savings, Rs.
(a) Abolition of the posts of 1 Assistant Superintendent and 4 clerks in the office of the Controller of the Currency, Calcutta . . . . .	16,200
(b) Abolition of the post of the Assistant Currency Officer at Cawnpore by retiring the seniormost Assistant Currency Officer . . . . .	8,180
(c) Abolition of the post of a clerk on the Treasurer's branch of the Cawnpore Currency Office . . . . .	900
(d) Abolition of the post of a clerk on the general branch of the Cawnpore Currency office . . . . .	900
(e) Abolition of the post of a clerk in the Treasurer's branch of the Lahore Currency Office . . . . .	900
(f) Abolition of the post of 1 Assistant Treasurer, 2 Tellers, 21 clerks and 5 shroffs on the Treasurer's branch of the Calcutta Currency Office . . . . .	37,000
(g) Abolition of 4 posts of clerks on the general branch of the Calcutta Currency Office . . . . .	5,000
(h) Abolition of the posts of 1 Assistant Superintendent, 6 clerks and 1 peon on the general branch of the Madras Currency Office . . . . .	3,688
(i) Abolition of the posts of 2 Assistant Treasurers, 1 Teller and 8 Note Examiners on the Treasurer's branch of the Madras Currency Office . . . . .	14,508
(j) Abolition of the post of 2 shroffs in the Rangoon Currency office (lying vacant for a long time) . . . . .	..
(k) Reduction from the whole-time Currency Officer to a half-time Currency Officer (Rangoon) . . . . .	4,800
(l) Abolition of the post of 4 clerks on the general branch of the Bombay Currency office lying vacant for a long time . . . . .	..
(m) Abolition of 1 post of clerk on the general branch of the Bombay Currency Office, which has recently fallen vacant . . . . .	1,200
(n) Abolition of 3 posts of clerks on the Treasurer's branch of the Bombay Currency Office . . . . .	3,600
(o) Abolition of the post of 1 Assistant Superintendent on the general branch of the Bombay Currency Office . . . . .	2,400
(p) Abolition of the post of 1 clerk on the Treasurer's branch of the Karachi Currency Office . . . . .	980
(q) Abolition of the post of two clerks and one peon of the office of the Deputy Controller of the Currency, Bombay . . . . .	2,540
(r) Lump provision in the Controller of the Currency's budget for temporary establishment . . . . .	50,000
(s) Reduction of the rent payable to Imperial Bank of India on account of Deputy Controller of the Currency, Bombay's office accommodation . . . . .	900
(t) Non-acceptance of house-rent allowance by Mr. Shankar Rau as Deputy Controller of the Currency, Bombay . . . . .	..
(u) Non-acceptance of the full rate of house rent allowance by the Assistant Currency Officer attached to the office of the Deputy Controller of the Currency, Bombay . . . . .	700
Total . . . . .	1,60,426

(6) *Proposals.*—(i) We recommend that Finance Department's offer be accepted. But we observe that the savings on establishments as calculated by them are on the "average cost" and not the "immediate reduction" basis. We assume that the budgetary position for 1932-33 will improve by approximately the same amount as the saving offered and further by the saving of 1.60 lakhs on the re-issue of currency notes. In this connection we repeat our general recommendation that no house-rent and compensatory allowances should be paid to staff that is recruited for work at a particular station even if it be an expensive one. In the course of its oral evidence Finance Department told us that since these allowances form part of a general scheme sanctioned in 1924 they can be abolished, provided they are abolished for all. For the present, however, we have adopted a general principle the scope of which is limited to staffs recruited for local work or work at only expensive stations. Such allowances should therefore be abrogated. Further, we think house-rent should be charged on the usual lines for all residential accommodation provided by Government in conjunction with the currency offices, whether to officers or to establishments.

(ii) The departmental offer does not contemplate any reduction of the number of currency offices or officers. We agree that the number of currency offices should not be reduced. In our opinion, however, the Calcutta staff, *viz.*, one Controller, one Deputy Controller and one Personal Assistant for headquarters and one Currency officer and two Assistant Currency officers, in all six, is excessive, and we recommend the abolition of one post of Assistant Currency Officer or its equivalent. This will yield a saving of .09 lakh.

(iii) (a) The departmental proposal takes account of the estimated saving of 4.45 lakhs in the cost of new note forms; hence we make no proposal in regard to the provision of 17.80 lakhs in the 1931-32 budget.

In this connection we also invite attention to Chapter V, particularly to para. (5) thereof.

(7) *Summary of savings.*—On our proposals the reduction of this grant will amount to 3.30 lakhs *plus* the saving from our proposal in sub-paragraph (i) regarding house-rent and other allowances. We are not in a position to give a precise estimate of the latter.



## CHAPTER XV.

## GRANT NO. 72.—MINT (27·72 lakhs).

(1) *Explanation of the grant.*—The budget provision of 27·72 lakhs includes 7·30 for the Calcutta Mint, 7·99 for the Bombay Mint, 8·60 for loss on coinage, 2·79 for the purchase of local and 1·04 for that of English stores. There is also a provision of £3,000 for sterling overseas pay and leave salaries.

The budget for each mint may be analysed as below :—

	Ordinary establishments.			Operative establishments.			
	Officers.	Mint.	Bullion. Assay	Permanent.	Extra.	Allowances.	
Calcutta . . .	·65	·637	·345	..	·65	2·40	·085
Bombay . . .	·78*	·522	·655	·25	1·005	1·30	1·033
<b>Total . . .</b>	<b>1·43</b>	<b>1·159</b>	<b>1·000</b>	<b>·25</b>	<b>1·655</b>	<b>3·70</b>	<b>1·118</b>

	Supplies and Services.	Rent, etc.	Contingencies.	Local Stores.	Total.
Calcutta . . .	·022	1·976†	·535	1·25	8·55
Bombay . . .	·141	..	2·297	1·54	9·53
<b>Total . . .</b>	<b>·163</b>	<b>1·976</b>	<b>2·832</b>	<b>2·79</b>	<b>18·08</b>

\*Includes ·45 for Assay Office.

†Includes 1·562 for rent for accommodation supplied by the Public Works Department.

(2) *Organisation.*—Each Mint is in charge of a Mint Master (pay, Rs. 2,000—200—3,000 plus O. P. £ 13-6-8). There is also a Deputy Mint Master (Rs. 1,000—1,500 plus O. P. £13-6-8), who is utilised as a leave reservist wherever wanted. An Artist-Engraver (Rs. 750—1,000) is also employed at Calcutta; he works for both the Mints. The permanent establishments number 83 at Calcutta and 89 at Bombay.

The Assay Office is maintained at Bombay and is manned by an Assay Master (Rs. 1,400—1,800 plus O. P. £13-6-8) and two Deputies (Rs. 600—1,200). The Assay office establishment consists of 4 clerks and 29 servants.

Compensatory and house-rent allowances are granted to the staff under the usual scheme. In Calcutta rent-free quarters are available for many members of the staff whereas in Bombay house-rent allowances are paid.

## (3) Expenditure, receipts and net revenue—

(j) Expenditure—	1913-14.	1921-22.	1924-25.	1928-29.	1929-30.	1930-31.	1931-32.
Establishments, etc., at Calcutta . . . . .	4-20	3-17	3-36.	4-87	7-18	6-75	7-30
Establishments, etc., at Bombay . . . . .	4-15	4-57	7-60	5-44	7-67	8-35	7-99
Loss on Coinage . . . . .	7-57	6-30	.82	10-42	9-86	30-07	8-60
Purchase of local Stores . . . . .	2-38	1-91.	1-60	2-13	3-87	3-20	2-79
Works . . . . .	..	..	..	2-79	..	..	..
English stores and other charges and loss on exchange . . . . .	1-59	.79	.34	3-14	1-19	1-11	1-4
<b>Total . . . . .</b>	<b>19-89</b>	<b>16-74</b>	<b>13-92</b>	<b>28-79</b>	<b>29-77</b>	<b>49-48</b>	<b>28-13</b>
(ii) Revenue from Mints . . . . .	50-98	14-89	41-77	43-70	26-07	4-81	4-56
(iii) Net revenue . . . . .	31-09	—1-85	27-85	14-91	—3-70	—44-67	—23-87

As in the case of Currency, the variations of expenditure are to some extent due to changes of policy and methods. Three principal new factors have been in operation since 1924-25. Firstly, the Bombay Mint was closed to coinage and all coinage work was transferred to Calcutta. Secondly, an electrolytic refinery was erected at Bombay to refine silver. Thirdly, to feed that refinery rupees of the mintage 1862-74 were declared uncurrent.

The principal reasons for increased expenditure at Calcutta are the accrual of increments, revision of the pay of establishments, raising of Artist-Engraver's post to gazetted status in 1926-27, growth of work due to concentration of coinage at Calcutta and to larger demand for small coin.

The increase of expenditure at Bombay was caused by the revision of the pay of the mint and the bullion establishments, accrual of increments, increased house-rent and overtime allowances.

The following illustrative table will help to show the important items where increased expenditure can be brought under scrutiny for purposes of permanent retrenchment.

	1913-14.		1921-22.		1924-25.		1929-30.		1931-32.	
	Calcutta.	Bombay.	Calcutta.	Bombay.	Calcutta.	Bombay.	Calcutta.	Bombay.	Calcutta.	Bombay.
Number of Officers . . . . .	..	..	4	3	2	3	2	5	2	4
Number of permanent establishments . . . . .	92	162	87	111	84	118	93	114	83	112
Pay of Officers . . . . .	.85	.78	.52	.72	.32	.70	.47	.81	.65	.78
Pay of permanent establishments . . . . .	.42	.52	.92	1-11	.78	1-27	.94	1-28	.99	1-44
Cost of Operative establishments . . . . .	2-43	1-98	1-44	2-03	1-62	2-18	2-94	2-26	3-05	2-31
Allowances, Honoraria, Rent, etc. . . . .	.50	.87	.63	.69	1-12	.65	2-83	3-32	2-63	3-47

(4) *Department's proposals*.—Finance Department has offered to effect permanent savings of 2.42 lakhs as below :—

	Savings.
<i>Calcutta Mint</i> —	Rs.
(a) Discharge of 1 Engineer and 2 Assistant Melters . . . . .	10,400
(b) Abolition of the post of 1 Engineer on the retirement of the Head Engineer . . . . .	5,000
(c) Abolition of the posts of 1 Engineer, 1 Melter, 3 Assistant Bullion Keepers, 1 peon, 1 Barkandaz which are lying vacant and for which no budget provision exists . . . . .	Nil
(d) Extra establishment and extra hours' pay . . . . .	1,00,000
(e) Purchase of stores . . . . .	75,000
<i>Bombay Mint</i> —	
(f) Abolition of the post of Assay Master . . . . .	21,800 plus 5,600 for house allowance.
(g) Abolition of 2 posts of Engineers, one of which, we observe, was created with effect from 1931-32 . . . . .	10,000 plus 2,000 for house rent.
(h) Abolition of the post of Artist Engraver and 14 Policemen lying vacant for a long time and for which no budget provision exists . . . . .	Nil
(i) Temporary establishment . . . . .	11,800
(j) Abolition of the posts of a clerk and a peon on the amalgamation of the Assay Office with the Bombay Mint . . . . .	1,080
Total . . . . .	2,42,800

But we observe that these savings have been calculated on the "average cost" and not "immediate reduction" basis.

(5) *Our proposals*.—(i) We recommend the acceptance of Finance Department's offer. We do not consider that the closing down of either Mint will yield financial advantages (*viz.*, a saving of only about 68 lakh) commensurate with the risk involved.

(ii) In addition to these savings we hold that since the Mint staff is recruited for local work at Calcutta or Bombay, no local compensatory or house-rent allowances should be paid. We have applied this principle to other departments also. Further, rent on the usual lines should be charged for residential accommodation provided at Government expense whether to officers or to establishments. We understand that the provision of free Government accommodation is the rule at Calcutta. In this respect conditions at Bombay and Calcutta should be a simulated, a charge for housing being reckoned as approximately the equivalent of the abrogation of house-rent allowances, at any rate in the case of officers.

(iii) At Calcutta there is a post of Artist—Engraver on Rs. 750—50—1,000; the incumbent of it was brought out from London and has reached the maximum of the scale. He works for both the Mints. There are some posts of engravers at the Naik Security Printing Press also and we are not at all sure that the services of the Naik staff cannot be utilised for mint work. We have been told by the Finance Department that this post is maintained for other miscellaneous work, *e.g.*, designing and engraving army and other medals, etc. Further, we might add that the post used to be of non-gazetted status upto 1925-26.

We were told in the course of the oral evidence that the Mint Master at Calcutta had tried to train up an Indian for this post but had failed. We may agree with the view that the artist-engraver's work is specialised and requires actual practice in die-engraving, but we cannot possibly endorse the implication of the Mint Master's conclusion that he had failed in his attempt to train up an Indian. Engraving and artistic work in general is one of those lines of work in which, in our opinion, it will be hard to beat Indians. The Bengal School of Art at Calcutta has now acquired an international reputation, and there are many other art schools all over India. It is within the personal experience of many of us that quite a lot of high class engraving work is done by private firms all over India. Our proposal therefore is that a promising Indian be recruited to serve as an under-study and the Artist-Engraver's gazetted post be abolished as early as practicable. This should yield a saving of Rs. 12,000 *minus* the pay fixed *de novo* for the non-gazetted post on a substantially lower scale of pay which will take its place. For the present we leave this saving out of our calculation.

(iv) We see no appreciable evidence of any genuine effort to Indianise the higher ranks. The adoption of such a policy will tend to reduce expenditure, and we urge that steps be taken to bring it about.

(6) *Summary of Savings*.—2.50 lakhs. In addition, it should be possible to effect a further reduction of, say, '09 (on the Artist-Engraver's post) in the near future.

## CHAPTER XVI.

## GRANT NO. 76.—MISCELLANEOUS (35·11 lakhs).

We shall deal, *seriatim*, with the various sub-heads of this grant.

## A.—Allowances, Rewards, etc.

(1) *Explanation of grant.*—Of the provision of Rs. 31,800 under this grant Rs. 19,700 is for miscellaneous *Durbar* charges (including Rs. 600 for the cost of Aggamahapandita seals). The rest is for other charges, mainly the annual stipends to holders of literary titles (*e.g.*, Mahamahopadhyaya, Shams-ul-ulema and Aggamahapandita) and is distributed as follows :—

Madras (Rs. 1,000), Bombay (Rs. 500), Bengal (Rs. 2,700), United Provinces (Rs. 1,800), Punjab (Rs. 400), Burma (Rs. 4,100), Bihar and Orissa (Rs. 1,000), Central Provinces (Rs. 500), and Assam (Rs. 100).

The actual expenditure on "other charges" in 1928-29 and 1929-30 was Rs. 13,295 and Rs. 9,973 respectively.

(2) *Proposals.*—(a) As regards the miscellaneous *Durbar* charges, we observe that the Foreign and Political Department, at first proposed a reduction of Rs. 1,500, but it has since intimated that an extra grant is likely to be needed. We would reduce the provision for 1932-33 to the level of the actuals of 1929-30, *i.e.*, to Rs. 13,000 and trust that expenditure will be kept down as far as practicable. The reduction of expenditure for the 1932-33 budget will be Rs. 6,700.

(b) The rates of stipends to holders of literary titles are so low that no reduction is possible.

## B.—Books and periodicals.

(3) *Explanation of the grant.*—This grant consists of two items :—

- (i) Rs. 74,200 for subscriptions to news agencies (Reuters, Limited, and Indian News Agency) for the supply of telegrams, and
- (ii) Rs. 6,400 for the supply of books and periodicals to the India Office and the High Commissioner by the Local Governments as agents for the central Government. The provisions are Rs. 1,400 for Madras, Rs. 1,800 for Bombay, Rs. 1,300 for Bengal, Rs. 1,000 for the United Provinces, Rs. 800 for the Punjab and Rs. 100 for Burma.

The provisions for subscriptions to Reuters, Limited, and the Indian News Agency are Rs. 55,200 and Rs. 19,000 respectively. The telegrams are supplied to selected officials with the object of enabling them to get news earlier than is possible to get from the newspapers, especially at Simla where there is no local newspaper with an efficient news service.

In the case of Reuters, Limited, Government make a fixed payment for their news service. The news so supplied is distributed to Government officials.\*

\* List is given in Appendices 8 to 11 of the Posts and Telegraphs Manual, Volume XI, Part III.

No annual grant is made to the Indian News Agency, but their telegrams are paid for on ordinary commercial terms, *viz.*, Rs. 30 per mensem per copy. There is no obligation to take any particular number. The number taken in 1911 was 47 but it included copies for officers belonging to departments which have since been classified as "commercial", *i.e.*, Railways, Posts and Telegraphs and Army Headquarters. Since 1929 these departments pay separately for such telegrams. The number of copies taken by the non-commercial departments was 38 in 1929 and 48 in 1930.

(4) *Proposals.*—(i) The case of Messrs Reuters, Ltd., presents some difficulty, since the payment made at present (Rs. 55,200) is a lump payment. We have been informed that Government hope to be able to make a reduction. The payment amounts, in effect, to a partial subsidy and we consider that it should be possible to bring down the amount to Rs. 44,200, saving Rs. 10,000.

(ii) As regards the service of the Indian News Agency it is proposed to take a smaller number of copies in future, and thus to reduce the cost from Rs. 19,000 to Rs. 13,000. Government hold that no change can be made as regards the Chief Commissioners of Ajmer-Merwara and Andaman-Nicobar Islands and certain officers of the Foreign and Political Department. As regards officials at headquarters, orders have recently been issued cutting down the list, the principle followed being to confine the list to those to whom the telegrams give important help in the discharge of their official duties.

We have scrutinised the list, and hold that it is possible to reduce the number still further. We do not see why it should not be possible to make one copy serve the various secretariat officers in the same office at headquarters. But, for the present we are content to recommend the acceptance of the saving of Rs. 6,000 as offered by the department.

(iii) As regards the supply of books and periodicals to the India Office and the High Commissioner we have no proposal to make.

(iv) The reduction of expenditure on this head will thus be 16 lakh.

#### C.—Charitable donations and European vagrancy.

(5) *Explanation of grant.*—The provision for donations for charitable purposes is Rs. 12,800 and for charges on account of European vagrancy Rs. 2,500 including Rs. 1,500 in Madras for subsistence allowances to seamen in distress. The former provision is largely for the repatriation of destitute Indians, mostly pilgrims who get stranded for various reasons, from abroad.

(6) *Proposals.*—We observe that the repatriation rules provide for the repatriate's return to India by the shortest and the cheapest route and for his undertaking to repay the cost of his repatriation and measures to enforce the undertaking. Since every country is responsible for the repatriation of its own destitute nationals, there is not much scope for the reduction of this provision, even though we observe that Commerce Department has offered a small reduction.

We cannot ascertain the actual expenditure on account of European vagrancy. All that we can propose is that Government should issue suitable instructions to ensure that no expenditure is unnecessarily incurred on account of the vagrancy or repatriation of the nationals of foreign states, and that if any expenditure has to be incurred, attempts should be made to recover it, wherever practicable.

## D.—Special commissions of enquiry.

## (a) Tariff Board.

(7) *Functions*.—The Tariff Board was set up in accordance with the recommendations of the Fiscal Commission. It is employed on scientific enquiries committed to it from time to time, mainly in pursuance of the accepted policy of discriminating protection of Indian industries. Some of these are prescribed by statute, e.g., the Steel enquiry due to come off in 1933-34; the majority are *ad hoc* enquiries.

(8) *Organization*.—The Board consists of a Chairman (pay, Rs. 4,000) and two Members (Rs. 3,000 per mensem each). There is also a Secretary drawing pay on the senior I. C. S. scale and a special pay of Rs. 200. Provision is also made for an expert adviser (on Rs. 3,000 per mensem) for six months.

(9) *Growth of cost*.—The following table shows the growth of expenditure since the Board was set up in 1923-24 :—

	1923- 24	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
	(part).								
Pay of officers and passage contributions					1.18	1.20	1.48	1.18	1.87
Pay of establishments	1.52	1.93	1.60	2.79		.19	.19	.21	.21
Travelling allowances				.49	.28	.30	.31	.29	.29
Other expenses				.61	.22	.25	.23	.24	.24
<b>Total</b>	<b>1.52</b>	<b>1.93</b>	<b>1.60</b>	<b>3.79*</b>	<b>1.87</b>	<b>1.94</b>	<b>2.24</b>	<b>1.92</b>	<b>2.32</b>

(10) *Departmental proposals*.—The Commerce Department at first offered a saving of Rs. 8,000 under "Pay of Officers". But, it was in the nature of a windfall and not of a permanent character. The question of reducing the Board's expenditure on travelling expenses was under the Commerce Department's consideration in consultation with the Finance Department, but the department considered it unlikely that any appreciable reduction could be made under that head. It offered a temporary lump reduction of Rs. 2,000 out of the provision for "all other expenses".

Subsequently, however, Commerce Department, in the course of the oral evidence given by its representative, gave us to understand that by the end of February 1932 the enquiries so far entrusted or to be entrusted to the Tariff Board will have been disposed of and that apart from the cotton textile enquiry, which is due for 1932-33 and the statutory steel enquiry which is due for 1933-34 the department does not expect to be in a position to charge the Tariff Board with any enquiry in the near future. We were also told that the cotton textile enquiry may not even take place.

(11) *Proposals*.—(i) We greatly appreciate the valuable services rendered by the Tariff Board to the industrial interests of India. In view of the gravity of the financial situation, however, we have taken into consideration a suggestion that the Tariff Board might be suspended for about a year. Our view is that any such recommendation by us is likely to give rise to considerable misgiving, especially if an enquiry into the cotton textile industry does not take

\* Includes Cotton Textile enquiry.

place during 1932-33. It is true that in consequence of financial stringency the import duty on cotton textiles has been increased on two occasions, once at the budget session of the Legislature last March and again by the supplementary finance bill recently "certified". But these duties are in the nature of revenue duties and are liable to be reduced whenever Government should consider that their financial position warrants their doing so. The difference between the purpose of a protective and a revenue duty must not be overlooked. The enquiry into the amount of protection required for the textile industry during subsequent years has to be made in 1932-33. If the revenue duties are higher than the protective duties accepted by Government as a result of the enquiry made by the Tariff Board, the former can be reduced to the protective level if the financial position of the Government of India admits of it. The protective duty, however, must continue for such period as may be determined by the 1932-33 enquiry. We are not therefore in a position to hold that the cotton textile enquiry need not be held during 1932-33. Further, it cannot be said with any certainty that there will be no application for protection during the next year. The present revenue duties are temporary and there may be industries in need of protection for which enquiries may have to be made. As regards the statement by the representative of the Commerce Department that the department does not expect to be in a position to charge the Tariff Board with any enquiry in the near future, it is more or less of the nature of a conjecture and cannot, in any case, relieve the department of their statutory obligation, if any. We do not therefore recommend the suspension of the Board for a year. (Mr. Ramsay-Scott is of the opinion that in the interests of economy only the board can suspend action for one, but not more than one, year.)

We think, however, the expenditure can be substantially reduced by the following measures which, we recommend, should be adopted.

(ii) We propose that for the present the Board should consist of two members and Government should be at liberty to add a third member, if and when necessary. We further think, the salaries are fixed on too liberal a scale and the question of reducing them should be investigated, independently of the general enquiry regarding pay, etc., which we shall undertake at a later stage.

(iii) We also hold that for this period at least there is no need for a highly paid Secretary. Office and routine work should be left to the Superintendent or an officer of similar status and the members should, between them, be able to take over the more responsible part of the Secretary's work.

(12) *Summary of savings.*—On our proposals the reduction of expenditure in 1932-33 will be about a lakh as below:—

Rs. 36,000 on one Member's pay, almost the whole provision for the expert adviser, Rs. 20,000 on Secretary's pay and his special pay and the passage contributions, about Rs. 2,000 on the reduction of establishments, about Rs. 14,500 on travelling allowances and about 12,000 on other expenditure.

#### D.—Other special commissions of enquiry.

(13) *Explanation of grant for other special commissions and committees.*—Excluding the provision of 2.32 lakhs for the Tariff Board the 1931-32 grant provides Rs. 23,500 for the Royal Commission on Labour and Rs. 84,400 for Committees of enquiry (*viz.*, Rs. 10,100 for the Drugs Committee, Rs. 1,000 for the Coal Dust Committee, Rs. 69,700 for the Central Banking Enquiry Committee, Rs. 1,600 for the Facts Finding Committee and Rs. 2,000 for the Inland Steam Vessels Rates Advisory Committee).



We observe that since 1921, one hundred and twenty Commissions and Committees of enquiry have been appointed and their cost has in each year since 1921 been 10·59, 3·27, 23·77, 9·77, 9·15, 19·07, 20·08, 11·51, 29·48, 2·67 and 3·71 lakhs. A list has been given in Appendix III, Chapter I.

So far as can be ascertained at present, the following Committees are likely to be appointed during the next two years, *viz.*, (i) an expert committee to examine proposals for a comprehensive amendment of the law of arbitration, (ii) a franchise committee, (iii) such courts of enquiry or boards of conciliation as may be required under the Trades Disputes Act, 1929.

(14) *Proposals*.—We are not in a position to make specific recommendations regarding the appointment and cost of special commissions and committees of enquiry in the near future. We trust, Government will carefully scrutinise the need for them and, wherever practicable, put them off till the return of better financial conditions. We further urge that the policy underlying the present practice of examining in detail the findings and proposals of special committees and commissions should be overhauled. Here we propose to confine ourselves to only one issue.

We have examined the instructions issued on 8th September 1931 for regulating and controlling expenditure on committees of enquiry, and approve them subject to the following comments :—

(i) The maximum rates of remuneration, etc., for non-official members are a subsistence allowance of Rs. 1,200 per mensem and a touring allowance Rs. 300 per mensem. We hold that the former is unduly high and should be a reduced to Rs. 30 *per diem*. Under the present rules Government have reserved to themselves "the discretion to fix rates for any particular committee at a level suitable to its composition and conditions of work". In our opinion Government should not have any discretion to vary the rates; such discretion is liable, on the one hand, to abuse and, on the other hand, to cause some embitterment of feeling. Service on any public committee of enquiry is and will continue to be prized for the opportunity it offers to do public work and the rate of remuneration obtainable should in most cases be an irrelevant consideration to those whom it may be desired to appoint as members.

The rate of the touring allowance also should be fixed on a *daily* basis, *viz.*, Rs. 10 *per diem*.

(ii) The remuneration of official members of committees is regulated by the following rule :—

"No increase in pay will ordinarily be sanctioned to an official of the Government of India serving as Chairman or Member—Secretary, but may exceptionally be sanctioned on proof that his duties are more arduous or responsible than they would have been in the post on which his pay is based."

The exception contemplated in this rule is likely, in practice, to defeat the purpose of the rule and should be deleted.

(iii) The right of a chairman to requisition a reserved first class compartment for journeys of over six hours' duration or for journeys any part of which falls between 11 P.M. and 6 A.M. should be reduced to the right to requisition a coupé compartment of two berths and if a coupé be not available, two first class berths.

## E.—Compensations.

(15) *Explanation of grant.*—The aggregate 1931-32 grant of 25·52 lakhs for compensations consists of the following items :—

- (i) 25 lakhs quit rent for Berar paid to H. E. H. the Nizam, (ii) 16 lakh compensations to Janjira and other States in Bombay and other compensations, (iii) 25 lakh compensations to H. H. the Maharaja Scindia and to Raja Mahendra Man Singh, and (iv) 11 lakh compensations paid in Assam.

(16) *Proposals.*—The compensation to H. E. H. the Nizam is a payment fixed by a treaty. It is called quit rent and its previous history shows that it represents a surplus of receipts over expenditure. While we agree that there can be no question of a reduction of the amount, we have not been able to appreciate why at the time of the financial settlement with the provinces this expenditure was not passed on to the local Government of the Central Provinces, who administer Berar and get the receipts. The argument that if it had been so passed on, the provincial contribution of the Central Provinces to the Central Government would have been reduced *pro tanto* does not convince us. We observe that even though provincial contributions have now ceased, the Central Government's liability still persists. This would not have been the case if the liability had been fixed, *ab initio*, on the local Government. We propose that the position should be re-examined in connection with the impending constitutional changes.

We have no proposal to make regarding the other items in this grant.

## F.—Rents, rates and taxes on Central Buildings.

(17) *Explanation.*—This grant of 2·14 lakhs is a mere figure of account, a corresponding credit appearing in the head "Civil Works".

(18) *Proposals.*—The Public Works, Accounts and Audit Sub-Committee has already examined this item. We would here only observe that the consumption of electrical energy in central buildings requires some tightening up. To give an illustration, the lighting of the verandah of the Council House at New Delhi is undertaken on a scale that appears to us to be wasteful. We are unable to give a precise estimate of savings.

## G.—Grants-in-aid.

(19) *Explanation.*—(i) This grant consists of two items, (a) Rs. 3,000 (non-voted) for subsidies to guaranteed telegraph lines on the North-Eastern Frontier, and (b) Rs. 52,700 (voted) for two grants-in-aid, *viz.*, Rs. 50,000 to the Trustees of the Victoria Memorial for the maintenance of the Memorial and Rs. 2,700 to the Empir Parliamentary Association.

(ii) The Victoria Memorial at Calcutta is maintained out of contributions by the Central Government (Rs. 50,000) and by the Government of Bengal (Rs. 35,000) and small local sources of income. It is essentially an all-India institution and is managed by a body of Trustees constituted by Act X of 1903 to whom powers have been entrusted by rules. The Central Government's contribution used to be Rs. 31,800 per annum but was raised to Rs. 50,000 in 1924-25.

(iii) The annual contribution of Rs. 2,700 to the Empire Parliamentary Association is intended to meet the cost of (a) incorporating and printing important extracts from the proceedings of the Indian Legislature in the quarterly "Journal of the Parliaments of the Empire", and (b) the free supply of copies of the Journal to those members of the Indian Legislature who are members of the British Indian branch of the Association. The average number of such copies as also copies of the bi-monthly "Review of Foreign Affairs," which are also supplied free of cost to such members, has during the last four years been 165.

(20) *Proposals.*—(i) We have no proposal to make regarding the provision of Rs. 3,000 for a subsidy to the Posts and Telegraphs Department in respect of the guaranteed line on the North-Eastern Frontier.

(ii) As regards the grant-in-aid to the Trustees of the Victoria Memorial, the annual contribution has been reduced to Rs. 45,000. We consider that the reduction is not sufficient. During the year ending 31st December 1930 the income (Rs. 93,105) exceeded the expenditure (Rs. 82,820) by over ten thousand rupees, and the surplus was transferred to a capital fund intended to provide for repairs and for unforeseen contingencies. The deposit account of Rs. 60,000 and the current account of Rs. 42,393 show the fairly prosperous financial condition of the Memorial. We have taken the line that activities which can be financed out of accumulated capital should, in the present financial stress, be expected to manage with materially reduced grants. We have on this principle reduced the research grant to the Imperial Council of Agricultural Research from 5 to 2½ lakhs, and the grant to the Indian Research Fund Association from 7½ to 2½ lakhs. Those of us who know something about the management of the Memorial and the establishments maintained for super-*vising* and guarding its grounds, buildings and exhibits, hold that considerable economy in its management is possible. We therefore propose that the grant should be reduced to the level of 1924-25. This will yield a saving of Rs. 18,200.

(iii) As regards the contribution to the Empire Parliamentary Association we think that it should be left untouched. Had it been a large amount, we would perhaps have considered whether the contribution should be reduced to an amount sufficient to meet the cost of incorporating and printing extracts from the proceedings of the Indian Legislature.

#### H.—Local Clearing Office.

(21) *Organisation and cost.*—This office was set up after the signing of the Treaty of Versailles. Its main function is to act as a clearing office for the settlement of "enemy" claims against India and Indian claims against the "enemies"—mainly Germany and Austria. It is also in charge of "reparation" work, which is now practically confined to claims by Indian seamen (lascars). It was at first under a whole time Controller, but on the departure of Mr. Kisch the duty was made over, for the sake of economy, to the Second Solicitor in addition to his ordinary duties. An allowance of Rs. 250 is paid to him for this work. The establishment is special and consists of two assistants, two clerks, a *daftary* and a peon, and is estimated to cost Rs. 10,500. There are two pensioners on the establishment list; their salaries are Rs. 270 and Rs. 225. Including the provisions of Rs. 3,000 for allowances and of Rs. 2,300 for contingencies the total provision for 1931-32 is Rs. 18,800.

(22) *Proposals.*—The current sanction for this office expires on 31st March 1932. The Legislative Department anticipate that reparation work will have been finished by 31st March 1933 but "clearing" work will go on

for some time requiring two or three of the present ministerial establishment of four. It thinks that after the close of 1932-33 the expenditure should not exceed Rs. 10,000.

(i) Our main proposal is that since the work of this office has gone down very substantially, it should now be merged in the Legislative Department. Though the work is claimed to be of a specialised nature we can see no reason whatever why it should be considered heterogenous to the regular functions of the Legislative Department so as to require or justify the continuance of the Local Clearing office as a separate entity. In any case we urge that effect be given to the following proposals.

(ii) The Legislative Department stated in its reply dated 6th May 1931 to the Finance Department that no reduction of the allowance of Rs. 250 to the Second Solicitor was possible in the current year. In the reply to our questionnaire, however, it states that so long as the Second Solicitor continues to be employed also as Controller, he must necessarily receive additional remuneration, since these duties are extraneous to the solicitor's duties imposed upon him under his contract of service. We do not accept this view. In our opinion the Controller's duties are now so light that no special remuneration is needed. We do not agree that the duties are "wholly extraneous", nor that a whole-time Government servant must necessarily be given remuneration for any extra work he may be called upon to do. We propose that this allowance be immediately abrogated, and the Controller's duty made over to an officer of the Legislative Department as one of his ordinary duties.

(iii) The special ministerial establishment should be reduced to one with effect from 1st March 1932. We have provided for this in our proposals relating to the Legislative Department. The regular departmental staff should be trained up so as to obviate, in due course, the employment of pensioners which *prima facie* we consider to be open to objection.

(iv) The Department has offered savings of Rs. 1,820 under allowances and Rs. 300 under contingencies; the former includes Rs. 1,800 on account of travelling allowance for the Second Solicitor. With effect from 1932-33 the provision should be reduced to Rs. 800.

(23) *Summary.*—The savings will be nearly the whole provision *minus*, say, Rs. 3,000 for the clerk who will be added to the ministerial establishment of the Legislative Department and about Rs. 800 for the addition to the budget of that Department for allowances and contingencies. Since we have already provided for the additional clerk, the saving will be -18 lakh.

#### I.—Indian Soldiers' Board.

(24) *Organisation.*—This Board was constituted in 1919 to deal with the (i) formation of district records of war services as a basis for future action, (ii) consideration of questions connected with land rewards or grants or preferential treatment for Government service, (iii) after-care of the soldier, (iv) educational concessions for soldiers' children, (v) safeguarding of soldiers' interests in general, and (vi) consideration of the whole subject of demobilization in its civil aspect. It is composed of three members of the Executive Council, of whom one is President, H. E. the Governor of the Punjab, the Army Secretary, the Adjutant-General in India and the Military Financial Adviser. The Auditor-General was appointed as an additional member in 1929-30. One of the Assistant Secretaries in the Army Department acts as Secretary to the Board in addition to his other duties, and gets a special pay of Rs. 200 per mensem.

(25) *Functions.*—The Board's duties "centre round the home welfare of the Indian soldier, past and present, and his dependants". The Central Board co-ordinates the activities of kindred organisations in the various areas from which the bulk of the Indian Army is recruited. Under the control of the provincial board there exists a net-work of subordinate organisations throughout India. The main functions of the District Soldiers' Board and the corresponding organisations are—to maintain lists of serving and deceased soldiers from the area concerned, to circulate information regarding educational concessions for soldiers' children, to communicate information regarding employment, facilities for training for civil vocations, etc., to ascertain and to communicate the whereabouts of absent soldiers to their families, to render legal assistance, to assist absent soldiers' families in the event of disease or famine, to investigate applications for relief from the various military charitable funds and to assist ex-soldiers and their dependants in securing medals, pensions, arrears of pay, etc.

(26) *Funds.*—The Board has its own fund of the face value of 11·09 lakhs invested in 3½ and 6 per cent. notes and bonds from which the interest income was ₹4 lakh in the year 1929-30. In that year the Board was able to carry over a surplus of ₹19 lakh to its current account. The main items of expenditure are contributions to Local Governments and Administrations in connection with welfare schemes: minor contributions are made to other institutions or funds for soldiers' welfare. Besides this fund, the Board administers or is connected with the following funds:—

(i) India and Burma Military and Marine Relief Fund:—

Capital . . . . Rs. 9,99,000 (Face value on 31st March 1930).

(ii) Indian Army Benevolent Fund:—

Capital . . . . Rs. 9,68,000 (Face value on 31st March 1930).

The Government of India make an annual compassionate grant of Rs. 6,500.

(iii) Sir Victor Sassoon Fund.

(iv) King Emperor's Patriotic Fund. The balance on 31st March 1930 was Rs. 38,255.

The Board also investigates claims received from, or on behalf of, widows of the Viceroy's Commissioned Indian Officers for relief from the Silver Wedding Fund and acts as a distributing agency on behalf of the administrators of this fund.

(27) *Budget.*—So far as central revenues are concerned, the total cost of the Board is Rs. 15,100 (*viz.*, Rs. 2,400 for pay of officers, Rs. 9,300 for pay of establishments, Rs. 3,000 for allowances, and Rs. 400 for other expenses).

(28) *Proposals.*—(i) We have not been able to see the justification for the special pay of Rs. 200 to the Assistant Secretary in the Army Department for acting as Secretary to the Board. By abolishing the special pay and effecting economies on establishment, allowances and other expenses, we think it should be possible to reduce the estimate for 1932-33 from Rs. 15,100 to about Rs. 10,000. The saving will be Rs. 5,100.

(ii) In our opinion this expenditure should be borne by the Army and not by the Civil Estimates. We were told by the Secretary, Army Department, that the reason why it is included in the Civil Estimates is that the Board is affiliated to the Army Department whose expenditure is borne on the Civil Estimates. Although the transfer from the Civil to the Army Estimates does not automatically afford financial relief to Government, we think that in the long run it will help to keep the cost down to a reasonable figure. Besides, our proposal will help to give a truer picture of the real aggregate cost of the Army.

(29) *Summary of savings*.—Rs. 15,100 in the Civil Estimates but only Rs. 5,100 in the total estimates.

*J.—Miscellaneous and unforeseen charges.*

(30) *Explanation of grant*.—The 1931-32 grant under this head is Rs. 96,300 and is made up as below :—

- (i) Of the Rs. 25,000 for the Indian Delegation to the League of Nations Rs. 1,000 is for the pay of establishments and the rest is for the pay and travelling expenses of the members. Actual cost in 1929-30 was Rs. 8,403.
- (ii) The provision of Rs. 49,000 for the International Labour Conference consists of Rs. 3,000 for officers' pay, Rs. 43,000 for travelling expenses, and Rs. 3,000 for other expenses. Actual cost in 1929-30 was Rs. 57,386.
- (iii) The Conference on Deck Passenger and Pilgrim Traffic was estimated to cost Rs. 10,000, *viz.*, Rs. 300 pay of establishment, Rs. 1,500 for travelling expenses, and Rs. 8,200 for other expenses.
- (iv) There is a provision of Rs. 9,500 for the grant of an honorarium for two months and subsistence allowance for four weeks and for travelling and other expenses in connection with the deputation of the Right Hon'ble Mr. Srinivas Sastri to England to give evidence before the Joint Select Committee on East Africa.
- (v) Rs. 2,800 has been provided for "other items" (Rs. 2,400 being for Bombay). In previous years this part of the grant included such items as payment of claims in respect of war bonds lost by fraud, payment of claims by lascars and their dependants to compensation for loss and damage caused by enemy action during the war, the cost of a visit of some members of the Legislature to the North-West Frontier Province, grant to the Indian Olympic Association, adjustment of passage contributions and leave salaries, residual charges of committees of enquiry, expenditure in connection with the visit of the Far Eastern Opium Commission of the League of Nations, adjustment of accounts, etc.

(31) *Proposals*.—(i) As regards the Indian delegations to the League of Nations and to the International Labour Conference, we may first invite attention to our remarks regarding India's contribution to the expenses of the League of Nations [*vide* paragraph 6 (ii) of Chapter XIX]. Subject to those remarks we think, India should not go unrepresented at Geneva. We have already drawn\* attention to the need for a rigorous curtailment of expenditure on the obligations arising from international conventions signed by India. We have also recommended that the Government of India should set their face resolutely against any further onerous commitments, at least for some time.

\* Paragraph 12 of Chapter I of our Interim Report (Part I), page 6.

Apart from this we think, the expenditure on the items under consideration can within limits be curtailed. We observe that the actual expenditure on each delegation has been as below :—

	1924- 25.	1925- 26.	1926- 27.	1927- 28.	1928- 29.	1929- 30.
League of Nations . . . . .	..	..	12,114	42,934	8,686	8,403
International Labour Conference	19,775	10,079	15,940	9,883	15,244	57,386
<b>Total . . . . .</b>	<b>19,775</b>	<b>10,079</b>	<b>28,054</b>	<b>52,817</b>	<b>23,930</b>	<b>65,789</b>

We realise that actual expenditure depends on certain factors which remain uncertain till the composition of the delegations is known. But, experience shows that there has perhaps been overbudgetting in the past.

So far as the official part of a delegation is concerned, we understand that it has been the policy to send as few men from India as possible. They have only to voice Government's view and as sufficient Indians are available in England, as we believe they are, we see no point in sending out men all the way from India. We think, the present policy is right and should be pursued strictly.

In the light of past experience we propose that the future provision for the League of Nations delegation should be reduced to Rs. 10,000, but that for the delegations to the International Labour Conference should be left as it is. This will yield a saving of Rs. 15,000.

(ii) The Deck Passengers and Pilgrim Traffic Conference is a new item of expenditure. We presume it is non-recurrent. If so, the provision for it need not be repeated in the 1932-33 budget. Saving Rs. 10,000.

(iii) The provision of Rs. 9,500 for Mr. Sastri's deputation will not have to be repeated. Hence, the whole of it will be a saving.

(iv) We observe that the actuals for "other items" for 1928-29 and 1929-30 were Rs. 37,880 and Rs. 11,79,017. The current year's provision is Rs. 2,800. We are naturally unable to make any recommendation.

(32) *Summary of savings.*—Apart from the fluctuations on account of "other items" the budget for head J of Grant 76 should be reduced by Rs. 15,000 + Rs. 10,000 + Rs. 9,500 = Rs. 44,500.

#### K.—Miscellaneous—Other charges.

(33) *Explanation.*—The provision is 91 lakh and includes loss by exchange on local transactions. The items which make up the grant and the amounts for each are :—

- (i) Miscellaneous payments arising out of the War (Rs. 1,000), (ii) Irrecoverable temporary loans written off (Rs. 26,800), (iii) Annual stipends to the holders of literary titles (Rs. 400), (iv) Loss by exchange on local transactions (Rs. 34,500), (v) Guarantee for the opening of telegraph offices (Rs. 3,000), (vi) Durbar charges—miscellaneous (Rs. 200), (vii) Treatment of Assam patients at the Pasteur Institute (Rs. 100), and (viii) Institute for Disabled Soldiers, Lahore (1 s. 25,000). We shall deal with (viii) separately.

(34) *Proposals*.—(i) The need for retaining the existing provisions for items (i), (ii), (vi) and (vii) may be scrutinised afresh. Under (i) Commerce Department has proposed a ten per cent. reduction.

(ii) As regards item (ii), the Legislative Department thinks that in future Rs. 15,000 will probably cover all annual liabilities. The provision under the control of that Department should therefore be reduced from Rs. 25,000 to Rs. 15,000. Saving Rs. 10,000.

(35) *Summary of savings*.—The reduction of expenditure should be about Rs. 12,000.

#### K.—Miscellaneous—Institute for Disabled Soldiers.

(36) *Function*.—This Institute was started at Lahore in 1919 for one year in the first instance with the object of training up disabled soldiers in motor driving and maintenance and in the management of oil-engines and thus enabling them to supplement their military pensions. Since then sanction for its continuance from year to year used to be granted on the Punjab Government's recommendation that the Institute was serving a useful purpose and that the men were successful in getting employment after training.

(37) *Cost*.—The grant for 1931-32 is Rs. 25,000, viz., special pay to Headmaster (Rs. 600), establishments (Rs. 8,300), allowances (Rs. 300 plus 100), rations (Rs. 3,500), motor contingencies (Rs. 7,700), rent of boarding house (Rs. 3,000), and miscellaneous contingencies (Rs. 1,500). The actual cost in each of the five years 1925-26 to 1929-30 was about Rs. 25,000 except in 1926-27 when it was Rs. 21,738.

(38) *Proposal*.—Originally, the Department of Industries and Labour offered a reduction of Rs. 3,480 in the pay of establishments. It has, however, now been decided to close the Institute down altogether. We endorse this decision. The Institute can no longer be serving the needs of disabled soldiers (i.e., war casualties), but rather those of men normally discharged. Secondly, although on a strict interpretation the army could argue that the cost of training army pensioners should be borne by civil and not by army estimates, we consider that as in the case of many other benevolent activities in the interests of ex-soldiers and their families and dependants, the cost should have actually come from the army estimates. Again, even if it could be argued that this Institute is a central subject under the Devolution Rules, we hold that the Punjab Government should have been asked to bear a share of the cost of maintaining this Institute, since the benefit of the technical and industrial training imparted by it goes mostly to Punjab civilians. We understand that both the army authorities and the Punjab Government are disinclined to share the cost. We conclude from this that the purpose served is not such as to justify its maintenance from central civil estimates.

(39) *Summary of savings*.—On the entire grant the savings from our proposals will be 2.45 lakhs. There will be some other savings also, but since they could not be precisely estimated, we have not taken them into our calculation.



## CHAPTER XVII.

GRANT No. 80.—DELHI (47·06 LAKHS, OR INCLUDING EXPENDITURE PROVIDED FOR IN OTHER GRANTS 104·81 lakhs).

(1) *General*.—The imperial enclave of Delhi is directly administered by the Government of India and its expenditure is borne by the central revenues. It was carved out of the Punjab and the U. P. Following upon the announcement made by H. M. the King Emperor to remove the capital of India from Calcutta to Delhi it was constituted a separate minor administration. Its area is 573 square miles and population 6·36 lakhs. The old city of Delhi with an urban population of about 4½ lakhs naturally dominates the so-called "Province of Delhi".

The administration is in charge of a Chief Commissioner and tends to reproduce all the usual features of a provincial government. The departments maintained, their establishments and cost and the growth of expenditure on each will be dealt with along with our proposals relating to each. Here we shall only observe that the local administration of certain areas is entrusted to (i) the Municipal Committee of Delhi with an official chairman, (ii) the Municipal Committee of New Delhi which consists entirely of nominated members, half of whom are officials, (iii) the Notified Area Committee with jurisdiction over the civil lines portion of Old Delhi, and (iv) the District Board with jurisdiction over the rural portions of the enclave.

(2) *Explanation of grant*.—The administration is estimated to cost 104·81 lakhs in 1931-32, but the specific grant for Delhi is only 47·06 lakhs. The difference, viz., 57·75 lakhs represents the expenditure provided for in other grants, mainly Civil Works (36·62) and interest on ordinary debt (14·34). It should be noted that the estimated cost includes items like "interest for ordinary debt", currency, ordinary and territorial and political pensions which have little organic connection with Delhi administration as such. The important head of "Civil Works" is an unusual feature which has no equivalent in the other minor administrations.

(3) *Growth of expenditure*.—The two tables below show the expenditure on various "provincial" and "central" heads, and the growth or fall in the expenditure on each head in certain years:—

TABLE A.

	1918-19	1920-21	1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
<b>GENERAL ADMINISTRATION—</b>											
(i) Chief Commissioner's Office				·86	·92	1·01	1·00	1·03	1·01	1·08	1·07
(ii) District Administration	1·88	2·06	3·06	2·32	2·11	1·92	2·15	2·30	2·72	3·07	3·23
(iii) Other charges				·10	·12	·16	·11	·05	·07	·05	·08
Land Revenue	·47	·61	·38	·41	·45	·53	·57	·58	·66	·64	·66
Excise	·06	·12	·16	·12	3·62	3·41	3·38	3·68	3·66	3·69	3·67
Stamps	·07	·13	·11	·07	·08	·08	·08	·82	·10	·08	·10
Forests								·07	·09	·10	·11
Registration		·08	·08	·08	·08	·06	·04	·04	·04	·04	·05
Irrigation	·01	·01	*	·51	·31	·06	·05	·02	·02	·03	·05
Justice	1·14	1·21	1·33	1·71	2·13	2·27	2·41	2·50	3·57	2·70	2·67
Jails	·64	·86	1·19	1·47	1·24	1·38	1·27	1·41	1·51	2·06	1·73

\* Figures not separately available.

TABLE A—contd.

	1913-14.	1920-21.	1922-23.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Police . . . . .	8'92	6'91	9'60	7'87	7'99	8'88	8'88	9'60	9'65	12'19	11'62
Scientific Departments (Museum) . . . . .	..	'08	'38	'01	..	..	..	..	..	..	..
Education . . . . .	1'43	3'20	4'42	5'26	5'81	6'18	8'08	9'19	9'40	10'11	9'97
Medical . . . . .	1'11	3'35	3'47	3'37	5'08	5'35	5'18	5'32	5'57	5'28	5'32
Public Health . . . . .	1'20	1'39	'54	27	'68	1'43	2'21	1'96	1'84	2'09	2'07
Agriculture and Horticulture . . . . .	'83	'88	'29	'14	'31	'82	'47	'63	'69	'71	'70
Industries . . . . .	'01	..	'04	'10	'10	'12	'14	'25	'27	'38	'32
Miscellaneous Departments . . . . .	'09	'06	..	..	'01	'02	'08	'03	'03	'04	'03
Civil Works† . . . . .	19'16	36'46	..	12'82	8'99	37'06	38'52	38'86	55'44	63'93	56'62
Pensions, ordinary† . . . . .	1'71	2'39	2'58	2'66	4'09	3'00	3'59	3'12	3'25	3'29	4'43
Stationery and Printing† . . . . .	'10	'15	'08	'03	'03	'01	'02	'03	'04	'06	'05
Miscellaneous charges . . . . .	'85	38'75	7'46	4'20	3'93	3'69	3'74	3'64	3'63	3'85	3'22
<b>Total "Provincial" Subjects</b> . . . . .	<b>33'65</b>	<b>96'78</b>	<b>35'66</b>	<b>43'73</b>	<b>48'11</b>	<b>76'94</b>	<b>79'44</b>	<b>84'73</b>	<b>1,03'45</b>	<b>1,06'41</b>	<b>96'55</b>
Taxes on Income† . . . . .	'01	'01	'15	'25	'28	'47	'55	'68	'66	'87	'85
Educational . . . . .	'15	'20	'62	'50	'26	'21	'25	'18	'19	'22	'22
Political . . . . .	'01	'01	'01	'03	..	'01	'08	'00	'13	'14	'22
Currency† . . . . .	..	'04	'04	'03	'03	'09	'16	'11	'13	'13	'17
Territorial and political pensions† . . . . .	'87	'44	'46	'47	'47	'51	'49	'49	'49	'50	'50
Interest . . . . .	..	..	..	8'23	5'88	6'84	30'92	24'54	21'44	14'04	14'34
<b>Total "Central" Subjects</b> . . . . .	<b>'82</b>	<b>'70</b>	<b>'96</b>	<b>6'38</b>	<b>7'08</b>	<b>7'63</b>	<b>2'59</b>	<b>13'12</b>	<b>15'04</b>	<b>15'90</b>	<b>16'30</b>
<b>Grand Total‡</b> . . . . .	<b>34'17</b>	<b>99'44</b>	<b>36'64</b>	<b>50'14</b>	<b>54'99</b>	<b>84'57</b>	<b>90'03</b>	<b>1,00'55</b>	<b>1,15'32</b>	<b>1,19'31</b>	<b>1,02'85</b>

\* Figures not separately available.

† Expenditure on heads marked † is included in other Grants.

‡ Excludes Refunds. Hence, totals will not necessarily tally.

TABLE B.

Eliminating the charges which are not directly connected with the administration of Delhi, the totals are as follows:—

32'09	90'57	33'66	42'30	44'71	74'08	74'78	82'54	1,00'23	1,01'36	84'66
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(4) *Analysis of the growth of expenditure.*—The Inchaape Committee accepted the following figures of expenditure and revenue for its report :—

	1913-14 (actuals).	1921-22 (revised estimates).	1922-23 (budget estimates).
Expenditure . . . . .	33-99	67-00	66-18
Receipts . . . . .	14-91	31-39	32-57

It observed that of the growth of expenditure since 1913-14 about 14 lakhs had occurred under "Civil Works" and 4 lakhs each under Police and Education. More than half of the expenditure on Delhi at that time was incurred under the head "Civil Works", and that Committee observed that if Civil Works and a portion of the expenditure on Police arising out of the fact that Delhi is the headquarters of the Government of India were left out of calculation, Delhi was practically self-supporting.

It recommended measures estimated to reduce the expenditure by 4-16 lakhs and noted that steps had been taken to increase the stamp revenue; it also observed that it should be possible to increase the excise revenue by devising an arrangement whereby the neighbouring major provinces (*viz.*, the Punjab and the U. P.) from which Delhi draws its supplies of country liquor and which used to retain the still head duty on such liquor would not retain the whole of the receipts, or alternatively by manufacturing country liquor in Delhi itself. In pursuance of the accepted policy that "duty should follow consumption" Delhi now receives as revenue the duty on such liquor, but in return it pays to those provinces compensations calculated upon the revenue from this source which they received in the three years prior to 1921. The rates of duty were subsequently raised. The following table shows that this arrangement leaves a fair surplus from excise to Delhi revenues :—

	1925- 26.	1926- 27.	1928- 29.	1929- 30.	1930- 31.	1931- 32.
(i) Excise Receipts . . . . .	6-12	8-59	9-46	9-77	5-33	5-96
(ii) Compensation . . . . .	Punjab U. P.	2-90	2-90	2-90	2-90	2-90
		<i>N/A.</i>	<i>N/A.</i>	.22	.22	.22
Total	2-00	2-90	3-12	3-12	3-12	3-12
Excess of (i) over (ii) . . . . .	3-22	5-69	6-34	6-65	2-21	2-84

The other principal factors in the growth of real, as distinct from nominal, expenditure since 1924-25 have been :—

- (i) *Forest*.—The scheme for the afforestation of the Southern Ridge.
- (ii) *General Administration*.—Appointment of an additional Extra Assistant Commissioner.
- (iii) *Justice*.—(a) Contribution to Punjab Government of .36 lakh for Punjab High Court's services and of .04 lakh for the training of Delhi officers in commercial law.
- (b) Additional subordinate judges and munsiffs, increase in the allowances paid to the Public Prosecutor, and growth of criminal work.
- (iv) *Police*.—Additions to the Police force, revision of pay and of clothing and equipment grants. Increase in travelling and other allowances.
- (v) *Education*.—The five-year programme of educational development and growth of university and secondary education.
- (vi) *Medical*.—Additional grants-in-aid to Lady Hardinge Medical College and cost of training Delhi students at the Medical College at Lahore.
- (vii) *Public Health*.—Expansion of health establishments, increase of grants-in-aid to local bodies including .50 lakh to New Delhi Municipality and the establishment of a new Bacteriological Laboratory.
- (viii) *Agriculture, Horticulture, etc.*—Appointment of a Superintendent of Gardens and his staff and grants for arboriculture.
- (ix) *Civil Works*.—Original works as part of the development of the Capital. Larger expenditure on repairs. Increase in establishments. Enhanced grants-in-aid.
- (x) *Taxes on income*.—Re-organisation of staff, and establishment of a salary circle.

It will be seen that a very large share of the increased expenditure has been caused by the development of the Imperial Capital and the need for maintaining certain standards of administration not only in New but also in Old Delhi.

(4) *Revenues*.—The predominantly urban character of the "province" of Delhi is reflected in the character of its revenues. The principal contributors are Excise, Stamps, Taxes on Income and revenues from urban lands, Rents from residential and other accommodation provided by Government form an unusual feature of Delhi revenues and are a partial set off against the heavy expenditure on the capital programme of Civil Works and the revenue expenditure on them.

The following table shows the growth of the revenues from both "provincial" and "central" subjects :-

TABLE C.

	1918-14.	1920-21.	1922-23.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Land Revenue . . . . .	8'53	4'01	3'32	3'41	3'95	4'15	4'24	3'49	2'07	2'73	2'08
Excise . . . . .	2'71	6'78	4'59	3'88	4'12	3'59	3'97	9'46	9'77	5'33	5'96
Stamps . . . . .	3'06	7'26	7'21	7'18	7'72	8'24	7'25	7'19	7'51	7'30	7'20
Registration . . . . .	'23	'45	'43	'48	'50	'44	'44	'49	'52	'47	'
Irrigation . . . . .	..	'02	'08	'08	'04	'08	'02	'01	..	..	..
Justice . . . . .	'21	'27	'26	'28	'24	'52	'46	'51	'35	'45	'45
Jails . . . . .	'32	'18	'19	'22	'28	'22	'28	'16	'21	'14	'14
Police . . . . .	'04	'21	'24	'19	'21	'06	'23	'28	'33	'32	'32
Education . . . . .	'13	'16	'15	'14	'19	'46	'48	'50	'55	'49	'49
Medical . . . . .	'01	'08	'10	'11	'11	'08	'07	'19	'20	'20	'19
Public Health . . . . .	..	..	..	..	..	..	..	'12	'08	'77	'07
Agriculture . . . . .	'01	..	'09	..	..	..	..	'05	'05	'05	'05
Industries . . . . .	..	'	..	'02	..	..	'01	'09	'07	'05	'03
Miscellaneous Departments . . . . .	'05	'25	'06	'06	'10	'12	'10	'12	'14	'13	'13
Civil Works . . . . .	1'44	1'61	2'44	4'38	2'90	6'33	6'05	8'25	9'41	15'18	15'75
Pensions . . . . .	'03	'04	'04	'21	'39	'30	'37	'39	2'52	'11	'13
Stationery and Printing . . . . .	'05	'08	'07	'08	'02	'02	'03	'03	'06	'09	'09
Miscellaneous . . . . .	'36	3'13	1'56	2'10	3'36	1'97	1'02	2'13	1'73	2'06	1'52
<b>Total "Provincial" Subjects</b> . . . . .	<b>12'23</b>	<b>24'23</b>	<b>20'71</b>	<b>22'72</b>	<b>25'98</b>	<b>32'03</b>	<b>30'72</b>	<b>38'46</b>	<b>36'23</b>	<b>35'77</b>	<b>35'06</b>
Currency . . . . .	..	'22	†	..	†	..	..	..	..	..	..
Customs—Cotton excise duty . . . . .	'04	'65	1'41	1'92	1'55	—'9	..	..	..	..	..
Taxes on Income . . . . .	2'13	12'80	8'27	9'56	11'44	11'20	11'57	10'40	11'40	8'99	6'67
Opium . . . . .	'25	'14	'23	'27	'11	..	..	..	..	..	..
<b>Total "Central" Subjects</b> . . . . .	<b>2'42</b>	<b>13'81</b>	<b>9'91</b>	<b>11'85</b>	<b>13'10</b>	<b>11'11</b>	<b>11'57</b>	<b>10'40</b>	<b>11'40</b>	<b>8'99</b>	<b>6'67</b>
<b>GRAND TOTAL</b> . . . . .	<b>14'65</b>	<b>38'04</b>	<b>30'62</b>	<b>34'57</b>	<b>39'08</b>	<b>43'14</b>	<b>42'29</b>	<b>48'86</b>	<b>47'63</b>	<b>44'76</b>	<b>41'73</b>

\* Included under "Miscellaneous Departments".  
† Figures not separately available.

*Explanations.*—Against the growth of excise revenue should be set off the compensation of 3.12 lakhs payable since 1925-26 to the Punjab and the United Provinces Governments.

The growth under Stamps has been due to the growth of Delhi as the capital and to increased rates.

The increase under Civil Works has been due to the growth of rents from residential and other accommodation provided out of heavy capital expenditure.

The growth of receipts under miscellaneous has been due to increased premia on plots of land sold.

The fall under customs was the result of the abolition of the cotton excise duties.

The growth under taxes on income is nominal and has been the result of the identification of income tax collected on salaries in the Delhi Salary Circle.

(5) *Departmental proposals for economy.*—Home Department has offered to reduce expenditure as below :—

	Rs.
(i) Direct Demands on Revenue . . . . . by	23,650
(ii) General administration . . . . . "	19,330
(iii) Administration of Justice . . . . . "	15,420
(iv) Jails and Convict Settlements . . . . . "	16,600
(v) Police . . . . . "	Nil
(vi) Medical . . . . . "	24,870
(vii) Public Health . . . . . "	20,730
(viii) Other heads . . . . . "	2,09,238
Total . . . . .	3,29,647

The department has pointed out that if head "Education" for which there is a provision of Rs. 9,97,200 is left out, the total grant for Delhi is reduced to 37.09 lakhs and that the reduction of expenditure offered amounts to a little under nine per cent.

(6) *Our proposals.*—(i) We have considered the suggestion that Delhi should be amalgamated with the Punjab or the United Provinces. But, this question raises controversial issues and we have therefore decided to base our proposals on the basis of Delhi continuing to be an imperial enclave. We do not, however, see why it should not be constituted into a "civic" area somewhat on the lines of the London County 'Council' with the existing local bodies functioning under the Council. The Council should, on the same analogy, control its own police, education, etc.

(ii) We hold that the practice of describing Delhi, with a population of 6,36,000 and an area of 573 square miles, as a "province" or a "local administration" has in the past led to the cultivation of an outlook which has resulted in undue expense if not extravagance. We propose that it should be described in the future as the Imperial District of Delhi and its administration should be framed on that basis. The posts of the Chief Commissioner and the Registrar should be abolished and the district should be placed in charge of an officer of the rank of a District Officer on the senior I. C. S. scale of pay. His precise designation is not, *per se*, an important matter, but we advise against any designation being adopted which by analogy and implication is

likely to lead to unnecessary expenditure. Extra powers should, if necessary, be given to this officer. We think that he will have to be given about half of the present Chief Commissioner's establishments to enable him to carry on his extra duties.

Our proposal will yield a saving of about .81 lakh.

(iii) *District administration*.—The general administration of the "district" is carried on by a Deputy Commissioner assisted by an Additional District Magistrate, four Extra Assistant Commissioners, a Land and Development Officer and a Tahsildar of an officer's rank. The 1931-32 grant contains two new provisions of Rs. 24,800 for a whole-time President of the New Delhi Municipal Committee and Rs. 8,800 for a Resident Magistrate. These two posts were to take the place of the combined Resident Magistrate and Secretary to the Municipal Committee, New Delhi, at an extra cost of .25 lakh. The establishments for district administration consist of 2 draftsmen, 4 surveyors and 180 executive subordinates, clerks and servants. The 1931-32 provision for district administration is Rs. 3,22,500.

We hold that the district staff is altogether excessive for the needs of Delhi. We propose that the scheme for a whole-time President of the New Delhi Municipal Committee be dropped, saving Rs. 24,800. At the same time, we think there is no need for the separate post of a Resident Magistrate; this post should therefore be abolished, saving Rs. 8,800. The Resident Magistrate's and the Secretary's combined duties should be carried on by one of the four Extra Assistant Commissioners; it is on this account that we are not proposing any reduction in the number of officers on the district staff, even though we observe that one new post of Extra Assistant Commissioner was created in 1928-29.

We note that in 1927-28 and 1929-30 the district establishments numbered only 153 and 158. Their number went up to 200 in 1930-31 and now stands at 186. The number should be reduced by about 15 per cent. to the 1929-30 level, *viz.*, 158, saving about Rs. 20,000. [In para. 6 (ii) above we have proposed that the district office should get half the establishment of the Chief Commissioner's office]. Allowances and honoraria should be reduced by (a) Rs. 2,400, *viz.*, the two new items and (b) 15 per cent. on the rest, yielding a saving of about Rs. 3,200.

The actual expenditure on Contingencies in 1926-27 and 1928-29 was Rs. 33,508 and Rs. 39,267 respectively. We propose that a reduction of 10 per cent. in the 1931-32 provision of Rs. 42,800 should not be difficult to effect, especially in view of the fall in prices, saving Rs. 4,280.

Our proposals will yield a total saving of Rs. 63,480, or, say, Rs. .63 lakh.

(iv) *Direct demands on the Revenue*.—The provision for the administration of Land Revenue (30), Land Records (103), Excise (7), Stamps (2), Forest (1) and Registration (3) is Rs. 4,55,200; the establishments maintained are shown in brackets after each. The expenditure includes Rs. 3,12,400 on account of assignments to three local Governments and certain other obligatory expenditure. Home Department has offered permanent economies aggregating Rs. 23,650. We recommend that this offer be accepted.

(v) *Administration of Justice*.—(i) *Law and Justice*.—The Punjab High Court, Lahore, does High Court work for Delhi and the Punjab Government are paid Rs. 36,000 in respect of such work. The other staff for the administration of justice is :—(a) A District and Sessions Judge (Rs. 1,000—3,000 plus a special pay of Rs. 150), and 6 subordinate judges and munsiffs.

Establishments number 112. (b) Small Causes Court :—A Judge, a Registrar and an establishment of 30. (c) A Public Prosecutor on Rs. 1,000 per mensem.

The following table shows the growth of expenditure (in lakhs) :—

1913-14.	1921-22.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1931-32.
1.14	1.50	1.71	2.13	2.37	2.41	2.50	2.57	2.67

The Chief Commissioner originally offered the following savings totalling Rs. 19,220, viz., Rs. 8,800 under non-voted pay of officers, Rs. 200 pay of establishments, Rs. 4,000 pay of officers, Rs. 6,220 under the various heads "other charges". We cannot ascertain what portion out of this was intended to be of a permanent character. Home Department is now prepared to offer permanent savings of Rs. 15,420, but we do not know the details. Our own proposals below yield a saving of Rs. 17 lakh which is not materially different from the department's offer.

*Proposals.*—If the provision of Rs. 150 per mensem is for some special and not, as we presume, the ordinary judicial pay to the District and Sessions Judge, it should be abolished; we consider that in the case of the judiciary, special pay is objectionable in principle. For the present we leave this out of our calculation.

One new post of additional subordinate judge was created in 1930-31. There are now in all nine officers. One post should be abolished, saving about Rs. 7,000. The cost of establishments (Rs. 55,500+14,500) should be reduced by one-tenth, saving Rs. 7,000.

Other charges should be reduced to Rs. 12,500 under E-5 and to Rs. 2,800 under D-3 (actuals of 1929-30 being Rs. 12,576 and Rs. 2,878 respectively). Savings Rs. 1,700.

The Registrar for the Small Causes Court should be a judicial officer on a pay not exceeding Rs. 500 per mensem. Saving will be at least Rs. 700; in fact it should be greater.

(vi) *Jails.*—As usual there is a part-time Superintendent in receipt of an allowance of Rs. 150 per mensem and a whole-time Deputy Superintendent. The establishments number 68—jail and 2—medical. The actual cost of jails (apart from jail manufactures) was Rs. 1,45,300 in 1929-30, Rs. 1,33,518 in 1928-29 and Rs. 1,19,207 in 1926-27. The 1931-32 provision is Rs. 1,66,500.

*Proposals.*—We hold that in view of the fall in prices it should be possible to bring the cost down to about Rs. 1,45,000 by (a) reducing the jail duty allowance to Rs. 100 per mensem, and (b) cutting down establishments and effecting other savings. The Chief Commissioner has, in fact, offered savings of Rs. 16,600; this is also the amount offered on a permanent basis by Home Department. The saving proposed by us amounts to Rs. 21,000.

(vii) *Police.*—The provision for Police is Rs. 11.62 lakhs, i.e., nearly 25 per cent. of the total grant for Delhi in the specific sense. Of this, 10.86 is for the Delhi district police and the rest is meant to meet establishment charges paid to the Punjab Government for the railway police (Rs. 70,400) and for the training of the Delhi police recruit; (Rs. 5,100).



The Delhi district police force is manned by a Superintendent, an Additional Superintendent, an Assistant Superintendent and two Deputy Superintendents. There is also a provision of Rs. 16,200 for special officers in connection with the Delhi Conspiracy case. Establishments include 83 Inspectors, Sub-Inspectors and Sergeants, 1,709 Constables and 32 Mounted police. There are further provisions for additional police and temporary and special establishments including the special staff employed for the guarding of the Secretariat.

The following table shows the growth of expenditure on the district police (in lakhs) :—

	1921-22.	1924-25.	1926-27.	1928-29.	1929-30.	1931-32.	
Pay of Officers . . . . .	.48	} 7.47	{ .42	.45	.53	.68	
Pay of establishments . . . . .	4.22			4.57	5.18	5.36	6.54
Other charges . . . . .	3.46			2.70	3.14	3.32	3.64
Total cost of district police . . . . .	8.14	7.47	7.69	8.77	9.21	10.86	

The Chief Commissioner originally offered no savings, permanent or temporary, in this grant. The Home Department does not appear to be prepared to offer any now.

In our opinion expenditure has grown far too rapidly, even when allowance is made for the facts that the population is largely urban and political crime has in recent years been a noticeable feature of crime in Delhi. The establishments numbered 1,499 in 1927-28 and in each succeeding year went up to 1,646, 1,662, 1,689 and 1,826 respectively. Now that political conditions are no longer as disturbed as they were in 1930-31, the expenditure must be brought down considerably. Our proposals are :—

For a district of the size and population of Delhi the staff appears to us to be excessive. We can see no justification for giving it an additional Superintendent of Police; we consider it a sounder arrangement to have one experienced senior officer of the I. P. S. with an Assistant drawn from the same service and a number of officers of the status of Deputy Superintendents. We propose that the post of Additional Superintendent should be abolished, saving about Rs. 15,000. Even if it be necessary to maintain the present number of officers, *viz.*, 5, we hold that it should suffice to appoint an extra Deputy Superintendent. For the present, however, we assume that no substitute post will be created.

Establishments should be reduced by about 10 per cent., saving Rs. 65,000. Even then the number will be 1,644, besides 9/10ths of the existing additional police and the various special and temporary establishments. The guarding of the Secretariat buildings should be undertaken by the regular police relieved by temporary men paid out of the special provision for temporary establishments. A saving of at least 10 per cent. on the grants of Rs. 36,200 for police clothing and equipment and of Rs. 3,26,400 for other charges will follow as a corollary, even apart from the general fall of prices. Total savings will be at least Rs. 15,000 + 65,000 + 3,700 + 3,620 + 32,640 = say 1.20 lakhs. Even then the police grant will be Rs. 45,000 more than in 1929-30.



It will be seen that nearly 95 per cent. of the proposed reduction is on grants-in-aid. We are unable to support the acceptance of the Chief Commissioner's offer. Our view of the manner in which educational and scientific institutions should be treated has already been explained in the first part of our report (paragraph 10 of Chapter I, page 6) and we adhere to it. Government should, if they consider it expedient, negotiate with the authorities of the institutions concerned and persuade them, if possible, to contribute their quota towards meeting the national exigency. For the present, we leave out of our calculation such savings as may be effected as a result of such action.

As regards inspection, the only reduction we can suggest is that the provision of Rs. 2,700 for additional staff and equipment in connection with inspection should be deleted.

(ix) *Medical*.—The senior Civil Surgeon is also Chief Medical Officer and gets a pay of Rs. 3,000 which is presumably shown in the public health grant. New Delhi also has a whole-time Civil Surgeon throughout the year. The other establishments consist of 7 Assistant Surgeons and 16 others including Sub-Assistant Surgeons, Compounders, clerks and servants.

Expenditure on Medical administration amounts to 5.32 lakhs as below :—

	Rs.
(i) Medical establishments . . . . .	69,600
(ii) Hospitals and Dispensaries . . . . .	1,08,300 (including Rs 19,000 grants-in-aid and Rs.10,200 for medical arrangements at New Delhi).
(iii) Other grants-in-aid, contributions and scholarships—	
(a) To Lady Hardinge Medical College . . . . .	3,14,500
(b) Scholarships to students of the above College . . . . .	900
(c) Grant for venereal diseases . . . . .	5,000
(d) Payment to Medical College, Lahore, for the cost of tuition of Delhi students . . . . .	17,100
(iv) X-ray Institute (in charge of an Assistant Surgeon)	16,800

Medical expenditure has grown as shown below :—

1913-14.	1921-22.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1931-32.
1.11	3.32	3.37	5.08	5.45	5.18	5.32	5.57	5.32

The Chief Commissioner has offered savings of Rs. 800 on non-voted allowances and of Rs. 18,589 from certain voted items. They do not, however, appear to be of a permanent character. Permanent savings of Rs. 24,680 have since been offered by the Home Department under this grant.

Our proposals are :—

- (a) We have already proposed [Chapter XIX, paragraph 7 (i), page 47, Part I of our Report] that one Civil Surgeon should move with the Government of India between Delhi and Simla. By way

of an explanation we may add that we had in mind the fact that the policy of locating some offices at Delhi and some at Simla permanently would add to the work at both places or, to put it in other words, that three officers would have to do the same work as has till now been done by four. We have taken account of a saving of Rs. 12,000 on this account under the grant for Medical Services, and therefore shall estimate the saving under the Delhi grant at only Rs. 6,000, the total of Rs. 18,000 being just about one-half of the provision for the pay of the two Civil Surgeons at Simla.

- (b) The Chief Medical Officer gets a special pay of Rs. 250. We find that this is the usual special pay given to a Civil Surgeon for acting as Chief Medical Officer. In this grant, however, we find no provision for it under Medical, though we find there is a provision for a special pay of Rs. 250 p. m. under public health (Account VIII). If, as is likely, the special pay is given to one of the Civil Surgeons for acting as C. M. O., we urge that it should be abolished. If on the other hand it is for public health work and if the post of Assistant Director, Public Health, is abolished as proposed by us [vide below], the question of giving some special pay specifically for public health work may be reconsidered.
- (c) As regards all other medical expenditure, we would accept the savings offered by the Home Department, viz., Rs. 24,680.
- (d) As regards the grant-in-aid to the Lady Hardinge College we have no objection to Government negotiating with the authorities of the College with a view to its reduction.

On our proposals, total savings will be Rs. 30,680, or, say, -31 lakh.

(x) *Public Health*.—This is in charge of the Chief Medical Officer who presumably gets a special pay of Rs. 250 per mensem for it. In addition to this, New Delhi has a whole-time Assistant Director of Public Health, costing Rs. 15,000 assisted by a Sanitary Superintendent (Rs. 550) and two clerks. Outside New Delhi the arrangements are entrusted to the local bodies to whom special grants-in-aid are given.

The total expenditure aggregates 2.07 lakhs as below :—

	Rs.
(a) Pay of officers and establishment (Rs. 3,000+15,000+9,500+600 for passage) . . . . .	28,100
(b) Travelling allowances . . . . .	5,600
(c) Half cost of Health Officer and his Assistant . . . . .	9,000
(d) Share of cost of Sanitary arrangements . . . . .	50,000
(e) Public Health grants to local bodies . . . . .	59,000
(f) Grant to Municipal Committee, Delhi . . . . .	17,000
(g) Grant to Delhi Health School . . . . .	6,000
(h) Expenditure for epidemic diseases . . . . .	21,100
(i) Bacteriological Laboratory . . . . .	11,200

Expenditure has grown as below :—

1913-14.	1921-22.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1931-32.
1.20	.84	.27	.66	1.43	2.21	1.96	1.84	2.07

The Chief Commissioner originally offered a saving of Rs. 13,610 but it is not known how much of it was of a permanent nature. Home Department is now prepared to offer a permanent saving of Rs. 20,730.

Our proposals are :—

- (a) We cannot understand why a clean healthy area like New Delhi with its wide spaces should need a very expensive health officer of the status of an Assistant Director of Public Health on Rs. 1,250 per mensem and, in addition, a Sanitary Superintendent on Rs. 550 per mensem. The former post should be abolished, saving Rs. 15,000. The Chief Medical Officer of Delhi should, as Director of Public Health, be able to supervise health work over the entire district. In this connection paragraph (iz) *supra* may be seen. A Sanitary Superintendent of the present status should suffice for New Delhi in any case; but if the C. M. O. cannot be given health work, and if, as we have proposed, the Assistant D. P. H.'s post is abolished, the appointment of a somewhat senior health officer on about Rs. 750 per mensem might become necessary. For the present we assume a saving of only Rs. 15,000 and not of Rs. 15,000 + 3,000.
- (b) A reduction of at least 10 per cent. in the provision of Rs. 82,000 for grants to local bodies (Rs. 76,000) and to the Delhi Health School (Rs. 6,000) should be made, saving Rs. 8,200. In the light of the Chief Commissioner's original offer we think that the saving will be much larger than this.
- (c) A similar reduction should be made in the provision of Rs. 12,200 for "Other charges—Miscellaneous" under Epidemic Diseases.
- (d) Such other economies not included in our proposals above as have been offered should be accepted.
- (e) We estimate that the total savings will be nearly Rs. 30,000.

(zi) *Other expenditure.*—This part of the grant, viz., Account IX, aggregates Rs. 4,77,500. The table below shows its elements and the growth of expenditure on each :—

	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1931-32.
Najafgarh Jhil . . . . .	..	·05	·06	·05	·02	·02	·05
Ecclesiastical . . . . .	·30	·26	·21	·25	·18	·19	·22
Political . . . . .	..	..	..	..	..	·13	·22
Horticulture . . . . .	·14	·31	·52	·47	·52	·35	·39
Veterinary . . . . .	..	..	..	..	..	·11	·14
Co-operative . . . . .	..	..	..	..	..	·14	·17
Industries . . . . .	·10	·10	·12	·14	·25	·27	·32
Boilers and Factories. . . . .	..	·01	·02	·03	·03	·03	·04
Miscellaneous . . . . .	4·20	3·98	3·69	3·74	3·64	3·63	3·22

Under "miscellaneous," grants-in-aid are the largest item of expenditure, being over 80 per cent. of the total provision for 1931-32.

Home Department has offered Rs. 2,09,238, mainly on grants-in-aid, out of the total provision of Rs. 4,775 lakhs. We have no detailed information on this subject, but, presuming that the cause of Local Self-Government will not suffer thereby, we recommend that this offer may be accepted. If it does not include savings on petty establishments, we think an additional Rs. 5,600 should be saved under petty establishments. On our proposals relating to Ecclesiastical the provision of Rs. 22,400 for Ecclesiastical—Delhi should almost entirely go, leaving only about Rs. 2,240. Thus, total savings under this Account should be  $2.09 + .06 + .20 = 2.35$  lakhs.

(7) *Summary of savings*.—On our proposals the total reduction of expenditure (in lakhs) under this grant will be—

- (a) Chief Commissioner and his establishment .81, (b) District administration .63, (c) Direct demands on Revenue .24, (d) Justice .17, (e) Jails .21, (f) Police 1.20, (g) Education .03, (h) Medical .31, (i) Public Health .30 and (j) Other heads  $2.35 = 6.25$  lakhs.

We consider that there is still some scope for economy under Account IX, but we are unable to analyse the position in detail. If this as well as such savings as may be effected in the grants-in-aid (especially non-recurring grants) to educational institutions and the Lady Hardinge Medical College are taken into consideration, we hold that the total reduction of expenditure for the 1932-33 budget will be over 6.25 lakhs. Further, we think that in a budget of the character and size of this grant there should be a *minus* provision for "probable savings". Although we ourselves make no such "deduct" provision, there should be room for Finance Department to do so, even after effect is given to our proposals.

## CHAPTER XVIII.

GRANT NO. 82.—ANDAMANS AND NICOBAR ISLANDS (41.22 LAKHS OR INCLUDING EXPENDITURE PROVIDED FOR IN OTHER GRANTS, 45.73 LAKHS).

(1) *Introduction.*—These islands form a natural chain of a number of islands, some of which are very small, in the eastern part of the Bay of Bengal. Their total area is 3,143 square miles. The damp hot climate, equatorial in type, is enervating and, broadly speaking, unsuitable to people from most parts of India. Most of the area is still covered by dense equatorial jungle. The interior gives shelter to some savage aboriginal tribes, whose numbers are not known. The islands produce some valuable timbers. There are about 2,200 square miles of virgin forest, at least two-thirds of which is estimated to be capable of profitable working. The configuration of the islands is exceptionally favourable both for the extraction and the shipment of timbers. Coconuts are the principal produce of the Nicobars. The arable area is extremely small. Port Blair in South Andamans is the chief harbour.

The following table shows the population of the islands—(i) convict and (ii) total—and its sexwise distribution and its growth during the census decade 1921—1931 :—

Year of Census.	Total population.			Convict population		
	Male.	Female.	Total.	In Jail.	Out of Jail.	Total.
1921 . . . . .	20,793	6,293	27,086	..	..	11,532
1931 . . . . .	19,702	9,761	29,463	485	7,053	7,538

We are informed by the department that the islands are of considerable strategic value for the navy. They are treated as a minor administration under the control of a Chief Commissioner assisted by a Deputy Commissioner, three Assistant Commissioners, a Revenue Assistant, a Personal Assistant, an agricultural officer and a part-time medical superintendent.

The Chief Commissioner is treated as a Local Government, even though he has not got the financial powers of a Local Government. He is also the sessions court and tries all murder cases.

The staffs for medical, police, marine, commissariat, jail and other departments have been described in the relevant portions of paragraph 7.

(2) *Convict Policy.*—Port Blair in South Andamans has been used since 1858 as a penal settlement for prisoners from India sentenced to transportation. Under the system in force prior to 1921 a convict used to be kept in the cellular jail for the first six months after his arrival in the Andamans. Thereafter for a period of 9½ years he remained a member of a labour corps, lived in barracks, was fed and clothed by the State and earned a small gratuity in cash. After that he earned a "ticket of leave" and was allowed to live a semi-independent life and to earn his livelihood. After a total period of 20 to 25 years he was released and had to leave the settlement. In addition to the convict population there was even before 1921 a permanent population of "local-born" persons (about 3,000 according to the 1921 Census), who found private employment in the islands as cultivators, traders or Government employees

Since 1921 Government's accepted policy is to gradually abandon the Andamans as a penal settlement and to develop it as a free colony. In pursuance of that policy Government have taken the following measures. To start with, as many as possible of the convicts who had suffered in health or had proved incorrigible in conduct were transferred to jails in India. Transfers from India were severely curtailed and almost completely stopped. Convicts were given various inducements to stay on as free settlers, viz., relaxation of conditions, grant of "tickets of leave" after a short period of probation and facilities for getting the convicts' wives from India. Tickets were also granted to convicts retained on Government work whereby they were paid wages on a sliding scale according to skill. Convicts on the "rations and free clothing" basis were granted relaxations designed to remove the stigma of the convict state. Efforts were made to induce convicts to import their wives and families and also to obtain convicts in Indian jails to volunteer for transfer to the Andamans. The success of the attempt to provide a population by the settlement of married convicts is open to question.

In the interests of the free population a new Regulation was promulgated rendering it possible to give grants of land with scope for development on a tenure which could extend up to 60 years and to enable small holders to obtain occupancy rights under easy conditions. Convicts cultivating holdings were given the right to acquire from the day of their release occupancy rights in the holdings cultivated by them. These measures gave considerable stimulus to agriculture and cocconut and other plantations. Government also decided to reclaim certain swamps in the neighbourhood of the more thickly populated parts of the Settlement.

The result of this policy has been a decline in the number of convicts and an increase in that of the free population and also a change in the mental outlook of the convict resulting in his bearing and conduct, his capacity for work and his general health. The areas under cultivation and plantations have grown substantially. There is a larger proportion of self-supporters than before.

(3) *Cost*.—The 1931-32 provisions for Account I which relates to the so-called "Convict Settlement charges" and Account III which relates to stamps inspections of motor vehicles and taqavi loans are 27.49 and 11 lakhs respectively. The provision for Account II relating to Forests is 14.62 lakh. The total provision thus amounts to 42.22 lakhs after taking into consideration the deduction of 2 lakhs made under Forests for "probable savings". Besides, there is a total provision of 3.51 lakhs included in other grants, e.g., census, civil works, pensions, refunds, etc. Total 45.73 lakhs.

The following table shows the increase or decrease of expenditure (in lakhs) on the administration of the islands :—

		1913-14.	1921-22.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Convict Charges.	Settlement	16.12	34.91	27.13	26.09	26.69	23.78	23.87	29.37	32.40	27.49
Forests		2.75	12.87	11.64	11.34	12.20	14.50	13.29	16.87	18.15	14.62
Account III—Stamps and Miscellaneous.		..	..	..	.05	.05	.05	.16	.10	.10	.11
Civil Works		1.67	1.00	2.62	1.35	1.35	1.57	1.40	2.68	3.40	3.28
Pensions		..	..	.03	.06	.09	.06	.06	.07	.05	.05
<b>Total</b>		<b>20.54</b>	<b>48.81</b>	<b>41.35</b>	<b>38.92</b>	<b>40.35</b>	<b>39.96</b>	<b>38.82</b>	<b>48.47</b>	<b>54.10</b>	<b>45.56</b>

*Notes*.—For a true picture of the growth of expenditure certain adjustments must be made, viz., (i) the cost of the R. I. M. vessel included in the figures for steamers and station ships should be excluded, (ii) the recoveries on account of commissariat up to 1926-27 should be excluded and (iii) the non-recurring portion of civil works should be excluded. In the absence of the necessary detailed information we do not attempt to give precisely adjusted figures.



(4) *Growth of cost.*—There is, however, no doubt that the expenditure on the administration of the islands as a free colony has grown. Mr. Jukes remarked that between 1924-25 and 1929-30 there had been "a true growth of approximately 12.35 lakhs, of which 8.75 represents non-recurring items. Of the balance of 3.60 as much as 2.37 under Forests is more than covered by growth in forest revenues and the residue of 1.23 is the result of the policy of developing the islands as a free settlement". Mr. Jukes' remarks were based on the 1929-30 budget figures. Compared with these the 1931-32 provisions show growth or decline of expenditure as below :—

- (i) Superintendence .58, (ii) Medical .13, (iii) Police .10, (iv) Marine minus 1.21, (v) Commissariat minus .10, (vi) Miscellaneous .08, (vii) Miscellaneous jail charges minus 2.32, (viii) Steamers minus .35, (ix) Works minus 1.07.

would only offer certain explanations for a correct understanding of these figures.

The provision for "convict subsistence allowance" (*viz.*, .25 in 1931-32) in the budget for "superintendence" is a new feature arising out of the present convict policy and to a certain extent is a set-off against the decline of expenditure under jail charges. The provision for "marine" varies according to the need for repairs and for supplies. Commissariat charges in 1929-30 were gross and not net. Miscellaneous jail charges should go down as the accepted convict policy gets time to work itself out. The only important changes in regard to the station ship are that the charter money has gone up from 2.82 to 3.39 owing to a steamer of larger capacity being chartered; the estimated recoveries from the Forest Department are also less. As regards "works" the provision has varied mainly according to the estimated need for money for the reclamation of salt swamps.

(5) *Revenue.*—The revenue of the islands is shown in the following table. Practically speaking, the whole of it is derived from forests. The revenue shown under "jails and convict settlements" contains little besides the adjustment of recoveries from other departments on account of the hire of convicts and the sale of stores. Prior to 1926-27 recoveries from the Forest Department on account of the services of the steamers were credited as Forest Revenue; these are now shown as a deduction from the expenditure on the steamers.

	1913-14.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Taxes on Income . . . . .	..	.14	.13	.13	.14	.14	.15	.18	.17
Land Revenue . . . . .	..	.39	.47	.36	.49	.66	.66	.64	.64
Excise . . . . .	..	.04	.07	.06	.10	.17	.16	.17	.17
Stamps . . . . .	..	.05	.05	.05	.05	.06	.06	.07	.07
Jails, etc. . . . .	..	5.33	4.31	1.89	2.77	1.86	2.54	2.75	2.74
Forests . . . . .	..	7.26	8.91	11.71	14.18	15.01	20.07	19.23	20.15
Civil Works . . . . .	..	..	.05	.07	.11	.19	.11	.09	.18
Miscellaneous . . . . .	..	..	..	..	..	..	..	..	.02
<b>Total Revenue</b> . . . . .	<b>8.84</b>	<b>13.21</b>	<b>14.00</b>	<b>14.28</b>	<b>17.24</b>	<b>18.09</b>	<b>23.74</b>	<b>23.16</b>	<b>24.17</b>
<b>Total Expenditure</b> . . . . .	<b>20.54</b>	<b>41.35</b>	<b>38.92</b>	<b>40.31</b>	<b>39.96</b>	<b>38.81</b>	<b>46.35</b>	<b>50.66</b>	<b>42.22</b>
<b>Excess of Expenditure</b> . . . . .	<b>11.70</b>	<b>28.14</b>	<b>24.08</b>	<b>26.03</b>	<b>22.62</b>	<b>20.72</b>	<b>22.61</b>	<b>27.50</b>	<b>18.05</b>

(6) *Departmental proposals.*—The following reductions have been proposed under the various heads excluding forests, *viz.*,

	Rs.
A. Superintendence . . . . .	17,100*
B. Medical . . . . .	16,980
C. Police . . . . .	13,100
D. Marine . . . . .	1,800
E. Commissariat . . . . .	23,500
F. Miscellaneous . . . . .	3,800
G. Jail Charges . . . . .	70,440
H. S. S. Maharaja . . . . .	25,000
I. Station Ship . . . . .	31,000
J. Works . . . . .	3,23,000
Total . . . . .	<u>5,25,380</u>

The total expenditure under these heads amounts to Rs. 27,49,000 and the proposed cut works out to about 19 per cent. Excluding J—works, the cut amounts to about 12 per cent.

As regards Forests, the department holds that no considerable reductions can be made without affecting the revenues which amount to Rs. 20 lakhs against an expenditure of about Rs. 14½ lakhs, but the department remarks that a saving of Rs. 50,000 may be effected.

(7) *Our proposals* :—

(A) *Account I.*

(i) *Superintendence.*—(a) As in the case of Delhi, we think the administration of these islands should be placed on the footing of a district. We realise that the head of this administration may sometimes have to take decisions on important questions and act on his own initiative. Even then we think that a senior district officer should suffice. He may be called Commissioner but his pay should be on the senior I. C. S. scale (which applies to army officers holding posts borne on the I. C. S. cadre) *plus* a special pay of about Rs. 250. We may add that prior to 1920 the pay of this post was Rs. 2,500—100—3,000.

Apart from the Chief Commissioner, there are 7 officers, *viz.*, A Deputy Commissioner, 3 Assistant Commissioners, a Revenue Assistant, a Personal Assistant to the Chief Commissioner and an Agricultural Officer. For a total population of about 27,000 we consider a general administration on this scale excessive and we propose that the number of these officers should be reduced from seven to six. The provision of Rs. 1,800 for Medical Superintendence should be deleted. The Civil Surgeon's total emoluments appear to us to justify our proposal.

On these proposals the savings would be about Rs. 36,000 *plus* Rs. 1,800—*say*, .38 lakh.

(b) In 1929-30 and 1930-31, establishments numbered 71 and cost .78 and .86 lakh respectively; for the current year the strength is 78 and the cost 1.30 lakhs. We observe that the sudden growth of expenditure is mainly due to the introduction of "convict subsistence allowance." But even if this provision were omitted from calculation, the cost would still be 1.05. We do not think that the present accepted policy in regard to the Andamans justifies the growth of such expenditure so fast and we propose that the cost should be brought down by 15 per cent., saving nearly Rs. 19,000.

(c) As regards allowances, we observe that the actuals were Rs. 42,040 in 1926-27, Rs. 39,103 in 1928-29 and Rs. 58,330 in 1929-30. These included the Chief Commissioner's sumptuary allowance (sanctioned in 1925 for the first time), which on our proposals would not be needed any longer. Even if the head of the administration continues to be designated Chief Commissioner, we propose that it should be cut out, saving Rs. 2,400. The reduction of the number of officers and establishments proposed by us must involve the reduction of the provision of Rs. 66,700 for other allowances. We propose that the aggregate provision for 1932-33 should be reduced from Rs. 69,100 to Rs. 47,600

(d) The provision for grants-in-aid, contributions, etc., (A-4) should similarly be reduced by at least Rs. 1,200; this proposal assumes the reduction of two posts of officers entitled to the concession of passages for self and family.

(e) On our proposals the total reduction of expenditure will be .81 lakh as against Rs. 17,160 offered by the Home Department.

(ii) *Medical*.—The 1931-32 provision is 1.78 lakhs against .88 in 1926-27, 1.30 in 1928-29 and 1.66 in 1929-30. There are now five medical officers; in 1928-29 there were three and in 1929-30 four. The cost on account of the pay of medical officers has gone up from Rs. 35,321 in 1928-29 and Rs. 41,463 in 1929-30 to Rs. 60,200 in the current year. The islands have as many as nine civil and convict hospitals and ten dispensaries. Home Department has offered a permanent saving of Rs. 16,980. We do not consider this adequate. In our opinion the budget has grown too fast. After making due allowance for various considerations, we think the medical expenditure should be brought down to the level of 1928-29, i.e., to 1.30 lakhs. Savings Rs. .48 lakh. In this connection the special pay of Rs. 300 to the junior medical officers, who are drawn from the I. M. D., should be revised.

(iii) *Police*.—The Andamans police is largely military in character, and is manned by a Commandant (actual pay, Rs. 1,235 plus the Indian Army Allowance of Rs. 200 plus a special pay of Rs. 350) and a Deputy Superintendent (actual pay, Rs. 300 plus a special pay of Rs. 100). The force consists of 611 men and a boat crew; only 54 of the men are the civil police. The following table shows the growth of expenditure :—

1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1931-32.
2.53	2.61	2.64	2.55	2.71	2.91	2.95

Under the present accepted policy, we do not see the justification for the growth of expenditure under this head. In our view it should go down gradually. Home Department has offered a saving of Rs. 13,100. Further it has proposed to reduce the establishments by 40. We recommend that the provision should be reduced by 15 per cent., i.e., by about Rs. 45,000.

The policy of employing an army officer as Commandant and paying him the army allowance and a large special pay should be revised; we hold that the time has now arrived for initiating seriously the policy of converting the Andamans police from an armed military battalion into a civil police force.

(iv) *Marine*.—The islands have some harbours which necessitate the maintenance of a marine department; the 1931-32 provision for this department is 1.72 lakhs net. The staff consists of an Engineer and Harbour Master (pay

Rs. 750) and an establishment numbering 72. The growth of permanent establishment and that of expenditure (in lakhs) other than that on the fluctuating item of marine supplies are shown in the following table :—

	1924- 25.	1925- 26.	1926- 27.	1927- 28.	1928- 29.	1929- 30.	1931- 32.
No. of establishments	46	46	57	58	58	72	72
Total cost of "Marine"	47	48	57	63	72	76	84

Home Department has offered a saving of Rs. 1,600 under the marine grant but we consider it quite inadequate. In our opinion a reduction of 10 per cent. (=17,230) is the minimum that should be effected.

The marine department supplies coal to the R. I. M. vessels also. The price charged for coal so supplied should be calculated so as to include a proportionate share of all overhead expenses, if this is not being done already.

(v) *Commissariat*.—This department is maintained for the supply of rations to the convicts and to troops and the police stationed in the islands. It also supplies meat, milk, flour and butter to the official population. It is administered by a Commissariat officer belonging to the Indian Army, who, in addition to his pay (actual pay, Rs. 655) gets a staff pay of Rs. 350 and a special pay of Rs. 100. The permanent establishment consists of 7. The following table shows the growth of expenditure :—

	1926- 27.	1927- 28.	1928- 29.	1929- 30.	1930- 31.	1931- 32.	
Pay and allowances, passage and contingencies		18	18	19	19	21	
<b>Supplies—</b>							
Bakery		07	09	08	08	12	
Dairy		13	12	13	17	46	
Slaughter house		49	38	37	30	57	
Other charges		2-32	1-30	49	1-17	1-10	2-32
Recoveries		..	..	..	—50	—97	
Net cost of supplies		3-01	1-89	1-07	1-46	1-15	2-50
Total cost		3-20	2-07	1-26	1-65	1-34	2-72

It will be observed that compared with the actuals of 1928-29, 1929-30 and 1930-31 the net total cost has gone up by over a lakh, and is almost double of the average (1.42) of those three years. The Chief Commissioner, while offering a total saving of .23 lakh, explains this sudden and large growth as being due to the inclusion of freight charges. We cannot accept this or the statement that "the only fact which can lead to a marked reduction in the cost of these services is a decrease in the number of convicts" as a valid reason or a cogent explanation. The convict population is, we presume, declining and not growing. During the last few years prices too have been declining and not rising. We agree with Home Department in holding "that further economies could be effected by tightening up control, e.g., by reducing wastage and rigid scrutiny of indents, and would only add that prices for meat, milk,

flour, butter, etc., supplied to the police, the troops and the civilian population should be so regulated as to equalise them, as far as practicable, with prices which would be charged in a free competitive market. Action along these lines should enable the commissariat department to run without such heavy losses as appear to have been incurred. We propose that the net budget should be brought down to about the level of 1928-29, saving 1.46 lakhs in place of the saving of Rs. 23,500 offered by Home Department.

In this connection we think that a cheaper agency should be employed for the administration of the commissariat. As the daily ration strength of the detachment of British troops stationed in the islands is only about 135 men, we do not see why the commissariat officer should be such an expensive army man. We may explain that the present officer's pay is Rs. 655 and his extra emoluments, viz., 350 and 100, amount to over 70 per cent. of his pay.

(vi) The miscellaneous departments maintained in the islands and their cost are shown in the following table :—

	1924-25.	1926-27.	1928-29.	1929-30.	1930-31.
Veterinary . . . . .	.04	.05	.07	.08	.10
Education : . . . . .	.24	.27	.40	.44	.54
Treasury Registration, etc. . . . .	.03	.03	.05	.04	.09
<b>Total . . . . .</b>	<b>.31</b>	<b>.35</b>	<b>.51</b>	<b>.57</b>	<b>.73</b>

The establishments consist of 2 veterinary assistants with some temporary establishment, 29 teachers, a treasurer and a clerk and a registration clerk.

We agree that with the growth of the "free" population and an increase in the number of children born in the islands the demand for educational facilities must grow. We therefore propose that the education budget should remain as it is. Expenditure on the other departments was .12 lakh in 1928-29 and 1929-30; the 1931-32 provision for them is .18. We think it should be brought back to somewhere near the level of 1928-29 or 1929-30. Allowing for growth due to the accrual of increments we think it should be reduced by the amount, viz., Rs. 3,600, offered by Home Department on the whole of this portion of the grant.

(vii) *Miscellaneous jail charges.*—The 1931-32 provision for this is 6.90 lakhs and includes Rs. 20,500 for clothing, Rs. 39,600 for passage money and payments to witnesses attending criminal courts, Rs. 5,38,000 for subsistence money, Rs. 20,700 for forest supplies and Rs. 100 for jail press supplies. These items depend on the relative proportions of the convict population in and out of jail and for purposes of a true comparison we propose to leave them out of our calculation. The expenditure on the other items in this part of the grant has varied as below :—

	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Pay of Establishments . . . . .	.48	.45	.46	.50	.46	.51	.52	.53
Allowances of Establishments . . . . .	.04	.04	.04	.05	.04	.05	.05	.05
Contingencies . . . . .	.12	.12	.12	.12	.15	.13	.12	.11

The jail population has been declining and we think the strength of establishments should also go down ; in fact we observe that the present number, viz., 30, is the same as in 1928-29. We agree with the Chief Commissioner and Home Department that the rate of subsistence money which used to be Rs. 11 per mensem should not be reduced below Rs. 10 per mensem. It is not possible for us to analyse the position further and we recommend that the saving offered by Home Department, viz., Rs. 70,440 which includes about Rs. 60,000 on subsistence money for convicts out of jail, be accepted.

(viii) *Steamer "Maharaja"*.—Government have chartered from the Asiatic Steam Navigation Company a steamer, the "Maharaja" which plies between these islands and Calcutta, Rangoon and Madras. The charter costs Rs. 4.34 lakhs a year. The only fluctuating items which are amenable to appreciable reduction are the cost of coal, Indian port expenses and "other charges". The provisions for these were Rs. 53,542, Rs. 68,321 and Rs. 21,360 in 1929-30 ; in the 1931-32 budget they are Rs. 60,000, Rs. 68,000 and Rs. 24,800 respectively. Against the gross expenditure there are recoveries, mainly from the forest department.

Home Department has offered a saving of Rs. 25,000, viz., Rs. 16,000 on the cost of coal, Rs. 8,000 on port expenses and Rs. 1,000 on other charges. It is proposed to reduce the number of sailings between the islands and the Indian ports. We recommend that this offer be accepted. Since the prices of coal and other materials have fallen, we do not consider it at all difficult to effect the proposed saving.

We must, however, observe that *prima facie* the charter money, viz., 4.32 lakhs appears to us to be extremely high for a steamer for this purpose. During the present trade depression steamers can be purchased cheap and in our opinion it will be a sound investment to buy up a steamer or two outright ; in 1930 the estimated capital cost of a steamer for this purpose was £60,000. The present charter expires in September 1933. We do not know whether there is any provision for terminating it after giving a stipulated or a reasonable notice. In any case we propose that the matter should be investigated.

(ix) *Station ship*.—The administration maintains a station ship, which plies mainly between the islands and makes trips to Rangoon and occasionally to Madras. It is also used for the transport of troops. To all intents and purposes it is a second steamer serving the islands. The charter costs Rs. 3,39,200 and the total provision is 4.54 lakhs gross and 2.04 net. This steamer was chartered only recently and therefore comparison with expenditure in previous years can afford little guidance. Home Department has offered a saving of Rs. 31,000, viz., Rs. 15,000 on the cost of coal, Rs. 15,000 on Indian port expenses and Rs. 1,000 on other charges. It is also proposed to reduce the number of sailings. We recommend its acceptance. We also endorse the Home Department's suggestion that this ship should be used for the duty of tending lighthouses along the Burma coast. The need for a station ship should be re-considered.

(x) *Works*.—The 1931-32 provision is 3.23 lakhs. It was intended for the reclamation of certain salt swamps. This work has been completed at a total cost of 16.10 lakhs against the original estimate of 14 lakhs. It is unlikely that any provision will be needed for 1932-33. The budgetary position should therefore improve automatically by 3.23 lakhs in 1932-33.

(xi) In a budget of the character and size of this grant we hold that there should be a *minus* provision for "probable savings". In the original budget for 1930-31 there was a provision of 1.50 lakhs for this purpose ; in the revised budget the amount was reduced to 1 lakh. The 1931-32 budget has no such provision in this account, though we note that there is a *minus* provision of 2 lakhs in Account II. In our opinion there should be room for Finance \*

Department to provide for some "probable savings" in this account in the 1932-33 budget even after effect is given to our proposals. But, we shall leave out of our calculation such savings as Finance Department may be able to effect.

(xii) On our proposals the reduction of expenditure in Account I will be 7.90 lakhs.

(B) Account II.

(xiii) This account relates to Forests. The gross provision for 1931-32 is 16.62 lakhs, but there is a minus provision of 2 lakhs for "probable savings". The following table shows the rise or fall of expenditure on certain items relating to the exploitation of the forests in the islands:—

	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Removal . . . . .	7.41	7.45	7.36	8.07	8.12	9.60	9.70	11.16
Livestock, stores, etc. . . . .	1.33	2.04	2.45	1.56	2.18	1.73	1.63	1.45
Communications, etc. . . . .	.67	.11	.23	.03	.14	.10	.10	.16
Conservancy, etc. . . . .	10.12	9.93	10.65	10.03	10.95	11.76	11.80	13.17
Establishments, etc. . . . .	1.41	1.42	1.55	1.45	1.66	1.54	1.57	2.11
Total of Account II . . . . .	11.53	11.34	12.20	14.50	13.36	16.87	18.16	16.62

The superior staff maintained consists of a Chief Forest Officer, two Deputy Conservators, five Extra Assistant Conservators, a Veterinary Officer and an Accounts Officer. The establishments number 84 to which has been added in 1931-32 an engineer and 18 others. It will be seen that the net cost of officers and establishments has jumped up from 1.57 in 1930-31 to 2.11 in 1931-32. Apart from a decrease in the share charged to "Capital", the principal reasons for the upward jump are the appointment of the new staff and additional provision for temporary establishments.

Receipts from forests are estimated at 20.14 lakhs.

The Chief Commissioner offered for 1931-32 a saving of 1.46 lakhs from the net grant of 14.62 lakhs. A permanent saving of .50 lakh has since been suggested by Home Department. We do not consider the offer adequate. For the exploitation of forests of this size the staff employed appears to us excessive, and in our opinion two officers' posts—A Deputy Conservator's and an Extra Assistant Conservator's—should be brought under reduction. We do not see the need for the new staff sanctioned with effect from 1931-32. There appears to be ample room for savings under head "A", i.e., "Conservancy, maintenance and regeneration". We think it should not be difficult to repeat in 1932-33 the savings totalling 1.46 lakhs which the Chief Commissioner offered in respect of the current budget. We propose that the budget for 1932-33 should be reduced by 1.50 lakhs and the provisions under A-1 and B-2 should be specially scrutinised, so as to yield a saving of 1.50 lakhs in all.

(C) Account III.

(xiv) Other expenditure.—The only item of importance in this account is the provision of .10 lakh for the writing off of irrecoverable taqavi loans. In respect of 1931-32 the Chief Commissioner offered to save Rs. 4,000 and

Home Department recommended the acceptance of the offer. We observe, however, that the actual expenditure was Rs. 9,600 in 1928-29 and Rs. 10,049 in 1929-30. We therefore propose to leave this Account as it is.

*Summary of Savings.*—On our proposals there will be a total reduction of expenditure of 7·90 plus 1·50 = 9·40 lakhs.

(8) *General scrutiny.*—In this grant we have found numerous cases of what appears to us to be over-budgeting and lack of adequate control over the growth of expenditure. As illustrations we may mention (a) the 1931-32 provisions for the bakery, the dairy, the slaughter-houses, other commissariat charges, cost of coal for the S.S. "Maharaja" and the station ship, (b) the fact that a larger-sized steamer was chartered for service as a station ship and (c) the growth of the staff, e.g., the number of medical officers. Some decline of expenditure should have been the normal result of the present accepted policy in regard to the convict settlement; in fact we observe that, broadly speaking, the tendency is towards an increase. We have come to the conclusion that the entire position needs a thorough scrutiny on the spot by a Finance officer and we propose that it should be undertaken as early as possible. In this connection, the need for a second steamer to serve as the station ship should also be reviewed in the light of our observations in sub-para (ix).

(9) *Conclusions as to financial prospects.*—A striking feature of the administration of these islands is the very great excess of expenditure over revenues. This is the inevitable result of the past history of the islands as a penal settlement. The Inchaape Committee observed that the pre-war excess of expenditure over revenues, which was 11·70 lakhs, had threatened to grow to 34·48 lakhs and made proposals for the reduction of the gap by 4·43 lakhs. Even then the excess would have been about 30 lakhs. It has been substantially reduced since as a result of the new policy adopted in 1921. If the heavy outlay of 16·10 lakhs on the reclamation of salt swamps financed in the last three years be left out of account, the average excess of expenditure over revenues is gradually declining. The present policy should lead to a growth of forest and other revenues. Under the proposals we are making the gap will be narrowed still further to about 8 lakhs, so that, whether the islands are to remain as part of India proper or are to be made over to a separated Burma, they will cease to be the heavy financial burden which they have been in the past.



## CHAPTER XIX.

GRANT No. 86.—EXPENDITURE IN ENGLAND UNDER THE CONTROL OF THE SECRETARY OF STATE FOR INDIA (34.77 lakhs).

GRANT No. 87.—EXPENDITURE IN ENGLAND UNDER THE CONTROL OF THE HIGH COMMISSIONER FOR INDIA (75.14 LAKHS).

(1) *Explanation of grants.*—(A) The net grant of 34.77 lakhs for the India Office may be set out as below :—

(i) Salaries of establishments (27.09) <i>minus</i> recoveries from the British Exchequer (13.8)	14.01
(ii) India Office expenses—Postage and telegrams (1.03), contingencies (2.19), other expenditure (.17) <i>minus</i> recoveries (1.21)	2.18
(iii) Audit establishments (2.26) <i>minus</i> recoveries from the British Exchequer (.44) and portion chargeable to High Commissioner (1.03)	.79
(iv) Contribution to League of Nations (9.03) and other expenditure in that connection (.80)	9.83
(v) Miscellaneous civil charges of which stationery and printing (1.54 gross and 1.08 net) and Secret Service expenditure (1.07) are the largest single items	7.96
Total	34.77

(B) The High Commissioner's grant of 75.14 lakhs for 1931-32 consists of the following items (for details *vide* table in paragraph 8) :—

(i) High Commissioner and his office	12.80
(ii) Education Department	1.33
(iii) Stores Department	27.24
(iv) Trade Department	2.03
(v) Portion of cost of India Office Audit establishment	1.02
(vi) Grants-in-aid (.13), unforeseen charges (.03) and other charges (.35)	.51
(vii) Recoveries, <i>viz.</i> , (a) surcharges on stores for central "commercial departments" (2.61), and for provincial governments (2.41), (b) provincial share of cost of establishments for issue of leave salaries, pensions etc. (2.88) and of the Education Department (1.91)	-9.81
Net	35.13
(viii) Disbursements by High Commissioner on instructions from India—mainly leave salaries, pensions etc.	40.01
Total	75.14

(2) *Control.*—Though nominally the administrative control over the High Commissioner's Office is vested in the Commerce Department, the demand for the grant is presented by the Finance Department and in fact several departments of Government purport to control the various parts of it. Budget control as such must be ineffective.

The demand for the voted portion of the India Office estimates is presented to the Indian Legislature by the Finance Department. The Secretary of State is, however, empowered by section 2(2) of the Government of India Act, 1919, to "superintend, direct and control all acts, operations which relate to the government or revenues of India and all grants of salaries, gratuities and allowances and all other payments and charges out of, or on, the revenues of India", except where a devolution or delegation of his powers has taken place.

(3) *Historical*.—Prior to 1920-21 the India Office performed not only political functions but also "agency" work on behalf of the Government of India. Under the provisions of Section 22-A of the Government of India Act, 1919, a High Commissioner was appointed in 1920-21. The whole cost of his office was intended to be, and is, a charge on Indian revenues and he was to "perform for India functions of agency, as distinguished from political functions, analogous to those now performed in the offices of the High Commissioners of the Dominions". Stores and Students' Departments and certain minor matters were transferred on 1st October 1920 and further transfers of work were made on 1st April 1921 and 1st April 1922.

Concurrently with the provision for the appointment of a High Commissioner, the Government of India Act as revised provided that "the salary of the Secretary of State shall be paid out of moneys provided by Parliament, and the salaries of his under-secretaries and any other expenses of his department may be paid out of the revenues of India, or out of moneys provided by Parliament", and similarly, that the salaries and allowances of the members of the Council of India may be paid from either of these sources. A Committee appointed to consider the allocation of the balance of the expenditure of the India Office, after transfer of certain of its functions to the High Commissioner, recommended that :—

- (i) the salary of the Parliamentary Under-Secretary of State as well as the salary of the Secretary of State be definitely placed on the British Parliamentary vote ;
- (ii) in the case of the remaining expenditure a distinction be drawn between the charges incidental to the political and administrative duties of the Secretary of State, acting as a Minister, and the agency business still conducted by the India Office on behalf of the Indian authorities ; and
- (iii) that under this arrangement the British Treasury be liable for —
  - (a) the salaries and expenses (and ultimately pensions) of all officials and other persons engaged in the political and administrative work of the office as distinct from the agency work, and
  - (b) a proportionate share determined with regard to the distinction laid down in (a) of the cost of maintenance of the India Office,

the exact sum payable under (a) and (b) respectively to be determined by agreement between the Secretary of State and the Treasury from time to time.

Detailed calculations to give effect to this settlement were worked out by a departmental committee which recommended that for a period of five years from the 1st of April 1920 the Treasury should make to the India Office an annual lump sum contribution which would remain constant for that period. In pursuance of these recommendations, the salaries of the Secretary of State and Parliamentary Under-Secretary are now charged on the Parliamentary votes and a grant-in-aid in respect of the India Office is made by the Treasury. The grant-in-aid for 1920-21 was, in the first instance, fixed at £72,000 on the basis of the 1920-21 estimates ; but later in the year, on the basis of a revised estimate submitted by the India Office, it was fixed at 136,000 per annum for the period 1920-21 to 1924-25.

Subsequently, in the course of 1921-22 as a result of a reduction in the rate of 'bonus' due to the fall in the cost of living, the Secretary of State in Council offered to relax the agreement to the extent of conceding to the Imperial revenues a proportionate share of any economy that could be effected in the estimates for 1922-23 as compared with the figures on which the subsidy was based. This resulted in the grant-in-aid being reduced to £113,500 which was distributed among the main account heads as follows :—

	Gross expenditure.	Contribution.	Net expenditure.
	£	£	£
General Administration . . . . .	252,700	101,400	151,300
Audit . . . . .	13,700	5,800	7,900
Stationery and Printing . . . . .	14,000	6,300	7,700
<b>Total . . . . .</b>	<b>280,400</b>	<b>113,500</b>	<b>166,900</b>

This reduction did not take fully into account the reorganisation of the establishments then contemplated in the India Office on the lines laid down for the administrative offices of the British Government. If allowance had been made for this, the grant-in-aid would have been fixed at a sum of £122,000, representing a saving of £8,500 to Indian revenues.

(4) *Growth of expenditure.*—We have given under each grant various tables to show how expenditure has varied. Here we shall give some tables to show the variation of expenditure and the growth of staff in the India Office and the High Commissioner's office as parts of an organisation which was once unitary—

(i) The total establishments of the India Office just prior to the institution of the High Commissioner numbered 1,135, but this was an abnormally inflated number due to the aftermath of the war. In spite of the devolution and delegations in favour of the Government of India and the provinces and the inauguration of the Indian Stores Department the staffs in the two offices numbered 1,194 *viz.*, 690 in the India Office and 544 (including 16 men employed on temporary decoration work) in the High Commissioner's, in 1930-31. It should be noted that even since 31st March 1931 the High Commissioner's staff has increased by 14.

(ii) Again, in spite of the decline in salaries under the operation of the sliding scale, the gross cost of salaries in the two offices (excluding the Trade Commissioner but including the Stores and Education departments) has been (in thousands of pounds) :—

	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
India Office . . . . .	308	260	220	200	191	196	191	191	189	194	195
High Commissioner . . . . .	83	129	150	128	128	141	148	148	154	158	172
<b>Total . . . . .</b>	<b>390</b>	<b>389</b>	<b>370</b>	<b>328</b>	<b>319</b>	<b>336</b>	<b>339</b>	<b>339</b>	<b>343</b>	<b>352</b>	<b>367</b>

(iii) The growth of expenditure on certain incidental charges is shown in the following tables :—

	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.	1937-38.	1938-39.	1939-40.	1940-41.	1941-42.
P. and T. charges	2,853	3,365	1,969	2,101	2,237	2,726	2,198	1,800	1,970	1,868	2,100
Health Insurance	685	807	363	695	837	893	827	807	776	673	900
Contingencies	4,128	7,453	6,137	6,444	7,334	5,334	5,636	6,644	11,373	15,508	17,100
Stationery	5,316	5,437	4,763	4,690	5,355	4,325	5,030	4,447	4,593	7,121	6,000
Total	12,982	17,112	13,232	13,630	15,765	13,379	14,341	13,696	19,311	25,367	26,100

(iv) The following table shows the growth of the gross expenditure on the salaries of the staff of the India Office and the High Commissioner's office. The former set includes Audit costs and the latter includes salaries under all heads.

	Secretary of State.			High Commissioner.			Net total.
	Expendi- ture.	Recover- ies.	Differ- ence.	Expendi- ture.	Recover- ies.	Differ- ence.	
	£	£	£	£	£	£	
1913-14	151,793	...	151,793	...	...	...	151,793
1919-19	230,336	...	230,336	...	...	...	230,336
1919-20	295,188	...	295,188	...	...	...	295,188
1920-21	323,023	...	323,023	51,671	...	51,671	374,694
1921-22	375,197	190,895	184,302	123,647	91,014	37,833	322,135
1923-23	334,300	107,200	227,100	129,227	70,730	58,997	186,097
1923-24	313,759	148,343	165,417	130,115	68,623	61,492	125,849
1934-35	204,750	146,097	58,653	133,631	65,310	68,321	124,005
1924-25	205,640	151,466	54,174	147,313	111,063	36,151	90,196
1926-27	203,605	134,115	77,890	160,411	123,313	36,599	103,899
1927-28	203,898	134,045	79,853	156,613	160,896	-4,274	75,649
1928-29	202,743	121,828	80,915	162,504	104,174	58,330	139,234
1929-30	207,229	119,004	88,225	173,450	113,174	60,276	144,501
1930-31	208,939	123,504	85,435	187,748	100,363	87,386	178,671
1931-32 (Budget)	220,125	113,300	106,825	186,675	73,675	113,000	213,025

We shall now deal with each of these grants separately.

## GRANT No. 86.—SECRETARY OF STATE.

(5) *Secretary of State's proposals*.—A Retrenchment Committee appointed by the Secretary of State in May 1931 (over which Sir Henry Wheeler presided) reported to him that (i) owing to the presence in the estimates of large items of an immutable nature, in particular the contribution of £87,725 towards the cost of the League of Nations secretariat, anything approaching an all-round reduction by ten per cent. either in the current year or in the immediate future was impossible, (ii) an immediate investigation in regard to the retrenchment of staff was undesirable in view of the imminence of the resumption of the Round Table Conference, (iii) the automatic operation of the sliding scale governing the cost of living bonus payable to the staff had reduced the net cost of the staff by approximately 7½ per cent since the period of stability in 1923—26, (iv) the possibility of effecting some reduction under telegrams, air mail, office repairs, lighting and fuel, house articles, books and periodicals, library and advertisements would be explored, (v) extended use of the wireless in replacement of the cable might be made, (vi) the reduction or even discontinuance of the contribution to the Indian Museum Collection at Kew might be examined, (vii) the possibility of retrenching expenditure on the personnel attending conferences (e.g., International Labour, Disarmament, Opium and Drugs, Treatment of Foreigners) and the Assembly of the League of Nations should be investigated in India, and (viii) an effort should be made to secure the discontinuance of the annual contribution of £12,000 from Indian revenues in aid of diplomatic establishments in China.

The Secretary of State has intimated that he has accepted these conclusions and initiated action on the lines proposed. The question of reduction in the scale of allowances for Delegates and Advisers to International Conferences and the Delegates to the resumed Round Table Conference was taken up and some reduction was effected. He has added that the question raised in (viii) will be taken up in due course but no other saving in the grants for "Political" and "Frontier Watch and Ward" appears practicable.

The India Office states that the savings cannot be precisely estimated, but has promised that the greatest possible economy will be exercised.

*Procedure followed by us*.—The Secretary of State laid down the following procedure for us:—"If your Advisory Committee should wish to make any comment on this grant, they should be addressed to myself through your Government and not to the Government of India direct". Our official colleague Mr. Nixon suggested that we should await the report of the Secretary of State's Economy Committee and should not issue a questionnaire in regard to this grant but should "consider ourselves free to make any recommendations which we think fit". We accepted this suggestion. Apart from the bare summary in three pages in the Demands for Grants and a cable summary of the report of the Economy Committee mentioned above and of the conclusions of the Secretary of State and the action taken or contemplated by him on that report we had no information in regard to this grant. We have therefore had to base our proposals, not on our usual detailed scrutiny of each item but on broad *a priori* grounds.

(6) *Our proposals*.—We have shown above how expenditure on General Administration in England has grown. Considering that the work that was to be taken over by the High Commissioner was a strictly defined part of the work which used to be done till then by the India Office one should have expected as regards the combined expenditure of both offices nothing more than the normal growth of expenditure such as occurs in every Government department.

The Honourable Mr. (now Sir) Purshotamdas Thakurdas, a member of the Indian Retrenchment (Inchcape) Committee, 1922-23 stated the position as he visualised it in the following terms :—

“ These changes should be brought about forthwith, and then the India Office should cost nothing to the Indian Exchequer, on the principle laid down by the Committee, since the India Office would then be left with only political work, which has been approved as a fair charge on the British révenues.”

We entirely agree with the view taken by Sir Purshotamdas Thakurdas that with the complete divorce of agency from political work in England the India Office should no longer involve any financial burden on Indian revenues. We do not, however, consider that it would be possible to bring about such a change immediately. We therefore propose that action should be taken early to bring it about in as short a period as practicable. As an earnest of action in the direction indicated by us, the Secretary of State's budget should be reduced by 25 per cent. on all items except those on which no retrenchment is possible (e.g., the British National Health Insurance Scheme contributions).

(ii) In our opinion India's contribution of Rs. 9·03 lakhs towards the expenses of the League of Nations is unfair to India's relative position in the League and out of accord with her economic conditions. We consider that the Government of India should press strongly for a revision of the formula at present governing the contributions of members and that they should themselves devise a substitute formula so as to impose a substantially smaller burden on India than the present one. The necessity for action on these lines is all the more pressing in view of the contingent rise in the rupee cost to India consequent on the breakaway from gold. We recognise that it may not be possible for the Government of India to succeed immediately in bringing about the result we contemplate but we strongly feel that if suitable relief to India is not forthcoming within the next twelve months, India should seriously consider whether in her present financial stress she should not withdraw from the League.

(iii) There appears to be some possibility of reducing the expenditure under Miscellaneous Civil charges aggregating 7·96 lakhs. Although we are unable to estimate the probable savings in this part of the grant, such economies as may be effected may possibly suffice to meet the extra cost of India's contribution to the League of Nations' secretariat on account of the depreciation of the sterling and the rupee in terms of gold.

As regards the possibility of reducing other expenditure in England under the Secretary of State's control, e.g., the provisions for political, Frontier Watch and Ward, we shall deal with it in the report dealing with the Foreign and Political Department.

(iv) The audit establishments maintained by the India Office serve the High Commissioner's Office also. Audit charges have grown as shown below :—

	1913-14.	1918-19.	1919-20.	1920-21.	1922-23.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
	£	£	£	£	£	£	£	£	£	£
India Office	7,440	9,107	12,392	14,986	4,568*	5,346	5,438	6,100	5,400	5,900
High Commissioner	...	...	...	...	7,600	7,600	7,600	7,900	8,000	7,700
Charged to Local Governments	...	...	...	...	3,676	3,437	3,427	3,400	3,600	3,400
<b>Total</b>	<b>7,440</b>	<b>9,107</b>	<b>12,392</b>	<b>14,986</b>	<b>15,607</b>	<b>16,383</b>	<b>16,465</b>	<b>17,400</b>	<b>16,900</b>	<b>17,000</b>

In spite of the decline of salaries owing to the operation of the sliding scale for the cost of living bonus the cost of audit has been rising even though very slowly. We think, the expenditure should be reduced by about ten per cent.

(7) *Summary.*—We estimate that our proposals will yield a saving of about 8 lakhs. (We have taken the gross provision for India Office establishments as one of the bases of our calculation.)

## GRANT NO. 87.—HIGH COMMISSIONER.

(8) *High Commissioner's proposals*.—The following table shows in detail the reduction of expenditure which the High Commissioner hopes to effect during the current year.

	Budget, 1931-32.		Proposed out.	
	Voted.	Non-voted.	Voted.	Non-voted.
	£	£	£	£
<b>A. High Commissioner's establishments (other than the Store Department and the Education Department)—</b>				
1. Salaries—General . . . . .	19,800	11,775	600	300
2. Salaries—Accounts Department . . . . .	21,225	13,875	1,200	800
3. Expenses in connection with new Office . . . . .	..	..	..	..
4. Mural paintings at "India House" . . . . .	2,475	..	..	..
<b>B. High Commissioner's office expenses—</b>				
1. Postage and telegrams to India . . . . .	2,100	..	150	..
2. National Health and Unemployment Insurance . . . . .	..	900	..	..
3. Office contingencies, etc. . . . .	15,975	1,125	525	..
<b>‡ Education Department—</b>				
1. Salaries . . . . .	6,000	..	300	..
2. Other expenses . . . . .	3,975	..	300	..
<b>D. Colonial Departmental charges for issue of leave pay, etc. . . . .</b>				
	750	..	..	..
<b>E. Store Department—</b>				
1. Salaries . . . . .	45,525	56,250	3,300	2,925
2. Wages of artificers, labourers, etc. . . . .	16,500	..	975	..
3. Professional inspection of stores . . . . .	55,350	..	2,700	..
3. Office contingencies, etc. . . . .	27,075	3,600	3,075	..
<b>F. Trade Department—</b>				
1. Salaries . . . . .	3,750	3,900	150	..
2. Other expenses . . . . .	3,975	225	150	..
3. Trade Commissioner in Europe . . . . .	2,250	2,025	..	..
<b>G. India Office Audit Establishment (portion relative to High Commissioner's work) . . . . .</b>				
	..	7,725	..	..

	Budget, 1931-32.		Proposed out.	
	Voted.	Non-voted.	Voted.	Non-voted.
	£	£	£	£
<b>H. Deduct recoveries—</b>				
1. Surcharges on stores supplied to commercial departments of the Central Government . . . . .	—19,575	..	..	..
2. Surcharges on stores supplied to Provincial Governments, Local Funds, Indian States, etc. . . . .	—18,075	..	..	..
3. Provincial Governments' share of the cost of the High Commissioner's establishment for issue of leave salaries, pensions, etc. . . . .	—21,600	..	..	..
4. Provincial Governments' share of the cost of the High Commissioner's Education Department . . . . .	—14,325	..	..	..
<b>I. Miscellaneous civil charges—</b>				
1. Leave salary, etc., of Indian Establishments . . . . .	49,650	210,300	..	..
2. Allowances and fees to Scholars and Probationers . . . . .	6,150	..	..	..
3. Expenditure in connection with appointments to the Indian Services . . . . .	975	..	..	..
Recruitment of personnel for Indian State Air Service . . . . .	3,225	..	..	..
4. Payments to Imperial Airways, Ltd., for Karachi—Delhi Air Service . . . . .	25,960	..	..	..
5. Stationery and Printing—				
(a) Stationery, Printing and Bookbinding charges . . . . .	6,000	..	..	..
(b) Leave Salaries, etc. . . . .	2,625	1,200	..	..
6. Grants-in-aid . . . . .	975	..	..	..
7. Unforeseen charges . . . . .	225	..	..	..
8. Other charges . . . . .	2,625	..	..	..
<b>Total, Grant No. 87 . . . . .</b>	<b>251,550</b>	<b>312,000</b>	<b>13,425</b>	<b>3,825</b>
			= 17,250.	

The saving amounts to only £17,250 out of a grant of £563,550. It is admitted that even these savings will be effected only "by postponing certain maintenance charges and omitting all but bare necessities". The High Commissioner points out that the scope for savings is, practically speaking, limited to items A to F of the table and that the operation of the sliding scale for the cost of living bonus serves as an automatic measure of retrenchment. He considers that no reduction of staff is possible. Even in the case of his Stores Department, where the volume of work has admittedly declined, he has only offered savings of £850 in all on *salaries* (in addition to the anticipated savings on account of the reduction of the bonus payable), and has offered the following explanation as to why no further reduction of staff can be made at present:—

"Although the volume of purchases has declined owing partly to reduced expenditure by indenting departments and partly to the extension of the rupee tender system, there is nevertheless a considerable amount of pre-contract work preliminary to local purchases



followed by post-contract work relating to the inspection of materials for which orders have been placed in India. This work is more complex than similar duties under contracts arranged here and involves more correspondence and general office work."

(9) *Our proposals*.—It will be convenient if we deal with the main branches of this office separately, *viz.*, (a) the High Commissioner's office proper, (b) Education Department, (c) Stores Department, and (d) Trade Department. Audit will be disposed of along with (a).

(a) **High Commissioner's Office.**

(i) It is difficult to get reliable figures of the cost of the office proper of the High Commissioner for the years up to 1928-29, since the head "salaries" in the Finance and Revenue Accounts includes salaries in the Stores and the Education departments. The following table gives such figures for the three years ending 1931-32 :—

	1929-30	1930-31.	1931-32.
Salaries—General . . . . .	3.35	4.01	3.83
Salaries—Accounts . . . . .	4.44	4.57	4.88
New office expenses* . . . . .	27.38	4.30	..
Mural painting* . . . . .	..	..	.33
P. and T. charges . . . . .	.26	.28	.28
National Health Insurance . . . . .	.10	.12	.12
Contingencies . . . . .	1.58	2.08	2.28
Colonial Department . . . . .	.09	.10	.10
Stationery, Printing and Bookbinding . . . . .	.61	.75	.80
<b>Total (omitting items marked*) . . . . .</b>	<b>10.43</b>	<b>11.91</b>	<b>12.09</b>

(ii) The office is organised in departments with sections each in charge of specific classes of work.

In the General Department one section deals with deputation, study leave, facilities to Government officials not on deputation or study leave and to non-officials, another with questions relating to passage, passports, destitute Indians, lascars, a third section with recruitment cases (about sixty a year). Records, library, book purchase and publication work are in charge of another section, and registration work is in charge of an independent section.

The Accounts Department has ten different sections, and it has been pointed out that whereas the India Office used to classify leave pay under only four heads of account, the High Commissioner has to do so under 384 heads while sterling overseas pay accounts for another 340 heads.

The recently created "Public Department" has charge, *inter alia*, of the High Commissioner's international work.

(iii) The High Commissioner hopes to be able to effect savings of £900 and £1,800 in the General and the Accounts departments respectively, mainly owing to the lower bonus payable under the operation of the sliding scale. He has

also offered certain minor savings, viz., £150 under postage and telegram charges, £600 under stationery and printing and £525 under contingencies. The last item involves the postponement of the cleaning of the exterior of the India House and of the supply of racks and shelves.

(iv) *Our proposals.*—In paragraph 4 we have given certain tables in support of our conclusion that the total expenditure of the High Commissioner's office and the staff controlled by him have both grown to an extent which demands serious retrenchment irrespective of the departmental view as to the irreducible minimum.

In the case of this grant also we are handicapped in making our retrenchment proposals since we did not have detailed information such as we had in the case of the other grants dealt with by us. We are therefore unable to give detailed reasons in support of our recommendations. We take our stand not so much on the ground that the staff is excessive for the work in hand as on the ground that the expenditure must be cut down in the interests of the tax-payer. We feel that the limit of the capacity of India to bear additional taxation has been reached and that she must no longer aspire to keep up her present standards and therefore her present scale of expenditure. We propose that the budget of the High Commissioner's office should be reduced by 20 per cent. as regards the items which are controllable. The total provision for such items excluding the provisions for the Stores department in the 1931-32 budget is 17.36 lakhs. A reduction of 20 per cent. on this amount would amount to 3.47 lakhs. Our proposal is essentially a "block" cut and is not based on a detailed scrutiny of each item but we may indicate a few specific directions along which, retrenchment can and may be effected :—

- (a) The Deputy High Commissioner's post, even if it only replaced a Secretary's post, may be abolished. In the High Commissioner's absence the seniormost officer in the office can "deputise" for the High Commissioner, but he should get no extra emoluments on this account. This will yield a saving of nearly Rs. 27,000 on pay alone.
- (b) The High Commissioner has a Private Secretary and a Personal Assistant. One of these posts might be abolished, saving about Rs. 5,000 to Rs. 6,500.
- (c) Certain officers may be retired and their posts may be left vacant or be filled by junior men at the bottom. We may give a few examples :—

Designation.	Age on 31st December 1931.	Pay.
		£
Secretary . . . . .	53½	975
Chief Accounting Officer . . . . .	57½	1,100
Assistant Chief Accounting Officer	56½	750

- (d) We observe that the Indian members of the High Commissioner's staff drawing a basic pay of £400 a year or less get an overseas allowance of £50 a year. It has been pointed out to us that Indianisation of the staff has therefore involved an increase in the cost on account of the emoluments of the subordinate staff. The original estimated annual cost of this allowance was only

£850; in fact, we observe that it is now costing £3,000. We recommend (Mr. Ramsay-Scott dissenting) that this privilege should be abrogated. Its value to the Indian staff is small and it may serve only to supply a misleading analogy in defence of overseas pay to non-Asiatic officers serving in India. The Indianisation which, we think, the country has at heart is in the superior and not in the merely clerical posts.

- (e) The "Public Department" may be absorbed into the General Department from which it was recently separated. It may be possible to appoint the present incumbent of the post of Secretary in the Public Department as Secretary, General Department, and to treat him as entitled to "deputise" for the High Commissioner during the latter's absence.
- (f) We also presume that the provision of Rs. 33,000 in the current grant for mural paintings in the India House will automatically cease.
- (g) The 1931-32 provisions for contingencies, stationery and printing and postage and telegram charges are £17,100, £8,000 and £2,100 respectively. We think it should be possible to effect savings in these items in the High Commissioner's budget just as we hold it feasible to do so in the case of departments and offices in India. Even a twenty-five per cent. cut in these will still leave the provision at about the 1929-30 level, while yielding a saving of Rs. 84,000.
- (h) Some saving is possible under "audit", the figures for which are not included in the figures on which we have proposed a cut of 20 per cent. On our proposal in paragraph 6 (v) the savings should amount to over 10 lakh.
- (i) A few more specific details can be given, but we consider it unnecessary to do so. Having regard to the financial position of India we propose that the High Commissioner should be called upon to reduce his expenditure so as to realise a total saving of 3.47 lakhs on the controllable expenditure other than that on the Stores Department. The specific suggestions made by us above give a saving of nearly 2.20 lakhs. In addition, we have suggested specific savings of .60 on the Trade Department and .45 on the Education Department. He has thus only about  $\frac{1}{4}$  lakh more to save. Our proposal in (v) above offers a promising field for economy. We thus think, a total saving of 3.47 lakhs should not be difficult in a budget of 17.35 lakhs.

#### (b) Education Department.

(i) The staff consists of a Secretary (£700—900), five other officers and five clerks. Two officers' posts were created since 1929. A hostel is maintained at Cromwell Road, London, for the benefit of Indian students. The loss on its working was £401, £177 and £287, in 1927-28, 1928-29 and 1929-30, respectively.

(ii) The sterling expenditure of this Department has been :—

1913-14.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
2,811	3,326	4,749	5,185	4,934	4,078	4,545	3,269	3,144	4,083	3,714	3,227	8,900	10,400	10,000

The figures up to 1928-29 do not include the cost of salaries, which amounted in 1929-30 to £5,900.

(iii) In response to the Finance Department's call for a ten per cent. (temporary) cut the High Commissioner offered to reduce his provision under this department by £600 including £300 on the repair and maintenance of the Cromwell Road Hostel.

(iv) We consider that the staff and expenditure of this Department are growing at a pace not justified by its real utility or even the growth of its work. Among Indian students its popularity is by no means universal and some of us are personally aware of the fact that it is not unusual for Indian students, especially those who have friends or other connections to help them in securing admissions, to avoid seeking its assistance. In our opinion a substantial curtailment of its activities will not injure the interests of the Indian student community, and we propose that its expenditure should be reduced by one-third, saving nearly Rs. 45,000.

For purposes of calculation we have lumped it with the expenditure, other than that of the Stores Department, which we have disposed of above.

### (c) Stores Department.

(i) The administrative control over this branch of the High Commissioner's office is exercised by the Department of Industries and Labour as the department in control of the Indian Stores Department in India.

(ii) The following tables show the variations of the staff of, and the expenditure (in sterling) on, this department :—

TABLE A.—TOTAL COST.

	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£	£	£
(i) Proportionate cost of India House and Grosvenor Gardens charged to Stores.	17,746	18,787	18,438	20,750	31,221	18,617	20,560
(ii) Stores Department . . . . .		143,688	139,588	143,536	148,751	153,100	155,358
(iii) Professional Inspection . . . . .	21,964	44,064	54,084	58,546	54,991	65,398	62,389
(iv) Stationery, printing etc. . . . .	2,245	2,679	2,103	2,815	2,323	1,913	2,267
(v) Other "Miscellaneous" . . . . .	4,055	2,643	1,958	1,663	1,327	1,308	1,316
		312,460	216,231	227,269	228,503	239,633	242,918
Deduct recoveries on account of packing charges . . . . .	...	12,853	17,904	11,610	...	...	...
Net total cost . . . . .	...	300,107	198,327	215,749	228,503	239,633	242,918

TABLE B.—COST OF STORES DEPARTMENT PROPER.

	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
(i) Cost of Staff . . . . .	99,992	98,051	1,00,479	1,05,159	1,10,358	1,12,899
(ii) Wages of labourers . . . . .	21,540	21,115	21,246	19,707	19,108	18,380
(iii) Upkeep—Contingencies . . . . .	18,950	15,282	16,361	16,158	18,003	19,880
(iv) Interest on assumed capital cost of premises.	5,200	5,300	5,200	4,727	4,737	4,737
Total . . . . .	1,43,688	1,39,688	1,43,686	1,46,751	1,53,100	1,55,996

TABLE C.—COST EXCLUDING SALARIES.

Excluding salaries the cost of the Stores Department was (in thousands of pounds sterling) as below :—

1918-19.	1919-20.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
27	49	58	42	64	58	57	59	55	52	216*	215*	204*

\*These figures include salaries which, as shown by the preceding table account for a little under half the total expenditure.

TABLE D.—NUMBER OF STAFF.

	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
Staff	Permanent . . . . .	147	147	154	157	155
	Unestablished . . . . .	76	65	83	82	43
	Temporary . . . . .	20	17	19	17	18
Labourers	Permanent . . . . .	87	87	87	86	86
	Unestablished . . . . .	54	52	49	46	33
	Temporary . . . . .	Nil	2	2	1	10

(iii) Originally the High Commissioner stated that he was not able to decide what the size of this department should be in view of (i) the introduction of the rupee tender system from 1st January 1931 and (ii) the fact that the restricted purchase of stores by India in recent years was an abnormal phenomenon. He has, however, since appointed a small committee to examine the scope for economy.

(iv) *Our proposals.*—(i) The figures quoted by us clearly show that this department has been allowed to grow at an abnormal pace. The setting up of the Indian Stores Department from 1st January 1922 was for a while reflected in the cost of the department. But, since 1924-25 the growth has been rapid and sustained. We can see little justification for it. The Indian Stores Department must have materially relieved the London Department of work that it had to perform before 1922. The rupee tender system must help to relieve it still further. The cost of the department should therefore go on declining; in fact it has been growing apace.

Were it a mere question of ordinary retrenchment, we would perhaps not be prepared to recommend a substantial curtailment of its activities all of a sudden. But, in our opinion the existence of this Department seriously detracts from the utility of the Indian Stores Department. Instead of being an agent of the latter for the purchase and inspection of European stores, it tends, by its very existence, to act as a rival to it. Certain departments, especially the Railways and the Army, which might otherwise learn to rely on the Indian Stores Department, tend to purchase non-Indian stores through the London Stores Department. We therefore recommend that its staff and activities should be substantially curtailed in the interests of Indian industries. We have had the benefit of the oral examination of, and a detailed note by, the present Chief Controller of the Indian Stores Department, who has some experience of the working of the London Stores Department and we accept his view that

even for the purposes of the 1932-33 budget the following economies in or on account of this department are possible :—

Head.	Sub-head.	Estimated savings in.	Estimated savings
		1931-32.*	in budget estimates, 1932-33.
		Rs.	Rs.
<i>High Commissioner's Establishment.</i>			
A.	A. 2. Salaries—Accounts Department	..	16,000
<i>Stores Department.</i>			
E.	E. 1. Salaries	83,000	3,43,800
	E. 2. Wages of Artificers, Labourers .	13,000	55,000
	E. 3. Professional Inspection of Stores—		
	Fees . . . . .	..	6,213
	Actual Expenses . . . . .	36,000	2,00,000
	E. 4. Office Contingencies . . . . .	41,000	1,00,000
	Total . . . . .	1,73,000	7,21,013

\*This saving may not be possible now, though we think it was so when the note was written.

Meanwhile the Department should be thoroughly overhauled and re-organised. Its cadre should be reduced to the bare minimum necessary for the services likely to be demanded of it under the revised system of purchase of India's requirements. Its functions should, broadly speaking, be confined to:—

- (1) Inspection during manufacture and before shipment of such stores ordered by purchasing authorities in India as require inspection before arrival in India.
- (2) Arrangements for the supply of "Military Stores" until such time as the rules regarding this class of stores have been modified.
- (3) Arrangements for the supply of any stores of a special or unusual character which cannot be economically obtained under the rupee system of purchase.
- (4) Assistance to the Education Department of the High Commissioner's office in obtaining facilities for practical training for Indian students.
- (5) Assistance to purchasing departments in India in the matter of market intelligence, capacity and standing of manufacturing firms in Europe, etc.
- (6) Assistance to purchasing departments in India in connection with the distribution of their invitations to tender, examination of tenders, etc.

We think that when it is reorganised on these lines, the Stores Department should not cost more than about 15 lakhs (=£112,500) a year. Even this figure will be a liberal provision when the actuals of the years upto 1924-25 (making allowances for the addition for salaries) are kept in mind.

Meanwhile we consider that the present expensive system whereby stores purchased are sent to the depot at Lambeth and are unpacked, examined and repacked there needs an overhaul in the light of the facilities for testing etc. now available in India. The disposal of the wharf and the depot should also be considered in that connection.

(v) *Summary of savings.*—About 7½ lakhs in 1932-33 and about 12½ lakhs when the reorganisation is completed. We shall take the former figure into our calculation of the immediate reduction of expenditure in the High Commissioner's Office.

(d) **Trade Department.**

(i) This department was set up during the war and though its expenditure appeared in the Secretary of State's grant, it had a separate office. It is now a branch of the High Commissioner's office in charge of the Indian Trade Commissioner and its work consists of (i) commercial "intelligence", (ii) work on Committees, and (iii) publicity. An exhibition hall and a commercial samples room are maintained. It also controls the work of the Indian Trade Commissioner at Hamburg and will control the work of the other Trade Commissioners when these offices are established. In this connection our remarks in Chapter IX, paragraph 6 (vii), may be seen.

(ii) The following are some of the important details regarding the organisation of this department. The superior administrative officers are a Trade Commissioner and a Deputy Trade Commissioner. The other officers are a Timber Adviser (largely for the sale of timbers from the Andamans) a Mineral Adviser (part-time), a Publicity Officer, an Executive Officer and a Curator. A retired officer of the Indian Forest Service is on special duty connected with the shellac enquiry and besides his pension, gets £500. This cadre of officers costs a little under £6,000. The clerical staff costs a little over £1,400 and the provision for participation in fairs and exhibitions, including the British Industries and the Milan fairs, is £2,600. Travelling allowances and publicity work cost nearly £1,000. Total about £11,000.

The Hamburg Office costs £4,300 including £1,750 for the Trade Commissioner's pay and allowances and £850 for the pay of the staff.

(iii) The expenditure on the Trade Department has grown as below :—

1913-14	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
£	£	£	£	£	£	£	£	£	£	£	£	£	£
4,564	6,481	8,379	9,158	9,098	4,117	2,425	2,476	4,190	6,114	9,976	9,903	12,300	15,300

It will be seen that the expenditure was materially reduced in 1923-24 and 1924-25 but has since been growing apace, and now stands at a figure over 50 per cent. higher than in any previous year up to 1929-30.

(iv) In response to the call for a ten per cent. (temporary) cut the High Commissioner offered to reduce his allotment by £300, viz., £150 under pay and £150 under other expenses.

The following items have been suggested as offering a possible field for economy :—

- (i) Posts of Deputy Trade Commissioner and of the Publicity Officer,
- (ii) Some clerical posts,
- (iii) expenditure on fairs and exhibitions.

(v) *Our proposals*—

- (a) We have considered the question whether the Deputy Trade Commissioner's post need be maintained. We observe that an Indian member of the Indian Civil Service is holding it. If, as we presume, selection for the post of the Indian Trade Commissioner is to be made from the ~~cadre~~ cadre of Indian Trade Commissioners, the post of the Deputy Trade Commissioner, London, might be abolished for the present. It might in that case be possible to send the present incumbent to Milan if he possessed the necessary qualifications, and there would be a saving of about £1,200. But, if our presumption is not correct, the abolition of the post would affect adversely the prospect of an Indian succeeding the present incumbent in the Trade Commissioner's post, and we would not recommend the abolition. For the present we presume that the saving can be effected without taking the risk mentioned above. We shall not, however, assume that this officer will go to Milan, when that office is opened.
- (b) We have reason to believe that at present the Timber Adviser is not in a position to do very much to advance the interests of the Indian, especially Andamans, timbers. The sanction for this post expires at the end of the current financial year. We recommend that the appointment should not be renewed when its present term expires. The saving will be £800.
- (c) The Mineral Adviser, a retired officer of the Geological Survey of India, gets £2 a day when in attendance. Considering the trade depression in minerals we think a saving of about half the provision of £425 should not be difficult. We are disposed to think that it might be feasible to engage the officer on the basis of a yearly honorarium so as to effect a permanent saving of about £200.
- (d) We further think that the shellac enquiry should be held in abeyance for the present. The non-renewal of the provision for the special officer's pay will yield a saving of £500.
- (e) Since there is an Assistant Publicity Officer, we think that the Publicity Officer's post might be reduced, provided that the Assistant is fit for, and could be given, duties other than merely clerical. This will yield a saving of nearly £600.
- (f) Our specific proposals would yield savings of nearly £3,300. Adding savings on the pay of the clerical staff, a proportion of which would automatically have to be reduced and on the provision of £2,600 for fairs and exhibitions we estimate that a total saving of about £4,500 on the London Office is feasible. We think, the Hamburg office must continue to be maintained, but even there a saving of about £500 out of the provisions of £850 for the non-superior staff, £300 for T.A., £450 for contingencies and £650 for publicity (mainly the Leipzig fair) is not impracticable.
- (g) *Summary of savings*.—The Trade Department budget should be reduced by £5,000. Considering that the 1931-32 provision for the Hamburg office is £4,300 and that the pay of the officer selected for the trade commissionership at Milan will be less than the



pay of the Trade Commissioner at Hamburg and that Milan is a cheaper place than Hamburg, we consider that the extra expenditure on account of the opening of the Milan office will be about 40 lakh. This will have to be set off against the savings proposed by us when the Milan Office is opened.

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(10) *Summary of total savings.—*

8.00 lakhs in grant No. 86—Secretary of State.

10.78 lakhs in grant No. 87—High Commissioner.

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18.78 Total.

When the Stores Department, London, is re-organised on the lines indicated by us, there will be an additional saving of 5 lakhs.

## CHAPTER XX.

## ECCLIASTICAL (32·43 Lakhs).

(1) *Explanation of the grant.*—The expenditure on “Ecclesiastical” amounts to Rs. 32·46 lakhs and the whole of it is non-voted and is charged to civil estimates. Besides, an expenditure of about ·25 is incurred under “works” in provinces and areas other than the U. P. and the Punjab. The cost of ecclesiastical pensions and superannuation allowances cannot be ascertained easily, but it is additional expenditure on account of “ecclesiastical.”

The denominations for whose benefit it is incurred are the Church of England in India (now called the Indian Church), the Church of Scotland and the Church of Rome.

The budget may be set out as follows :—

(a) For the whole of India except the Minor Administrations, etc. :—	
(i) Church of England ecclesiastical establishments . . . . .	17·89
(ii) Church of Scotland ecclesiastical establishments . . . . .	1·38
(iii) Church of Rome ecclesiastical establishments . . . . .	·36
(iv) Cemetery establishments . . . . .	1·12
(v) Miscellaneous ecclesiastical charges . . . . .	·26
(vi) Works ( <i>s.e.</i> , works in the U. P. and the Punjab) . . . . .	·70
(vii) Leave and deputation salaries in Great Britain . . . . .	4·00
(viii) Other expenditure in Great Britain . . . . .	4·46
	30·17
(b) For the Minor Administrations, agencies, etc. :—	
(i) N. W. F. Province :—	86
(i) Church of England (Rs. 78,700), Church of Scotland (Rs. 1,400) and Church of Rome (Rs. 1,000).	
(ii) Cemetery establishments (Rs. 4,900).	
(ii) Baluchistan :—	33
(i) Church of England (27,600), Church of Scotland (1,000) = 28,600.	
(ii) Cemetery establishment (3,800) and other charges (600) = 4,400.	
(iii) Delhi :—	22
Officers (16,000), Establishments (300), Grants-in-aid (400), Other charges (6,900); <i>minus</i> Recoveries (1,200) = Net 22,400.	
(iv) Ajmer-Merwara :—	16
Officers (11,000), Establishment (1,000), Other charges (3,000) and Cemetery establishments (1,000).	
(v) Rajputana :—	02
Pay of establishment (400), Other charges (2,000). Total 2,400.	
(vi) Central India :—	20
Church of England (Rs. 26,500), Other churches (400), Cemetery (1,800). Total 28,700.	
(vii) Hyderabad :—	38
Church of England (29,400), Church of Scotland (5,200) and Cemetery (2,900).	
(viii) Western India States Agency, Rajkot :—	
Church of England, (Rs. 1,028), Cemetery (Rs. 1,972)	·03
	32·46

(2) *Reasons for the expenditure.*—The obligation to provide religious services for British troops is imposed by the King's Regulations (paragraphs 140 and 152B-35) for the army. This and the practice—dating from the time of the East India Company—of providing, within reasonable limits, religious ministrations for the European, mainly British born, servants of the Crown in India are alleged to be the main reasons for the expenditure on ecclesiastical. In fact, we understand that a portion of the expenditure is incurred for the sake of the British troops in India. In this connection we invite attention to the remarks in paragraph 15 of Chapter I of this part of our Report and to the appendix to this Chapter in which we have reproduced (i) an extract from the evidence which Mr. Woodhead (Commerce Secretary) gave before the Public Accounts Committee on 3rd July, 1930 and (ii) the memorandum furnished by the Commerce Department to that Committee with reference to paragraph 91 of its proceedings on the accounts of 1928-29.

(3) *Growth of expenditure.*—In 1913-14 the actual expenditure was 19·15 lakhs and it rose to 31·29 lakhs in 1924-25 and 31·76 lakhs in 1925-26. The increase was almost entirely due to the revision of pay and allowances and the inclusion of leave allowances not previously shown under this heading; there was no increase in the number of chaplains employed. In paragraph 5 we have given a resumé of the action taken since 1922 to reduce the expenditure. In fact, however, the 1931-32 provision is 1·14 lakhs in excess of the actual expenditure of 1924-25.

(4) *Inchcape Committee's proposals.*—The Inchcape Committee dealt with this expenditure somewhat briefly. It noted that five chaplaincies had been abolished and proposed that sixteen more which were expected to fall vacant should remain unfilled. It estimated that by such action and by effecting minor economies the expenditure (budget estimate for 1922-23 being 33·83 lakhs) would be reduced by two lakhs. One member of that Committee—the Honourable Mr. (now Sir) Purshotamdas Thakurdas—in his supplementary note traced the history of the question and proposed that the number of chaplaincies should be reduced from 166 to 100 in place of the 145 proposed by the Inchcape Committee. His proposal was based on his view that they should be confined to purely military stations and he estimated that his proposal would yield a saving of a little over 11 lakhs. He also thought that except on the frontiers or outside India it was unnecessary to incur any expenditure on the maintenance of Indian religious teachers for Indian Units of the army.

(5) *Recent measures for reduction of expenditure.*—The Commerce Department has explained that since 1922 the number of appointments has been reduced from 166 to 138 by the substitution of a system of grants-in-aid.

Under this system grants amounting to Rs. 1,53,600 are paid, *viz.*, at Rs. 500 per mensem for twenty-two and at Rs. 300 per mensem for six of the twenty-eight appointments by which the number has been reduced. The grants cover (i) all charges on account of the pay, travelling and other allowances, passages and pension or provident fund of the clergymen who are appointed to perform the duties of the official chaplains and (ii) postage and other contingencies. The department has added that (i) this system has resulted in a saving of 4·30 lakhs, and (ii) that under another agreement made with the Metropolitan in 1926 a composition grant of two lakhs is payable to him for the entertainment of clergymen of the "Additional Clergy Society" and other societies at stations where official chaplains are to be posted but are not temporarily available or where, owing to the number and nature of the Church of England congregation, Government have agreed to assist towards the provision of a clergyman's services. Both the agreements are due to expire on 1st April 1932.

The Department has also explained that at the time of the dissolution of the Church of England and the Church of England in India (now called the Indian Church) an agreement was arrived at with the Indian Church, which is expected, eventually, to result in a saving of 74 lakh.

(6) *Savings offered*.—So far as the Church of England establishments are concerned, the proposals of the Commerce Department are :—

	Lakhs.
(a) Reduction of 10 posts of Chaplains, saving . . . . .	1.51
(b) Adjustment of the grants-in-aid, net . . . . .	.12
(c) Net saving in the composition grant . . . . .	.26
Total . . . . .	1.89

Of this amount the Department expects to realise about half in 1932-33 and the remainder in the next year or two.

(7) *Our proposals*.—The Sub-Committee is unanimously of the view that the maintenance of the ecclesiastical establishments by the Government of India is inconsistent with the accepted and avowed policy of religious neutrality and non-discrimination in favour of any creed. In this connection attention is invited to paragraph 15 of Chapter I.

(8) On this Sub-Committee's proposals, the savings under "Ecclesiastical" will be 31.11 lakhs and something under works in the provinces and areas other than the United Provinces and the Punjab. A precise estimate of the savings under the head 'Civil Works' cannot be given.

## APPENDIX.

EXTRACT FROM THE PROCEEDINGS OF THE PUBLIC ACCOUNTS COMMITTEE,  
DATED 3RD JULY 1930.

*Mr. Woodhead.*—Ecclesiastical expenditure in connection with the Army is spread over several budget heads. Speaking generally, the position is as follows. Church of England expenditure in connection with the Army is debited entirely to the Civil Estimates under 28—Ecclesiastical, 41—Civil Works and Superannuation Allowances and Pensions. The pay of Chaplains of the Church of Scotland on duty with Scottish regiments is debited to the Army Estimates. So also is their leave pay provided the leave is sanctioned by the military authorities. Expenditure on Civil Works in connection with Scottish Churches, whether Military or Civil, is debited to 41—Civil Works and pension charges are shown under "Superannuation Allowances and Pensions" in the Civil Estimates. As regards the Church of Rome allowances to chaplains are already debited to the Army Estimates, but expenditure on the fabric of churches is debited to Civil Estimates under 41—Civil Works. Cemeteries are usually used jointly for military and civil burials and expenditure is charged to the Civil Estimates, expenditure on Establishment to 28—Ecclesiastical and that on Civil Works to 41—Civil Works. My own provisional view—this is my personal view as the matter has not been examined by other Departments—is that it would be practically impossible to apportion the expenditure, item by item, between "Military" and "Civil". Military chaplains minister to the civilian population (European British-born Government servants) as well as to troops and also, though not perhaps to the same extent, the civilian chaplains minister to troops. The cemeteries, as I said, are usually joint and the churches are in many cases used both by army and civil personnel. It would be practically impossible unless there was an army chaplains' service with separate garrison churches to apportion accurately the expenditure between the army and the civil.

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*Maulvi Abdul Matin Chaudhury.*—Is it consistent with the policy of religious neutrality of Government?

*Mr. Woodhead.*—That is a question of principle and I would not like to express an opinion on it.

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*Mr. Woodhead.*—My own view is that an accurate separation is impossible but the matter has not as yet been examined by the Army and Finance Departments. I have carefully examined the whole expenditure with regard to the present classification and my own provisional conclusion is that so long as the present system of administration continues it would be impossible to make an absolutely clean cut between the military and the civil expenditure.

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*Mr. Woodhead.*—The total of the 28—Ecclesiastical budget is somewhere about Rs. 33 lakhs. It might be possible to make an approximate apportionment of the expenditure on the pay of chaplains because the number of military chaplains is definitely fixed. It might be possible to make some adjustment of this kind.

*Chairman.*—The position really is that an accurate allocation is impossible. The question for our consideration is whether it is desirable that there should be an approximate allocation.

*Mr. Dass.*—Would you like part of the estimates charged to the civil head being charged to Army head?

*Chairman.*—My provisional view is that these long established practices might well be allowed to remain. I do not see any particular reason for altering the practice in this case for every one knows what the position is. It is difficult to make an accurate allocation. No practical result would be achieved.

From the point of view of the Assembly control there would be no advantage gained. I think we might take note of the position and record the view that apparently an accurate allocation is impossible but that an approximate allocation would be possible and that we desire that a further report should be submitted next year on the subject. I think this is about all that we can say at present.

MEMORANDUM REGARDING ALLOCATION OF ECCLESIASTICAL EXPENDITURE BETWEEN THE CIVIL AND THE ARMY DEPARTMENTS, FURNISHED BY THE COMMERCE DEPARTMENT WITH REFERENCE TO PARAGRAPH 91 OF THE PROCEEDINGS OF THE PUBLIC ACCOUNTS COMMITTEE ON THE ACCOUNTS OF 1928-29.

The Public Accounts Committee at their meeting on 3rd July 1930 accepted the view expressed by the Commerce Department that an accurate allocation of the ecclesiastical expenditure between the Army and the Civil estimates is not possible. But they thought that an approximate allocation would be possible and asked that a further report might be made to them on the subject. The question has now been carefully considered by the Commerce Department in consultation with the Army and the Finance Departments and the conclusion arrived at is that even an approximate allocation would be a matter of considerable difficulty. The civil and military aspects of the subject are in most areas so intermixed that an apportionment of the expenditure could only be made in the most arbitrary way. Even to make an arbitrary allocation of this kind, it would be necessary to investigate in considerable detail the circumstances which exist in each of the large number of stations where ecclesiastical ministrations, churches and cemeteries are provided for populations which are partly military and partly civil. An examination of this nature would naturally take a considerable time. It should moreover be remembered that by the time the examination is completed it may probably be of little or no practical value for the following reason. The impending constitutional changes may necessitate a complete review of the administration of this subject particularly in its relation to Army matters and a careful consideration of the exact position which it should occupy in the new system. It is impossible to say at the present moment what the results of such a review will be, but it may lead to such a change in the administration of the subject as will render entirely nugatory the approximate and arbitrary apportionment of expenditure based on the existing system. For these reasons it is urged that at the present juncture it is not worth while to embark on the difficult task of apportionment between the civil and military budgets of the present scale of ecclesiastical expenditure.

## CHAPTER XXI.

## CERTAIN MATTERS RELATING TO PART I OF OUR INTERIM REPORT.

(1) *Explanation.*—In this Chapter we propose to deal with various matters relating to, or arising out of, Part I of our Interim Report. In this connection we invite attention to our remarks in paragraph 4 (v) of Chapter IV, paragraph (v) of Chapter X and paragraph 5 (iii) of Chapter XI of Part I. We requested the departments concerned to work out schemes relating to the Forest, Survey of India and Meteorology grants and send them to us for our consideration in connection with our final report. Although this part of our Report is not final, we propose to dispose of the schemes provisionally worked out by the departments concerned. Further, we wish to offer an explanation in regard to our estimates of savings from our proposals relating to certain grants. Our colleague Mr. J. Ramsay-Scott also wishes to add a note in regard to our proposals relating to Grant No. 50—Geological Survey and Grant No. 63—Aviation. (Vide Chapters XII and XXII of Part I of our Report.)

## A.—FOREST.

(2) *Schemes under consideration.*—As regards the retrenchment proposed by us in grant No. 21—Forest, it appears that Government have had four possible schemes under their consideration. The following table shows in a summary form the main features and the cost (in lakhs) of each scheme :—

	1931-32 provision.	Schemes.			
		I.	II.	III.	IV.
Direction . . . . .	-64	-75	1-30	1-30	1-30
	1-00				
Silviculture . . . . .	-80	-60	-60	-67	-80
Botanical . . . . .	-93	-50	-50	-63	-65
Economic . . . . .	5-05	1-60	1-75	2-20	3-20
Entomological . . . . .	1-00	-55	70	70	-90
Chemical . . . . .	-43	..	..	..	-35
Total . . . . .	9-85	4-00	4-85	5-50	7-20
Colleges . . . . .	1-45	-80	-80	-80	-80
GRAND TOTAL . . . . .	11-30	4-80	5-65	6-30	8-00

Mr. Nixon who supplied the above-quoted figures to us was asked by the Department of E, H. and L. to explain the position to us. The Department's scheme No. I provides nothing for a Head of the Institute. In the memorandum\* on the action taken or proposed by Government on the first part of our Interim Report it is stated that "the conclusion, however, so far arrived at by Government is that within the limits of this sum (i.e., 4 lakhs), it would not be possible to maintain an efficient or economical organisation and that such a reduction would, in fact, mean the destruction of the present

\*This was supplied to the Legislature in connection with the November 1931 Session.

organisation". The department's view about schemes Nos. II and III was that neither of them was suitable and that both stood condemned by the Inspector-General and also by the department. The Inspector-General of Forests worked out a scheme costing 8 lakhs a year and added that any scheme costing less than that amount would necessarily involve a definite abandonment of some work and the reversion of some I. F. S. officers to their provinces. With reference to this scheme the memorandum mentioned above observes that Government "are therefore at present forced to consider the Inspector-General of Forests' scheme, under which the total expenditure on the Institute, the restricted functions of the Inspector-General (who is also head of the Institute) and the Rangers' College (including provision for completing the training of the two students of the Officers' College) could and should be restricted to Rs. 8 lakhs, a reduction of Rs. 3.3 lakhs or nearly 30 per cent. of the current year's grant".

(3) *Sir Chunilal V. Mehta's evidence.*—We took opportunity of the unexpected visit of Sir Chunilal V. Mehta, K.C.S.I., to Delhi to examine him and take his advice on this question, especially as he was Chairman of the Forestry Committee which enquired into the affairs of the Research Institute in 1929.

(4) *Our proposals.*—Having considered the entire position in the light of the facts before us, we have come to the following conclusions:—

(i) Since scientific research at the Institute has got ahead of the practical application of research, those sections which are entirely or largely devoted to research as such should be slowed down and those which are charged with the application, particularly the commercial application, of the results of research should be developed. The following are specific instances:—

(i) Work in the Timber Testing Section should now be slowed down. The present Timber Testing Expert is expensive and his post should be re-trenched. (*Vide* sub-paragraph *v* below.)

(ii) As regards silvicultural work, the proper function of the Dehra Dun Institute is examination, collation and co-ordination of the work done in the provinces. Hence, if the provinces are not carrying on silvicultural work as intensely as the Central Research Institute has been doing, this activity should be slowed down.

(iii) The Minor Forest Products Section should be maintained. If considerations of economy require it, it might be placed in charge of the Chemist. It can be made quite useful to the country, particularly from the point of the small firms, which cannot afford to employ special staff for their enquiries.

(iv) The Chemical section, where valuable work is being done, should be continued.

(v) Seasoning and timber testing should be placed in charge of one officer. As an alternative, timber testing might be placed in charge of the Wood Technologist, who, it is understood, received special training in this class of work in America in 1929. Such an arrangement would be conducive to economy and work efficiently. The I. G. Forests' scheme proposes to retain the present Timber Testing Expert whose pay is Rs. 2,000 per mensem. This post is not now necessary and should be abolished; in fact, work in this section should now be slowed down. In this connection sub-paragraph (i) above may be seen.

(vi) Since the feasibility of converting bamboo into paper pulp has been established, work which can usefully be done by a research institute can be claimed to have been finished. Hence, it is not worth while running the experimental paper making plant at the Institute any more for the sake of bamboo pulp. The officer might be put on the conversion of various grasses into paper pulp, since such work has not been sufficiently developed.



(iii) What is generally known as the cabinet making section can and should be subjected to retrenchment more than the other sections. As contemplated in the Inspector-General's scheme one gazetted post in this section should be abolished.

(II) We adhere to the opinion already expressed by us that the post of Inspector General of Forests in the strict sense (i.e., an officer to carry out inspections and advise the Government of India on forest problems) is not necessary. In the interests of economy it should be abolished. We note that the I. G. is also President of the Institute and we agree that it will be necessary to retain an officer to take charge of the Institute as a whole, i.e., the research sections as well as the Colleges. We do not contemplate that this officer would never be called upon to advise the Government of India on specific technical problems relating to forests. But our point is that he need not function as an inspecting officer, or have anything to do directly with the provinces. The theory underlying the departmental view embodied in the remark "Forest conservation and forest management are an all-India interest" is not in accordance with the present constitution under which Forests are a provincial—in some provinces, a provincial transferred—subject. The case for the retention of the I. G.'s post as made out in the memorandum on the action taken or proposed by Government on our Interim Report strikes us as not being cogent.

Incidentally, we would mention that the President or the Director of the Institute, whatever be the designation that is finally adopted, need not be paid on the present scale for the Inspector General.

(III) In modification of the opinion expressed in the first part of our Interim Report we recommend that the I. F. S. College, which has only recently been established, should continue to be maintained. But, it should be possible to manage it more economically than in the past. The duties of Principal should be discharged by the head of the Institute whether he be designated President or Director.

(IV) For the Indian Sandhurst, the Chandbagh buildings would still be available.

(5) *Cost of scheme.*—We consider that it is feasible, by various adjustments, to reduce the expenditure on the Research Institute and the Colleges to about six lakhs without seriously curtailing their activities or the scope of their utility.

We indicate below how we would apportion this amount among the various sections:—

Direction . . . . .	.75
Silviculture . . . . .	.60
Botany . . . . .	.60
Economy . . . . .	2.20
Entomology . . . . .	.55
Chemistry . . . . .	.35
	<hr/>
Total for the Forest Research Institute . . . . .	4.95
Colleges . . . . .	1.05
	<hr/>
GRAND TOTAL . . . . .	6.00 lakhs.

## R.—SURVEY OF INDIA.

The scheme that we have received is not sufficiently detailed to justify us in modifying the conclusions already reached by us in Part I of our Interim Report. We presume that we shall receive a proper scheme in due course and we shall add our comments in Part III of our Report.

We may also note that item (f) on page 25 of Part I of our Report should read "Observatories at Dehra Dun costing Rs. 34,000."

## C.—METEOROLOGY.

We have examined the Industries and Labour Department's proposals submitted to us, at our request, in regard to the restricted grant for the Meteorological Department and are satisfied with the proposals of the department.

D.—GEOLOGICAL SURVEY, MINES, THE INDIAN SCHOOL OF MINES,  
DHANBAD, ETC.

As regards our estimates of savings from the proposals (in Part I of our Interim Report) relating to the Geological Survey, Mines, the Dhanbad School of Mines and possibly some other grants, we wish to make it clear that our proposals were based on certain assumptions, for example, revised scales of pay, of which we decided at a later stage to defer consideration. Those estimates were therefore to some extent in excess of the savings which in fact will accrue from our specific proposals. To the extent that a revision of our estimates is necessitated by the fact that the assumptions at first made by us are not applicable, we have no objection to our estimates being reduced.

ABDUR RAHIM.

RAM SARAN DAS.

S. C. MITRA.

M. SHAH NAWAZ.

HAR BILAS SARDA.

J. RAMSAY-SCOTT.

H. M. WILAYATULLAH.

J. C. NIXON.\*

New Delhi ;  
21st December 1931.

S. P. SHAH,  
*Secretary.*

\* I sign this Report as a token of its representing the views of the majority of the Sub-Committee. There are many propositions in it to which I cannot personally subscribe.

21st December 1931.

J. C. NIXON.

## MR. J. RAMSAY-SCOTT'S NOTE (REF. PARA. 1 OF CHAPTER XXI.)

(i) *Mining Industry.*

Since the issue of Part I of the General Purposes Sub-Committee's Report, I have made further investigations into the question of royalties and I am now of the opinion that there is every reason to recommend that they should be reduced rather than enhanced.

(a) *Petroleum.*

Of the 30 Oil Companies started in India and Burma about 25 are now defunct and only 4 or 5 are paying dividends. The speculative nature of such venture is proved by the many crores which have been lost and the large sums which have to be spent annually in prospecting for new fields. The royalty is only 8 annas or 5 per cent., whichever is greater, per barrel, but I am informed on very good authority that each barrel produced pays no less than Rs. 11-12-1 to the revenues of the State. That royalties are high in India is proved by the figures paid in other countries which are as follows :—

Country.	Royalty per ton.	
	Rs.	s. p.
India and Burma . . . . .	3	0 0
Canada . . . . .	Nil	
Australia . . . . .	Nil	
New Zealand . . . . .	Nil	
Trinidad . . . . .	1	5 8
America . . . . .	Nil	
Mexico . . . . .	15 annas to	1-10-0.
Dutch East Indies . . . . .	1	5 8
Dutch Borneo . . . . .	0	9 0
Hungary . . . . .	Nil	
Roumania . . . . .	1	10 0
Venezuela . . . . .	1	2 0

Roumania faced with a problem like our own decided after mature examination that it was too dangerous to increase this tax.

(b) *Base metal industry.*

Fe mines today are working at a profit and in many cases the return which Government receives in royalties, etc., is considerably more than the return which the shareholder receives on his money and in most cases of loss, the greatest part of such loss is due to having to pay these royalties, etc., to Government, which are a first charge.

(ii) *Air Mail.*

I find that our recommendations will entail on Burma a great hardship and if Burma were allowed to use the existing air lines, it would mean a saving of 9 days in between London and Rangoon.

I feel that in our view sufficient attention was not paid to the needs of Burma nor to the possibility of an Indian air line wishing to operate beyond the boundaries of India and Burma.

Our recommendations in Part I have been the means of the Delhi Flying Club taking over the Delhi—Karachi service and I hope to see further extensions.

21st December 1931.

J. RAMSAY-SCOTT

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## Constitution and Terms of Reference of the Sub-Committee.

### CONSTITUTION.

The Sub Committee was constituted as below :-

- 5
- (1) The Honourable Mr. G. A. NATESAN, Member of the Council of State, *Chairman*.
  - (2) Mr. B. DAS, M. L. A.
  - (3) Mr. A. H. GHUZZAVI, M. L. A.,
  - (4) Mr. JAGGANNATH AGGARWAL, M. L. A.
  - (5) The Honourable Mr. H. P. BROWNE, C.B.E.\*
- } *Members*
- Mr. V. K. ARAVAMUDHA AYANGAR, C.I.E., *Secretary*.
- \* Mr. S. C. LYTTELTON was appointed when Mr. Browne resigned.

#### *General Terms of Reference.*

“To make recommendations to the Committee for effecting forthwith or by stages all possible reductions in the public expenditure of the Government of India under review of the Sub-Committee having regard especially to the present and prospective position of the revenue. In so far as questions of policy are concerned these will be left for the exclusive consideration of the Government but it will be open to the Sub-Committee to review the expenditure and to indicate the economies which can be effected if particular policies are either adopted, abandoned or modified.”

#### *Subsidiary Terms of Reference in respect of the Indian Stores Department.*

##### A.—To advise—

- (1) on the extent to which the Department is serving, the object for which it was created ;
- (2) whether it is necessary in its present form for that object and should be maintained, or if not
- (3) whether it should be abolished or its organisation modified ;
- (4) what consequences would result from such abolition or modification.

##### B.—To advise, if the Department is to be retained—

- (1) whether the existing orders as to the extent to which it should be used by all Central Governments need any and if so what revision ;
- (2) on the advisability of adopting the means of retrenchment discussed by the Chief Controller, Indian Stores Department and the Retrenchment Officer in their Report ;
- (3) on the possibility of securing further savings by any other means.
- (4) on the suitability of the existing system of departmental charges.

In our *interim* reports\* which we submitted in September last year, we devoted our attention to the possibilities of immediate retrenchment in the two departments with which we were concerned, as in view of the financial position of the Government of India at the time an immediate reduction in expenditure was considered of paramount urgency. Besides review of expenditure we were required under our terms of reference in respect of the Indian Stores Department to advise—

A—(i) On the extent to which the Department is serving the object for which it was created.

(ii) Whether it is necessary in its present form for that object and should be maintained, or if not, whether it should be abolished or its organisation modified and what consequences would result from such abolition or modifications.

B—if the Department is to be retained—

(i) Whether the existing orders as to the extent to which it should be used by all Central Government Departments need any, and if so, what revision.

(ii) On the suitability of the existing system of departmental charges.

Having completed our examination we now present our final report dealing with the subsidiary terms of reference mentioned above and also with various other matters connected with retrenchment which came under our review.

#### Proceedings of the Committee.

2. After presenting our *interim* reports we continued to hold meetings in Simla during the legislative session and held in all five meetings of which the last was a joint meeting with the Railway Retrenchment Sub-Committee when the Chief Commissioner, Railways, the Financial Commissioner, Railways and the Chief Controller, Indian Stores Department were examined in regard to purchases by railways through the Indian Stores Department. We also examined Mr. J. A. Shillidy, Secretary to the Government of India in the Department of Industries and Labour, regarding the policy of the Government of India in the matter of stores purchase.

We resumed our meetings on the 8th January 1932 at Calcutta and held five meetings between the 8th and 13th January 1932 when we examined a number of officers and representatives of commercial firms. The Chairman was authorised by the Committee to continue further examination in Bombay. The Chairman and Secretary reached Bombay on the 19th January and examined witnesses and inspected offices between the 19th and 22nd January 1932. The witnesses included the representatives of various commercial bodies and officers of the Stores Department.

We finally met in Simla on the 9th September 1932 for examining the representatives of the Army Department and for formulating our conclusions.

We enclose a list† of the various commercial bodies and individuals who submitted written memoranda to us in response to our enquiries. A list‡ of witnesses who were orally examined by us is also enclosed.

\* *Vide* Appendices I and II.

† *Vide* Appendix III.

‡ *Vide* Appendix IV.

### Acknowledgments.

3. We should like to express our grateful appreciation of the kind assistance rendered by all the witnesses in this connection. Our special thanks are due to the Chief Controller of the Indian Stores Department who was always willing to discuss matters with us and help us with his valuable advice.

Pending the appointment of Mr. V. K. Aravamudha Ayangar as Secretary to our Committee Mr. T. Ryan undertook the secretarial work of the Committee at the outset of our enquiry. We are much indebted to him for a good deal of valuable preliminary work done by him for our Committee.

The services of Mr. V. K. Aravamudha Ayangar were not available during the budget session of 1932 and during this period when we pursued our enquiry at Calcutta and Bombay, Mr. S. P. Shah, I.C.S., acted as our Secretary and our thanks are also due to him for his ungrudging assistance.

We desire to place on record our high appreciation of the valuable service rendered to us by our Secretary, Mr. V. K. Aravamudha Ayangar. In spite of his onerous duties as Budget officer, he has as a part time official applied himself to his task with considerable zeal and ability. His quick grasp of financial matters, his great experience of the financial working of various departments and his experience as Secretary of the Public Accounts Committee have been of invaluable help to us.

### Certain outstanding recommendations from our interim reports.

4. We proposed in paragraph 6 (b) of our interim report, dated 5th September 1931, that the printing work of the Government of India should be concentrated at one place, New Delhi, and promised to make a further report on the financial effect of our proposal. We also pointed out in paragraph 6 (d) of the same report that the printing of forms work now done by the Calcutta Press might advantageously be transferred to Aligarh thus enabling Government to make the most economical use of the machinery at that Press and thereby effect some saving in printing charges. We are glad to find that the Government of India are in agreement with us on the main principle of these proposals. The first step in the direction contemplated by us has been taken by the transfer of the Central Publication Branch from Calcutta to Delhi. But our bigger proposal for the complete abolition of the Hasings Street Press will have to be effected by very gradual stages. It is impossible to fix a period during which the transfer should be completed. In these circumstances we consider it inadvisable to attempt to work out now estimates for the financial cost of the complete scheme.

5. In paragraph 7 of the interim report of the 5th September, we referred among other things to the Indianisation of the staff and reduction of stores balances in the Stationery and Printing Department. As regards Indianisation we have examined this question in consultation with the Controller of Stationery and Printing who supplied us in this connection with a comprehensive note on the subject. The question of the Indianisation of the superior supervising staff of the Stationery and Printing Department was taken up by Government in

1925, who decided, after careful examination, that if the department was to be Indianised, it was essential that arrangements should be made for securing European training for suitable Indian candidates for the technical posts. Accordingly a system of training apprentices was introduced in 1926 under which one apprentice out of those undergoing training at the Calcutta Press was to be sent to England for further training every year for some years and a set of rules applicable to holders of Government scholarships in printing and allied trades in England was framed. In pursuance of this scheme six apprentices were sent to England up to the year 1931 of whom three have already returned to India and been provided with permanent appointments in the Government Presses. Three more vacancies are expected during the next few years to which the remaining apprentices due to return from England will be appointed. As no further vacancy is likely to occur in the ordinary course after August 1934, it has been decided by Government to hold the scheme of training in abeyance for one year and to review the position in February 1933. As regards gazetted appointments in the Stationery office, the Central Publication Branch and the Controller's office, of the seven appointments in existence, four are already held by Indians or statutory Indians. Of the remaining three posts, one is also held by an Indian in an officiating capacity. As regards the other two posts, *viz.*, Deputy Controller of Printing in the Controller's office and Deputy Controller of Stationery, Calcutta, we were informed by the Controller that both the posts are expected to be filled by Indians in due course. In fact the Controller anticipates that within the next 15 years the Stationery and Printing Department may be completely Indianised. We are satisfied with the position regarding Indianisation in the Department and have no recommendations to make.

6. As regards reduction of stores balances, we observed in paragraph 6 (f) of our *interim* report that the value of stationery stores in stock at the end of March 1931 was about Rs. 15 lakhs, that the stock at the close of each year is at present fixed so as not to exceed 3 months' supply and that in view of the fact that of the total purchase amounting to Rs. 62½ lakhs in 1930-31, about Rs. 59 lakhs were purchased in India, the question of reducing the stock at the end of the year to less than three months' supply should be considered. We took the matter up with the Controller of Printing and Stationery, who pointed out that a proportion of stock balance of articles purchased in India consisted of articles of European manufacture purchased through local Agents and that supplies of these articles could not in many cases be obtained within less than three months from the time of placing orders. In regard to the item "Purchase of paper" the Controller informed us that as an experimental measure and with a view to economy, it has been decided] to endeavour to work on a two months' stock. The approximate value of three months' requirements of all the various qualities of paper is about Rs. 9 lakhs and the experiment is expected to result in a reduction of stocks by approximately Rs. 3 lakhs. The Controller is doubtful whether it would be possible to secure a lower stock balance than Rs. 12 lakhs. But he has assured us that special endeavour will be made to reduce stocks to the very lowest figure. In fact in order to get stocks as low as possible, he has introduced a system of direct supply to the big consuming departments such as Railways, Posts and Telegraphs, etc., and we were told that stocks to the amount of about Rs. 20 lakhs were being supplied direct on contracts entered into by the Stationery Department. We are satis-

fied that the position is very closely watched and that purchases are being restricted to minimum requirements. We observe that the question of reducing stores balances in the various central offices has engaged the attention of the Public Accounts Committee which has recommended that the possibility of reducing stocks by revising the basis of calculation of working balances, e.g., by adopting 2 months' consumption basis instead of 3 months in the case of articles obtained locally, should be examined by all civil departments.- We endorse this recommendation.

#### Matters examined after our interim reports.

7. There are two special branches of the Indian Stores Department, viz., the Government Test House at Alipore and the Metallurgical Inspectorate at Jamshehpur, which could easily be separated from the other branches of the Department and dealt with independently.

#### Government Test House, Alipore.

8. The work done by the Government Test House, Alipore, is briefly described in Chapter XIII of the pamphlet issued by the Indian Stores Department entitled "The Indian Stores Department and Assistance to Indian Industries". The important part played by the Government Test House, Alipore, in the industrial development of India has been emphasised by more than one witness both orally and in the written memoranda submitted to us. The following quotation from the memorandum of one of the witnesses will be relevant in this connection:—

"The Test House silences, by accurate analysis and test, the unfounded and prejudiced criticism of many buying officers. An officer in Southern India was buying imported cement. He said Indian cement tested by him was below British standard. A test made in the Government Test House disproved his statement entirely and proved the fault was with the officer. Indian made white lead was reported to be useless and to make such paint that it ran down the railway carriages in the rain. It took some time to find out the cause of this, but it had nothing to do with white lead and the Indian Stores Department has been buying Indian white lead \* \* \* \* \*

The tests made on an Indian manufactured ceiling fan showed such remarkable efficiency that the Indian Stores Department has been able to make considerable purchases, and if Indian workmanship were only better, a matter of time, greater purchases would be possible. \* \* \* \* \* The great King George's docks in Calcutta are faced with Indian blue bricks tested throughout construction, as was the cement, concrete, etc., in the Government Test House. These tests showed the Indian product on the whole to have superior wearing properties to Staffordshire blue bricks".

We are definitely of the opinion that the Alipore Test House and Laboratory has supplied a long felt want in the country and should be maintained. We



have, however, come to the unanimous conclusion that it is not fair that the Indian Stores Department should be saddled with the cost of this Test House. As a matter of fact the functions of the Test House are not restricted to making tests and analyses for the Indian Stores Department. The facilities it has to offer are made use of by many other Departments of the Central and Provincial Governments and by Industrialists and Traders throughout the country. In our opinion the Alipore Test House should be regarded more or less as an institution similar to the National Physical Laboratory, London. We hope, in order to enable the Test House to fulfil its rôle as a national institution, Government will take steps, if and when a suitable opportunity occurs, to secure the services of an eminent Indian scientist as head of the institution.

9. We give below a statement showing the receipts and expenditure of the Test House from the year 1924-25 :—

Year.	Gross expenditure.		Receipts.		Net expenditure.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1924-25 .. ..	2,86,288	1,31,693	1,54,595			
1925-26 .. ..	3,18,239	1,42,707	1,75,532			
1926-27 .. ..	2,90,506	1,80,289	1,10,217			
1927-28 .. ..	3,06,652	1,90,492	1,16,160			
1928-29 .. ..	3,95,549	1,94,523	2,01,026			
1929-30 .. ..	4,29,346	2,09,156	2,20,190			
1930-31 .. ..	3,73,824	1,79,791	1,94,033			
1931-32 .. ..	4,00,058	1,81,433	2,18,625			

The figures include direct as well as indirect charges, including a debit for the headquarters supervision on the expenditure side and a credit for work done for the Indian Stores Department on the receipt side.

The expenditure on the National Physical Laboratory, London, during the year ended 31st March 1931, was as follows :—

Gross expenditure.	Receipts.	Net expenditure.
£	£	£
208,964	104,706	104,258

The net expenditure of £104,258 does not however include any share of headquarters administration charges and is further in addition to a net expenditure of about £20,000 incurred on Chemical Research Laboratory.

10. The Test House at Alipore carries out both physical as well as chemical tests while the National Physical Laboratory confines itself to the former class of tests. We are not however satisfied that the expenditure of the institution cannot be brought down consistent with efficiency. We recommend that the

possibilities of economy should be examined departmentally with particular reference to the following points.

(i) *Duplication of expenditure.*—We understand that the Army Department has its own Test House at Cawnpore and we were informed that the department decided to establish its own test house as the Alipore Test House charged a scale of fees which that department considered to be more than reasonable. We consider it a short-sighted policy, which is certainly not in the interests of the general taxpayer, that for any reason departments of the Government of India should be encouraged to start independent laboratories of their own and we are of the opinion that it is most advisable that the question of issuing general instructions to all departments of the Government of India to utilise the services of the Alipore Test House and Laboratory should be considered. We may refer in this connection to a recommendation in Chapter II of the 2nd *interim* report of the General Purposes Sub-Committee, *viz.*, that the chemical control work in the Customs Department should be made over to the Government Test House at Alipore. We suggest in this connection that the system of charging Government departments for tests and analyses carried out on their behalf might be abolished, if that is considered necessary to induce departments to utilise the institution to the fullest extent possible. We may add that Central non-commercial Civil departments are already exempt from payment of any fees for services rendered. If this suggestion were accepted, it would still be possible to present the financial results of the working of the institute in the form of a *pro forma* account wherein credit might be taken for fees for tests and analyses carried out on behalf of Government of India departments.

(ii) *Examination of proposals for fresh expenditure.*—During our inspection of the Test House we observed that the capacity and scope of the various sections in the institution had been increased in recent years and that new fields of operations had been opened. We are not sure whether the expansion of activities in some directions has not been premature. For example we were told by one of the witnesses before us that an impact testing appliance was installed a few years ago at a cost of about Rs. 30,000 but that the appliance now remains more or less a dead machine. We suggest that no proposals in future for the expansion of the activities of the institution should be accepted unless after thorough expert examination the proposals are found to be such as can reasonably be expected to yield financial benefits to the country commensurate with the outlay.

#### Metallurgical Inspectorate.

11. The Metallurgical Inspectorate at Tatanagar came into being to meet the necessity for providing an efficient inspecting and testing establishment for the products of Messrs. Tata Iron and Steel Co. which founded the steel industry in India. The inspection of the products of this Company still forms the major part of the work of the Inspectorate. Like other branches of the Indian Stores Department, the activities of the Metallurgical Inspectorate have been adversely affected by the diminution in the purchases made by the Railways in India from

the Company and the general trade depression. The following table gives the receipts and expenditure of the Inspectorate from the year 1924-25 :—

Year.	Expenditure.	Net Receipts+.	
		Receipts.	Net expenditure—.
	Rs.	Rs.	Rs.
1924-25	2,40,922	3,03,344	+62,422
1925-26	3,04,418	3,43,933	+39,515
1926-27	2,64,485	4,26,235	+1,61,750
1927-28	2,67,569	4,40,483	+1,72,914
1928-29	3,24,044	2,62,793	—61,251
1929-30	3,46,842	3,78,988	+32,146
1930-31	3,15,228	3,69,123	+53,895
1931-32	2,47,085	2,56,468	+9,383

The figures include direct as well as indirect charges, including a debit for the headquarters supervision on the expenditure side and a credit for work done for the Indian Stores Department on the receipt side.

12. It will be seen from the statement above that the Metallurgical Inspectorate is the only branch of the Indian Stores Department which works at a profit. The profit is earned mainly from the fees paid for the inspection of the products of the Tata Iron and Steel Company. The organisation of the works is highly delicate and the outflow of work is entirely dependent on expeditious and efficient inspection. We were informed that the possibility of reducing the staff of the Inspectorate had been considered more than once by the department and that on every occasion the department came to the conclusion that any reduction of the strength of the inspection establishment would be fraught with tremendous risk, not only from the point of view of the safety of the Indian public but also from the point of view of injury that might be done to India's greatest national industry. We agree with this conclusion and deprecate any attempt to reduce the facilities that are now given to Messrs. Tata Iron and Steel Company in the matter of efficient and expeditious inspection. At the same time we consider that the Indian taxpayer will be fully justified in demanding that this branch of the Stores Department should be maintained on a self-supporting basis. The profit from the activities of this branch which reached the large figure of Rs. 1,73,000 in 1927-28 has now dwindled to Rs. 9,000 in the year 1931-32. We are definitely of the opinion that the expenditure on the Inspectorate should be departmentally reviewed and proper steps taken in time to prevent the Inspectorate becoming a losing concern. We understand that this question is already engaging the attention of the Indian Stores Department. We are aware that since 1925 all the recruits appointed to the Metallurgical Inspectorate have been Indians a number of whom have been specially trained in metallurgy in Europe under a scheme of State scholarships. The question of reducing the superior staff should therefore be carefully considered with reference to a sufficiently long period view of prospects of increase in the work of the Inspectorate, say, during the next five or ten years.

### Indian Stores Department.

13. The Indian Stores Department was established in pursuance of the recommendation of the Stores Purchase Committee. Nearly half a century ago, the Government of India enunciated their policy of substituting for all State purposes stores of indigenous manufacture and origin for stores produced abroad and prescribed by rules regulating the purchase of stores for the public service that preference should be given to articles manufactured wholly or partly in India over stores of like description manufactured abroad. In spite of the preference laid down in the rules the Indian Industrial Commission in 1918 found that the manufacturing resources of the country were not being availed of to the fullest extent possible by purchasing officers owing to want of information of sources of supply and of market values and also owing to the lack of efficient inspecting agencies in the country. The Stores Purchase Committee was appointed in 1919 by the Government of India in order to work out a detailed scheme for the constitution of a fully equipped stores agency in India in accordance with the principles set forth by the Indian Industrial Commission. The Committee was required to "concentrate their attention on the difficult and complicated task of devising a scheme which will as far as possible meet the needs of the different interests concerned while keeping fully in view the fundamental principles of efficiency and economy". After a careful consideration of all the aspects of the question, the Stores Purchase Committee came to the conclusion that the remedy for the then prevalent unsatisfactory state of affairs in respect of purchase of stores for the public service in India was to be found in the establishment of a department (the Indian Stores Department) which among other things,

(a) should act on behalf of all Imperial departments of the Government of India (including Army, Marine and Civil Departments and State-worked railways) and such provincial governments, company-worked railways, corporations, port trusts, municipalities and similar *quasi* public bodies and such Indian States as may desire to avail themselves of its assistance,

(b) should so conduct its operations as to prevent the purchase of imported stores so long as goods of indigenous production of suitable quality and price can be procured in India,

(c) should act as a central bureau of information on all matters affecting purchase of stores and their price, particularly with reference to the extent of Indian manufacturers and their capacity for production from time to time. The Committee also recommended that in regard to recruitment to the new department preference should be given to statutory "natives of India" whenever suitable-qualified men were available in India.

14. The Stores Purchase Committee anticipated that stores worth about Rs. 8 crores would normally be purchased by the new department provided the departments of the Central Government, including the Army and the State Railways, freely utilised its services. The committee visualised that the net cost of the department when fully fledged and competent to handle the total volume of expected business would be about Rs. 15 lakhs or less than 2 per cent. of the cost of the stores handled.

15. These recommendations were accepted by the Government and the department came into existence on the 1st of January, 1922, when the Chief Controller of Stores and the Chief Inspector were appointed and the work of purchasing textiles for the Army and other departments of the Government was transferred to the head of the new department. In July, 1922, the offices of the Superintendent Local Manufactures and Government Test House and the Metallurgical Inspectorate were brought under the new department, the absorbed offices serving as the nucleus of the Inspection branch of the department. Further additions to the establishment in order to cope with the increasing work of the department in the matter both of purchase and inspection had to be postponed till the end of the financial year after the necessity for the department had been thoroughly examined by the Inchcape Committee. For all practical purposes, the department may be considered to have come into full working order in 1923-24.

16. Early in the life of the department the Government of India decided that its revenue should be derived from the charges levied for services rendered and that these should be at the rate of 1% of the value for purchase of stores and 1% for inspection of stores, an aggregate of 2% being charged for purchase and inspection together. This decision has to some extent been modified by recent orders to the effect that all non-commercial civil departments of the central Government are entitled to the services of the Indian Stores Department without charge.

#### *Growth of the Department.*

17. Though the Government of India originally advocated the utilization of the Indian Stores Department by all their departments, it was not the policy of the Government at the beginning when the Indian Stores Department was constituted to make purchases through it obligatory. The idea was that the department should prove its utility and as it proved its utility, it should get its custom. The Railways and the Army had each its organisation for purchase and inspection of its stores and were naturally reluctant to close down their organisation at once and to transfer the work connected with the supply of their requirements to a new department. The provincial Governments, who were not included in the original scheme of purchase, were however ready to utilize the services of the department and the greater portion of the work during the first two years was undertaken on behalf of the Governments of Bombay and the Punjab. The major local Governments issued in 1926-27 definite rules regulating the purchase of stores and recognising the Indian Stores Department as a useful purchasing and inspecting organisation. The following statement shows the progress made during the first few years of the existence of the department.

Year.	No. of authorities utilising the department.	Value of orders placed. (In lakhs of rupees.)
1921-22	.. 14	69
1922-23	.. 22	165
1923-24	.. 39	167
1924-25	.. 88	259
1925-26	.. 152	267
1926-27	.. 184	399

After full five years after the establishment of the department, the volume of purchases had only reached 50% of the normal limit contemplated by the Stores Purchase Committee and compared with the total requirements of the consuming departments was inconsiderable. It was no wonder therefore that the Public Accounts Committee which examined the accounts of the department from year to year recommended in its report for 1927-28 that if the Government were satisfied that "the Department is so organised that it is capable of purchasing stores with efficiency 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 technical nature required by any Government department should in future be purchased through the Indian Stores Department". If the Government were not so satisfied, then the Public Accounts Committee recommended that "they should appoint a committee of the Legislative Assembly to enquire into the present position and working of the Indian Stores Department."

*Orders regarding the utilization of Indian Stores Department by Government of India Departments.*

18. The Department of Industries and Labour issued orders in 1929-30 to all authorities under their direct control that the purchase of all classes of stores, handled by the Indian Stores Department, should, in future, be entrusted invariably to that department. Similar orders were issued in 1930-31 by the Department of Industries and Labour to all minor local Administrations and by the Home, Commerce, and Foreign and Political Departments to the authorities under their direct control. In 1931-32, the Finance Department issued orders to the Auditor General and the Central Board of Revenue and the Department of Education, Health and Lands to the offices under its control. The Imperial Council of Agricultural Research, the Legislative and Legislative Assembly Departments also agreed to obtain their requirements through the Indian Stores Department.

19. Five of the major local Governments have promulgated new "Rules for the supply of articles required to be purchased for the public service" closely following the central Government's rules and certain local Governments have definitely laid down that the Indian Stores Department should ordinarily be utilized for the purchase of stores exceeding Rs. 500 in value.

20. The Railway Board decided in 1928 that several articles which were usually purchased on annual contracts by Railways should be obtained entirely through the Indian Stores Department and we were informed that substantial additions were being made from time to time to the list of stores the purchase of which is entrusted to the Indian Stores Department.

21. The Army Department has transferred to the Indian Stores Department entirely the purchases of textiles and Military Engineering Service stores including electrical and mechanical plant requirements. Besides handling themselves their requirements of foodstuffs and special military stores the Army Department still continue their own purchases of several classes of general stores for branches other than the Military Engineering Service which are by no means of a special military character, like locks, paints, pigments and varnishes, lubricating and fuel oils, petrol and kerosene.

hand tools, miscellaneous hardware, electrical stores, etc. So far as inspection is concerned, the Army authorities do not utilize the Indian Stores Department to any great extent and even the inspection of clothing and general stores is carried out by their own inspecting agency.

22. In 1923-24 the services of the Department were utilized by the Government of South Africa for the purchase and inspection of a large number of jute grain bags required by them. The Air Ministry of the British Government has utilized the services of the Department in connection with the purchase and inspection of certain Engineering supplies required for the Airship Base, Karachi, and also in connection with miscellaneous stores required for works in Aden under the control of the Ministry. The facilities offered by the Department have been brought to the notice of the Governments of the Crown Colonies. The Government of Ceylon has issued instructions to some of the important Departments under its control to advertise tender notices of Rs. 5,000 or over in value in India in order to afford an opportunity to firms in India to quote for the demands. The Department has undertaken the inspection of tents and tent components on behalf of the Palestine Government. Negotiations have also taken place with the Egyptian Government regarding the inspection of rails, the purchase of which in India was under consideration by that Government. The Department has also undertaken the inspection of materials on behalf of the Singapore Municipality.

23. In spite of the most patient and we should say, creditable efforts to secure custom, the volume of work handled by the Indian Stores Department has not reached the figure visualized by the Stores Purchase Committee. The following figures will illustrate the position.

*Purchases through Indian Stores Department.*

Year.		Number of Departmental and other authorities utilising the I. S. D.	Value of orders placed. (Rs. lakhs.)
1928-29	.. ..	227	380
1929-30	.. ..	249	429
1930-31	.. ..	270	377
1931-32	.. ..	297	380

*Inspection through Indian Stores Department.*

Year.		Inspection of stores charged on value. (Rs. lakhs.)	Inspection of stores charged on weight. (Tons.)
1928-29	-- ..	542	219,000
1929-30	.. ..	748	343,000
1930-31	-- ..	661	328,000
1931-32	.. ..	484	311,000

The following figures show the volume of work done for the Railways and the Army separately.

*Railways.\**

		(Rs. in lakhs).		
		Value of stores inspected.		
			(a)	(b)
		Value of purchases.	those charged on value.	those charged on weight. (Tons.)
1928-29	..	104	274	129,000
1929-30	..	150	405	173,000
1930-31	..	128	285	159,000
1931-32	..	126	209	170,000

*Army.*

						Value of purchases.
1928-29	..	..	..	..	..	133
1929-30	..	..	..	..	..	119
1930-31	..	..	..	..	..	105
1931-32	..	..	..	..	..	138

*The rupee tender system.*

24. The growth of business handled by the Indian Stores Department, small as it is, would be still smaller but for the operation of the rupee tender system. This system came into force from 1st January 1931 by the promulgation of new rules for the supply of articles required to be purchased for the public service. Under these rules all articles required to be purchased for the public service have normally to be purchased on the condition that delivery shall be made in India for payment in rupees in India. As a consequence purchase *abroad* has become the exception to the general rule, whereas under all the rules in force previously purchase *in India* was the exception though it had been progressively facilitated by the alterations in the stores purchase rules from time to time. One result of the new system was that stores previously purchased abroad for the Army by the Director-General of Stores, London were in future to be purchased through the agency of the Indian Stores Department, when such purchases had to be made in India under the terms of the new rules. During the year 1931-32 stores to the value of nearly half a crore which were previously purchased

\*The total value of stores of all kinds purchased by Railways in India during 1930-31, the latest year for which the Administration Report has been issued, was about Rs. 18 crores of which about Rs. 10 crores represented the value of general stores (including locomotives, rolling stock, rails and permanent-way materials) which could be handled by the Indian Stores Department. Similar figures for the Army are not readily available.



abroad were purchased in India by rupee tender. We were informed that numerous contracts were placed in India direct with manufacturers and suppliers abroad and that no difficulties were experienced in negotiating these contracts or in their satisfactory execution.

**Some reasons for the non-utilization of the Indian Stores Department.**

25. We have carefully examined the various memoranda received from commercial bodies and individual firms and witnesses, official and non-official and have in certain cases pursued the matter in oral examination with them. It may be useful to the public at large and to the Indian Stores Department if we stated in broad terms what the alleged difficulties are which prevent the full utilization of the department by indenting authorities.

26. *Delay in supply.*—We heard complaints that the delay in making supplies through the Indian Stores Department was prohibitive. Such complaints are not peculiar to the Indian Stores Department. Mr. Ryan who was for some time Director General of the London Stores Department informed us that such complaints were also made against the London Stores Department but that on examination he had found that the majority of the complaints had been based on complete ignorance of commercial practice and was also due to misconception on the part of indenting officers of what could reasonably be expected of any stores purchasing organisation. It may be admitted that the officers of the consuming departments can in many cases obtain their supplies more quickly by going direct to a supplier in their locality but there is no shadow of doubt in our minds that in the long run the taxpayer will have to pay dearly for this so-called facility. The Indian Stores Department endeavours to purchase the articles demanded after calling for tenders in a way which ensures the widest competition. This naturally makes for some delay as time has to be given for advertisements to appear in the press, for tendering firms to obtain the necessary documents, prepare and submit their tenders, etc., but we are convinced that the interests of the taxpayer are best served by the adoption of this procedure. We were assured by the Chief Controller of Stores that complaints of delay received by his department were in all cases carefully examined and that steps were taken to prevent any avoidable delays. Such delays occurred in some cases owing to incorrect and insufficient details being furnished by indenting authorities. The majority of the complaints in India, as in London, were found to be directed towards the unavoidable delay due to the time taken to handle demands in a business like way and also the time taken for the best organised suppliers to manufacture and deliver many of the articles demanded.

27. *A suggestion for obviating delays examined.*—It has been suggested to us that delays in supplies can be obviated by giving mere powers to the Controllers of Purchase at provincial centres. We have discussed the question of giving larger powers to provincial Controllers of Purchase with the Chief Controller of Stores. The Indian Stores Department is a central purchasing department and the principle underlying its creation was the advantage of purchases being made by one central authority. Any large decentralisation to local purchasing officers is opposed to this principle. Delegation to local purchasing officers of powers to purchase stores of an appreciable value might in some cases involve more than one Branch of the Indian Stores Department

competing in the market for the same supplies, whereas one of the main arguments in favour of having a central purchasing department was that it would to some extent prevent Government Departments buying in competition with one another. It would also deprive the Department of the opportunities to combine or standardize the demands so dealt with. Further, it might definitely prevent a purchase being made in the most suitable market as the market intelligence available in the provincial offices is confined mainly to local sources of supply. The direct control of the Chief Controller of stores over the placing of contracts of substantial value so dealt with would be removed, the advice of the highest technical officers attached to the Headquarters office would not be available and the local officers would have to decide questions of policy such as (a) the degree of preference to be given to Indian manufactures, (b) whether to advertise or call for limited tenders, (c) whether to consider late tenders or (d) tenders from firms not on the Approved List, etc., etc.—matters which are of considerable importance in regard to large orders though of trifling importance in those of small value. For these reasons we are definitely of the opinion that except in respect of certain classes of stores, for instance, jute, it will not be economical, even though it may occasionally be more expeditious, to entrust purchases of any importance to provincial Purchasing officers. In the case of special stores which can be dealt with by local Controllers of Purchase, we find that they have already been given larger powers than their normal powers of dealing with indents direct. For example, the Controller of Purchase, Calcutta Circle, is authorised to deal with the purchase of jute goods up to Rs. 50,000 and with the requirements of the Telegraph Department up to Rs. 15,000 in each case. The Controller of Purchase, Bombay Circle, is authorised to purchase cotton yarn for the Jail Department, Bombay, up to Rs. 25,000 and the Controller of Purchase, Karachi Circle to deal with indents for mild steel section for which orders have to be placed elsewhere than at Calcutta or Bombay up to Rs. 15,000, while all these officers are ordinarily permitted only to receive indents not exceeding Rs. 10,000 and including items not exceeding Rs. 5,000 in the case of Calcutta and Rs. 2,500 in the case of Bombay and Karachi.

28. *Cost of articles purchased through the Indian Stores Department.*—Another complaint received by us related to the cost of articles purchased through the Indian Stores Department. It was alleged that purchases through the Indian Stores Department were not always cheaper than direct purchases by the consuming departments. It was further pointed out by one witness that consuming departments were able to obtain lower quotations from tenderers to the Indian Stores Department whose tenders had not been accepted, if the departments went to these tenderers direct instead of obtaining their supplies through the Indian Stores Department and that the loss to the taxpayer involved in insistence on purchases through the Indian Stores Department was unjustified. We may deal with the latter point first. We admit that after the tendered prices of the Indian Stores Department have been disclosed, it is open to any other purchasing department to bargain with the successful or unsuccessful tenderers and obtain from them lower prices than those tendered to the Indian Stores Department. In fact, we have information that this practice has been followed in certain cases. If this practice, which we deprecate very strongly,

is accepted as unobjectionable, it is only a question of time before the tenders (especially those against rate or running contracts) submitted to the Indian Stores Department will become of no value and the system of bulk buying will go by the board. What will happen then when no Indian Stores Department tender prices are available? The price controlling influence of the Indian Stores Department tender will be removed. Purchasing authorities outside the Indian Stores Department will have no price information based on competitive tenders to use to bargain with their own tenderers; the prices quoted to them will be hardened against them and the temporary advantage they pride themselves on obtaining by the adoption of the method of using the Indian Stores Department prices to force lower prices out of the tendering firms will be found to have been a very expensive and unwise one from the point of view of the State.

29. Now coming back to the general question whether purchases through the Indian Stores Department are economic, it is somewhat difficult to give a general answer to this question without specific instances, but we fear many comparisons between the prices paid direct by departments and those paid by the Indian Stores Department are not made on a strictly accurate basis. In many cases, the prices in the Indian Stores Department's rate contracts which include certain services, such as holding minimum stocks, holding prices good for a number of points of delivery, etc., are compared with prices tendered for a single supply of a definite quantity at one point of delivery. Then again, in many cases, these departments purchase articles conforming to an entirely different specification from those purchased by the Indian Stores Department. Obviously, there can be no strict comparison unless both buying authorities are in the market at the same time for the same number of articles or quantity of material, conforming to the same specification and conditions of contract as regards contractors' liabilities, time and place of delivery, etc. Again, in many cases, the rigid inspection necessary to give an assurance of quality is a factor which has to be taken into consideration. In many cases inspection by authorities purchasing direct is in no way comparable with the inspection and tests applied by the Indian Stores Department. If the Indian Stores Department was prepared to lower the standard of quality, lower prices could be obtained, but by this there would be a great risk of serious loss of efficiency. Finally, we think that the system followed by the Indian Stores Department in publishing weekly the prices at which each purchase has been made reacts against the Department in some respects. These prices are available to all purchasing departments and instances have been brought to our notice where certain purchasing officers have used the Indian Stores Department's prices merely as a means to put pressure on their own contractors to lower down prices quoted by them.

30. Our general view on this question is that notwithstanding the fact that some instances may be forthcoming where lower prices are obtained direct (by fair means or otherwise) by purchasing departments, many examples can be given to show that but for the existence of a central purchasing Department these prices would not have been obtained and that in the vast majority of cases the prices quoted to the Indian Stores Department are on a keenly competitive basis. We think that great significance should be attached, in considering the question whether the Indian Stores Department does really

enable purchases to be made economically, to the fact that many perfectly independent consumers of stores, such as, Provincial Governments, Indian States, Company-managed Railways and municipalities have been satisfied that it is to their advantage to make use of the Indian Stores Department.

31. We have received complaints from many firms and dealers that the system of purchases through the Indian Stores Department has reacted unfavourably on their business and that they would prefer to deal direct with consuming departments. It is not unreasonable to believe that dealers look at such matters from a pecuniary point of view and that their principal point of view is that they do not make as much profit from dealing with the Indian Stores Department as they would otherwise make. We consider this to be an argument in favour of the efficiency of the Indian Stores Department.

32. *Rate and running contracts.*—It has also been argued by a few witnesses that from a theoretical standpoint, the system of rate contracts under which the supplier is required to supply an indefinite quantity of goods over a fixed period at a fixed rate should lead to suppliers quoting higher prices than they would if the quantity of goods to be supplied were fixed within reasonable limits. We examined the Chief Controller on the question of contracts. We found that the Indian Stores Department enters into various classes of contracts :—

First, a *definite contract* for the supply of a fixed number of articles or quantity of materials by a definite date.

Second, a *rate contract* which provides for the supply over a definite period at one or more places in India of certain classes of articles or materials at a flat rate or range of rates for various places in India. In certain classes of stores provision is also made in these contracts whereby the contractor is under obligation to maintain certain minimum stocks at various centres convenient to the sellers and users. In other words, one of the objects of the rate contracts is to ensure that supplies will be readily available when required by using Departments and so avoid the State locking up large sums in reserve stocks. This is a great advantage as using Departments can reduce their stock balances to a minimum. In view of the advantages obtained from the rate contracts, we consider that any small additional price which may be quoted for supplies under this system of contract is fully justified by the savings in other directions and service obtained.

Third, a *running contract* under which definite quantities are stated but the purchaser reserves the right to purchase only up to 75 per cent. of the quantity specified or on the other hand to call upon the contractor to supply up to 25 per cent. above the quantity specified.

We are satisfied that the Department's system of contracts has been designed to meet various possible conditions. The type of contract entered into is determined by the class of stores to be purchased and the requirements

and interests of the using Departments. The main difficulty in adopting the running contract system for all purchases other than specific demands is the difficulty which using Departments have in forecasting their actual requirements even approximately to ensure that there will not be a heavy liability (and probably heavy expenditure to Government) owing to the actual demands against the running contract falling short of the minimum quantity or number specified.

33. *Standard specifications and increased cost.*—It has been suggested by some witnesses that standard specifications are framed by the Indian Stores Department in order to facilitate their purchases but that such specifications tend to establish monopolies and to increase the cost of articles purchased. We have gone carefully into the work done by the Indian Stores Department in regard to specifications. The specifications framed by the Department are subject to constant revision. Many have been revised several times since the time they were framed. The specifications of the Department, particularly those relating to technical plant and equipment, have been framed in such a way that full advantage can be taken of new inventions and developments. We reproduce below a clause in one of their standard specifications for the supply of plant and machinery.

*“Deviation from the specification.*—Should a tenderer desire to depart in any respect from the provisions of this specification, either on account of manufacturing practice or for any other reason, he must specifically bring the matter to notice in his tender in the form of a covering letter explaining in detail each and every departure he proposes to make from the specification. Manufacturer's standard specifications for the plant or component parts of the plant may be submitted, but all discrepancies must be clearly drawn attention to, both in the covering letter referred to above and in the schedule and appendices which have to be filled in by the tenderer. The intention is to adopt manufacturer's standard equipment as far as possible but these standards must in all respects, comply with the conditions of this specification as regards safety from break-down, output, capacity, performance, etc., and must pass the tests specified.”

It will be seen from the above that full liberty is given to tenderers to deviate from the specification in order that they may put forward their standard manufactures, thus enabling the Indian Stores Department to take full advantage (if economical to do so) of any recent development which may have taken place in any particular line of manufacture. We may in this connection justly commend the vigilance exercised by the Indian Stores Department in scrutinizing the existing specifications for stores purchased for public services in India so as to ensure that no features are permitted to remain in such specifications which tend to take the supplies out of the hands of manufacturers in India.

34. *Alleged lowering of standard.*—It has been urged by a few witnesses that the publicity given to quoted prices results in absurd competition and progressive lowering of standard. We are aware that in many commercial quarters views are held that the publicity given to quoted prices results in harmful competi-

tion and lowering of standard of prices. There is certainly some force in these views but we are definitely of the opinion that the publicity given to the transactions of the Department has many advantages in other directions which should not lightly be given up. We understand that representations against the system were received some time ago from certain commercial interests and that the question was referred to all the Chambers of Commerce and commercial bodies and that although, as usual, conflicting views were expressed, the weight of the opinion was in favour of the continuance of the present system. We were informed by the Chief Controller of Stores that the result of the reference to the commercial bodies was reported to the Government of India and that it was decided that no change should be made. We may add that the question was also debated at a meeting of the Associated Chambers of Commerce and the voting on the resolution clearly showed that there was a very strong and influential section of the commercial community in favour of the continuance of the present system. It may be mentioned in this connection that the Army Retrenchment Sub-Committee after examining the Director of Army Contracts and the Chief Controller of Stores, Indian Stores Department together came to the conclusion that the present methods followed by the Army Department of keeping tenders and accepted prices secret should be abandoned in favour of the more open methods adopted by the Indian Stores Department. We quote below the relevant recommendations of the Army Retrenchment Sub-committee:—

- (i) all contracts of Ra. 10,000 and above should be by open tender;
- (ii) all calls for tenders over Ra. 10,000 should be published in suitable vernacular as well as in English papers;
- (iii) lists of approved contractors should be published; and
- (iv) lists of accepted tenders in case of local purchase should also be published.

35. *Considerations of freight to consuming departments.*—It has been stated by one Railway administration and by the Army Department that in placing combined orders it is not possible to take into exclusive consideration freight charges to each consuming department. For example, it has been suggested that while certain goods may be ordered by the Indian Stores Department from Calcutta, it may be more economical to a consumer at Lahore to order locally even at a somewhat higher price if the increase in price is less than the freight charges from Calcutta. We have carefully examined this question in consultation with the Chief Controller of Stores. When dealing with tenders and settling contractors, we were assured that the Indian Stores Department always take into consideration the freight charges to the destination of the supplies. In the case of some of their rate contracts it may, however, happen that a flat rate contract, *i.e.*, a contract in which common rates are accepted for supplies to any part of India is more economical to the State as a whole although the rate to individual consumers in a particular area may be less favourable than those obtainable if a specific purchase was made for them. We were told that one or two instances had been brought to the notice of the Indian Stores Department where stores for a particular Railway administration were ordered from suppliers at some distance from the consumers' destination involving some inconvenience owing to the time taken in Railway

transit. We were informed that steps had been taken to avoid this in future. We examined in this connection a copy of a typical Rate Contract for soft soap and bar soap, which are articles in common demand by various using Departments. We found that the contract had been divided between three contractors and that different areas had been allotted to each contractor. This procedure had been adopted with a view to removing any cause for complaint about delay in transit and higher Railway charges from any supplier in any particular area. Incidentally, the procedure is in our opinion an effective safeguard against giving any firm the monopoly of supply.

36. *Procedure in dealing with tenders.*—Some vague dissatisfaction has been expressed by some witnesses regarding the procedure followed by the Indian Stores Department in dealing with tenders. We have endeavoured to make ourselves fully familiar with the methods and practices of the department and it may help to dispel popular ignorance if we described them. To a large extent the system in force in the Indian Stores Department in dealing with many of the tenders received is in essentials the same as in any well organised State purchasing organisation. Tenders amounting to Rs. 5,000 or over in value are opened in public in the presence of representatives of tendering firms who may attend for the purpose. The tendered rates of all tenderers are read out by the purchasing officer dealing with the case and the tenders are initialled by him. After the tenders have been opened an abstract of prices, if one is considered to be essential for the proper disposal of the case, and in the case of technical plant and machinery a statement of technical details are prepared by the Branch concerned. These abstracts, together with all tenders, are submitted to the purchasing Branch officer who scrutinizes each tender in detail. The opinion and advice of the Inspection Branch is sought in all cases in which technical questions are involved. Cases which present any unusual features or are in any way abnormal, although the value may be small, are referred to the senior purchase officer and the Chief Controller before a final decision is arrived at. Whenever the Indenting Departments so desire, tenders are submitted to them with the Department's explanatory notes and recommendations before the final decision to accept any particular tender is made. In certain cases, relating to Railway supplies, the Railway Board is consulted before tenders are decided. It will be observed from what we have stated that in regard to all important tenders every endeavour is made to ensure that no point is overlooked.

37. *Tender Committee.*—There is, however, one feature in the existing procedure which has been somewhat strongly criticized by several witnesses, namely, that in a large number of cases the decision in regard to the placing of contracts is that of a single authority competent to effect the purchase. It has been stated before us that this practice is at variance with that followed by some of the most important manufacturing houses in the United States and elsewhere and by the Federal Purchasing Board of the United States, who submit the tenders received in response to an invitation for the decision of a Committee composed of the heads of all the consuming departments and a representative of the Finance Department. We were informed that on the East Indian Railway, for example, there is a tender committee consisting of 3 members, viz., the Senior Deputy Agent, the Controller of Stores and a senior officer of the Accounts Department. One key of the Tender Box is kept by the

Senior Deputy Agent and the other by the Accounts Officer. The tenders are taken out of the box and opened in the presence of all the members of the Committee and the most suitable tender is accepted. If the tenders in any particular case relate to the purchase of any mechanical stores such as machinery, etc., a representative of the mechanical department is deputed to assist the Tender Committee in the examination of the tenders and the selection of the most suitable one. If this is likely to take some time, the Committee meets again after the examination is completed and accepts the most suitable tender. We were told that no practical difficulty is experienced in following the above procedure.

38. We have had valuable discussions on the subject with the Chief Controller of Stores, Indian Stores Department, who has had experience of the working of Tender Boards and committees in other countries. He assured us that the system in force in the Indian Stores Department is in many respects much in advance of any method of dealing with tenders by means of a committee. He has no objection to the principle underlying the Tender Board proposal but his chief objection is based on the delay which will arise in disposing of the business of the Department and also the additional responsibility for efficient operation of the Department which may fall on the Head of the Department. To illustrate the difficulties in regard to the first part, he furnished us with a list of tenders due from the 16th September 1931 to the 28th October 1931 in one Branch of the Department, namely, the Branch dealing with Engineering plant and equipment; this list is reproduced below:—

*Engineering Branch Tenders.*

File No.	Article.	Date of opening.
12582	Electric roof fittings for N. W. Railway .. ..	16th September 1931.
12601/3	Insulators for Controller, Telegraph Stores .. ..	Do.
12601/4	Copper wire .. ..	17th September 1931.
12567	Alkaline Batteries .. ..	18th September 1931.
8617	Trolleys, motor .. ..	18th September 1931.
12637	Positive plates .. ..	20th September 1931.
12594	Multi-stage Turbine pump .. ..	22nd September 1931.
12581	Kent Coupler or similar .. ..	25th September 1931.
12624	Transformers for E. I. Railway .. ..	29th September 1931.
12638	Switchboard for M. E. S. .. ..	30th September 1931.
12521	Electrical equipment for M. E. S. .. ..	2nd October 1931.
12568	Railway Carriage fans .. ..	Do.
12632	Travelling Crane for M. E. S. .. ..	7th October 1931.
12652	Road Rollers for M. E. S. .. ..	8th October 1931.
12631	Transformers and Motor for E. I. Railway .. ..	13th October 1931.
12397	Wagon landing stage for Burma Railways .. ..	14th October 1931.
12614	Wagon ferry flat for Burma Railways .. ..	20th October 1931.
12355	Electrification of Koweit Agency Bushire .. ..	28th October 1931.

He observed that tenders were due almost every day from the 16th September to the 28th October. He added that this would mean that the Tender Board



would with breaks of only a day or two have to be in continuous session throughout the period. The settlement of many of the tenders in his opinion was not a matter of hours as some tenders took up several days in the careful examination of technical and other considerations. He said that he could not at the moment clearly visualise how the tender committee would be able to discharge its obligations to the head of the Department, particularly in handling technical stores, nor could he see how the head of the Department would be able to hold any individual officer personally responsible for any serious delay in supply or defective supply, if the matter had been decided by the tender committee. The only way that the Chief Controller could satisfactorily discharge his obligations to indenting Departments would in his opinion be by nominating himself a member of every Tender Committee. This, he feared, was practically impossible. He considered that a Tender Board would function satisfactorily if its duties were confined to dealing with large demands which could be made the subject of annual tenders. If notwithstanding what he had stated we felt that important tenders should be dealt with by a committee he suggested that, to begin with, the committee should only deal with tenders of substantial value, say Rs. 50,000 and over.

39. We admit that there is considerable force in the observations of the Chief Controller. We cannot make any recommendation which will have the effect of taking away the final responsibility from off the shoulders of the Chief Controller. We are satisfied that in the large majority of cases, the decision regarding the placing of contracts is arrived at by the Purchasing officer only after consulting either the Inspection branch or the Indenting officer or in doubtful or unusual cases the next higher authority on the purchasing side. In the few remaining cases where the decision is that solely of the single Purchasing officer, we understand that the lowest tender is ordinarily accepted or if there are any special reasons for accepting any tender other than the lowest, the reasons have to be recorded by the deciding authority and are available for scrutiny by the head of the department and by audit. We were, however, told that the audit officer used to conduct his examination of the purchase files months after the completion of the purchase transactions, and that this *post mortem* examination was generally barren of any fruitful result, the audit officer's criticisms on utterly dead files being valueless as rules of guidance owing to constantly varying conditions of purchase. We agree with this criticism which has also been appreciated by the Department. On the introduction of rupee tender rules orders were issued that purchase sections of the Department should send unofficially to the audit officer all files relating to important purchases (i.e., those exceeding Rs. 25,000 in value) as soon as the purchase order is placed. As an additional precaution we recommend that in cases where the purchasing officer decides the question of acceptance of tenders on his own responsibility without consulting either the Inspection Branch or the indenting department, he should refer the matter to the next higher authority on the purchasing side except when the lowest tender is accepted. We further recommend that in cases of exceptional or large tenders involving considerable expenditure of public money arrangements should invariably be made for obtaining the advice of the indenting departments and if possible of the Finance Department of the Government of India.

40. *Headquarters of the Indian Stores Department.*—It has been suggested to us that the location of the headquarters of the Indian Stores Department at Simla and Delhi causes inconvenience to suppliers whose representatives have to undertake a costly and arduous journey to go there. We do not consider that there is any substantial foundation for this criticism. The headquarters of the Department has to be somewhere. If it is located at Calcutta, the firms in Karachi and Bombay will have a grievance. Similarly, if it is located in Bombay, the commercial people at Calcutta will have a like grievance. This difficult question was fully considered by the Government of India when the Department was constituted and after prolonged consideration it was decided that the balance of advantage lay in locating the Department at a neutral place, like Delhi or Simla.

41. *A general argument against centralised purchases examined.*—Some of the departments which have not yet completely handed over their stores purchase work to the Indian Stores Department have suggested that in a scheme of centralized purchases, small traders tend to be excluded, though it may be possible to obtain more economically from the small trader for individual small requirements. It has therefore been argued by them that in order to reduce the expenditure on the total of the Government requirements to a minimum, it is necessary to have more than one large buyer in the market. The Railway Retrenchment Sub-Committee has, in this connection, uttered a note of warning against "the risk of the system of bulk and centralised purchase resulting in giving an advantage to the foreign manufacturer who has the benefits of mass production and can usually quote better terms than the indigenous manufacturer who usually manufactures on a small scale, and in preventing new firms from getting a footing in the market, thus leading to the formation of a combine".

42. In the first place we may observe that the Indian Stores Department liaises on its list of approved suppliers, traders, large and small. The small traders when they are able to quote the lowest satisfactory prices, obtain their share of the orders placed by the Department. Our attention was drawn to the figures given in Appendix VII of the latest administration Report issued by the Indian Stores Department which show that the system of purchase followed ensures that contracts are widely distributed throughout the country. We are unable to accept the contention that it is necessary to have more than one large buyer in the market in order to secure for the State the minimum expenditure in the purchase of its requirements. We are convinced that the bulking of demands which enables substantial orders to be placed with the lowest satisfactory tenderers (but not necessarily one tenderer only) is the only method which gives a reasonable assurance of obtaining the requirements of the State at all round economical prices. It is by the bulking of demands that substantial orders for manufactures can be placed which would enable manufacturers to lay out a definite programme of manufacture in their factories and thus reduce their manufacturing costs to the lowest possible limit.

43. In the second place no specific complaints of undue preference to foreign manufacturers have been brought to our notice. We may explain that the Indian Stores Department is not empowered to discriminate in favour of firms of any particular nationality and that no preference in making purchases is shown to Indian or European firms. Preference in making purchases is on the

other hand given on the basis of the country of manufacture, that is to say, articles wholly or partly manufactured in India are given preference over articles which are imported from abroad. For instance, if two manufacturing concerns, one Indian owned and the other owned by non-Indian interests, both established in India and engaged in manufacture of paints and varnishes submitted tenders for paints wholly produced in India, the order would be placed with the firm who submitted the lowest satisfactory tender. On the other hand, if one of the firms submitted a tender for paints some of the ingredients of which were of foreign origin, the rules require a measure of preference to be shown to the tender of the other firm if all the materials were of Indian origin, consistently with efficiency and economy.

44. *Price preference of goods wholly or partly manufactured in India.*—It may be useful in this connection we explained somewhat fully the system of price preference to Indian manufacturers in force at present. We invite the attention of the public to the preamble to the Rules for the Supply of Articles required to be purchased for the public service. It will be observed that Departments of the Government of India or officers specially authorised in this behalf may, when they are satisfied that such a measure is justified, allow a limited degree of preference in respect of price to articles produced or manufactured in India either wholly or in part. A proposal was submitted to Government by an officiating Chief Controller of Stores that the Head of the Stores Department should be authorised to grant definite degrees of price preference. As each case must be considered on its own merits, it was decided that no fixed percentage of price preference would meet the circumstances of all cases.

Although the degree of price preference that may be allowed to Indian products has not been specifically provided for in the rules and although the power in this regard has been retained entirely in the hands of the Government of India, the Government of India in the Department of Industries and Labour have, we understand, issued instructions for the guidance of officers in which they have defined in broad lines the reasons which would justify the grant of price preference. It may perhaps be considered a flaw in the present system of price preference that no powers have been delegated to purchasing officers to give any preference to Indian products. So long as the Indian Stores Department is an agency department purchasing on behalf of other departments, and so long as the responsibility for providing the funds to finance purchases is laid on these latter departments, we think it is essential that before the Indian Stores Department grants price preference in any particular case, the concurrence of the indenting department to the additional expenditure should be obtained. Under the existing rules this concurrence has to be given by the Government of India in the administrative department and, we understand, that in order to co-ordinate action to be taken in this matter by the different departments of the Central Government it has been decided that the administrative departments should, before passing final orders in regard to price preference, consult the Government of India in the Department of Industries and Labour. We do not therefore find fault with the existing system; but we wish to suggest to the Government of India in the Department of Industries and Labour that it should consider whether with a view to implementing the policy of the Government of India in the matter of encouraging the development of the

industries of the country to the utmost possible extent consistent with economy and efficiency some periodical report should not be called for from the purchasing offices and departments regarding the action taken by them during the year in the matter of giving price preference.

It may be relevant to mention here that we examined the representatives of the Railway Board on the question whether as a body working on commercial principles they looked only at the financial aspect of a purchase or gave any consideration to the question of development of Indian industries by giving price preference in accordance with the conditions laid down by the Government of India. We were informed that the Railway Board followed exactly the same rules as the other departments, that their policy was definitely to encourage Indian industries and that for this purpose they always considered whether price preference should be given to articles of indigenous manufacture. The Chief Controller of Stores informed us that in his experience he found that the Railway Board were just as anxious as any other department of Government for the development of Indian industries and that he had no difficulty in obtaining their consent to giving preference to articles of Indian manufacture whenever he considered it justifiable to recommend a price preference.

45. *Delay in payment of bills of suppliers.*—Several witnesses suggested to us that under the scheme of purchases through the Indian Stores Department, payments of dues to suppliers, which is an important factor in the encouragement of Indian industries and manufactures, is not made as quickly as under the old system of direct purchase by the consuming departments from suppliers. We have carefully investigated the suggestion in consultation with the Chief Controller and we explain below the present procedure followed in regard to payments. The system of payments adopted by the Indian Stores Department is unique and places the suppliers to the Indian Stores Department in a distinctly more favourable position than suppliers to many other Government departments. Payments for supplies to Government are generally made after receipt, verification and inspection of stores by the consignee at the station of destination. Not only so, but in many cases security deposits are demanded from suppliers for due fulfilment of contract. Large sums of money are thus locked up until the contracts are completed. Except in very special cases, no security deposits are demanded by the Indian Stores Department from the contractors with whom orders are placed. A substantial portion of the cost of stores, generally 90%, is in most cases paid on proof of despatch of stores from a station in India after inspection. The supplier is thus ensured of payment of the bulk of his dues in many cases even before the stores are received at destination. Complaints regarding delays in payments almost invariably relate to the final bills which are paid after verification by consignees. Such complaints are on receipt examined by the Indian Stores Department without delay and all possible steps are taken to settle outstanding claims. Circular letters have on more than one occasion been issued by the Department to all authorities utilising its services, bringing to their notice the desirability of expediting the transmission of bills for supplies arranged by the Department, to the Audit Officer, Indian Stores Department, for audit and payment. At the request of the Indian Stores Department instructions on these lines have also been issued on the subject by the Government of India to various local Governments, Administrations and Central Departments.

Standing instructions have been included in the bill forms in use in the Indian Stores Department requiring the suppliers to report all cases of delay of more than three months in respect of payments of their bills and the officers of the Department receiving such complaints are required to investigate them immediately. In addition to the measures explained above, we understand that a docket form has been recently introduced to accompany all bills, on which the Inspectorate and consignees, through whom the bills pass, are required to note the date of receipt and disposal thereof, together with reasons for delay, if a bill is not promptly dealt with. It has been arranged that the Audit Officer, Indian Stores Department, will forward the dockets indicating serious delays to the Indian Stores Department at headquarters for investigation.

46. *Departmental charges, the chief obstacle.*—We have dealt in the preceding paragraphs with most of the obstacles which have been brought to our notice as standing in the way of more extensive utilisation of the Indian Stores Department. It will be seen from what we have stated above that we do not consider that any of the considerations put forward can seriously stand in the way of departments of the Central Government utilising the services of the Indian Stores Department. The real reason for the reluctance of several large consuming departments to entrust all their purchasing business to the Indian Stores Department seems to lie in the levy of the departmental charge by the Indian Stores Department. For example, the Railway Department has to maintain a large staff for the receipt and distribution of stores and for their watch and ward. It is argued that the addition of stores purchase to the other business of the existing stores organisations of Railways would cost the railways much less than the departmental charge of one per cent. now levied for purchase and one per cent. for inspection. Similarly we were informed by the representatives of the Army Department that the volume of business given by that department to the Indian Stores Department would be increased if departmental charges were abolished.

#### Our conclusions.

47. Having examined very carefully the evidence both written and oral placed before us by the important Chambers of Commerce, many commercial firms and several individual witnesses and having discussed the various aspects of the question with representatives of the two large consuming departments of the Government of India, we have come to the unanimous conclusion that it is in the interests of the general taxpayer that the purchase and inspection of stores for the public service in India, except stores of a specialised nature, should be carried out by a central Stores Department which is expressly and properly organised for the purpose, which is known and represented in all the chief business centres, which will purchase stores where possible by straightforward competitive tenders, which will operate on a large scale in the full limelight of publicity and which, exposed to constant criticism both from the consumers on the one hand and the suppliers on the other, will ensure reasonable price and suitable quality to consuming departments. It is now nearly ten years since the department was established and during this period it has been following a policy of peaceful penetration and trying to increase custom by winning the confidence of other departments. The results of our enquiry

have shown beyond a shadow of doubt that broadly speaking the department has established its reputation for economical purchase and expert inspection. We think it is rather unfair to the department that it should continue in a state of perpetual trial and we think that the time has now come for Government to issue definite orders that all stores, other than stores of a specially technical nature, required by any department of the Government of India should in future be purchased through the Indian Stores Department. This is subject to our recommendation in the interim report of the 11th September 1931 that 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 or 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.

48. In connection with the complete centralisation of the purchase of stores for public departments of the Central Government, it has been suggested to us that a Stores Committee should be established consisting of the Secretary in the Department of Industries and Labour, the Chief Controller of Stores, a Member of the Railway Board, the Quarter Master General and one member each from the Central Legislature. In our opinion the Government of India will find the assistance of such a committee, including representatives of their two big consuming departments, to be of very great value in facilitating the successful inauguration of the new policy which we have recommended. We therefore strongly support the suggestion for the appointment of the advisory committee on the lines indicated and desire further to add that this committee should be presided over by the Member in charge of the Department of Industries and Labour as we attach considerable importance to the Member keeping himself in close and continuous touch with the working of the Indian Stores Department. The functions of the Committee will be to advise the Government of India on all important matters affecting stores purchase and to review from time to time how far the policy of Government in regard to stores purchase and the recommendations of the various committees appointed by them are being given effect to. We consider too that this committee should be constituted as early as possible and should meet as often as may be necessary.

49. With a view to make it easy for departments of the Government of India to fall in with our proposals for compulsory purchase through the Indian Stores Department, we recommend that the levy of departmental charges by the Indian Stores Department from departments of the Central Government should be abolished. This recommendation is only a reiteration of an identical recommendation made in 1926 by the Stores Purchase Committee in paragraph 96 of its report. In our opinion the cost of the Stores Department should be a general charge on public funds in the case of all Central Government purchases. Our reasons for recommending the abolition of the departmental charge are :—

(1) The Government of India have already accepted the principle of lowering the departmental charge in order to increase business by agreeing to the introduction of a sliding scale of charges in respect of purchases by Railways.

(2) Even at present, departmental charges are not levied on non-commercial civil departments of the Central Government which are entitled to the services of the Indian Stores Department without charge.

(3) The London Stores Department does not levy any departmental charges in respect of purchases for the Army Department, one of the two big consuming departments in India whose custom the Indian Stores Department has been soliciting for a long time. We cannot appreciate the reasons for this difference in the treatment and we wish to point out that this, in effect, only stultifies the stores policy of the Government of India.

(4) The idea that the Indian Stores Department should be self-supporting and that the Government should satisfy themselves that this condition is fulfilled by comparing the expenditure of the department with the receipts from the departmental charges levied including *pro forma* receipts from departments which are not subject to the payment of the charge is in our opinion misconceived. In the first place it has been pointed out by an important Indian Chamber of Commerce that no business concern would be satisfied with so low rate of remuneration as one per cent. on the value of stores purchased or inspected. We observe from the last Administration Report of the London Stores Department that the rate of commission charged by that Department has been recently raised. The present scale of departmental charges in India are not based on any scientific principle and in fact we understand that a very laborious method of calculation of departmental charges recommended by a firm of chartered accountants was deliberately abandoned as it was considered that it would involve additional expenditure to Government on the maintenance of proper accounts. If the present flat rate of 2 per cent. were raised to 3 per cent. (1½% for purchase and 1½% for inspection) the loss in the working of the department during the year 1931-32 would have been reduced by Rs. 6 lakhs. In the second place the profit and loss statement which is now annually prepared in order to show the financial position of the Indian Stores Department gives to our mind an incomplete picture of the financial results of that department. As pointed out by the Chief Commissioner of Railways in his evidence before us a correct picture of the financial position can only be obtained if on the receipt side of the account credit is taken for the large saving in the expenditure budget of consuming departments on the cost of stores purchased through the Indian Stores Department. We are convinced that if this is done, the department far from showing a loss will show a profit. We should go further and say that an account drawn up in this form would still be incomplete as it is impossible to assess in rupees, annas, pies the value of the services rendered by the department in connection with the promotion and encouragement of Indian industries. In the third place we are of the opinion that the object of the *pro forma* profit and loss statement of the Indian Stores Department has been misunderstood by all concerned. We consider that its real object lies in its informing the Chief Controller of Stores, as General Manager of a huge stores purchase organisation, of the comparative results of the working of the organization from year to year and of the steps it is necessary for him to take in order to pull up any deterioration in the working results. It seems to us that for this purpose it is enough if a *pro forma* credit is taken in the annual account

as that would bring into the picture a comparison between the volume of work handled and the expenses incurred. We are glad to observe that the expenditure of the departments is being constantly reviewed by the Chief Controller and that necessary steps are taken to effect economies wherever possible. Since the recommendations for retrenchment were made last year he has replaced the post of Assistant Controller of Inspection at Karachi by an Inspector-in-Charge, securing in an average saving of about Rs. 4,000 per annum. We understand that he has also submitted to the Government of India proposals for the abolition of the post of Chemist at Jamshedpur and for a reduction in the rate of bicycle allowance granted to certain subordinates and clerks attached to the Metallurgical Inspectorate. These measures are expected to result in an average saving of Rs. 7,000 per annum. Mention should also be made of a further saving of Rs. 30,000 which is proposed to be effected by reducing the calls made on the Director-General, India Stores Department, London, for inspections in the country of origin. A post of Assistant Engineer has also been kept unfilled, giving a saving of about Rs. 10,000 per annum approximately.

We should like in this connection to express our indebtedness to the various Public Accounts Committees in the past whose careful examination of the annual profit and loss accounts of the Indian Stores Department has been responsible in no small degree for bringing to a head the important questions of the utility of the Indian Stores Department and the stores purchase policy of Government. Although their examination is conducted after the money has been expended it has none the less been of very great value; it has brought out the weaknesses in the present system and the remedies which have been suggested in consequence will result in incalculable benefits to the country in the future. We are of the opinion that the Public Accounts Committee should continue to examine the annual *pro forma* account of the receipts and expenditure of the Indian Stores Department and that it is in the interests of the taxpayer that the Committee should continue to scrutinise the propriety and usefulness of all classes of expenditure in the Indian Stores Department and act as a check of all wasteful expenditure in the department. We hope that this scrutiny by the Public Accounts Committee combined with the original and jealous scrutiny by the Standing Finance Committee of all proposals for new expenditure in the department will ensure that the department is run on sound and economic lines.

50. We wish to couple our important recommendation for the compulsory utilisation of the Indian Stores Department for the purchase of all general stores required for the public service with an equally important recommendation, that in order that the Indian Stores Department should fulfil successfully its role as the Chief purchasing and inspecting agency of Government it is absolutely essential that the Department should be equipped with a fully qualified and expert staff both on its purchase and inspection side, which will command full confidence of indenting authorities. Not only should the staff be experienced and competent but should continue to enjoy a reputation for honesty and integrity. The purchasing and inspecting branches are counter-parts of each other and the fairness, efficiency and experience of one branch lightens the work of the other besides considerably adding to the efficiency of the service to the indenting departments.



51. We should like to draw attention in this connection to a large number of qualified specialists employed in the department consisting of Metallurgists, Engineer Physicists, Chemists, Electrical Engineers, Mechanical Engineers, Structural Engineers, General Engineers, Wagon and Rolling Stock specialists, Textile specialists and Specialists in foundry work. We do not think any other department in the Central Government, except probably Railways as a whole, has in its personnel the same range of specialised training and experience. We commend to the Government of India for their serious consideration that it is a great loss to the taxpayer that a department so well organised and equipped should not be made use of to its full capacity.

52. The emphasis that we have laid on the selection of the best qualified experts for the department leads us to the consideration of the question of the methods of recruitment to the department. Both from the point of view of economy and of ensuring better touch with the Indian industries and manufactures it is necessary that the department should be staffed with Indians. The present position in regard to Indianisation is given in Appendix V in a note submitted by the Chief Controller of Stores. We are satisfied that the policy of Indianisation is being pursued by the Department. The Government of India have accepted the recommendation of the Stores Purchase Committee that whenever suitably qualified men are available in India to fill vacancies in the Stores Department priority should be given to Indians or statutory Indians. We recommend in this connection that whenever it is found necessary in future to recruit Europeans owing to the absence of qualified men in India, such Europeans should be recruited on special terms for a strictly limited period and it should be made clear to them at the time of their appointment that their employment in the Department will terminate on the conclusion of their agreement. Steps should be taken simultaneously to ensure that a qualified Indian will be available to take over the duties of the European Officer on the termination of the employment of the latter.

As regards the actual recruitment to the department, this is now being done through the Public Service Commission. Whenever there is a vacancy, it is notified to the Public Service Commission which proceeds to call for applications from persons possessing the necessary qualifications. As the appointments in the department are very technical, the Commission requisitions the services of a representative of the Indian Stores Department to sit as an assessor with them. We were informed that this system has on the whole worked well and that the recruits obtained through the Public Service Commission have been quite satisfactory.

This is perhaps the place for us to offer a suggestion that when the time comes for considering the question of a successor to the present Chief Controller of Stores—about whose ability, integrity and wholehearted effort to improve the department we have received testimony on all sides—the Government of India should make every effort to select an officer possessed of the same outstanding ability and experience and actuated by the same enthusiasm for the promotion and encouragement of Indian industries and manufactures.

**Our recommendations on certain miscellaneous matters.**

53. Before we conclude we wish to make certain recommendations in regard to a number of miscellaneous matters.

(1) It has been suggested to us that there is a clause in the existing rate contracts which allows freedom to the Indian Stores Department to obtain competitive tenders for any order in excess of a specified amount and that this clause causes hardship to suppliers who, to meet this, quote higher prices. We have considered this suggestion very carefully and we have gone into the history of this stipulation in the contracts. This stipulation is not entirely in the interests of the Indian Stores Department but affords an equal benefit and protection to the suppliers. It gives to contractors, if conditions so warrant it, an opportunity to replenish stocks without damaging the interests of their general customers and thereby damaging their goodwill. The rate contracts are generally confined to articles in general demand and the requirements of the Stores Department against them are much below the requirements of the general consumer. It is, therefore, only reasonable that the Department should not call upon a supplier to deplete his stocks by placing an abnormally large demand to an extent which will prevent his meeting with reasonable promptitude the demands of his general customers. In certain cases the Department confers a similar right upon the contractors of refusing to supply if they so desire, demands of greater value than the specified amount, without the Department submitting the demand to open competition. As a general rule, the rate contracts have been designed to meet, what one may call, normal sized indents. If a very large demand for any particular class of articles or materials is received, keener prices may be obtained by submitting the demand to competition outside the rate contract and it is to allow this to be done that the stipulation has been included in the contracts. We were informed that a similar stipulation is made in the rate contracts of the War Office, London, the Secretary of State reserving to himself, thereby, the right of submitting to open competition orders valued more than a specified amount.

(2) It has been recommended to us by one Chamber of Commerce that the registration of firms by the Indian Stores Department should be entrusted to a non-official advisory committee. We foresee difficulties in the practical working of such a committee and also the possibility of additional expense. At present demands for registration are received almost daily. If every demand for a registration is to be dealt with by the advisory committee, that body will have to be almost continuously in session if delay and hardship to the applicants is to be avoided. We consider the present procedure is entirely suitable and makes for expeditious disposal of all applications. Under the existing system, firms desiring registration are given a form to complete. In this form full information of the firm's capacity to give service is stated. Also references to past service rendered to other Departments or purchasing authorities are given. On receipt of this form in the headquarters office the Indian Stores Department calls upon the local officer of the Department to inspect and report on the firm's works or premises. The Department also makes enquiries from the parties given as references as to how orders or contracts placed by them on the firms concerned have been handled. If reports received indicate that the firm is one deserving registration, their name is brought on to the Indian Stores

Department list forthwith. Aggrieved firms have the right to appeal to the Chief Controller as Head of the Department against a decision to refuse registration. If they are not satisfied with his decision, it is open to them to appeal to the Government of India. Any firm registered or unregistered can tender for any supplies for which tenders are invited by public advertisement. If the tender of an unregistered firm is *prima facie* satisfactory, a trial order would be placed with them after such enquiries as are considered necessary and if they satisfactorily carry out the obligations under their contract, they would automatically be brought on to the list of approved contractors. We do not therefore consider that an advisory committee would make the system any more perfect, but if there is a strong feeling on the part of commercial firms in favour of the proposal, we are assured that the Chief Controller will do everything possible to facilitate its working.

(3) One firm of contractors has made a suggestion that firms of standing should be allowed to compete for all the requirements of the Indian Stores Department whether the firms are stockists of those goods or not. The demands received in the Indian Stores Department are dealt with either

- (i) by advertising in the Press, or
- (ii) by issuing limited tenders, or
- (iii) by issuing a single tender.

All important demands, that is those amounting to Rs. 5,000 or above, are, as a rule, advertised, when time permits. All firms whether manufacturers, stockists, dealers or neither, and whether registered or not, are allowed to compete for the demands falling in this category. Limited tenders are issued to selected firms in the case of demands which are not advertised. The selection is, of necessity, confined to firms dealing in the particular class of stores required and known to the Department as reliable suppliers thereof. Single tenders are issued in rare cases to meet urgent or petty demands of a proprietary character. In the case of the two latter categories of tenders, it is necessary for obvious reasons to restrict enquiries to firms who are registered for the supply of stores in demand. It is not an essential condition of registration, however, that the firm must hold stocks, though firms holding stocks obviously get when demands are urgent a measure of preference, over those who do not, in the distribution of orders. In these circumstances we do not wish to make any special recommendation on the subject.

(4) One association has pointed out that the specifications for many of the goods required by the Indian Stores Department are such as discourage Indian made goods and has suggested that the specifications of all the goods should be thoroughly overhauled. We have referred in a previous paragraph to the important question of specifications. We are not aware that any of the specifications in use in the Indian Stores Department are such as discourage Indian made goods. We were assured that the specifications in use in the Department were constantly being examined, mainly with the object of facilitating the purchase of Indian made articles, and that if any firms or associations would bring to the notice of the Chief Controller of Stores any condition in any of the Department's specifications which they consider should be modified in the interest of Indian industry, the matter would receive careful consi-

deration. We should add that the specifications in many cases have been framed in consultation with consuming Departments and represent the minimum standards of quality acceptable for the particular articles or materials to which they relate. Any alterations suggested in specifications have to be most carefully considered from all aspects, particularly from the point of view of safety of life, economy and assurance of satisfactory behaviour in service.

(5) When we discussed the question of retrenchment with the Chief Controller of Stores we impressed upon him that two costly appointments at headquarters in the Administration and Intelligence Branch, *viz.*, the Deputy Director of Administration and Intelligence and the Assistant Director of Administration and Intelligence were unnecessary. In view, however, of the fact that the cuts that we were suggesting would throw additional responsibility on the Chief Controller, we suggested to him that the appointment of Deputy Director should be done away with not immediately but when the present incumbent was due to retire and that thereafter there should be only one post of Secretary to the Chief Controller which should be filled by an officer of the Indian Audit and Accounts Service as his services would be very valuable to the Controller in regard to financial administration and in dealing with tenders. We have no objection to the Secretary being provided with an Assistant, if necessary, to deal with routine matters.

(6) The question whether the purchase of printing and stationery stores should be made through the Indian Stores Department was referred to us. These purchases are now made by the Stationery Office instead of through the Indian Stores Department and the continuance of the existing procedure has been proposed both by the Controller of Stationery and Printing and by the representative of the Government of India in the Department of Industries and Labour. The reason for this exception in the case of purchase of these stores is that the stationery and printing department is entrusted with the purchase of this class of stores on behalf of Government so that there is no particular advantage in simply sending the indents over to the Indian Stores Department to call for tenders. It is at present the policy of the Stationery Office to place orders with the Indian Stores Department for all general stores like lubricating and other oils and greases, petrol and kerosine oil, hardware, textiles, etc. We agree that it is not desirable to transfer to the Indian Stores Department the work connected with the purchase of Stationery and Printing stores which are of a specialised character and for dealing with which the Stationery and Printing Department is equipped with an organisation possessed of thorough knowledge of the particular subject.

(7) A suggestion was made to us that a beginning should be made in starting a regular exhibition of Indian manufactures and industries in India situated in a central place like Delhi and placed under the supervision of the Indian Stores Department. The importance of the exhibition of Indian manufactures has already been admitted by the Department which has arranged for display of the articles manufactured by most of the important concerns in India in a convenient space in the North Block of the Imperial Secretariat Buildings. We were informed that the utility of these exhibitions to manufacturers had been widely appreciated and that the collection had already assumed considerable size. We wish to recommend that this idea of organised display of India's

- important manufactures should be fully developed and that in due course the Department should establish a central exhibition of Indian manufactures at a place in New Delhi which would be more accessible to people visiting Delhi than the Imperial Secretariat. The products of Indian industries should be exhibited with the names of firms and the respective prices and the institution should be placed in charge of an intelligent officer of the department able to give further information to people who visit the museum and ask for it.

(8) We examined the representatives of the Departments which had now their own large stores organization whether with the transfer of the work connected with the purchase of all general stores to the Indian Stores Department any reduction could be effected in the strength of their stores organization. We were informed that the work involved in the receipt, maintenance and distribution of stores would still continue and that this, coupled with the increase of work in other directions, for example, the working of the new stores purchase rules, etc., would not permit of any appreciable reduction of staff. While appreciating this point of view, we recommend that all Departments should be required to examine carefully their staff requirements after the full introduction of the system of compulsory purchases through the Indian Stores Department of all general stores and make whatever reduction is possible.

#### SUMMARY OF OUR RECOMMENDATIONS.

54. In our *interim* report of the 5th September 1931, we summarised the financial effect of the recommendations included therein in regard to the Stationery and Printing Department as follows :—

	In thousands of rupees.
(i) Savings proposed to be effected by the Controller himself ..	6.36
(ii) Stoppage of the move of Assistant Controller and his staff to Simla	6
(iii) Abolition of the post of Deputy Controller at Delhi .. ..	14
(iv) Substitution of the appointment of Deputy Controller of Forms at Dhurrumtolla by the appointment of a second grade Manager ..	6
(v) Savings assumed by the Controller in the purchase of tag labels	20 to 30
	6.82 to 6.92

We added that the figure of about 7 lakhs mentioned above did not include the possible savings in the amounts payable to contractors for printing Posts and Telegraphs forms on account of reduction of rates under the new contract nor the savings which would ultimately be affected by the adoption of our other recommendations, chiefly those regarding centralization of all printing work at New Delhi, improvement of the existing method of receiving and accepting tenders, etc.

55. In paragraph 6 of our *interim* report of the 11th September, we summarised the financial effect of the recommendations in regard to the Stores Department as follows :—

	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 (Textile) ..	12 × 1,169 ..	= 14,028
	(a) C. P. F. ..	= 877
4. Assistant Controller of Purchase, Karachi ..	12 × 876 ..	= 10,512
	Allowances ..	525
5. Assistant Controller of Purchase, Bombay ..	12 × 876 ..	= 10,512
	Allowances ..	2,550
	(a) C. P. F. ..	667
6. Reduction of staff on account 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
<i>plus</i> ultimately (additional) .. .. .		60,000
	<b>Total Rs.</b>	<b>2,53,102 to Rs. 3,13,102</b>

(a) Contributory Provident Fund.

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

56. Since we submitted our *interim* report, the Chief Controller of Stores has as a result of various discussions with us and of his own continuous review of the expenditure of the department been able to effect the following further economies :—

	Per annum. Rs.
(i) Savings in the Inspection Branch .. .. .	50,000
(ii) Other miscellaneous savings .. .. .	9,000
(iii) Replacement of the post of Assistant Controller of Inspection at Karachi by an Inspector-in-charge .. .. .	4,000
(iv) Proposed abolition of the post of Chemist at Jamshedpur and reduction in certain allowances .. .. .	7,000
(v) Holding in abeyance of various posts .. .. .	96,000
(vi) Reduction in the charges for inspection through the Director General of Stores, London as compared with the year 1929-30 .. .. .	69,000
(vii) Abolition of the Consulting Engineer's branch .. .. .	30,000
<b>Total ..</b>	<b>2,65,000</b>

57. We now proceed to summarise our recommendations in this, our final report :-

- (1) The Alipore Test House should be regarded more or less as an institution similar to the National Physical Laboratory, London. The possibilities of economy in the expenditure of the Institution should be examined departmentally with particular reference to certain points indicated by us. Government should take steps, if and when a suitable opportunity occurs, to secure the services of an eminent Indian scientist as head of the institution.
- (2) The Metallurgical Inspectorate should be maintained on a self-supporting basis and the expenditure should be departmentally reviewed and proper steps taken in time to prevent the Inspectorate becoming a losing concern.
- (3) Government should issue definite orders that all stores other than stores of a specially technical nature required by any department of the Government of India should in future be purchased through the Indian Stores Department.
- (4) The departmental charges now levied by the Indian Stores Department should be abolished; but a *pro forma* credit should be taken in the annual accounts of the department for fees for services rendered. This annual account should be utilised by the Chief Controller of Stores, as General Manager of the Stores Purchase Organisation, to compare the working results of the organisation from year to year and to take steps to pull up any deterioration disclosed. The accounts should continue to be presented to the Public Accounts Committee who should advise Government in regard to any improper or wasteful expenditure.
- (5) Small orders under Rs. 250 even in regard to general stores should not be sent to the Indian Stores Department except in certain cases specified by us.
- (6) All departments of the Government of India should be required to examine carefully their staff requirements after the full introduction of the system of compulsory purchases through the Indian Stores Department of all general stores.
- (7) An Advisory Committee presided over by the Member-in-charge of the Department of Industries and Labour and including as members, the Secretary in the Department of Industries and Labour, the Chief Controller of Stores, a Member of the Railway Board, the Quarter Master General and one member each from the Central Legislature should be established to advise the Government of India on all important matters affecting stores purchase and to review from time to time how far the policy of Government in regard to stores purchase and the recommendations of the various committees appointed by them are given

effect to. The Committee should be constituted as early as possible and meet as often as may be necessary.

- (8) The Government of India in the Department of Industries and Labour should consider whether with a view to implementing the policy of the Government of India in the matter of encouraging the development of the industries of the country to the utmost possible extent consistent with economy and efficiency some periodical report should not be called for from the purchasing offices and departments regarding the action taken by them during the year in the matter of giving price preference.
- (9) In cases where the purchasing officer of the Indian Stores Department decides the question of acceptance of tenders on his own responsibility without consulting either the Inspection Branch or the indenting department, he should refer the matter to the next higher authority on the purchasing side except when the lowest tender is accepted. In cases of exceptional or large tenders arrangements should be made for obtaining the advice of the indenting departments and if possible of the Finance Department of the Government of India.
- (10) Whenever it is found necessary in future to recruit Europeans owing to the absence of qualified men in India, such Europeans should be recruited for a strictly limited period and steps should be taken simultaneously to ensure that a qualified Indian would be available at the end of the period. When the time comes for considering the question of a successor to the present Chief Controller of Stores, the Government of India should make every effort to select an officer possessed of the same outstanding ability and experience and actuated by the same enthusiasm for the promotion and encouragement of Indian industries and manufactures.
- (11) The appointment of Deputy Director, Administration and Intelligence, should be done away with when the present incumbent is due to retire and thereafter there should be only one post of Secretary to the Chief Controller which should be filled by an officer of the Indian Audit and Accounts Service. The Secretary may be provided with an Assistant, if necessary, to deal with routine matters.
- (12) The idea of an organised display of India's important manufactures should be fully developed, and the Indian Stores Department should establish in due course a Central Exhibition of Indian manufactures at a place in New Delhi in charge of an intelligent officer of the department.

#### Conclusion.

58. We regret that our colleagues Messrs. Jaggannath Aggarwal and S. C. Lyttelton were not able to be present, during the concluding stages of



our deliberations, as both of them were unavoidably absent out of India. Though they have not signed our final report, they were signatories along with us to our *interim* report of the 12th September 1931 wherein we clearly stated that " 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 ".

G. A. NATESAN.  
B. DAS.  
A. H. GHUZNAVI.

V. K. ARAVAMUDHA AYANGAR,  
*Secretary.*

SIMLA ;  
*30th September 1932.*

## 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*
<b>Total .. .. .</b>	<b>82,79,000</b>	<b>78,79,000</b>

*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, Rs. 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
<b>Total</b>	<b>Rs. 2,53,102 to Rs. 3,13,102</b>	

(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 1926 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 IV.

LIST OF WITNESSES EXAMINED ORALLY.

1. The Officer in Charge, Government of India Press, Calcutta.
2. The Officer in Charge, Central Publication Branch, Calcutta.
3. The Officer in Charge, Forms Press and Store, Calcutta.
4. The Controller of Printing and Stationery.
5. The Deputy Controller of Stationery.
6. The Superintendent, Alipore Test House.
7. Rai Bahadur J. P. Ganguli, Indian Stores Department.
8. Mr. P. Mohan Rao, Audit Officer, Indian Stores Department.
9. Mr. J. S. Pitkeathly, Chief Controller of Stores.
10. Mr. J. A. Shillidy, I.C.S., M.L.A.
11. Mr. P. N. Mukherji, Deputy Chief Accounts Officer, East Indian Railway.
12. Mr. T. G. Russel, Chief Commissioner, Railways.
13. Mr. (now Sir) A. A. L. Parsons, Financial Commissioner, Railways.
14. Mr. Hare-Duke, Deputy Controller of Stores.
15. Lieutenant-Colonel Stagg, R.E., Mint Master, Calcutta.
16. Mr. D. J. Banerjee, of Messrs. Kuver, Limited.
17. Mr. Anderson, of the Burma-Shell Oil Storage and Distributing Company, Limited.
18. Mr. Gahan, Controller of Purchase, Calcutta Circle.
19. Mr. Davy, Controller of Inspection, Indian Stores Department, Calcutta Circle.
20. Mr. A. S. Gillespie, Representative of the Chamber of Commerce, Bombay.
21. Mr. N. B. Saklatwala, C.I.E. }  
 22. Mr. Mather } Representative of Messrs. Tata  
 Sons, Limited.
23. Mr. Venkatanaranappa, General Manager, Mysore Iron Works, Bhadravati.
24. Mr. A. M. Reith, Merchant of Bombay.
25. Mr. R. S. D'Arcy, Controller of Purchase, Bombay Circle.
26. Mr. B. N. Dutta, Assistant Controller of Inspection.
27. Mr. F. Stones, Representative of the Bombay Millowners' Association.
28. Mr. Jamnadas Mehta }  
 29. Mr. N. M. Mazumdar } Representatives of the Indian Merchants'  
 Chamber, Bombay.
30. Mr. Ramalingam }
31. Mr. J. A. D. Naoroji, Representative of Messrs. Tata Sons, Limited, Agents for the Tata Oil Mills Company, Limited.
32. Major R. Crofton, M.C., R.A., Assistant Director of Artillery.
33. Lieutenant-Colonel A. FitzGerald, O.B.E., I.A.S.C., Officiating Director of Contracts.

## 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.