

C O N T E N T S.

Commerce and Industry Department, Govt. of India.

Memorandums prepared for the Public Services
Commission, 1912.

1. Memorandum on Customs Dept. 1-19 p.
V2, 8. N12t E4-Cu
2. do. Indian Postal Service. p.20-68.
V2, 8. N12t E4-P
3. do. Indian Telegraph Dept. 69-97 p.
V2, 8. N12t E4-T
4. do. Factory Inspection Staff in India. 98-119 p.
V2, 8. N12t E4-F
5. do. Explanatory of the Organisation etc. of the
Technical Establishments of the Govt. of
India in the Ry. Dept. 120-127 p.
V2, 8. N12t E4-R(T)
6. do. State Railway Service. 128-153 p.
V2, 8. N12t E4-R

----- 000 -----

Memorandum on the Customs Department.

(For the Public Services Commission.)

Result of the recommendations of the Public Services Commission of 1886-87 in regard to the Customs Department.

In 1886-87 the Customs Department was not an Imperial Service. Each maritime Province had its own Customs Department, a certain number of the superior posts being reserved for members of the Indian Civil Service. The Public Services Commission of 1886-87 did not recommend any far-reaching changes in the constitution of the Service. Their recommendations briefly were:—

Dhananjayaram Gadgil Library



GIPE-PUNE-015925

(1) that the Commissionership of Customs at Bombay should continue to be reserved for a member of the Indian Civil Service and the Collectorships of Customs at Bombay and Calcutta should ordinarily be held by members of that Service;

(2) that the Collectorship of Customs at Madras and the Assistant Collectorship at Bombay need not be reserved for members of the Indian Civil Service;

(3) that the existing system of recruitment by selection should be retained on certain conditions in respect to the other superior appointments in the Department; and

(4) that there was no ground for the exclusion of qualified candidates of any race from the Appraisers' or Preventive branches of the Department.

These recommendations were referred by the Government of India to the Local Governments and were accepted by them, with the exception that the Governments of Madras and Bombay were of opinion that the appointments mentioned in (2) above should ordinarily be held by civilian officers, and several of the Local Governments qualified their acceptance of recommendation (4) by stating that Europeans ordinarily make the best officers in both the branches referred to and that Indians should not be appointed unless they are really qualified for the posts.

The views expressed by the Local Governments met with the general concurrence of the Government of India and the Secretary of State.

In 1897-98 the question of the recruitment of the Customs Department was again examined in connection with a representation made to the Secretary of State by the Eurasian and Anglo-Indian Associations

Despatch to the Secretary of State No. 17 (Public), dated the 25th March 1891.

Despatch from the Secretary of State No. 104 (Public), dated the 30th September 1891.

regarding the more extended employment of Anglo-Indians and Eurasians in the public service in India ; and the Secretary of State was informed as follows :—

Despatch to the Secretary of State No. 78 (Public), dated the 13th October 1898.

“ In the Customs Department all the superior and subordinate appointments except the Collectorships at Madras, Bombay and Calcutta, are open to domiciled Europeans and Eurasians. In the higher grades of this Department few pure natives are employed. In Calcutta, Rangoon and Madras, the Customs appraisers are mostly Europeans and Eurasians, whilst in Bombay they are Parsis and Hindus who have been found to work very well.”

Again in 1900-01, the question came under consideration in connection with a representation of the Indian Association on the subject of the wider employment of natives of India in the Customs and other minor Departments in Bengal. In replying to this representation it was pointed out that, in accordance with the recommendations of the Public Services Commission, all the appointments in the Customs Department, with the exception of a few appointments specially excepted by the Commission, had been thrown open to natives of India without distinction of race. At the same time it was admitted with regard to the Preventive Department that the conditions were such that no ordinary native of Bengal would be able to discharge the duties adequately, and in fact no application from an Indian for an appointment in the Preventive Service had ever been received by the Government of Bengal. With regard to Appraisers, the Government of Bengal was of opinion that there was no reason why a carefully selected Indian should not do well in the Department. The Government of India stated that they thought the time had come when the Government of Bengal should try the experiment of appointing more Asiatics to Appraiserships as in Bombay, but they considered that there were practical objections, from the point of view of the public interests and the wishes of Indians themselves, to the appointment of an Indian, save under exceptional circumstances, to be a Preventive Officer.

Paragraph 5 of letter from the Secretary to the Government of India, Home Department, to the Chief Secretary to the Government of Bengal, No. 3411, dated the 20th December 1900.

In 1904, in connection with an enquiry which was made into the charge that Europeans and Eurasians enjoyed a disproportionate share of State patronage, figures were published showing the number of appointments in the Customs Service

Resolution Nos. 419-437, dated the 24th May 1904.

carrying a pay of Rs. 75 per mensem or over held by Europeans, Eurasians and Indians. The figures for 1887 and 1903 were—

	<i>Europeans.</i>	<i>Eurasians.</i>	<i>Indians.</i>
1887	203	160	27
1903	220	254	103

In 1909, in connection with the reorganization of the Preventive and Appraising Departments of the Calcutta Custom House, the Secretary of State observed that the Departments were almost exclusively recruited from Europeans and Eurasians. He pointed out that the practice was not in accordance with the recommendations of the Public Services Commission and suggested that the attention of the Government of Bengal should be drawn to the matter. The Government of India thereupon impressed on the Bengal Government the desirability of giving more extended employment to Indians as Appraisers; but, with regard to the Preventive Service, they adhered to the decision of 1900 that there were practical objections to the employment of Indians generally as Preventive officers.

Creation of the Imperial Customs Service.

The most important change which has taken place since the Public Services Commission of 1886-87 has been the creation of an Imperial Customs Service for the superior administrative appointments in place of the old localized Services. Certain reasons for modifying the previous system were brought prominently to the notice of the Government of India by the mercantile community in 1903, and after careful consultation with the maritime Local Governments and the Chambers of Commerce, an Imperial Customs Service was created in 1906, with the sanction of the Secretary of State.

The creation of the Service was announced in Resolution No. 154-161-57 of the Department of Commerce and Industry, dated the 9th January 1906.

Present constitution of the Service.

Since 1906 (neglecting for the present the recent introduction of the time-scale) the cadre has been modified only by the addition of one appointment in the Rs. 650 grade of Assistant Collectors to provide for a second Assistant Collectorship at Karachi, and Probationers have been declared eligible for the local allowance of Rs. 75 admissible to Assistant Collectors at Calcutta, Bombay and Rangoon.

Despatch from the Secretary of State No. 102-
(Revenue), dated the 27th August 1909.

Letter from the Government of India to the
Government of Bengal, No. 7631-11, dated the 13th
October 1909.

Despatch to the Secretary of State, No. 469
(Finance and Commerce), dated the 29th December
1904.

Despatch from the Secretary of State, No. 62
(Revenue), dated the 7th April 1905.

Despatch to the Secretary of State, No. 218
(Finance), dated the 15th June 1905.

Despatch from the Secretary of State, No. 125
(Revenue), dated the 4th August 1905.

The cadre is as follows* :—

Collectorships.—5 appointments ;

	Pay (without exchange compensation allowance.)	Local allowance admissible when posted to Calcutta, Bombay or Rangoon.
	Rs.	Rs.
1 on	2,500	250
2 on	2,250 each	250
2 on	2,050 „	200

Of these 5 appointments, 3 are reserved for members of the Indian Civil Service, but no particular appointments are reserved for them, nor is a special pay assigned to any particular post. In practice the three Civilian Collectors' have hitherto always been posted to Calcutta, Bombay and Madras. The two remaining appointments are filled by non-Civilian Assistant Collectors in the Department, who have hitherto in practice held the Collectorships at Rangoon and Karachi. All appointments to the Collectors grade are made, as a rule, by selection; and once the rank of Collector is attained, Civilians and non-Civilians are, for the purposes of promotion, on the same footing. Civilian Collectors are permitted to revert to their own Provinces at any time, but the Government of India can withhold such permission where it may cause too rapid a change in the Customs *personnel*.

Assistant Collectorships.—There are 21 appointments, of which one in each of the first three grades is reserved for a member of the Indian Civil Service. The cadre for Civilian Assistant Collectors is kept quite distinct from the non-Civilian cadre. Members of the Civil Service of 4 or 5 years' standing are ordinarily selected for the three reserved appointments of Assistant Collector, and they are required to remain in the Department for at least 4 years from the date of their confirmation. At the end of this period they may be required, and are permitted, if they so wish, to revert to their own Provinces. Ordinarily no Civilian is appointed as a Collector of Customs unless he has served as an Assistant Collector of Customs and has thereafter obtained some experience of general administrative work outside the Customs Department.

The cadre of Assistant Collectors is as follows :—

	Pay (without exchange compensation allowance.)	Local allowance admissible when posted to Calcutta, Bombay or Rangoon.
	Rs.	Rs.
3 on	1,400 each	75
3 on	1,150 „	75
3 on	900 „	75
5 on	650 „	75
4 on	450 „	75
3 on	300 „	75

* *Vide* List of officers of the Imperial Customs Service and Cadres of the Imperial Customs Service.

Introduction of a time-scale of pay.

The system of graded salaries above described, which has been in force since 1906, has not given entire satisfaction; in particular the irregularity of recruitment unavoidable in so small a Service has led to the prospects of the junior men and of future recruits being very unfavourable. In their interest the Government of India in the present year took up the question of introducing a time-scale of pay in place of the graded system. The proposals which were recommended to the Secretary of State in February 1912 and sanctioned by him in a despatch received on the 12th May 1912 are as follows:—

Despatch to the Secretary of State No. 37
(Finance), dated the 15th February 1912.

- (1) No change is made in the grading and pay of the 5 Collectorships of Customs and the method of appointment to these posts remains the same.
- (2) The three Civilian Assistant Collectors will receive a pay of Rs. 1,000 rising to Rs. 1,300 by annual increments of Rs. 100 and then by biennial increments of Rs. 50 to Rs. 1,400. Civilian officers appointed to officiate as Assistant Collectors of Customs will be allowed to draw the minimum rate of Rs. 1,000 a month, and their acting period will count as service for increment.
- (3) The 18 non-Civilian Assistant Collectors (including Probationers) will receive a pay of Rs. 300 rising to Rs. 1,150 by annual increments of Rs. 50 and then by biennial increments of Rs. 50 to Rs. 1,400.

Probationers recruited in England will start on a pay of Rs. 300 a month, and those recruited in India on a pay of Rs. 200. In their second year of service they will rise to Rs. 350 and Rs. 300, respectively, on passing either part of the departmental examination; and on completion of two years' service, officers of both classes will rise to Rs. 400 subject to the condition that they have passed the departmental examination in full and are confirmed in the Department. Thereafter their pay will be fixed according to the general time-scale, Rs. 300 being taken as the starting point. The existing local allowances at Calcutta, Bombay and Rangoon are continued. A Resolution* is under issue at the present time explaining

* Resolution of the Departmental of Commerce and Industry No. , dated the 1912.

the conditions of the time-scale. All officers at present in the Service have been given the option of electing this time-scale or of remaining on the present graded scale. The option is to be exercised within one year and, if exercised within one month, will take effect from the 12th May 1912; otherwise from the date on which such option is exercised by each officer. A few officers, who received promotion to a higher grade from the 1st June 1912, have been allowed to start on their present pay as a special case.

General Remarks.

There are at the present time in the Imperial Customs Service six officers who have been recruited directly from England; five officers, of whom two are Indians, have been promoted from the subordinate grades or transferred from the local Services; and one appointment has recently been filled by a junior member of the Opium Department whose post had come under reduction owing to the curtailment of that Service. There is also one officer of the British Customs Service who has been lent to the Government of India for five years. This officer has been offered a permanent appointment in the Service under the time-scale. Five appointments are at present absorbed by members of the old Provincial Services who have not been admitted into the Imperial Service and who draw their pay and allowances at the old rates. The appointments held by these officers will be filled by Imperial men as soon as the present incumbents retire.

Officers of the Imperial Customs Service are employed at the six principal ports, *vis.*, Calcutta, Bombay, Madras, Rangoon, Karachi and Chittagong. They are liable to transfer from one port to another; and all questions affecting their appointment, promotion, leave, transfer, retirement and punishment are dealt with by the Government of India in the Department of Commerce and Industry. In regard to their actual work they are under the control of the Chief Customs Authority of the Province to which they are posted.

Non-Civilian Assistant Collectors are ordinarily recruited in England, but Indians who are British subjects and possess the requisite qualifications are also eligible for appointment*; and, as stated above, two of the present Assistant Collectors are Indians who have been promoted from the subordinate Customs Service. No particular proportion of appointments is, however, reserved for natives of India; and it has been held that competitive examination

*Despatch No. 67 (Commerce and Industry), dated the 13th December 1906, and enclosures.

is not suitable for the Service, and that appointments should be made wholly by selection either from among subordinates or by first appointments. It has also been held that the direct appointment of the majority of the officers of the Service was essential and that it would be inconsistent with the principles on which the Service was created to fix any proportion of the appointments to be recruited from the subordinate establishment. In accordance with the above decisions promotion from the subordinate ranks is granted only in very special cases as a reward for exceptionally good work; and whenever a vacancy occurs, the Government consider whether it should be filled by the Secretary of State or in India. In deciding this question due regard is paid to the state of the list and to the qualifications of possible candidates in India.

The conditions of service in regard to leave and pension are governed by the ordinary rules in the Civil Service Regulations. Non-Civilian Collectors of Customs are eligible for the special additional pension of Rs. 1,000 a year admissible under Article 475 of the Civil Service Regulations; and all officers of the Department appointed in England, as well as those appointed in India drawing pay of not less than Rs. 900 a month, have been admitted to the European Service Leave Rules. All officers in the Service, irrespective of pay, draw first class travelling allowance; and Collectors of Customs and all Assistant Collectors are allowed daily allowance at the rate of Rs. 7-8-0 and Rs. 5 respectively.

Subordinate Customs Services.

Each maritime Province has a subordinate Customs staff consisting of Appraising, Preventive and ministerial establishments. These establishments are entirely under the control of the Local Governments. The question of recruitment of Indians and Eurasians for the Appraising and Preventive establishments, so far as this question has come before the Government of India, has been mentioned in the preceding memorandum. The subordinate Customs staff at all the principal ports has been considerably increased from time to time in recent years to meet the growing demands of trade.

List of printed papers attached.

1. Despatch to the Secretary of State No. 469 (Finance and Commerce), dated the 29th December 1904.
2. Despatch from the Secretary of State No. 62 (Revenue), dated the 7th April 1905.
3. Despatch to the Secretary of State No. 218 (Finance), dated the 15th June 1905.
4. Despatch from the Secretary of State No. 125 (Revenue), dated the 4th August 1905.
5. Resolution No. 154-161-57, of the Department of Commerce and Industry, dated the 9th January 1906.
6. Despatch No. 67 (Commerce and Industry), dated the 13th December 1906, and enclosures,—
 - (1) Letter from the Government of Bombay No. 7081 (Revenue), dated the 24th July 1906, and enclosure.
 - (2) Letter to the Government of Bombay No. 9651-21, dated the 10th December 1906.
7. Despatch to the Secretary of State No. 339 (Finance), dated the 5th September 1907.
8. Despatch from the Secretary of State No. 102 (Revenue), dated the 27th August 1909.
9. Letter from the Government of India to the Government of Bengal, No. 7651-11, dated the 13th October 1909.
10. Despatch to the Secretary of State No. 37 (Finance), dated the 15th February 1912.
11. Resolution of the Department of Commerce and Industry, No. -14, dated the 1912.

*List of other papers referred to in the
Memorandum.*

1. Despatch to the Secretary of State No. 17 (Public), dated the 25th March 1891, and enclosures.
2. Despatch from the Secretary of State No. 104 (Public), dated the 30th September 1891.
3. Despatch to the Secretary of State No. 78 (Public), dated the 13th October 1898.
4. Letter from the Secretary to the Government of India, Home Department, to the Chief Secretary to the Government of Bengal, No. 3411, dated the 20th December 1900.
5. Correspondence with Local Governments and Chambers of Commerce during 1903 and 1904 regarding the creation of an Imperial Customs Service, [being enclosures to Despatch to the Secretary of State No. 469 (Finance and Commerce), dated the 29th December 1904].
6. Resolution Nos. 419-437, dated the 24th May 1904.
7. List of Officers of the Imperial Customs Service.
8. Cadres of the Imperial Customs Service.

No. 1.

No. 469 (Finance and Commerce), dated the 29th December 1904.

From—The Government of India,

To—His Majesty's Secretary of State for India.

We have the honour to address you on the subject of the formation of an Imperial Service for the administration of the Customs in India. As you have already been informed in several recent despatches, this question has been under consideration for some time, and we are now in a position to submit detailed proposals for the constitution of the new service.

2. The question was first raised by a representation made in February 1903 by the Bengal Chamber of Commerce. The Chamber explained that it had been in communication with similar associations throughout India regarding the matter, and had ascertained that there was a strong feeling among the mercantile community that a change in the existing system of Customs administration is called for. It was represented that the best results could not be obtained by placing members of the Indian Civil Service, however able, at the head of a Department for which they have had no previous training, and it was further pointed out that the constant changes of officials which are almost inseparable from working the Customs as a Department of the Civil Service are not only harassing to merchants generally, but are also prejudicial to trade. The Bengal Chamber accordingly recommended the formation of an Imperial Customs Service. The Karachi Chamber of Commerce intimated its concurrence in these views, and expressed the opinion that the institution of an Imperial Customs Service would be of the greatest advantage to the commercial community. A communication was also received from the Manchester Chamber, in which the unsatisfactory nature of the present arrangements was dwelt on and the hope was expressed that a system would speedily be devised under which the Collectors of Customs would retain their appointments for lengthened periods. The Government of Bengal was consulted regarding the recommendations made by the Bengal Chamber, and, simultaneously with the receipt of their reply, letters were received from the Governments of Madras and Bombay, in which they expressed their opinion on a similar proposal submitted for their consideration by the local Chambers.

3. The criticism to which the proposal was subjected by the Local Governments did not seriously affect the main contentions urged by the Chambers; and the defects of the present system were freely admitted. It was shown that the complaints regarding the frequent changes in the Collectorships had been somewhat exaggerated, but it was evident that they were on the whole well founded. We had for some time been conscious of the defects of the present system of localisation in Customs administration. One result of it is, as pointed out by the Chambers of Commerce, that officers are taken from the general ranks of the Indian Civil Service to fill the important post of Collector of Customs without having the least knowledge or experience of Customs procedure. They must inevitably be dependent on their subordinates for a considerable length of time while they are learning their work, and meanwhile the administration suffers. When they have learnt their work and become efficient Collectors, they are frequently called away to other duties, and new and inexperienced men are brought in in their place. The effect must be, as the Chambers represent, prejudicial to trade. Reforms cannot be introduced because Collectors are removed just when they become competent to introduce them. On the one hand there is a lack of continuity in the administration due to frequent changes of the head of the office: on the other there is an equally undesirable continuity based on traditions maintained by assistants and subordinates.

4. As pointed out above, a new Collector must at first be to a great extent dependent on his subordinates, and the men who at present fill the inferior posts in the Customs Department are not of the class from which intelligent or liberal administration can be expected. They have for the most part been recruited in this country and have worked their way up through a long round of routine duties to gazetted appointments. From education and training they are unfitted

for responsible positions, and having nothing further to look forward to their performance of their work necessarily becomes mechanical and their views narrow. It is in the upper class of subordinates, *i.e.*, the Assistant Collectors, that reform is, in our opinion, specially called for. We consider it eminently desirable to recruit for these appointments a better educated class of men and to offer them prospects which will incite them to zeal and efficiency.

5. There is one further defect in the present system that has frequently been pressed on our notice of late years. Traders complain that various practices to which they have become accustomed at one Indian port are objected to at another; and facilities which are accorded without question by one Collector are withheld by another. This result is also inevitable from the present system of localisation. The Collector may rise above the traditions of his own port and effect improvements in procedure, but he can never carry the benefit of his experience to another province. We have tried to impress on Local Governments the desirability of uniformity of practice at different ports, but it is almost impossible to secure it, except on paper, unless Customs officers can be transferred from port to port and unless the experience gained in one province can be utilized in another.

6. The only effective remedy for these defects appeared to us to be the formation of a service comprising both Collectors and Assistant Collectors, the *personnel* of which would be under the direct control of the central Government, and the members of which would be liable to transfer from one province to another. We accordingly in December last laid before the maritime Local Governments and Chambers of Commerce the outlines of a scheme having this object, and invited the free expression of their views. The scheme, as will be seen from the enclosed correspondence, has met with an even more favourable reception than we anticipated. It is strongly supported by the Governments of Bengal and Burma, and is fully accepted by the Government of Madras, while all the Chambers of Commerce welcome it as a satisfactory solution of the difficulties to which they had directed attention. The Government of Bombay alone urge objections to the scheme, and it will be convenient to consider these objections before explaining the details of the proposal which we have, after full consideration, decided to recommend for your sanction.

7. The Bombay Government take exception to the proposals on the ground that the objects in view could be attained by less drastic methods. We think, however, that the correspondence has amply demonstrated that the defects pointed out above are inherent in the present system, and we are convinced that the necessary reforms cannot be effected by any half measures. Against the scheme propounded to them the Government of Bombay urge that it will be impossible for the Local Governments to remain responsible for the efficiency of the administration unless the members of the new service are, in respect of all matters connected with discipline, and the arrangement of work and discharge of duties, as completely subject to their control as the members of any purely Provincial service. This objection has not been taken by any other Local Government, and it is apparent that the complete control asked for is inconsistent with the fundamental principles on which the scheme is based. There are many instances in which the appointment, transfer and promotion of officers on the establishment of a Provincial Government are made by the Government of India, and experience has shown that no inconvenience arises therefrom. Many administrative and professorial appointments in the Indian Medical Service, for example, are made by the Government of India in various Provinces; Chief and Superintending Engineers are also, in some provinces, appointed and promoted by the same authority, although employed under the Local Governments; nor do the Government of India, in appointing such officers, confine their selection to officers already on the staff of the province to which they are appointed. We are disposed to think that the Government of Bombay have exaggerated the effect of the proposals in this respect. The connection of the Local Governments with Customs administration, though close and important, is in practice restricted to certain well defined classes of questions; and their powers will not be seriously impaired if the authority to appoint, promote, transfer and

remove the members of the new service be vested in the Government of India. As explained in our Financial Secretary's letter of the 28th of December 1903, submitting the scheme to the Local Governments, we have no intention of restricting or interfering with the administrative powers conferred on the Local Governments by the Sea Customs Act.

8. The Government of Bombay are also of opinion that the rates of pay proposed for the Imperial Customs Service are unnecessarily and undesirably high. This question has received our most careful consideration, and we are satisfied that it would be inexpedient to attempt any reduction in the scale of pay proposed. The comparison drawn between the present and proposed rates of pay of Assistant Collectors can hardly be regarded as an objection, considering that, as pointed out above, one of the most vital requirements is the recruitment of a totally different, and much superior, class. We are also unable to accept the validity of the comparison drawn between the pay of Police and Forest officers and that proposed for the new service. It appears probable from the Report of the Police Commission that considerable additions will shortly require to be made to the pay of the former, and proposals have recently been put forward and are under our consideration for improving the pay of the Forest service. The officers employed in the new Customs service will be directly responsible for the assessment and collection of large revenues, and they will occupy positions of great trust and responsibility, of quite a different character from those occupied by Police and Forest officers. We are strongly of opinion that the class of men which it is proposed to employ cannot be obtained if the remuneration suggested by us be reduced. The scale of pay has been framed on the model of the Enrolled List of the Finance Department. In the case of the Collectors of Customs, the rates proposed are the same as for Accountants-General, but, without exchange compensation allowance. The pay proposed for Assistant Collectors is the same as in the junior grades of the Enrolled List. We consider that the administration of the Customs should not be entrusted to men who are not at least equal in education and ability to the Account officers of the Government; and, when it is remembered that no exchange compensation allowance will be granted to members of the new service, that they will be required to reside in the Presidency towns, or at expensive seaports such as Rangoon, and that they will ordinarily have little chance of promotion outside the service, we are convinced that a scale of pay lower than that proposed would be insufficient to attract and retain the class of men which we desire to secure.

9. Having now explained the genesis of the scheme, and discussed the objections which have been urged against it, we proceed to submit our matured proposals for the constitution of the new service.

It is proposed to combine in one service under the direct control of the Government of India, the appointments of Collector of Customs at Calcutta, Bombay, Madras, Rangoon, Karachi and Chittagong, the Assistant Collectorships at these ports, and the posts of Superintendent, Preventive Service, at Calcutta and Bombay. In order to provide a sufficient margin for leave vacancies, and to maintain a reserve of officers under training, it will also be necessary to appoint three probationers. The rates of pay proposed for these appointments are:—

Collectorships.

	<i>Per mensem</i>						
	(without exchange compensation allowance).						
	Rs.						
1 on	2,750
2 on	2,500
2 on	2,250
—							
5							
—							

Assistant Collectorships.*

							<i>Per mensem</i> (without exchange compensation allowance).
							Rs.
Class	I	...	...	...	3 on	...	1,500
"	II	...	...	...	3 on	...	1,250
"	III	...	...	...	3 on	...	1,000
"	IV	...	...	...	4 on	...	750
"	V	...	...	...	4 on	...	500
Probationers	...	...	...	...	3 on	...	300—350 (on being in- vested with full powers).
							20
							—

10. The five Collectorships will provide Collectors of Customs for the ports of Calcutta, Bombay, Madras, Rangoon and Karachi, while the Collectorship at Chittagong, which is at present of minor importance, will be held by an officer graded as an Assistant Collector. The distribution of the Assistant Collectorships which we propose is as follows:—

Calcutta	...	...	...	...	...	...	5
Bombay	...	...	...	...	...	...	6
Madras	...	...	...	...	...	...	2
Karachi	...	...	...	...	...	...	1
Rangoon	...	...	...	...	...	...	2
Chittagong	...	...	...	...	...	...	1 holding the ap- pointment of Collector of Customs.

The probationers will be available to fill leave vacancies, and will otherwise be allocated, as occasion may require, between Calcutta and Bombay though a probationer might on occasion be sent to any other port at which work may for the time being be specially heavy.

11. These proposals do not alter the existing number of appointments of Collector of Customs, except in the case of Chittagong, where the duties of the office are at present discharged by the Port Officer, with the help of an Assistant Collector. We agree with the Government of Bengal that, until the trade of the port has considerably expanded, it will be sufficient to post an Assistant Collector of any suitable grade there, and this officer will undertake the duties of Collector of Customs at the port. In respect of the Assistant Collectors we have suggested the distribution proposed in paragraph 10 above, after a careful comparison of the trade and revenue statistics at the various ports. The arrangements suggested, and their financial effect, will be evident from the proposition statement which forms one of the enclosures to this despatch; but it will be convenient to refer briefly to the effect of the alterations proposed and the reasons therefor in the case of each port.

Calcutta.—The present permanent superior staff, excluding the Collector of Customs, consists of two Assistant Collectors, and a Superintendent of the Preventive Service. We have, however, recently sanctioned as a temporary measure the appointment of an additional Assistant Collector, and this post is at present held by a member of the Indian Civil Service. In your telegram of the 22nd September 1904, you have sanctioned the creation of an appointment of Assistant Superintendent of the Preventive Service, and this post will be graded in the fourth class of Assistant Collectors, on Rs. 750 a month. There are thus already five appointments of the Assistant Collector class at Calcutta, and we have provided for this number in the cadre of the new service. We are satisfied that this establishment is necessary for the efficient administration of the Customs at the port.

* Including the Collectorship at Chittagong.

Bombay.—There are at present eight Assistant Collectors, two being members of the Indian Civil Service, and one Superintendent of the Preventive Service, at this port. When the customs work is separated from the miscellaneous duties at present performed by the Collector, in accordance with the arrangements tentatively proposed in paragraph 18 of this Despatch one Civilian Assistant Collector will be detached from the Customs staff. This would leave eight appointments; but we do not think it necessary to provide for this number in the present scheme. The Assistant Collectors who will be employed in future may reasonably be expected to be more efficient than the present staff; and, after a careful comparison with the conditions prevailing at Calcutta, we consider that it will be sufficient if six posts are provided for Bombay in the cadre of the new service.

Madras.—One Assistant Collector is at present stationed at Madras, but we propose to allocate two Assistants to this port in future. The trade of Madras is comparable with that of Karachi, where two Assistant Collectors are now employed; and we agree with the Local Government that it is most desirable to give the Collector at the chief port a staff strong enough to enable him to exercise closer supervision over the trade of the minor ports of the Presidency than is at present practicable. The collective volume of trade at the minor ports is very large; and in the case of Tuticorin, the foreign trade is already greater than that of Chittagong, although it does not offer the same prospects of expansion in the near future. We shall revert to the question of the inclusion of the minor ports within the scope of the scheme in paragraph 17 of this Despatch, and having regard to the decision there indicated, we consider that it will be sufficient, for the present, if the staff at the chief port be strengthened in the manner proposed.

Karachi.—The trade of this port is, as stated above, comparable with that of Madras; but there are no minor ports requiring supervision by the Customs officials stationed at Karachi. We are of opinion that, in view of the superior efficiency of our proposed service, it will be practicable for the present to reduce the staff to one Collector and one Assistant Collector of Customs instead of two as at present; but it is probable that an additional officer will be required hereafter. The trade of the port is expanding rapidly, and there is reason to believe that the rate of progress will be accelerated when the additional accommodation which is now being provided there becomes available. The rapid extension of canal irrigation in the wheat-growing tracts of the Punjab, whose natural outlet is Karachi, will also tend largely to increase the trade of the port.

Bangoon.—The present staff consists of one Collector and one Assistant Collector. We agree with the Local Government that this establishment cannot be regarded as adequate. The trade of Bangoon, which is increasing rapidly, is considerably greater than that of either Madras or Karachi; and the minor ports of the province already attract a large amount of foreign trade. The volume of trade at Moulmeia, for example, is somewhat in excess of that at Chittagong; and, for the reasons already stated when referring to the desirability of securing closer supervision over the Customs work at the minor ports of the Madras Presidency, we are of opinion that an additional officer of the Assistant Collector grade should be posted to Bangoon.

With these changes in the present distribution of the Assistant Collectors, the allocation of the seventeen posts which it is proposed to provide for in the cadre of the new service will be as stated in paragraph 10 above.

12. It is proposed that three of the Collectorships should be reserved for members of the Indian Civil Service, and that the remaining two appointments should ordinarily be held by other members of the Customs Service, if suitable incumbents are forthcoming. Of the Assistant Collectorships, one appointment in each of the first three classes will be reserved for members of the Indian Civil Service. Collectors of Customs appointed from this Service will be permitted, subject to the approval of the Government of India, to revert to their own provinces at any time; but such permission will be withheld in cases where it would cause too rapid change in the Customs personnel. Subject to this condition permission to revert will be freely accorded in cases where the experience acquired by the officer in the Imperial Service is likely to be of special assistance to the

Local Government under which he will serve on reversion ; and, under an arrangement of this nature, it is considered probable that certain of the more important revenue appointments, such as Member of the Board of Revenue in Bengal, or Commissioner of Customs, Bombay, may in practice come to be reserved for Civilians who have acquired a technical knowledge of Customs procedure in the Imperial Service. Members of the Civil Service of four or five years' standing will ordinarily be selected for the three reserved appointments of Assistant Collector, and they will be required to remain in the Department for at least four years. At the end of that time they will be permitted, if they should so wish, to revert to their own provinces. Officers so trained, whether they have reverted for a time or not, will be eligible for subsequent appointment as Collector ; and no officer will ordinarily be appointed Collector of Customs unless he has served as an Assistant.

13. We are of opinion that the Assistant Collectors, other than members of the Civil Service, should be recruited by you in England, as required, in the same manner as officers of the Enrolled List of the Finance Department. On their arrival in India, they will be posted as probationers to Calcutta or Bombay, and after the expiry of a year, they will be required to undergo a departmental examination in the vernacular, in Customs work, and in law and procedure. On passing this examination, they will be invested with certain minor powers and finally, if their work is approved, with full powers.

14. The officers of the Imperial Customs Service will be liable to transfer at the discretion of the Government of India, from port to port ; and such transfers will be made every now and then in order to secure the services of the best men for the most important posts and also in order to assimilate, as far as possible, the Customs administration throughout India. Questions affecting the appointment, promotion, leave, transfer, and punishment of these officers will also be dealt with by the Government of India.

15. If you accept these proposals it will only be possible to bring them into effect gradually as vacancies occur in the present establishment. It will be apparent from what we have said regarding the history and qualifications of the present class of Assistant Collectors that it would be most inadvisable to permit these officers to enter the Imperial service *en bloc* ; and, although we do not desire to debar them absolutely from the prospect of such promotion, we recognise that it can be sanctioned, if at all, only in a very few cases. The officers now in the Department will, however, retain all their existing rights, and they will receive promotion in their present cadre, on the existing scales of pay. The replacement of the present staff by officers of the Imperial Service will thus not be complete for many years ; and the adoption of the proposals will therefore involve but little immediate additional expenditure.

16. We consider it desirable, however, that such portions of the scheme as it may be practicable to introduce without delay should be brought into operation as soon as possible. We should thereby be enabled to meet, to some extent, the demands of the Chambers, who are already pressing for the formation of the new service ; and should be in a position to offer the commercial public an instalment of reform. With this end in view, we propose, if you sanction the scheme, to fill up at once the six appointments which will be reserved for members of the Indian Civil Service. The officers selected would, for the present, be allocated to the four Collectorships at Calcutta, Bombay, Madras and Rangoon, one of the posts of Assistant Collector held by the members of the Indian Civil Service at Bombay, and the additional Assistant Collectorship referred to above as temporarily sanctioned for Calcutta. We do not propose to make any change in the pay* of the Collectorship at Karachi until the present incumbent vacates his appointment.

* Rs. 1,250-450-1,500.

The new service would thus start with a nucleus of six men, comprising five members of the Indian Civil Service and one member of the Burma Commission, and the other appointments would be filled up as the present posts of Assistant Collector fall vacant, or as any of the present incumbents may be considered fit for incorporation in the new service. There would also be room for two probationers whom we would ask you to select, if you approve of our proposals.

Their services would be utilized probably at Rangoon and Madras, at which ports the staff must remain under the proposed strength until the number of Assistant Collectors at Bombay becomes reduced to six.

17. When consulting the Local Governments regarding the scheme, the possibility of eventually extending it so as to provide for the administration of the Customs at the minor ports was foreshadowed, and they were requested to state their views as to the practicability of such a course. From the replies which have now been received, it appears that no special arrangements are necessary at present, or in the near future, for the administration of the Customs at the minor ports in Bombay and Bengal. In Madras and Burma, however, the minor ports are of much greater importance; and both the Local Governments suggest that arrangements should be made to include them within the scope of the present scheme. The Government of Madras propose to effect this by appointing four Assistant Collectors, one of whom would be posted at the Presidency town, and the other three at Tuticorin, Cocanada and Calicut, arrangements being made for the supervision of all the minor ports in the Province by these officers. We recognise that it may subsequently become necessary to devise a system for the more efficient administration of the Customs at the minor ports; but we are unwilling to burden the present scheme with such proposals, and are of opinion that it would in any case be preferable to adopt the suggestion made by the Lieutenant-Governor of Burma for the formation of a Provincial Customs Service, to which the work at the subordinate ports would be entrusted. While recognising the advantages of such a system, we consider, however, that it would be premature to discuss it more fully until we are informed of your views regarding the larger scheme which we have now formulated. If our proposals for the constitution of the new service be approved, an additional Assistant Collector will eventually be available both at Madras and Rangoon; and, with this augmentation of the present staff, we anticipate that no immediate difficulty will be experienced in securing efficient supervision over the subordinate officers at the minor ports.

18. It remains to consider the arrangements necessary for the discharge of the miscellaneous duties at present performed by the Collectors of Customs at Madras and Bombay. We agree with the opinion expressed by the Local Governments that it would be impracticable to entrust these duties to members of the Imperial Customs Service, who would, in general, be unacquainted with the local laws and administrative methods of the Presidencies. The information at present available is, however, insufficient to enable us to formulate detailed proposals in regard to this matter; but we consider that the following tentative outline of the arrangements which we are at present disposed to accept will admit of a reasonably accurate estimate being framed of the additional cost entailed by this portion of the scheme. In Madras, the miscellaneous work at present performed by the Collector (land revenue; income-tax; stationery and stamps; and emigration) can we think be made over to a junior Collector on Rs. 1,800; and some savings which may accrue from the withdrawal of Customs work from the present combined Salt, Customs, and Abkari establishment, may be taken as a set-off against the cost of the new scheme. In Bombay the miscellaneous duties discharged by the Collector of Customs and his assistants will be entrusted to a junior Collector on Rs. 1,800, who will be aided by one Civilian assistant. No special allowances will be attached to these appointments; and the Civilian Assistant at Bombay will, as stated in paragraph 11, be provided by the Local Government within the existing cadre.

19. As explained above, we are at present unable to state precisely the additional expenditure which will ultimately be involved by the acceptance of these proposals, but we estimate that the total cost of the scheme will not exceed one and a half lakhs *per annum*, as shown in memorandum attached to the Despatch, and this sum will not be worked up to for many years. If our proposals are sanctioned, we shall in time obtain a thoroughly efficient and trustworthy body of men for the administration of the Customs, which constitute so material a portion of our general resources; and we shall be enabled to remove a grievance which is at present keenly felt by the commercial community. In these circumstances, we are strongly of opinion that the expenditure proposed cannot be considered excessive; and we strongly recommend the scheme for your acceptance.

No. 2.

No. 62 (Revenue), dated 7th April 1905.

From—His Majesty's Secretary of State for India,

To—The Government of India.

I have considered in Council the letter of Your Excellency's Government, No. 469 (Finance), dated 29th December 1904, submitting for my sanction proposals for the formation of an Imperial Service for the administration of the Customs in India.

2. You state that the question was first raised by representations addressed by the Chambers of Commerce to the Local Governments of Bengal, Madras, and Bombay, directing attention to the defects of the existing system of Customs administration, and suggesting the formation of an Imperial Customs Service. After considering the reports of the Local Governments you are satisfied that the present arrangements fail to provide for the previous training in Customs work of the members of the Civil Service of India who are selected to fill the important posts of Collector of Customs at the chief ports; that under the system of provincial control the Collectors are frequently changed; that the upper subordinates, or Assistant Collectors, are, as a class, unfitted from education and training for responsible positions; and that there is a want of uniformity in the Customs procedure at the different ports. You propose, as the only effective remedy for these defects, the formation of a service comprising both Collectors and Assistant Collectors, the *personnel* of which would be under your direct control, and the members of which would be liable to transfer from one province to another. Local Governments would retain the administrative powers conferred on them by the Sea Customs Act, while the authority to appoint, promote, transfer, and remove the members of the new service would be vested in your Government.

3. The scheme provides a service of Collectors and Assistant Collectors for six principal ports, three of the Collectorships and one appointment in each of the first three classes of Assistant Collector being reserved for members of the Indian Civil Service. You propose to make it a general rule that no member of that service should be appointed a Collector of Customs unless he has served as an Assistant. You recommend that Assistant Collectors, other than members of the Civil Service, should be recruited in England, as required, in the same manner as officers of the Enrolled List of the Finance Department. You consider that officers now in the Department should retain all their existing rights, and should receive promotion in their present cadre on the existing scales of pay; but that, having regard to their qualifications and legitimate expectations, they should not be admitted, save possibly in very few and exceptional cases, to the Imperial service. For the minor ports, which you exclude from the scheme, you do not consider that special arrangements are at present necessary. Lastly, you propose to provide for the discharge of the miscellaneous duties at present performed by the Collectors of Customs at Madras and Bombay by the appointment at each place of a Junior Collector of Land Revenue on Rs. 1,800 a month, the Collector at Bombay being aided by one Civilian Assistant.

4. I have no doubt that reforms are needed in the administration of the Customs in India. The alternative lies between improving the existing provincial services in the directions indicated by the Government of Bombay, and superseding them, as you propose, by an Imperial service. There is some force in the view expressed by the Government of Bombay that its dissociation from the administration of the Customs would curtail its sources of information. The administration of the salt revenue, and of the Arms Act, as well as the conduct of political relations with the maritime Native States in Western India, must be facilitated by the direct control of the local authorities over the Customs Department. I observe, however, that your Government has no intention of restricting or interfering with the administrative powers conferred on the Local

Governments by the Sea Customs Act. This provision will, I presume, substantially maintain existing arrangements under which local control is vested in Boards of Revenue, or Commissioners in the various provinces, as the chief Customs authorities. I trust also that it may be possible in practice to prevent friction between the local authorities and the members of the new Imperial service which you propose to create. I recognise that it is an advantage to secure the support of the Chambers of Commerce, who are in favour of the change of system, and provided that care is taken to guard against the danger which I have indicated, I am prepared to give my general approval to the arrangement which you recommend.

5. I am, however, doubtful whether the scale of pay and the grading which you propose for the new service are not too liberal; and though it is of importance that candidates of the requisite ability and education should be attracted to the proposed department, it is equally important in the public interests that the standard of pay should not be unnecessarily high. As regards the appointments on the superior Customs staff, other than those to be filled by members of the Indian Civil Service, I am satisfied from experience in recruiting persons for service in various departments in India that, even if the scale of pay were fixed considerably below that proposed by you, there would be no lack of candidates of adequate education and ability, seeing that no technical or professional qualifications are necessary. Moreover, a comparison between the grading proposed for the Customs service and that of the Enrolled List of the Finance Department (on which it is stated that your present scheme is modelled) leads to the conclusion that, though the rates of pay are the same, the average pay per man would be higher, and the prospects of advancement better, in the Customs. The average pay of the 48 officers on the Enrolled List is Rs. 836 a month, exclusive of exchange compensation allowance, or Rs. 890 a month if that allowance be included. The average pay proposed for the 17 Assistant Collectors of Customs (excluding probationers) is Rs. 955 a month. The prize appointments to which the 43 officers on the Enrolled List who are not members of the Civil Service of India can rise are two Accountant-Generalships out of six. An equal number of prize appointments is proposed under your scheme for the Assistant Collectors of Customs who are not members of the Civil Service of India, although they will number 14 only.

6. One reason given in paragraph 8 of your letter for the high scale of pay proposed is that the members of the new service will be required to reside at expensive towns. As, however, the six seaports to which the scheme applies are not equally expensive, I think that it would be preferable to leave this consideration out of account in determining the pay proper, and to fix a scale of local allowances with reference to the varying expense of residence at the several ports. It seems probable that, if no provision for local allowances is made now, they will be proposed hereafter on the analogy of other departments, when the intention of the special scale of pay which you propose to grant to the Imperial Customs comes to be lost sight of. Further, reduction of the high rates of pay proper proposed by you is in itself desirable, as an exceptional standard of pay, conceded to one department on the ground of abnormal circumstances, may in process of time be regarded as determining the normal expectations of other departments.

7. On a general review of the matter, the scale of pay and allowances, which appears to me, as at present advised, sufficient for the proposed Imperial Customs Service, and which I am prepared to sanction, is as under:—

	Pay.	Local allowances for officers at Calcutta, Bombay and Rangoon.
Class I	Rs. 2,250	} not exceeding Rs. 250 a month.
„ II	2,000	
„ III	1,800		not exceeding Rs. 200 a month.
<i>Assistant Collectors—</i>		
Class I	Rs. 1,400	} not exceeding Rs. 75 a month.
„ II	1,100	
„ III	850	
„ IV	600	
„ V	400	
<i>Probationers</i>	300	<i>Nil.</i>

Within the limits entered in the last column the amount of the allowances to be granted to officers stationed at Calcutta, Bombay and Rangoon, respectively, may be determined as Your Excellency's Government may deem fit. I leave it also to you to decide whether any allowances are needed for Collectors and Assistant Collectors stationed at the three other ports to which the scheme applies. I agree in your proposal that exchange compensation allowances should not be granted to the Imperial Customs Service.

8. Subject to these remarks, the scheme set forth in your letter has my general approval, and I am prepared to sanction your proposals for gradually giving effect to it as soon as the question of the pay and allowances of the new service is satisfactorily settled. For the present I shall take no steps to select and appoint the two probationers for whom you apply in paragraph 16 of your letter.

No. 3.

No. 218 (Finance), dated the 15th June 1905.

From—The Government of India,

To—His Majesty's Secretary of State for India.

WE have the honour to acknowledge the receipt of your despatch No. 62 Revenue, dated the 7th April 1905, in which you expressed general approval of our proposals for the formation of an Imperial Customs Service, and suggested certain modifications in the rates of pay and allowances recommended by us. You are prepared to sanction a scale of pay and allowances which compares as follows with the rates of pay proposed by us in paragraph 9 of our despatch No. 469 (Finance), dated the 29th December 1904 :—

Appointments.	Number.	Scale suggested in our despatch of the 29th December 1904.	Scale now proposed.	
		Pay in Rs.	Pay.	Maximum local allowance at certain ports.
<i>Collectors.</i>				
Class I	1	2,750	2,250 +	250
Class II	2	2,500	2,000 +	250
Class III	2	2,250	1,800 +	200
<i>Assistant Collectors.</i>				
Class I	3	1,500	1,400 +	75
Class II	3	1,250	1,100 +	75
Class III	3	1,000	850 +	75
Class IV	4	750	600 +	75
Class V	4	500	400 +	75
<i>Probationers</i>	3	300—350	300	

You are willing to sanction local allowances, within the limits specified above, to officers stationed at Calcutta, Bombay and Rangoon; and you leave it to us to decide whether any such allowances should be granted to officers stationed at the other ports to which the scheme applies. You also agree that exchange compensation allowances should not be given to the members of the new service.

2. We are prepared to accept the view that the rates of pay suggested by you will be sufficient to attract candidates, possessing the requisite qualifications,

for posts other than those reserved for members of the Indian Civil Service; and we agree that a system of local allowances, fixed with reference to the varying expense of residence at the several ports, will be preferable to a consolidated scale of pay applicable to all appointments in the Service. We are, however, strongly of opinion that the rates of pay proposed for the higher appointments are inadequate, and we trust that you will agree to a modification of your proposals in this respect.

3. During the previous discussions on the question of reorganising the Customs Department, the defect on which the greatest stress was laid by the commercial community was the lack of uniformity and continuity in the administration, due to the frequent changes in the *personnel* of the establishment. It was pointed out that the Collectors of Customs at the chief ports did not remain in the department for a sufficient length of time to acquire a thorough knowledge of their duties; and the defects and inconveniences of which the Chambers of Commerce complained were attributed to this cause. We accepted this view, which has also commended itself to you; and we therefore consider it essential that the rates of pay should be sufficiently high to enable us to secure and retain the services of suitable officers. The success of the scheme depends entirely upon our ability to effect this; and the working of the new arrangements will certainly be judged by the commercial community from this point of view.

4. Of the five appointments of Collector of Customs, it has been decided that three shall ordinarily be held by members of the Indian Civil Service. We are convinced that it will be impossible to obtain officers from that service, of the standing that we desire, on the rates of pay suggested. If these rates were now introduced, all the present Collectors, with the exception of the officiating Collector of Customs at Calcutta, would find their emoluments reduced; and it would be difficult to insist on their remaining in the Department. The immediate effect of the introduction of the new rates of pay would therefore probably be to deprive us of the services of the few trained officers on whom we can rely. In the present state of promotion in the maritime Provinces, we should be unable to replace them with officers of more than sixteen years' service, on the average, none of whom would have had any previous training in the Department; and we consider it desirable that these appointments should be held by officers of considerably greater seniority.

We would also point out, with reference to the latter portion of paragraph 5 of your despatch, that the Enrolled List of the Finance Department will offer a more lucrative career than the Imperial Customs Service, if the scale of pay now proposed be adopted for the latter. The officers of the former Department will continue to draw exchange compensation allowance; two appointments of Accountant-General with salaries ranging from Rs. 2,250 to Rs. 2,750 a month, are open to them, and two of these appointments carry local allowances of Rs. 250 *per mensem*; two of the officers in Class I of the Enrolled List are also eligible for personal allowances of Rs. 300 a month each; there are no less than seven posts to which local allowances of from Rs. 200 to Rs. 250 a month are attached, and the incumbents of several other appointments in the Department are entitled to free quarters, or house rent allowances in lieu thereof. Moreover, officers of the Enrolled List may count on passing half their active service in comparatively inexpensive stations, such as Allahabad, Lahore and Nagpur.

5. For the reasons explained in the preceding paragraph, we consider that we shall be unable to secure suitable officers from the Indian Civil Service for the Customs Department, unless the pay now proposed be increased to the rates originally suggested by us. We are opposed to the idea of differentiating between the rates of pay for members of the Indian Civil Service serving in the Customs Department and those for other officers of the Department recruited in England. We therefore consider that the emoluments of the Collectors at the three most expensive ports should be fixed at the rates originally proposed by us. The total emoluments would, as you propose, be split up into pay and local allowances. We would also suggest that, in view of the superior advantages of the career offered to officers serving in the Enrolled List of the Finance Department, and in consideration of the large difference which would otherwise exist

between the two divisions of the Imperial Customs Service cadre, the rates of pay which you have agreed to sanction for Assistant Collectors in grades II to V of the Service should be increased by Rs. 50 in each case.

With these modifications, the scale of pay and allowances would be as follows:—

					Pay	Maximum local allowance.
					Rs.	Rs.
<i>Collectors.</i>						
Class I	...	...	...	...	2,500	250
Class II	...	...	...	...	2,250	250
Class III	...	...	...	...	2,050	200
<i>Assistant Collectors.</i>						
Class I	...	...	...	...	1,400	75
Class II	...	...	...	...	1,150	75
Class III	...	...	...	...	900	75
Class IV	...	...	...	...	650	75
Class V	...	...	...	...	450	75
<i>Probationers</i>	...	...	...	...	300	

We venture to ask your sanction to the substitution of this scale for those suggested in your despatch under reply.

6. In paragraph 11 of our despatch of the 29th December 1904, we informed you that we had sanctioned, as a temporary measure, the appointment of an additional Assistant Collector at Calcutta. The period of one year for which the appointment was made, under the power conferred by Article 79 of the Civil Service Regulations, recently expired; and we have authorized its continuance, subject to your confirmation, and pending the introduction of the Imperial Customs Service, in the cadre of which it will be included. The appointment is held by a member of the Indian Civil Service, on a salary of Rs. 1,250 *per mensem*. We trust that you will confirm our action in this matter.

7. When you have come to a decision on the recommendations made above as to the pay and allowances to be granted to the members of the Imperial Customs Service, we would request that two probationers may be selected for appointment to the Department. We propose to post these officers to Madras and Rangoon.

No. 4.

No. 125 (Revenue), dated the 4th August 1905.

From—His Majesty's Secretary of State for India,
To—The Government of India.

I have considered in Council the letter of Your Excellency's Government No. 218 (Finance), dated 15th June 1905, in which you ask my sanction to certain modifications of the scale of pay for the Imperial Customs Service set forth in paragraph 7 of my despatch No. 62 (Revenue), dated 7th April 1905.

2. In deference to the arguments which you advance, I sanction the establishment proposed in paragraphs 9 and 10 of your letter of 29th December 1904, with the modified scale of pay and maximum local allowances stated in paragraph 5 of your letter under reply.

3. I also confirm your action, as explained in paragraph 6 of your letter, in authorizing the continuance, pending the introduction of the Imperial Customs

Service, of a temporary appointment of an additional Assistant Collector at Calcutta.

4. I will now take steps for the selection of two probationers for the new service.

No. 5.

No. 154-161-57, dated the 9th January 1906.

RESOLUTION.—Of the Government of India, Department of Commerce and Industry.

THE Government of India have for some time past had under consideration the question of the formation of an Imperial Service for the administration of the Customs in India. The point was first raised by a representation made in February 1903 by the Bengal Chamber of Commerce. The Chamber explained that it had been in communication with similar associations throughout India regarding the matter, and had ascertained that there was a strong feeling among the mercantile community that a change in the existing system of Customs administration was called for. It was represented that the best results could not be obtained by placing members of the Indian Civil Service, however able, at the head of a department for which they had no previous training, and it was further pointed out that the constant changes of officials, which are almost inseparable from working the Customs as a department of the Civil Service, are not only harassing to merchants generally, but are also prejudicial to trade. The Bengal Chamber accordingly recommended the formation of an Imperial Customs Service. The Karachi Chamber of Commerce intimated its concurrence in these views, and expressed the opinion that the institution of an Imperial Customs Service would be of the greatest advantage to the commercial community. A communication was also received from the Manchester Chamber, in which the unsatisfactory nature of the existing arrangements was dwelt on, and the hope was expressed that a system would speedily be devised under which the Collectors of Customs would retain their appointments for lengthened periods. The Government of Bengal was consulted regarding the recommendations made by the Bengal Chamber; and, simultaneously with the receipt of its reply, letters were received from the Governments of Madras and Bombay, in which they expressed their opinion on a similar proposal submitted for their consideration by the local Chambers.

2. The criticism to which the proposal was subjected by the Local Governments did not seriously affect the main contentions urged by the Chambers; and the defects of the present system were freely admitted. It was shown that the complaints regarding the frequent changes in the Collectorships had been somewhat exaggerated, but it was evident that they were on the whole well founded. The Government of India had for some time been conscious of the defects of the present system of localisation in Customs administration, one result of which is, as was pointed out by the Chambers of Commerce, that officers are taken from the general ranks of the Indian Civil Service to fill the important post of Collector of Customs without having the least knowledge or experience of Customs procedure. They must inevitably be dependent on their subordinates for a considerable length of time while they are learning their work, and meanwhile the administration suffers. When they have learnt their work, and become efficient Collectors, they are frequently called away to other duties, and new and inexperienced men are brought in in their place. The effect must be, as the Chambers represented, prejudicial to trade. Reforms cannot be introduced because Collectors may be removed just when they become competent to introduce them. On the one hand, there is a lack of continuity in the administration due to frequent changes of the head of the office; on the other, there is an undesirable perpetuation of practices, frequently incorrect, which are based on traditions maintained by assistants and subordinates.

3. There is a further defect in the present system which has frequently been pressed on the notice of the Government of India of late years. Traders complain that various practices to which they have become accustomed at one Indian

port are objected to at another ; and that facilities which are accorded without question by one Collector are withheld by another. This result is also inevitable from the present system of localisation. The Collector may rise above the traditions of his own port and effect improvements in procedure, but he can never carry the benefit of his experience to another province. The Government of India have frequently insisted on the desirability of uniformity of practice at different ports, but it is almost impossible to secure it in practice, unless Customs officers can be transferred from port to port and unless the experience gained in one province can be utilized in another.

4. The only effective remedy for these defects appeared to the Government of India to be the formation of a service comprising both Collectors and Assistant Collectors, the *personnel* of which would be directly under their control and liable to be transferred from one province to another. Accordingly in December 1903 the outlines of a scheme formulated with the object of removing these defects were laid before the maritime Local Governments and the Chambers of Commerce, and a free expression of their views on the subject was invited. The scheme met with a most favourable reception, and was welcomed by the Chambers of Commerce as a satisfactory solution of the difficulties to which they had directed attention. It was subsequently submitted to the Right Honourable the Secretary of State for India in December 1904 ; and after some further correspondence regarding details of minor importance, has been finally sanctioned by him.

5. The new Imperial Customs Service will include the appointments of Collector of Customs at Calcutta, Bombay, Madras, Rangoon, Karachi and Chittagong, the Assistant Collectorships at these ports, and the posts of Superintendent of the Preventive Service at Calcutta and Bombay. Its cadre will not at present provide for the administration of the Customs at the minor ports ; but arrangements will be made for securing more efficient supervision over the subordinate officers stationed at these ports by inspections conducted by the members of the Imperial Service. Three probationers will also be attached to the service, in order to provide a sufficient margin for leave vacancies, and to maintain a reserve of officers under training. All these officers will be liable to transfer from port to port ; and such transfers will be made at reasonable intervals in order to assimilate, as far as possible, the Customs administration throughout India. The service will be under the direct control of the Government of India ; and all questions affecting the appointment, promotion, leave, transfer, and punishment of officers will be dealt with by them. The following table shows the grading of the Service, and the scale of pay and allowances which has been sanctioned for the various appointments :—

Appointments.	Number.	Pay per annum (without exchange compensation allowance).	Maximum local allowance admissible to officers stationed at Calcutta, Bombay and Rangoon.
		Rs.	Rs.
COLLECTORS—			
Class I	1	2,500	250
" II	2	2,250	250
" III	2	2,050	200
ASSISTANT COLLECTORS—			
Class I	3	1,400	75
" II	3	1,150	75
" III	3	900	75
" IV	4	650	75
" V	4	450	75
PROBATIONERS	3	300	.....

6 Three of the Collectorships will be reserved for members of the Indian Civil Service, and the remaining two appointments will ordinarily be held by other members of the Customs Service, if suitable incumbents are forthcoming. Of the Assistant Collectorships one appointment in each of the first three classes will be reserved for members of the Indian Civil Service. The Government of India consider that, even if equally competent officers could be recruited elsewhere, it would still be desirable to employ members of the Civil Service on Customs work, in order that that Service may continue to include a certain number of men who have been brought into close official relations with the mercantile community. Collectors of Customs appointed from this service will be permitted, subject to the approval of the Government of India, to revert to their own Provinces at any time; but such permission will be withheld in cases where it would cause too rapid a change in the Customs *personnel*. Subject to this condition, permission to revert will be accorded in cases where the experience acquired by the officer in the Imperial Service is likely to be of special assistance to the Local Government under which he will serve on reversion; and, under an arrangement of this nature, members of the Civil Service who have acquired a technical knowledge of Customs procedure in the Imperial Service will probably be regarded as best qualified for the more important revenue appointments, which under the law involve the control of Customs within a Province, such as those of Member of the Board of Revenue in Madras and Bengal, or Commissioner of Customs in Bombay. Members of the Civil Service of four or five years' standing will ordinarily be selected for the three reserved appointments of Assistant Collector, and they will be required to remain in the department for at least four years. At the end of that time they will be permitted, if they should so wish, to revert to their own provinces. Officers so trained, whether they have reverted for a time or not, will be eligible for subsequent appointment as Collector; and no officer will ordinarily be appointed Collector of Customs unless he has served as an Assistant.

7. The Assistant Collectors, other than members of the Civil Service, will ordinarily be recruited in England in the same manner as officers of the Enrolled List of the Finance Department. On arrival in India, they will ordinarily be posted as probationers to Calcutta or Bombay; and, after the expiry of a year, they will be required to undergo a departmental examination in the vernacular, in Customs work, and in law and procedure. On passing this examination, they will be invested with certain minor powers, and finally, if their work is approved, with full powers.

8. The present Assistant Collectors who do not belong to the Indian Civil Service will not be absolutely debarred from the prospect of promotion to the Imperial Customs Service; but, having regard to the history and qualifications of the majority of the officers now employed, the Government of India consider that such promotions should only be sanctioned in very exceptional cases, and on the special recommendation of a Local Government in favour of individual officers serving under it. The officers now in the Department will, however, retain all their existing rights, and they will receive promotion in their present cadres, on the existing scales of pay.

9. It will be apparent that the scheme for the formation of the new Imperial Service can only be brought into effect as vacancies occur in the existing establishments. The Government of India propose, however, to form the nucleus of the Imperial Service by filling up immediately the six appointments reserved for members of the Indian Civil Service, and by appointing officers to certain of the Assistant Collectorships for which suitable candidates, other than Civilians, are forthcoming. Arrangements have also been made for the selection of two probationers. The Local Governments have been addressed on this subject, and they have been asked to nominate officers of the Civil Service for the reserved appointments, which will, for the present, be the four Collectorships at Calcutta, Bombay, Madras and Rangoon, and the Assistant Collectorships at Calcutta and Bombay. Separate arrangements are also being made for the performance of the miscellaneous duties, other than purely Customs work, which are at present undertaken by the Collector of Customs at Madras, and by the Collector of Customs at Bombay, aided by his two Civilian Assistants.

ORDER.—Ordered that a copy of this Resolution be forwarded to the Government of Madras, Revenue Department,
Bombay, Revenue Department,
Bengal, Financial Department,
Burma, Revenue Department,
Eastern Bengal and Assam, Financial Department,

this Department, No. 6731-6732-57-5
67-0-57-4
6749-57-3
6731-6712-57-5
6733-57-6, dated the 29th November 1905.

Ordered also that a copy be forwarded to the Finance Department
Director-General of Commercial Intelligence for information.

Ordered, also, that the Resolution be published in the Supplement to the *Gazette of India* for general information.

No. 6.

No. 67, (Commerce and Industry), dated the 13th December 1906.

From—The Government of India,

To—His Majesty's Secretary of State for India.

With reference to a question (No. 59) asked in the House of Commons by Mr. Charles Schwann on the 8th March 1906, and your answer to it, we have the honour to forward, for your information, a copy of the correspondence with

• Letter from the Government of Bombay, No. 7081 (Revenue), dated the 24th July 1906, and enclosure.

Letter to the Government of Bombay, No. 9651—21, dated the 10th December 1906.

the Government of Bombay, cited in the margin*, regarding the employment of natives of India in the Imperial Customs Service. It will be seen that we have, on grounds of general policy, made provision for the admission of natives of India to the new Service.

No. 7081, dated the 24th July 1906.

From—R. P. BARROW, Esq., I.C.S., Chief Secretary to the Government of Bombay, Revenue Department,

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to forward the accompanying memorial* addressed to the Government of India by the Chairman and Honorary Secretaries, Bombay

• Dated 27th June 1906.

Presidency Association, on the subject of the recruitment of the Imperial Customs Service for the administration of the Customs in India.

2. The contention of the memorialists that the Customs Service should not be altogether closed to natives of India may obtain support from the fact that the post of Chief Collector of Customs, Karachi, is at present held substantively by a native of India, Mr. Jehanagir Dossabhoy Framji, an officer who has worked his way up through the Department and has always held an excellent reputation both for character and ability. The Governor in Council does not, however, interpret the orders regulating the constitution of the Imperial Customs Service as absolutely excluding natives of India from that Service. In paragraph 7 of their Resolution No. 154—161-57, dated the 9th January 1906, the Government of India have declared that Assistant Collectors, other than members of the Civil Service, will ordinarily be recruited in England and it may be inferred that in special cases they may be recruited in India, and that appointments will occasionally be made in this way. Government know of no reason why an assurance should not be given to the memorialists that the Imperial Government will be prepared to select a certain proportion of the probationers from among natives of India. It would be difficult to suggest what that proportion should be; but I am to note that there would seem to be no serious reason to apprehend that the standard of efficiency of the Imperial Customs Service would be seriously lowered if two or even three of the Assistant Collectorships were reserved eventually for natives of India who had proved their efficiency as probationers and such Assistants declared eligible for one of the Collectorships, if found fit.

Dated the 27th June 1906.

From—The HON'BLE SIR PHEROZESHAH M. MEHTA, M.A., K.C.I.E., President and Chairman, and MESSRS. DINSHAW, EDULJI WACHA, AMBER-ODIN TYABJI, and CHIMANLAL H. SETALVAD, Honorary Secretaries, Bombay Presidency Association, Bombay,

To—The Secretary to the Government of India, Finance and Commerce Department.

We are directed by the Council of the Bombay Presidency Association to submit the following memorial in connection with the Resolution of the Government of India in the Department of Commerce and Industry, No. 154-161-57, dated Calcutta, the 9th January 1906, regarding the formation of an Imperial Service for the administration of the Customs in India. By that Resolution the Government have laid down the cadre of the Imperial Customs Service for the five ports of Calcutta, Bombay, Madras, Karachi and Chittagong, as follows :—

Appointment.		Member.	Pay.
			Rs.
Collectors—			
Class I	...	1	2,500
„ II	...	2	2,250
„ III	...	2	2,050
Assistant Collectors—			
Class I	...	3	1,400
„ II	...	3	1,150
„ III	...	3	1,000
„ IV	...	4	650
„ V	...	4	450
Probationers	...	3	350

2. Three of the five Collectorships have been reserved for members of the Indian Civil Service as also three of the Assistant Collectorships, *vis.*, one in each of the first three grades. Paragraph 7 of the Resolution provides that the Assistant Collectors, other than members of the Civil Service, will ordinarily be recruited in England in the same manner as officers of the Enrolled List of the Finance Department. On arrival in India they will ordinarily be posted as probationers to Calcutta or Bombay, and after expiry of one year they will be required to undergo an examination in the vernacular, in Customs work, and in law and procedure. On passing the examination they will be vested with certain minor powers and finally, if their work is approved, with full powers.

3. The provision in paragraph 7 with regard to recruitment in England, the Council would respectfully submit, absolutely militates against declarations repeatedly made by the Government of India, the Secretary of State and the British Parliament, that natives of India would be given high and more extensive employment in the Public Service. It is well known that the Government of India as far back as 1886 appointed a Public Service Commission with that avowed object, and a Committee of the Commission was specially empowered by Government to inquire into the circumstances of the Special Departments (as they are called) and to report in what manner the natives of India might be admitted to these departments in the higher grades (*vide* Resolution of the Government of India, dated the 8th. March 1887, and paragraph 12 of the Report of the Public Service Commission, 1886-87). The Customs Department was one of the Special Departments into the condition of which the Sub-Committee was asked to inquire, and the report of the Public Service Commission contains, in paragraphs 96 and 97, the then existing arrangement of the Customs Department and its views and recommendations for the future with regard to it. From these paragraphs it will appear that even then in Bombay while the Commissioner of Customs and two of the gazetted executive staff officers were covenanted Civilians, of the remaining four gazetted officers, one Assistant Collector was a Parsi and the other three were domiciled

Europeans. Of the seven Examiners or Appraisers, three were Parsis, two Hindus, one a Native Christian, and the seventh a domiciled European. So also in Madras the Superintendent of Imports and Exports and the Manager were Eurasians. The only Preventive Officer attached to the Madras Sea Customs Office and entertained by the Government was a Brahmin. In Bengal the chief executive appointment, *viz.*, that of the Collector, was conferred on a Civilian. But the office of the Assistant Collector was for some time held by a member of the Tagore Family. In the subordinate staff distributed into the several branches, *viz.*, Appraisers, Import, Export, Cash, Account, Statistical, and Wharf branches, there were 26 officers who were statutory natives of India. The Public Service Commission in view of these then existing arrangements of the Customs Service thought it fit to recommend in paragraph 97 of their report "that of the three Collectorships and the Assistant Collectorship at Bombay, only two should be reserved for members of the Covenanted Service while the present system of recruitment by selection should be retained in respect of the other superior appointments in the Customs Department". The Commission even went so far as to say that there was no ground for the exclusion of qualified candidates of any race from the Appraisers' or Preventive branches.

4. The Government of India in their despatch to the Secretary of State on the report of the Commission, while reserving for future consideration the details of the recommendations of the Commission regarding the Special Departments, observed that those recommendations were "strongly marked by moderation and good judgment".

5. Although the despatch of the Secretary of State, dated London, September 12, 1889 (Public, No. 104), dealing with the recommendation of the Public Service Commission, left the recommendations of the Commission with regard to the Special Departments for future consideration in consequence of the fact that the Government of India had not dealt with these in their despatch, yet the general principle which guided the recommendations of the Commission as a whole, and which was approved of by the Government of India, was accepted by the Secretary of State. Lord Cross even endorsed the opinion of Mr. Mackenzie, the then Chief Commissioner of the Central Provinces, that if a native or a member of the Provincial Service was confidently believed by Government to possess the ability and training and all other qualifications requisite for such posts, *viz.*, even those that were reserved for the Indian Civil Service, there was no reason why they should be shut out from them.

6. The above principles appear to have been entirely lost sight of in the present Resolution of the Government of India. Not only a certain number of the higher posts created has been reserved for the members of the Indian Civil Service, but the remainder are to be filled entirely by recruitment in England. The result would be practically to shut out the natives of India from the higher posts of the Customs Service. For the Government of India almost never exercises that discretionary power, which has been vested in it by section 6 of the Statute 33 Vict, Chap. 3, of appointing a native of India who is thought fit to one of the appointments reserved for the Indian Civil Service except under certain fixed rules. It is difficult to conceive why the Government of India have thought it fit to exclude natives of India entirely from being appointed probationers either by promotion from the ranks of the subordinate service or by direct appointment from among the graduates of the Indian Universities. The branches of knowledge in which a probationer appointed from England has to be examined departmentally are, as stated in paragraph 7 (quoted in beginning) vernacular, Customs work and law and procedure. It is beyond doubt that a native of India would be equally, if not more, competent in all these branches after a few months of probation in the Customs Department. It is sometimes suggested that a native will not be properly treated by European masters of ships and traders. But this idea was exposed before the Sub-Committee of the Public Service Commission. Mr. J. H. Greeves of Madras bore testimony to the efficiency of the Brahmin Preventive Officer there, and Mr. Bhashyam Ayyanger, Preventive Officer, Madras Sea Customs, stated that although he

had a great deal to do with the Commanders of European ships, he had never experienced any difficulty or unpleasantness owing to his nationality (*vide* Appendix, Public Service Commission Report, page 122). Again, in Bombay, the Commissioner expressed his opinion that there was no reason why the Assistant Collectors at the Town Custom House should not be natives, although one of them would have business with the assistants of European firms. Mr. Marzban, the Executive Engineer of Bombay, he said, "who has to deal with many Europeans, is an instance that natives in such a position succeed well with Europeans." As Examiners and Appraisers, the local knowledge of natives would be of very great practical use, and the appointment of natives to some of the higher posts would be advantageous in the interests of the Department. The Customs Department is not one, the Council respectfully submit, where the employment of the European would be thought advisable by Government for political reasons. It is a revenue department where knowledge of law, the vernaculars, and local conditions of trade, is of essential importance, and the employment of natives in the higher ranks is therefore necessary.

7. In view of the above circumstances, the Council beg respectfully to submit that the rules now published are entirely opposed to well-established and long recognised general principles governing the recruitment of the various branches of public service in this country, and highly unfair to the natives of this country whose claim to receive "equal treatment" with regard to employment in the higher grades of the public service was laid down by the Public Service Commission and was upheld both by the Government of India and the Secretary of State.

8. The injustice that these rules will surely entail on the natives of India becomes very potent when it is borne in mind that natives were and are actually doing duties in some of the posts now sought to be filled by recruitment in England and that it would actually be in the interests of the Department of the Imperial Customs every way to employ natives of India in some of the higher posts.

9. The Council accordingly prays that the said rules be modified as follows:—Either the three probationers for posts not reserved for the Indian Civil Service should be recruited in India—one by promotion from the subordinate service of the Customs Department and two by competitive examination of candidates of prescribed qualifications who are statutory natives of India, or at least one by recruitment in England, one by promotion from subordinate service and one by competition as aforesaid.

No. 9651—21, dated the 10th December 1906.

From—W. L. HARVEY, Esq., C.I.E., I.C.S., Secretary to the Government of India,
Department of Commerce and Industry,

To—The Secretary to the Government of Bombay, Revenue Department.

I AM directed to acknowledge the receipt of your letter No. 7081, dated the 24th July 1906, with which you forwarded a memorial, dated the 27th June 1906, addressed to the Government of India by the Bombay Presidency Association, regarding the employment of natives of India in the Imperial Customs Service.

2. In paragraph 7 of the Resolution of the Government of India in this Department No. 154-167—57, dated the 9th January 1906, regulating the constitution of the Imperial Customs Service, it was announced that the Assistant Collectors, other than members of the Civil Service, will ordinarily be recruited in England. The Bombay Presidency Association have taken these orders to mean that the Government of India have absolutely debarred natives of India from employment in the new Service, and they submit that the orders are entirely opposed to well-established and long-recognised general principles governing the recruitment of the various branches of public service in this country. The memorialists therefore pray that the three probationers for posts not reserved for the Indian Civil Service should be recruited in India, one by

promotion from the subordinate service of the Customs Department, and two by competitive examination of candidates of prescribed qualifications who are statutory natives of India; or in the alternative, that at least one should be recruited by competitive examination in India, one from England, and the third by promotion from the subordinate service.

3. His Excellency the Governor in Council in forwarding the representation observes that he does not interpret the orders of the Government of India as absolutely excluding natives of India from the Imperial Customs Service. From the announcement that Assistant Collectors, other than members of the Civil Service, will ordinarily be recruited in England, His Excellency in Council infers that in special cases they may be recruited in India and that appointments will occasionally be made in this way; and he recommends that an assurance should be given to the memorialists that the Government of India will be prepared to select a certain proportion of the probationers from among natives of India.

4. I am to say that the Government of India have given their careful consideration to the representation of the memorialists and to the recommendation of the Local Government. They are unable to find anything in the Resolution of the 9th January 1906 which prohibits the appointment to the Imperial Customs Service of a native of India possessing the requisite qualifications; and they are in full agreement with the view taken by His Excellency the Governor in Council. In devising the Imperial Customs Service, the object aimed at was to remove certain evils of which the mercantile public had with reason complained, and after a full examination of the subject it was decided that a remedy could best be found by altering the system of recruitment and creating a class of Customs officials for the whole of India. It was intended that the new cadre should consist of men of good natural capacity and education, who after being trained in their special duties would afford a supplementary field of selection for the higher posts.

5. In view of these facts, the Government of India feel that the direct recruitment of the majority of the officers of the new Service is a vital part of the whole scheme, and they think that it would be inconsistent with the principles on which the Service was founded to fix any proportion of the appointments to be recruited from among the subordinate establishment. It is, however, possible that promotion from the subordinate ranks may be occasionally granted in very special cases as a reward for exceptionally good work.

6. His Excellency the Governor General in Council is, however, quite willing to make provision for admission to the new Service of natives of India who are British subjects and possess the requisite qualifications. But in so small a Service, it would be inconvenient to fix any particular proportion of appointments to be reserved for natives of India. Whenever a vacancy occurs, the Government of India will consider whether it should be filled by the Secretary of State or in India, and in deciding this question regard will be had to the state of the list and to the qualifications of possible candidates. The Government of India consider that competitive examination is not suitable for the Customs Service, and the appointments will therefore be made wholly by selection either from among subordinates or by first appointments. The appointments thus made will take the place of men who would otherwise be appointed by the Secretary of State.

7. I am to request that, with the permission of His Excellency the Governor in Council, the Bombay Presidency Association may be informed accordingly.

No. 7.

No. 339, (Finance), dated the 5th September 1907.

From—The Government of India,

To—His Majesty's Secretary of State for India.

We have the honour to address you on the subject of the grant of certain

concessions in respect of pension and leave to officers of the Imperial Customs Department.

2. There are at present five Collectorships in the Imperial Customs Department carrying salaries of Rs. 2,050, Rs. 2,250 and Rs. 2,500 a month, exclusive of local allowances. Two of these appointments will ordinarily be held by members of the Customs Department not belonging to the Indian Civil Service.

The scale of pay of the new Department was framed on the model of our Financial Department, and we have consistently regarded the conditions of service in the latter as the model to which the conditions of service in the Customs Department should conform as far as possible. Under Article 475 of the Civil Service Regulations, non-Civilian Accountants General and officers in Class I of the Enrolled List are, under certain conditions, eligible for an additional pension of Rs. 1,000 a year; and we are of opinion that Collectorships in the Customs Department, when not held by members of the Indian Civil Service, should also be regarded as qualifying for the special pension admissible under that Article. The charge of these appointments is important and responsible, and the salary attached to them is higher than the pay of many appointments of which the holders are already admitted to the concession. We accordingly propose that Collectorships of the Imperial Customs Department should be included in the list of appointments enumerated in Article 475 of the Civil Service Regulations.

3. We also propose to modify the present entry regarding the Customs Department in Clause (e) of Article 297 of the Civil Service Regulations, so as to admit to the European Service Leave Rules all officers of the Imperial Customs Department who are appointed in England, as well as those appointed in India drawing pay of not less than Rs. 900 a month, the pay of the third grade of Assistant Collectors. It will be observed that under the Article, as it now stands, the only officers of the Customs Department to whom the European Service leave rules apply, are the Collectors of Customs at Rangoon and Karachi; while of the Enrolled List, officers appointed in England and other officers drawing not less than Rs. 800 a month are admitted to these rules. Assistant Collectors in the Customs Department have to perform important duties; one appointment in each of the first three grades is reserved for members of the Indian Civil Service; and we shall probably find it necessary to recruit from England the majority of the probationers for the Department. Moreover, the reasons advanced in paragraph 10 of the despatch from Lord Elgin's Government, No. 9, dated the 9th January 1895, in support of the proposal for the admission of Enrolled List Officers to the European Service leave rules, apply with equal force in the case of officers of the Imperial Customs Department. In view of these considerations we are of opinion that the latter should also be admitted to the European Service leave rules.

4. We request your sanction to these proposals.

No. 8.

No. 102 Revenue, dated the 27th August 1909.

From—His Majesty's Secretary of State for India,

To—The Government of India.

I HAVE considered in Council the letter of Your Excellency's Government No. 129 Finance, dated 10th June 1909, in which you forward for my consideration proposals for the reorganization of the Preventive and Appraising establishments of the Calcutta Custom House.

2. The financial effect of your proposals will be to increase the cost of the Preventive Department by Rs. 67,700 and the cost of the Appraising Department by Rs. 46,800 a year. The annual increase thus amounts to Rs. 1,14,500. There will be further immediate increase of cost, amounting to a maximum recurring expenditure of Rs. 6,660 a year, on account of the 10 per cent. increase of pay which it is proposed to grant to present officers in the Appraising Department.

I sanction the reorganization of the Preventive and Appraising Departments as proposed by Your Excellency's Government.

In lieu of the proposal of the Local Government to charge to Government the cost incurred by Preventive officers in joining postings from the docks or jetty, you suggest that a fixed sum of Rs. 5,000 a year should be given to the Collector from which such expenditure should be defrayed at his discretion. I infer from the remarks in paragraph 7 of your letter that you feel some doubts as to whether there is a strong case for this concession in view of the considerable sums that Preventive officers earn in overtime fees. These doubts I share. It also seems to me possible that, as the lump sum you propose is less than half the amount considered to be necessary by the Collector, its distribution may lead to difficulty and dissatisfaction. I will leave it to you to decide, after considering these remarks, whether the concession should be granted or not.

5. It has been brought to my notice that Indians are practically excluded from the Preventive and Appraising establishments of the Calcutta Custom House, as the lists of names contained in the papers accompanying your letter are almost exclusively those of Europeans and Eurasians. The Public Service Commission, in paragraph 97 of their report, expressed the opinion that "there is no ground for the exclusion of qualified candidates of any race from the Appraiser or Preventive Branches of the Customs Service", and the rules for the recruitment of the Customs Department of Bengal, which formed an enclosure to the Government of India's despatch No. 17 (Home-Public), dated 25th March 1891, expressly enact that the appointments of Appraisers and to the Preventive Branch shall be "open to everyone without distinction of race." I desire that you will draw the attention of the Government of Bengal to the principle laid down in the rules, if in your opinion it has been lost sight of.

No. 9.

No. 7651—11, dated the 13th October 1909.

From—B. ROBERTSON, ESQ., C.I.E., I.C.S., Secretary to the Government of India, Department of Commerce and Industry,

To—The Secretary to the Government of Bengal, Financial Department.

WITH reference to Mr. Oldham's letters, No. 283-T. S. R., dated the 14th

October 1908, and No. 899-S. R., dated the 12th November 1908, I am directed to forward a copy of the despatches to and from the Right Honourable the Secretary of State for India cited in the margin, regarding the reorganization of the Pre-

*To the Secretary of State, No. 129 (Financial), dated the 10th June 1909, and enclosures Nos. 3 and 4.
Not printed with these papers.

From the Secretary of State, No. 102 (Revenue), dated the 27th August 1909, received on the 12th September 1909.

ventive and Appraising establishments of the Calcutta Custom House. It will be seen therefrom that the Secretary of State has sanctioned:—

- (1) the reorganization of the Preventive establishment recommended by the Government of India in paragraph 4 of their despatch, at an additional expenditure of Rs. 4,650 *per mensem*, or Rs. 55,800 *per annum* ;
- (2) the reorganization of the Appraising establishment recommended by the Government of India in paragraph 11 of their despatch, at an extra cost of Rs. 3,900 *per mensem* or Rs. 46,800 *per annum* ;
- (3) the grant of an annual allowance of Rs. 30 to all Preventive Officers (including Inspectors and extra officers) as a contribution towards the cost of uniforms ; and
- (4) the grant to present Appraisers of an immediate increase of pay, as shown in enclosure 3 to the Government of India's despatch.

2. With regard to paragraph 4 of the Secretary of State's despatch, the Government of India have, after considering the remarks made by the Secretary of State, decided to sanction the grant of the concession recommended in paragraph 7 of their despatch in regard to the assignment by Government of a fixed sum of Rs. 5,000 a year to meet the expenditure incurred by Preventive

officers (including Inspectors and extra officers) in joining postings. The grant will be administered by the Collector, at his discretion, within the limitations referred to in paragraph 7 of the despatch to the Secretary of State, and the Government of India have no doubt that a suitable system will be devised by the Collector with a view to prevent the occurrence of difficulties such as are anticipated in paragraph 4 of the Secretary of State's despatch.

3. With reference to the point raised in paragraph 5 of the Secretary of State's despatch, regarding the employment of Indians in the Preventive and Appraising Departments of the Calcutta Custom House, I am to invite attention to the correspondence ending with the letter from the Secretary to the Government of India in the Home Department to the Chief Secretary to the Government of Bengal, No. 3411, dated the 20th December 1900, in connection with a representation of the Indian Association. It was therein stated that, while the Government of India recognised that there were practical objections from the point of view of the public interests and the wishes of the natives themselves, to the appointment of a native, save under exceptional circumstances, to be a Preventive officer, they were of opinion that the time had come when the Local Government should try the experiment of appointing more Asiatics to Appraiserships. From the papers accompanying your letters under reply it would appear, however, that the views of the Government of India on this point have not yet been given effect to, and I am to request that such instructions as His Honour the Lieutenant-Governor may consider necessary may be issued to the Collector of Customs, Calcutta, with a view to the adoption of the principles which were decided on in 1900.

No. 10.

No. 37 (Finance), dated the 15th February 1912.

From—The Government of India,

To—His Majesty's Secretary of State for India.

We have the honour to address Your Lordship on the subject of a proposal to substitute a time-scale of pay in our Imperial Customs Department in place of the existing system of graded salaries.

2. The formation of an Imperial Customs Service was sanctioned in Mr. Brodrick's despatch No. 125 (Revenue), dated the 4th August 1905, and the scale of pay now in force for the officers of the new Imperial Service was arrived at as

Despatch from the Government of India, No. 469 (Financial), dated the 29th December 1904.

Despatch from the Secretary of State, No. 62 (Revenue), dated the 7th April 1905.

Despatch from the Government of India, No. 218 (Financial), dated the 15th June 1905.

the result of the correspondence between the Government of India and the Secretary of State in the despatches noted in the margin. We would explain that at the time the present scale was finally sanctioned the Government of India had already

felt some doubt whether the adoption of a time-scale of pay would not be a preferable arrangement, and it was decided not to make this recommendation then solely because of the strong demand in commercial circles for the speedy inauguration of the new service and our reluctance to postpone its introduction. We have already indicated to Your Lordship's predecessor, in our despatch No. 79 (Financial), of the 7th March 1907, our opinion that a time-scale of pay for the department would eventually be required.

3. We are convinced that the time has now come when the introduction of a time-scale of pay for the service can be no longer delayed. When our original scheme for the grading of the Imperial Customs Service was framed, we adopted as our general model the scale of pay in force at the time in the Enrolled List of our Financial Department. We have the less hesitation in putting forward our present proposals in view of the fact that the introduction of a time-scale of pay for the Enrolled List of the Financial Department, as formulated in our despatch No. 43 (Financial), dated the 8th February 1906, has been accepted by Your Lordship's predecessor, and a similar principle has been adopted in a number of other services.

4. The arguments which we used in advocating a time-scale of pay for the Enrolled List of the Financial Department apply with even greater force in the present case. The Imperial Customs Service is smaller in numbers and the consequent difficulty of obtaining a properly regulated flow of promotion is greater. The service has to be recruited by employing men as they are found to be wanted, and irregular recruitment inevitably produces unequal promotion. Although the Imperial Customs Service has been in existence for a few years only, we have already begun to experience this difficulty. The senior men have indeed had nothing to complain of, but we have reason to believe that the junior officers are already anxious as to their prospects in the service. For the men who are now being recruited and who will be recruited in the near future the prospects of promotion are exceedingly unsatisfactory.

5. In December last, on the retirement of Mr. T. B. Stubbs, we were able to give substantive promotions through the various grades by deferring the absorption of the present supernumerary appointment in the Rs. 1,150 grade, but it will be necessary, under existing orders, to absorb this appointment before November next. One further retirement, that of Mr. J. D. Framji, can be anticipated in the near future. Mr. S. T. Bhandare's period of extension also expires in November 1912, and the dates at which the other senior officers of the service will attain the age of 55 are as follows:—Mr. A. S. Judge, in March 1913; Mr. J. A. E. Burrup, in April 1915; Mr. C. F. D'Abreo, in September 1917; Messrs. A. H. P. Wolferstan and F. S. Punnett, in March 1918; Mr. W. I. K. Howard, in September 1919; and Mr. R. W. Maidment, in November 1922. The majority, however, of the officers mentioned are good and experienced men, whose services we shall be reluctant to lose at the normal age of retirement, and the grant of extensions of service beyond that age may be anticipated in most cases. The result is that, so far as we can foresee, few of the officers recruited from England will have a chance of rising above the Rs. 450 grade until they have completed from eight to twelve years' service. We have also found it difficult to promote the probationers to the Assistant Collectors' grade within a reasonable time after their passing the departmental examination. For instance, Mr. F. Buckney, who joined the service early in 1908, and passed the departmental examination a year later, could not be appointed permanently as an Assistant Collector until the 22nd December 1911. Mr. Buckney's promotion would have been further delayed had we not, as already mentioned, decided to defer the absorption of the present supernumerary appointment in the Rs. 1,150 grade. Another officer, Mr. A. R. Bennett, who joined the Department in February 1909, and who passed his departmental examination in April 1910, is still a probationer. Even if we consider the acting allowances which these junior officers may expect to draw, their emoluments will be found to be, on the whole, considerably below what they might reasonably have expected; but it is their low substantive pay, to which they are liable to fall in the busy season, which we consider the most objectionable feature of the present system. We are confident that Your Lordship will agree that in a small service such as the Imperial Customs Department a time-scale of pay is the more satisfactory arrangement.

6. Before proceeding to describe our proposals for a time-scale of pay, it may be convenient if we outline shortly the existing arrangements for regulating promotion in the Department. We have three separate cadres for Collectors, Civilian Assistant Collectors, and non-Civilian Assistant Collectors. The cadre for Collectors consists of five appointments of which three are reserved for members of the Indian Civil Service. All appointments to this cadre, whether acting or permanent, are made as a rule by selection; and once the rank of Collector is attained, Civilians and non-Civilians are, for the purposes of promotion, on the same footing, no particular appointment being reserved for Civilians. The cadre for Civilian Assistant Collectors, which consists of three officers only, is kept quite distinct from the non-Civilian cadre, and Civilian assistants do not receive promotion on account of vacancies among non-Civilians, nor does their absence give promotion to the latter. The cadre for non-Civilian Assistant Collectors includes 18 appointments arranged in six classes, inclusive of the Probationers' class. This cadre governs the promotion of Imperial (non-Civilian) Assistant Collectors only; but, in order to regulate their promotion, certain vacant appointments in it are at present nominally filled up by non-transferred

officers, who continue to draw their pay and allowances at the old rates. The cadre is really an imaginary one in which when any officer takes leave, retires, or otherwise vacates his appointment, promotion, whether acting or permanent, is given to all his juniors: in the case of Imperial officers the promotion is effective, while in the case of non-transferred officers it is merely nominal. The non-transferred officers serving at each port are grouped separately, and they receive effective promotion within the local cadre to which they belong on the occurrence of a vacancy therein.

7. We now proceed to lay before Your Lordship our detailed proposals:—

(1) *Collectors*.—Following the precedent of the Imperial Departments in which a time-scale has been introduced, we propose to keep the five administrative appointments of Collector of Customs outside the scheme. As at present appointments to the Collectors' grade will be made by selection and seniority will not give any Assistant Collector a claim to a Collectorship.

(2) *Civilian Assistant Collectors*.—There are at present three appointments in the cadre of Civilian Assistant Collectors—one on Rs. 1,400, one on Rs. 1,150, and one on Rs. 900; and we now propose to substitute for these graded salaries a time-scale pay of Rs. 1,000 rising to Rs. 1,300 by an annual increment of Rs. 100 and then by biennial increments of Rs. 50 to Rs. 1,400. We propose to fix the initial pay at Rs. 1,000, since with the present initial pay of Rs. 900 we have found difficulty in obtaining suitable candidates. In our Finance Department Rs. 1,000 is the initial pay for members of the Indian Civil Service, and they are allowed to draw the minimum even when officiating. We propose to follow the same practice in the Customs Department so as to remove the difficulties hitherto experienced in securing the services of junior Civilians to fill up officiating vacancies.

(3) *Non-Civilian Assistant Collectors*.—There are at present 18 appointments in the cadre of non-Civilian Assistant Collectors—two on Rs. 1,400, two on Rs. 1,150, two on Rs. 900, five on Rs. 650, four on Rs. 450, and three on Rs. 300. We now propose to substitute for these graded salaries a time-scale pay of Rs. 300 rising to Rs. 1,150 by an annual increment of Rs. 50 and then by biennial increments of Rs. 50 to Rs. 1,400.

8. *Cost of the scheme*.—The cost of the scheme is shown in the accompanying statements. From Statement I it will be seen that the present cost of the three appointments in the Civilian cadre is Rs. 3,450 a month and that we have added to this a sum of Rs. 480 a month on account of acting allowances. The last figure has been calculated on the assumption that of the four Civilian officers holding the three appointments of Collector and one appointment of Assistant Collector on Rs. 1,400, one will, on an average, be on leave throughout the year. In accordance with the scheme sanctioned in 1905, members of the Indian Civil Service of four or five years' standing are ordinarily selected to fill the appointment on Rs. 900 and they are required to remain in the Department for at least four years from the date of their confirmation. At the end of this period they can be required, and are permitted, if they so wish, to revert to their own Provinces. Ordinarily, no officer is appointed as a Collector unless he has served as an Assistant Collector of Customs and has thereafter obtained some experience of general administrative work outside the Customs Department; and officers holding Collectorships can be permitted to revert to their own Provinces at any time provided that the reversion does not cause too rapid a change in the Customs *personnel*. On account of these uncertain factors, it is not possible to estimate the cost of the time-scale for the Civilian Assistant Collectors with any precision; but we have assumed that the Imperial Customs Service will be composed of three Collectors and three Assistant Collectors recruited regularly from members of the Indian Civil Service in their fourth year of service and that no Assistant Collector will ordinarily rise to a Collectorship before he has completed 15 years' Civil service. The total

cost of the proposed time-scale for Civilian Assistants on this basis amounts to Rs. 3,880 a month, or Rs. 50 less than the present cost (Rs. 3,930). The real cost will probably be still less, as the officers will either revert to the general line after four or five years' total service in the Department as Assistant Collectors or will rise to a Collectorship before they have completed 15 years' Civil service.

From Statement II it will be seen that the present cost of the 18 appointments in the non-Civilian cadre is Rs. 12,850 a month and that a sum of Rs. 1,372 a month has been added on account of acting allowances. In this connection we would explain that the last figure has been worked out, as in the case of the Imperial Engineer Service, on the assumption that 20 per cent. of the officers of more than seven years' service and 10 per cent. of those with less service will, on an average, be on leave. The actual acting allowances drawn during the last three years by the present incumbents cannot give a correct estimate of the acting allowances which will be drawn under normal circumstances, because the officers recruited from England have not completed sufficient service to entitle them to any long leave otherwise than on medical certificate, and of the 13 appointments open to non-Civilian officers carrying a pay of Rs. 650 and over, seven appointments are at present held by non-transferred officers. The latter, being subject to the Indian Service Leave Rules, are entitled to much less leave than officers of the Imperial Service who will fill the appointments when normal conditions have been reached. It is therefore impossible to compare exactly the cost of the proposed time-scale for the non-Civilian Assistant Collectors with the present cost, but calculating on the above assumption the cost will be about Rs. 14,455 against the estimated present cost of Rs. 14,222 *per mensem*. Taking the saving of Rs. 50 in the Civilian cadre as a set-off against the increase in the non-Civilian cadre, the net increase involved in the scheme amounts to Rs. 183 a month or Rs. 2,196 a year. The actual cost of the time scale will, however, remain below the present sanctioned cost until all the appointments now held by non-transferred officers are absorbed by Imperial men. We trust that these proposals, the cost of which closely approximates to the present cost of the service, will meet with Your Lordship's approval.

9 There are certain subsidiary points in connection with the scheme which require special notice. Under the existing rules governing the departmental examination, probationers are required to pass a test consisting of two parts, *viz.*, (1) Customs law and procedure and (2) Hindustani. Those who pass in one part and fail in the other are required to pass at the second examination only in that part in which they failed in the first instance. The examination takes place after the close of the first year of each probationer's service. Probationers who fail to pass their first examination are re-examined after six months and those who fail to pass the second examination are given another chance before the expiration of their probationary period of two years. If they fail to pass the third examination, their services are liable to be dispensed with under the terms of their agreement. We propose that probationers recruited in England should start on a pay of Rs. 300 and those recruited in India on a pay of Rs. 200 a month; that in their second year of service the former should be allowed to draw Rs. 350 and the latter Rs. 300 on passing or partially passing the departmental examination; that on the completion of two years' service officers recruited in England, as well as those recruited in India, should be allowed to draw Rs. 400, subject to the condition that they have passed the departmental examination in full and are confirmed in the Department; and that thereafter their pay should be fixed according to the general time-scale, Rs. 300 being taken as the starting point.

10. We also propose, following the precedent of the Enrolled List of the Financial Department, that officers promoted to the Imperial Customs Service from the subordinate grades or those transferred from the local services should ordinarily begin on an initial pay equal to the nearest stage in the time-scale which saves them from loss of pay. We ought, however, to have the power, as in the case of the Enrolled List, to grant a larger initial pay in special cases when the strict application of the ordinary rule might be inequitable.

11. We further propose to absorb the present supernumerary appointment in the Rs. 1,150 grade held by Mr. H. H. Hood of the British Customs Service

on the introduction of the proposed time-scale. We will not, however, fill the third appointment of probationer which is at present kept vacant against the supernumerary appointment until there is a vacancy in the service.

12. The local allowance of Rs. 75 at present paid to Assistant Collectors and probationers employed at Calcutta, Bombay, or Rangoon will not be affected by the present scheme; and all time spent on leave with allowances, on foreign service or on deputation on special duty (if any) will count as service for increment in the absence of orders in any particular case to the contrary.

13. We propose to allow all officers in the department the option of accepting the new scale of pay on the understanding that such option must be exercised within a year of the date on which it is offered. The pay on the new scale, of officers who accept it, will be calculated and fixed under the rules above suggested for officers admitted to the department in future; *i.e.*, the pay of the officers recruited from England will be on the figure to which they would have attained by incremental pay had their whole service in the department been on that basis; while the officers recruited from the local services will be allowed to start either on their present pay or, where this involves hardship, on a higher rate of pay compatible with each officer's position and prospects under the existing graded system. The present order of seniority among officers will remain unaltered and no officer will be permitted to draw more than any officer above him on the list.

14. We trust that, if these proposals meet with Your Lordship's approval, we may be favoured with your decision at as early a date as may be convenient.

No. II.

No. -14, dated the 1912.

RESOLUTION—Of the Government of India, Department of Commerce and Industry.

The Government of India have had under consideration a proposal to substitute a time-scale of pay in the Imperial Customs Department for the existing system of graded salaries. In a small service, such as the Imperial Customs Department, recruitment has necessarily to be effected by employing men when they are wanted instead of in accordance with a fixed scale based upon the normal annual decrease or casualty rate. The result of irregular recruitment is inequality in promotion, and the principle of a time-scale of pay has therefore been adopted in recent years in several services possessing small cadres. The Imperial Customs Department has been in existence for seven years only, but the Government of India have observed that under the existing graded system the promotion of the junior men is already becoming unsatisfactory and that of future recruits is likely to be seriously retarded. The following scheme was accordingly submitted to His Majesty's Secretary of State for India and has been approved by him in a despatch which was received on the 12th May 1912.

2. The Imperial Customs Service at present consists of 26 appointments divided into nine classes as shown below:—

Appointments.	No.	Pay per mensem (without exchange compensation allowance).	Local allowance admissible while employed at Calcutta, Bombay, or Rangoon.	
		Rs.	Rs.	
Collectors—				
Class I	1	2,500	250	} Three of the Collectorships are reserved for members of the Indian Civil Service; but no particular appointment is reserved for these officers.
Class II	2	2,250	250	
Class III	2	2,050	200	
Total	5			
Assistant Collectors—				
Class I	3	1,400	75	} One appointment in each of these three classes is reserved for members of the Indian Civil Service.
Class II	3	1,150	75	
Class III	3	900	75	
Class IV	5	650	75	
Class V	4	450	75	
Probationers	3	300	75	
Total	21			
	26			

In future the Service will be constituted as follows:—

- | | | |
|---|---|---|
| <p>1 Collector, class I, on Rs. 2,500 a month.</p> <p>2 Collectors, class II, on Rs. 2,250 a month each.</p> <p>2 Collectors, class III, on Rs. 2,050 a month each.</p> <p>3 Civilian Assistant Collectors on Rs. 1,000 rising to Rs. 1,300 by annual increments of Rs. 100 and then by biennial increments of Rs. 50 to Rs. 1,400.</p> | } | <p>Three of these appointments will be reserved for members of the Indian Civil Service, as at present.</p> |
| <p>18 Non-Civilian Assistant Collectors (including Probationers) on Rs. 300 rising to Rs. 1,150 by annual increments of Rs. 50 and then by biennial increments of Rs. 50 to Rs. 1,400.</p> | | |

26

3. With regard to the five administrative appointments of Collector, it is considered that no change in the existing grading is necessary or advisable. As at present, all appointments to the Collectors' grade, whether acting or permanent, will be made by selection and seniority will not give any Assistant Collector a claim to a Collectorship; and, once the rank of Collector is attained, Civilians and non-Civilians will be on the same footing for the purposes of promotion. Members of the Indian Civil Service of four or five years' standing will, as at present, ordinarily be selected to fill the appointments in the Civilian cadre of Assistant Collectors, and they will be required to remain in the Department for at least four years from the date of their confirmation. Civilian officers appointed to officiate as Assistant Collectors of Customs will be allowed to draw the minimum rate of Rs. 1,000 a month, and their acting period will count as service for increment. In the non-Civilian cadre, Probationers recruited in England will start on a pay of Rs. 300 a month, and those recruited in India on a pay of Rs. 200. In their second year of service they will rise to Rs. 350 and Rs. 300, respectively, on passing either part of the departmental examination; and on completion of two years' service, officers of both classes will rise to Rs. 400 subject to the condition that they have passed the departmental examination in full and are confirmed in the Department. Thereafter their pay will be fixed according to the general time-scale, Rs. 300 being taken as the starting point. Increments may be drawn by officers who have been confirmed in the Department from the date on which they are due; but the Government of India reserve to themselves the right of withholding or withdrawing such increments on account of misconduct or inefficiency. The local allowances at present paid to Collectors and Assistant Collectors employed at Calcutta, Bombay and Rangoon, and other allowances at present drawn by Assistant Collectors holding certain particular appointments, will not be affected by the introduction of the time-scale. All time spent on leave with allowances, on foreign service or on deputation on special duty, will count as service for increment in the absence of orders in any particular case to the contrary.

4. Officers promoted to the Imperial Customs Service from the subordinate grades or those transferred from the local services will ordinarily begin on an initial pay equal to the nearest stage in the time-scale which saves them from loss of pay. The Government of India, however, reserve to themselves the power to grant a larger initial pay in special cases when the strict application of the ordinary rule might be inequitable.

5. The Governor General in Council is pleased to allow all Assistant Collectors and Probationers now in the Department the option of electing the new scale of pay on the understanding that such option must be exercised within a year. The pay on the new scale, of officers who accept it, will be calculated and fixed under the rules above proposed for officers admitted to the Department in future; *i.e.*, the pay of Civilian Assistants and of the officers recruited from England will be on the figure to which they would have attained by incremental pay had their whole service been on that basis; while the officers recruited from the local services will be allowed to start on the pay they were drawing on the 12th May 1912, the date of the introduction of the time-scale. In certain cases, however, where this general rule involves hardship on account of the fact that a permanent vacancy occurred in the Department on the 1st June 1912 and the necessary grade promotions have already been given in that vacancy, the

officers concerned will be allowed to start on their present pay. If the election be made for the pay on the new scale within one month from the date of this Resolution, that scale will take effect from the 12th May 1912; otherwise it will take effect from the date on which such option is exercised by each officer. In the case of officers on leave out of India, a reasonable extension of the period of one month referred to will be allowed to permit of a reply reaching Government. Annual and biennial increments will be due in each case from the date on which the officer concerned was appointed to the Imperial Customs Service; but in the case of the officers who will be allowed a higher rate of pay for the reason mentioned above, the increments will be reckoned from the 12th May last.

ORDER. Ordered that the Resolution be communicated to the Government of Madras, Revenue Bombay, Revenue Bengal, Financial Burma, Revenue Department, for information.

Ordered also that a copy of the Resolution (together with a copy of a telegram from the Secretary of State for India dated the 29th August 1912) be forwarded to the Finance Department, for information, with reference to the endorsement from this Department No 5825-14, dated the 30th July 1912.

Ordered also that a copy be forwarded to the Accountants General, Bombay, Madras, Bengal, and Burma, and to the Comptroller, India Treasuries, for information.

Ordered also that a copy be forwarded to the Home Department, for information, with reference to the Office Memorandum from that Department No. 1186-Establishments, dated the 31st August 1910.

Ordered also that the Resolution be published in the Supplement to the *Gazette of India* for general information.
