

APPENDIX TO THE REPORT
OF
THE COMMISSIONERS.

VOLUME XVIII.

MINUTES OF EVIDENCE

RELATING TO THE

CUSTOMS DEPARTMENT

Taken at Calcutta, Madras, Bombay, and London,

WITH

APPENDICES.

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MINUTES OF EVIDENCE
 TAKEN BEFORE THE
ROYAL COMMISSION
 ON THE
PUBLIC SERVICES IN INDIA
 RELATING TO THE
CUSTOMS DEPARTMENT

At Calcutta, Wednesday, 21st January 1914.

PRESENT:

THE RIGHT HON. THE LORD ISLINGTON, G.C.M.G., D.S.O. (*Chairman*).

Sir VALENTINE CHIROL.
 WALTER CULLEY MADGE, Esq., C.I.E.

FRANK GEORGE SLY, Esq., C.S.I.
 HERBERT ALBERT LAURENS FISHER, Esq.

And the following Assistant Commissioner:—

W. W. NIND, Esq., Assistant Collector of Customs.

R. R. SCOTT, Esq. (*Joint Secretary*).

G. LAIRD MACGREGOR, Esq., I.C.S., Officiating Collector of Customs, Calcutta.

Written Statement relating to the Customs Department prepared by R. F. L. Whitty, I.C.S., lately Collector of Customs, Calcutta.*

79,044. (I.) *Methods of Recruitment.*—I consider that the principles enunciated in Resolution No. 154—161—57, dated the 9th January 1906, of the Government of India, Department of Commerce and Industry, and in Letter No. 9651—21, dated the 10th December 1906, from the Secretary to the Government of India, Department of Commerce and Industry, to the Secretary to the Government of Bombay, Revenue Department, as governing recruitment to the Imperial Customs Service are thoroughly sound. Non-civilian members of the service recruited in England are selected by the Secretary of State from candidates who have secured a University degree with honours, or have taken a good place at the open competition for the Home and Indian Civil Services, or otherwise show evidence of a high standard of education. A knowledge of modern languages and proficiency in chemistry and physics is regarded as desirable. The age-limit is 22 to 25 years. Officers fully qualified by education and birth may be appointed in exceptional cases to the Imperial Customs Service from the subordinate establishments. Natives of India who are British subjects and possess the requisite qualifications, are eligible for appointment to the service. Under the existing methods a very good class of officer is recruited, and I have no alterations in the system to suggest. In a small service, such as the Imperial Customs Service, it is essential in the interests of Government, of the public, and of the service itself that a high standard of efficiency should be maintained.

79,045. (II.) *System of Training and Probation.*—A probationary period for Assistant Collectors, other than members of the Civil Service, is desirable. Probationers are usually posted to one of the principal ports for training; and after the expiry of a year they are required to undergo a departmental examination in the vernacular, in Customs work, and in Customs Law and Procedure. On passing the examination they are invested with minor powers, and finally, if their work

is approved, with full powers as Assistant Collectors. The training provided is in my opinion adequate. The examination, especially as regards Customs Law and Procedure, is searching and constitutes a sufficiently exacting and practical test of the probationer's industry, capacity for work and acquaintance with the duties which he will be expected subsequently to perform.

79,046. (III.) *Conditions of Service.*—(a) Collectors of Customs appointed from the Civil Service are permitted, subject to the approval of the Government of India, to revert to their own provinces at any time (paragraph 6 of Resolution No. 154—161—57 Customs, dated the 9th January 1906); but such permission is withheld in cases where it would cause too rapid a change in the Customs *personnel*. Subject to this condition, permission to revert is accorded in cases where the experience acquired by an officer in the Imperial Service is likely to be of special assistance to the Local Government under which he will serve on reversion. I think that this rule requires no alteration.

Members of the Civil Service of four or five years' standing are ordinarily selected for the three reserved appointments of Assistant Collector. They are appointed on the condition that they agree to remain in the department for at least four years. Officiating service is not reckoned towards this period. This condition detracts largely from the popularity of service in the Imperial Customs and restricts the field of selection. I think that the period of obligatory service should be reduced to two years, if it is not considered desirable to waive the condition altogether.

(b) It is desirable that quarters should in course of time be provided, where possible, by Government for Assistant Collectors in the vicinity of their work. The expense of renting private quarters in the large towns falls heavily on married men. It is not easy to rent a suitable house or flat for a short period at a moderate price, and when officers are transferred at short notice they are liable to incur considerable losses through failure to determine their lease or to sublet their quarters. I think that officers are handicapped in the performance of their duties when they reside at a distance from their place of work.

79,047. (IV.) *Conditions of Salary.*—(1) The scale of pay sanctioned for the Department is as follows—5 Collectorships.—2 (Rs. 2,650), 2 (Rs. 2,250), 1 (Rs.

* Mr. MacGregor intimated his concurrence with this written statement, which had been submitted before his appointment as Officiating Collector of Customs, Calcutta, by his predecessor, Mr. Whitty.

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Mr. G. LAIRD MACGREGOR.

[Continued.]

2,500) (with a local allowance in three cases), of which three are reserved for members of the Civil Service. 3 Civilian Assistant Collectors on Rs. 1,000—100—1,300—50 (biennial) 1,400. 18 Non-civilian Assistant Collectors on Rs. 300—50—1,150—50 (biennial) 1,400. Assistant Collectors receive in addition a local allowance of Rs. 75, except at Madras and Karachi. Officers promoted to the Imperial Customs Service from the subordinate grades or those transferred from the local services ordinarily begin on an initial pay equal to the nearest stage in the time-scale which saves them from loss of pay. But a larger initial pay may be granted in special cases where the strict application of the ordinary rule might be inequitable. The scale of pay is on the whole fair, but I think some modifications are desirable.

(2) It is doubtful whether the existing scale is attractive enough to retain the services of Civilian Assistant Collectors of about 10 years' standing. I think that a more suitable scale for Civilian Assistants would be Rs. 1,000—100—1,500. The initial pay of non-civilian assistants recruited in England is low and compares unfavourably with the terms offered by many mercantile houses in India to juniors of similar educational qualifications. It is questionable also whether the maximum is sufficiently high, and whether it can be reached at a sufficiently early period of service to enable married officers to maintain their social position and make due provision for their families, taking into account the very high cost of living at the large seaports. In lieu of the present scale I would recommend the following:—Rs. 350—50—1,500.

(3) Non-civilians officiating as Collectors are liable to be posted to any one of the principal seaports. They should in my opinion be permitted to draw acting allowances under Article 105, Civil Service Regulations, at the rate of two-thirds of the difference between the pay of the appointment and their substantive pay.

79,048. (V.) Conditions of Leave.—Members of the Imperial Customs Service recruited in England are subject to the European leave rules. They should enjoy the same privileges in regard to leave as members of the Finance and other departments recruited on similar lines, and the benefit of such modifications of the existing leave rules as may be sanctioned in the case of the latter departments should be extended to the members of the Customs Service.

79,049. (VI.) Conditions of Pension.—A non-civilian member of the Imperial Customs Service is entitled to a maximum pension of Rs. 5,000 per annum after 25 years' service, provided that he has completed 30 years' qualifying service or has attained the age of 55 years. The pension is paid in England at the rate 1s. 9d. per rupee. An additional pension of Rs. 1,000 a year may be allowed to an officer who has rendered not less than three years of effective service as a Collector. In the case of officers entering Government service after the 31st December 1909, the grant of the additional pension is subject to the further condition that the officer must, in the event of voluntary retirement, have completed 28 years of qualifying service (Article 475, Civil Service Regulations). I am aware that representations have been made to the Royal Commission by members of the Imperial Customs Service urging that provision be made for optional retirement of officers at an earlier date. Officers of the Public Works, Telegraph and Forest Departments may retire voluntarily on full pension after 25 years of service. The physical conditions of service in those departments are probably more arduous ordinarily than in the case of the Customs Service, and this may be a valid argument against placing the members of the latter service on the same footing as members of certain other services, such as those mentioned above, or the Indian Police, in respect to the age of voluntary retirement. But due regard should be had to the fact that the whole of the service of an officer of the Imperial Customs Department is passed at the seaport towns where the climatic conditions are extremely debilitating, and that he has not the prospect which is

open to officers of other departments referred to above of being transferred for some period of his service to a salubrious station. The officers of the Customs Department should certainly enjoy the advantages of any modifications of the existing rules in respect of pension and age of retirement which may subsequently be made applicable to the Finance and other departments similarly recruited.

79,050. (VII.) Such limitation as may exist in the employment of non-Europeans, and the working of the system of division of service into Imperial and Provincial.—(1) In 1906 the Bombay Presidency Association submitted a memorial through the Government of Bombay to the Government of India regarding the employment of Indians in the Imperial Customs Service. The reply of the Government of India is contained in letter No. 9651-21, dated the 10th December 1906, from the Department of Commerce and Industry, to the Secretary to the Government of Bombay, Revenue Department. I think that the principle laid down in paragraph 6 of that letter regarding admission to the Service of Indians are sound and do not require revision. I think it would be a mistake to prescribe a minimum number of appointments to be held by non-Europeans. There are certain charges, such as the post of Superintendent or Assistant Superintendent of the Preventive Services at the large ports which Indians of the class likely to be recruited ordinarily for the Imperial Customs would not be well fitted to hold. The posts involve much outdoor work by day and night, constant intercourse with officers and men of the mercantile marine of all nationalities, and the control of a large body of European and Anglo-Indian subordinates. At Calcutta and Bombay there are volunteer companies comprised chiefly of Preventive Officers, and it is very desirable that the Superintendents and Assistant Superintendents of the Preventive Service should command or hold commissions in those companies. The position of an Indian appointed to the charge of the Preventive Service at Calcutta or Bombay would be one of extreme difficulty, and I think that only an Indian with quite exceptional qualifications could successfully fill the appointment. The charge of the Appraising Department at a large port like Calcutta or Bombay also involves the control of a considerable number of Europeans and Anglo-Indian subordinates, and daily intercourse with representatives of the commercial community. The Imperial Customs Service should consist mainly of officers of a class well qualified in every respect to hold those important charges.

(2) The Customs Service was formerly Provincial. The reasons for the formation of the Imperial Service are set out in letter No. 469, dated 29th December 1904, from the Government of India to the Secretary of State for India. The existing organization is a very distinct improvement on the old Provincial Service, and it would be a great mistake to re-establish the old system. The arrangements for the gradual absorption into the Imperial Service of the appointments now held by members of the Provincial Service are working satisfactorily, and I have no modifications to suggest.

79,051. (VIII.) Relation of the Service with the Indian Civil Service and other services.—(1) Out of five Collectorships three are reserved for Indian Civilians, and there are three Civilian Assistant Collectors. In paragraph 6 of Resolution No. 154—161—57, dated the 9th January 1906, of the Government of India, Department of Commerce and Industry, it is stated that 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 in 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. It is in my opinion in the interests of the Customs Service also that the Secretariats of the Local Administrations and of the Government of India should include officers who, by service as Collectors or Assistant Collectors, have had direct experience of Customs work and procedure, who possess first-hand

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[Continued.]

knowledge of the conditions and difficulties of Customs administration, and who understand the general requirements and traditions of the service and can look at questions from the point of view of a Customs Officer. It will probably be necessary, however, before long to raise the strength of the non-civilian cadre of Assistant Collectors partly in order to cope with the increase of work at the different ports and partly to make adequate provision for a leave reserve. With even a moderate expansion of the cadre the proportion of Collectorships reserved for non-civilians will be low, and it may be found desirable to throw another

Collectorship open conditionally to non-civilians so as to provide that when no special reasons exist for appointing a civilian a non-civilian may be selected for the vacancy. As in course of time a considerable number of civilians may be expected to have acquired some experience of the Customs Department, either as Collectors or as Assistant Collectors, it will probably be possible to make this change without sacrificing the object which the Government of India had in mind as expressed in paragraph 6 of letter No. 469 of the 29th December 1904.

Mr. G. LAIRD MACGREGOR called and examined.

79,052. (*Chairman.*) The witness had been in the department since November 1913. Previously he was an Acting Collector of various districts in Bombay. At present he was an Acting Collector of Customs, third grade.

79,053. A Collector of Customs had general supervision over the various branches controlled by the Assistant Collectors. He heard appeals from orders passed by the Assistant Collectors, and imposed penalties which it was beyond the powers of Assistant Collectors to impose. The customs work was divided into five branches. There was the Preventive Service, which took two Assistant Collectors, a Superintendent and an Assistant Superintendent, whose main duties were patrolling, prevention of smuggling and the inspection of baggage. There was the Appraisers' department under one Assistant Collector whose duties were the valuation of cargo. There was another Assistant Collector in charge of Statistics, Executive Audit, and Accounts Audit. There was another Assistant Collector in charge of Imports, Exports, Treasury and Accounts, and yet another Assistant who was called the Chemical Examiner for Excise and Customs. He tested and analysed samples of liquor and perfumery and so on. The Assistant Collectors were the heads of those different departments.

79,054. In the subordinate service there was 1 Chief Inspector, 11 Inspectors, and about 190 rank and file, who were called Preventive officers. In the Appraisers' department there were about 25 appraisers.

79,055. Whenever a vacancy occurred the Government of India considered whether it should be filled by the Secretary of State in India or not, and in making a decision the Secretary of State had regard to the state of the list, and the qualifications of the candidates.

79,056. There were two Parsis acting as Assistant Collectors of Customs, but apart from them there were some Assistant Collectors and Collectors who had been recruited in India.

79,057. The Government of India considered competitive examination was unsuitable for the Customs Service, and that appointments should be made wholly by selection. The witness agreed that that was the most sensible form of recruitment. He did not think book knowledge was all that was required, and if there was a system of selection people could be selected of a certain educational standard. A very good stamp of man was obtained under the present system of recruitment.

79,058. There was a good deal of routine work at the beginning of an officer's service in the ministerial branches, like the Executive Audit, the Statistical and the accounts and the treasury, but there was not very much routine work in the Appraisers' department or Preventive Service.

79,059. He did not consider it necessary that a man should have an honours degree in science in order to become an efficient officer in the Customs Service. He did not know why the science degree was selected, except that an officer dealt largely with materials imported for trade purposes, and a knowledge of their constitution might possibly be of use. He did not consider that men with an honours degree would find the work of the Customs Department too much of a routine character.

79,060. There would be no advantage in appointing officers to the Customs Department at a younger age than that now laid down by the regulations.

79,061. It would be a mistake to prescribe a minimum number of appointments to be held by non-Europeans. His main reason for saying that was that the Imperial Service officer had to control Europeans, and had to deal with the mercantile marine service, and heads of commercial firms who were Europeans of standing in the city. He had also in the Preventive Service to be practically a volunteer. The witness agreed it was a fact that Indians in other departments were found competent to take charge, and to exercise control over Europeans, but the average European had more backbone than the average Indian. In the Customs Department there was one Indian gentleman, now retired, another still in the service, and a third on probation.

79,062. He considered the employment of Indian Civil Service officers was necessary both in the interests of the Customs Service, and in the interests of the executive. An Indian Civil Service officer was necessary in the interests of the Customs Service because he was a person whose views had not been limited to customs matters. There was on the other hand a disadvantage in the employment of an Indian Civil Service officer in that he came into the service without knowing anything about the highly technical work for the first few months, but that could easily be picked up by him after a short period of service. In the ordinary course, an Indian Civil Service officer coming as an Assistant, had in turn to learn the technicalities of five different branches, each of which took some months to pick up. The difficulties became much more aggravated in the event of his being posted, after a month or two, to the control of the whole department. The witness agreed that a system which could produce such a result was open to criticism.

79,063. The advantages of the employment of an Indian Civil Service officer in the department in the interests of the executive were that the Collector of Customs was not the supreme authority in customs matters. There was a supreme Customs authority in every province. In the case of Bengal it was the Member of the Board of Revenue; in the case of Bombay it was the Commissioner of Customs, and the witness thought it was desirable that a person who filled that appointment should have done some customs work. Possibly, also, in dealing with the commercial community, it might be of use to a man to have been a Collector of Customs in a large port. He was not prepared to see the abandonment of the system of reserving certain posts absolutely for the Indian Civil Service, and to leave it more to the discretion of Government to decide each case on its merits.

79,064. The post of Assistant Collector was really a training post for a Collector. He was of the opinion that a man could learn his duties, and become really efficient as Assistant Collector in three years.

79,065. In some cases transfers from port to port were made too frequently. A man should be at least a year in one station. Only a double first-class fare from one station to another was allowed to a man on transfer, and officers undoubtedly incurred a serious loss by being transferred.

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[Continued.]

79,066. The initial pay of a non-Civilian Collector was low and compared unfavourably with the terms offered by many mercantile houses in India. He had made some enquiries, and he believed he was right in saying that most of the large exchange banks gave their clerks Rs. 450 a month. They came out at 24 or 25 after having had two or three years' previous training in the English branch of the bank, which could be set off against the University training which was necessary in regard to the Customs Service. The Port Commissioners at Calcutta started their Assistant Secretaries at Rs. 450 a month, plus free quarters, or Rs. 100 a month in lieu thereof. They came out also at 24 or 25. He had not ascertained in the course of his enquiries whether private employers gave their employees a scale of salary rising automatically to Rs. 1,500 a month, as was the case in the Customs Service.

79,067. Unless the pay in the higher grades was increased, he did not think there would be any argument for having two time scales in place of the present scale. Junior and senior Assistant Collectors were engaged on duties of practically the same importance. In other words, it was quite possible for an Assistant at Rs. 300 to be doing work and exercising the same responsibility as Assistants receiving Rs. 900 or Rs. 1,500.

79,068. At present a Civilian Assistant Collector who officiated in a higher capacity drew acting allowance under the two-thirds rule, but a non-Civilian only drew an allowance equal to one-fifth of the pay of the superior appointment. He did not know the reason for the distinction and thought it was an anomaly that such a distinction should exist.

79,069. He was not in a position to inform the Commission whether the proportion of invalids was greater in the Customs Department than it was in other departments.

79,070. (*Sir Valentine Chirol*.) Indians who in other services on rising to higher charges were placed in control of Europeans were generally placed in control of Europeans who had considerable experience of and intercourse with Indians, whereas in the Customs Service the European community with whom the Customs officer was specially brought into contact was a community which had very little experience of intercourse with Indians. Therefore the difficulties of an Indian in his intercourse with Europeans would be very much greater in the Customs Service than in other services.

79,071. An Indian Civilian employed as an Assistant Collector of Customs might after five years' service in that capacity be at a disadvantage if he remained in the Customs Department. It depended on the rate of promotion in the province to which an officer belonged. In the past, if a Civilian Assistant Collector had been five years in the service, he could generally count on obtaining a Collector's post. His statement that it took three years for a Civilian to acquire proficiency in his work as Assistant Collector, taken in conjunction with the fact that probably after five years it would be rather in a man's interest not to continue in the Customs unless he obtained promotion to a Collectorship, might make it appear that the Assistant Collector had to spend three years in becoming really efficient in the work of the department, and two more years to turn that proficiency to advantage. In that connection his estate of three years might be rather wide of the mark.

79,072. He knew of two cases where appointments to higher charges had been made in favour of Civilians who had acquired special Customs experience.

79,073. (*Mr. Sly*.) He had never served as an Assistant Collector of Customs. It was the general rule laid down as a condition of service that before appointment as Collector a Civilian should have served

at least four years as Assistant Collector. He could not say why that rule had been rescinded in his own particular case.

79,074. A probationer amongst the direct recruits to the Imperial Service underwent his first examination at the end of his first year, and he received no further training. In view of that fact he would like to withdraw the statement that a Civilian, who was a much older man, with experience of the country, would take at least two or three years to get his training.

79,075. With regard to the employment of Indian Civil Service officers in the Customs Service, it was an advantage to the Customs to have a certain number of officers who had had training in general administrative work. Knowledge of Indian conditions generally throughout the province was of advantage to them as compared with the restricted knowledge of the departmental officer.

79,076. It was a substantial advantage to the service to have a certain number of posts in which Civilians came into close personal relations with the commercial community, and this applied not only to officers subsequently promoted to one or two special posts, but also to officers engaged subsequently in the many other branches of Indian Civil Service work where the commercial aspect of questions was being dealt with.

79,077. With regard to the salary of Assistant Collectors, there was no reason why they should draw any more salary than Civilians in the ordinary line, provided the local allowances covered the higher cost of living in the port.

79,078. The rank and file of the preventive service was mainly composed of Anglo-Indians and Europeans. The duties were such that Indians were not generally very keen to enter the service. At present there were three Indians in the subordinate service of the Appraisers' Department and the orders of Government were that that number was eventually to be raised to 8 out of 25.

79,079. He preferred the direct recruitment of Indians into the Imperial Service to promotion from the subordinate ranks. Such experience as he had had of the subordinate service of the Customs Department did not lead him to consider it a favourable recruiting ground for appointments to the Imperial Service.

79,080. (*Mr. Fisher*.) A University training in England would be of very great advantage to a non-Civilian Indian recruited to an Assistant Collectorship.

79,081. (*Mr. Madge*.) If an optional subject of a commercial character were introduced into the Indian Civil Service competitive examination, it would possibly be of use as a qualification for a young Civilian taking up a post of Collector or Assistant Collector.

79,082. Although a young Civilian in the Customs Department might revert at any time to other employment, the witness did not think that constituted a temptation to a young Civilian who was getting a low pay, to come into the Customs Department for a time, without any intention of remaining there. On the whole the present system was better than a graded system from top to bottom.

79,083. Of the five Collectorships three were held by non-Civilians, so that there was an opening for exceptional men, no matter where they were recruited.

79,084. There was no foundation for the theory which at present prevailed in the subordinate department that it was the desire of Government to get rid of locally trained men.

79,085. (*Mr. Nind*.) An Assistant Collector would not be in charge of any of the departments while receiving Rs. 300 a month; he would only fill the higher posts when qualified to do so.

The witness withdrew.

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Mr. F. BUCKNEY.

F. BUCKNEY, Esq., Assistant Collector of Customs, Calcutta.

Written Statement* relating to the Customs Department, being a Memorandum prepared by the under-mentioned Assistant Collectors stationed at Calcutta :—

Mr. F. J. G. GEARY, I.C.S.
Mr. A. H. P. WOLFERSTAN.
Mr. J. A. STEVENS.
Mr. F. D. LALKAKA.
Mr. A. R. BENNETT.
Mr. W. J. WARD.

79,086. (L) Methods of Recruitment.—We advocate a continuation of the present system of recruitment.

79,087. (II) System of Training and Probation.—A probationary period for officers is advisable, and the system of training now provided at the principal Indian ports is sufficient.

79,088. (IV) Conditions of Salary.—The scale of pay sanctioned for the department is as follows :—
5 Collectorships—2 (Rs. 2,050), 2 (Rs. 2,250), 1 (Rs. 2,500) (with a local allowance in 3 cases) of which 3 are reserved for members of the I.C.S. 3 Civilian Assistant Collectors on Rs. 1,000–100–3,000–50 biennial Rs. 1,400. 18 Non-Civilian Assistant Collectors on Rs. 300–50–1,150–50 (biennial) Rs. 1,400. The proportion of higher appointments open to Non-Civilian Collectors is 11·1 per cent. of the number of appointments in the general list.

(2) The necessary social and educational qualifications for the Imperial Customs Service are the same as those required for Superior Service in the Finance Department and the conditions of service in the former department are similar to those in the latter. It is, therefore, relevant to compare with the above scale of pay the scale for non-civilians in the Finance Department which is as follows :—

6 Accountant-Generalships out of 9 $\left\{ \begin{array}{l} 4 \text{ (Rs. 2,250)} \\ 3 \text{ (Rs. 2,500)} \\ 2 \text{ (Rs. 2,750)} \end{array} \right.$

11 out of 12 Assistant Accountant-Generalships on Rs. 1,500–60–1,800. 135 Assistant Accountant-Generalships on Rs. 300–50–1,250–50 (biennial) Rs. 1,500. The proportion of Accountant-Generalships and 1st class Assistant Accountant-Generalships is 12·6 per cent. of the number of appointments in the general list corresponding to the cadre of Assistant Collectors of Customs.

(3) From a comparison of the figures it is evident that the pay and prospects of officers in the Imperial Customs Service are inferior in the following respects also to those of Officers in the Finance Department :—

(a) A Customs Assistant Collector only rises to Rs. 1,150 by annual increments, whereas an Assistant Accountant-General rises to Rs. 1,250 by annual increments.

(b) A Customs Officer rises to Rs. 1,400, whereas a Finance Officer rises to Rs. 1,500.

(c) There are no appointments in the Customs corresponding to those on Rs. 1,500–60–1,800 in the Finance Department.

(d) Collectors of Customs receive lower salaries than Accountants-General and though this is partially counterbalanced by the local allowances granted in some instances to the former, the result is that privilege leave allowances are correspondingly lower.

(4) Under existing conditions an Assistant Collector in the Imperial Customs Department does not attain a salary of Rs. 1,400 until the 28th year of his service, and if the scale sanctioned for the Finance Department had been adopted he would not draw Rs. 1,500 before his 30th year of service.

(5) The disadvantages of the biennial increment do not operate harshly on officers of the Finance

Department as the majority of Assistant Accountants-General reach the Class I. cadre on Rs. 1,500–60–1,800 before they have reached the period at which their increments become biennial.

(6) In the interests of the service we consider that it is desirable that the time scale recently sanctioned should be improved, and the improvements which we suggest are, (a) that the maximum should be raised from Rs. 1,400 to Rs. 1,500, (b) that the period of service necessary to attain the maximum salary should be materially reduced, and (c) that the biennial increments should be discarded in favour of annual increments. We urge that higher salaries should carry higher increments more especially as the expenses of a married man increase very rapidly when his family is growing up, and provision for education in England has to be made. The scale which we advocate is Rs. 1,000–100–1,500 in the case of Civilian Assistant Collectors and Rs. 350, 350–50–1,050–75–1,500 in the case of non-civilians. There are only two appointments on a larger salary than Rs. 1,400 open to non-civilian members of the Imperial Customs Service. The top of the scale for Assistant Collectors should, therefore be attainable sufficiently early in their service to enable them to meet their increasing expenditure and save money prior to retirement. It appears to be reasonable to fix the 22nd year of service for this purpose.

(7) The initial salary of Rs. 300 per mensem even with the allowance of Rs. 75 is insufficient for a probationer recruited in England and joining the service at Calcutta to keep himself in a manner befitting his position. The majority of Mercantile firms and Public bodies who bring out University men as Assistants give them at least Rs. 400 a month, e.g., Assistants with the same University qualifications as the members of the Imperial Customs Service recruited in England are brought out by the Port Commissioners on an initial salary of Rs. 450 rising by annual increments of Rs. 50 together with free quarters. They have the same rules as Government service as regards pension. Arrangements are usually made by Mercantile firms for their Assistants to live in "chummeries" where expenses are greatly curtailed. Such arrangements cannot be made for probationers in the Imperial Customs Service as their stay in any particular port is uncertain. They have, therefore, to make other arrangements which are more expensive than would be the case were they in a position to say that their stay in Calcutta would be for a definite period. We propose that the initial pay of a probationer be raised to Rs. 350 per mensem and that his first increment under the time scale take place not from the date of passing his examination but from the date of completion of his second year of service, provided, of course, he has passed his examination. In this way he would be drawing Rs. 400 per mensem in his third year of service as he does under the present regulations.

(8) Civilian Assistant Collectors of Customs officiating as Collectors of Customs draw acting allowances at the rate of $\frac{1}{3}$ of the difference between the pay of the appointment and their substantive pay (*vide* Article 105 of the C. S. R.) whereas Non-Civilian Assistant Collectors can only draw an additional allowance equal to $\frac{1}{4}$ of the pay of the superior appointment (Article 450 C. S. R.), and they are debarred from the higher privilege which Article 104 (4) C. S. R. appears to confer on them (*vide* footnote No. 2 to that Article). This difference operates harshly on the Non-civilian Assistant Collectors and appears unreasonable, inasmuch as the additional responsibility is the same in all cases.

79,089. (VI) Conditions of Pension.—The pensions of the Non-civilian Members of the Imperial Customs Service are regulated by the general conditions laid down by Government for the majority of services. Briefly the conditions are as follows :— Under Article 464 C. S. R. an officer who has reached the age of 55 years may retire on a superannuation

* The absence of Mr. Buckney's name from the list of signatories is due to the fact that he was not employed in Calcutta when the memorandum was drawn up.

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Mr. F. BUCKNEY.

[Continued.]

pension and under Article 465 an officer who has completed 30 years qualifying service may be granted a retiring pension. It is obligatory therefore for an officer of the Imperial Customs Service to be either 55 years of age or have served 30 years before he has the option of retiring. If he retires earlier he can get no pension unless permanently invalidated by a Medical Board. In many instances the strain of working in trying climatic conditions affects the health of an officer to such an extent as to render his retirement after 25 years' service advisable even though perhaps he may not be considered sufficiently ill to be permanently invalidated.

(2) In the Public Works, Telegraph, and Forest Departments a full pension can be earned after 25 years' service and a proportionate pension after 20 years' service. The age of recruitment in the three services is between 18 and 22, while in the Imperial Customs Service it is between 22 and 25. The effect therefore of the existing rules is that the earliest age at which an officer in the former services can retire on pension is, roughly speaking, 40, while the earliest age at which an officer of the Imperial Customs Service can retire on pension is 52 or 55.

(3) The amount of pension is fixed by Article 474 of the Civil Service Regulations, and amounts to 30/60ths of an officer's average emoluments for service over 25 years with a limit of Rs. 5,000 per annum. The position then is that, though the general rule lays down that a pension can be earned after 25 years' service, yet by reason of the restrictions in Articles 464 and 465 no officer of the Imperial Customs Service can voluntarily retire on pension after 25 years' service; he must complete 30 years' service when he receives a pension limited to Rs. 5,000 per annum paid in England at the rate of 1s. 9d. per rupee (*vide* Article 474). When the rate of pension was originally fixed, the rupee was worth 2s., and the pension therefore was approximately worth 42l. per annum in sterling, more than at present. Besides the loss on the originally contemplated sterling value of the pensions, recent statistical enquiries in England have demonstrated that there has been a considerable diminution in the purchasing power of the sovereign. We feel in the circumstances that the request for a proportionate compensating increase in pension is not unreasonable. After 30 years' service the pension earned by a member of the Imperial Customs Service is the same as that earned by an officer of the Telegraph, Public Works or Forest Departments after 25 years' service. Further officers in these services are entitled after only 20 years' service to a pension of Rs. 4,000, which is only less by Rs. 1,000 than that now admissible for members of the Imperial Customs Service after 30 years.

Officers of the Indian Army can obtain the following pensions:—

	£
After 20 years' service	250
" 25 " "	400
" 30 " "	600
" 32 " "	700

The average age of entry into the Indian Army is approximately 21. Taking into consideration the fact that the members of the Imperial Customs Service are of the same class in life and that they have to be either in possession of a University degree with honours, or otherwise, show evidence of a high standard of education (*vide* para. 8 of Regulations for admittance into the Service issued by the India Office),* it is felt that they should not be at a disadvantage with regard to any other service in India with the exception of the Indian Civil Service.

(4) We therefore request (i) that an officer may be permitted to retire at option after 25 years' service on a pension of Rs. 5,000 in India or 500l. sterling in England, (ii) that an officer may be allowed to retire on Medical Certificate after 20 years' service on a pension of Rs. 4,000 in India or 400l. sterling in England, (iii) that an officer may be allowed to retire

after 30 years' service on a pension of Rs. 6,000 in India or 600l. sterling in England, and (iv) that a Collector of Customs may be granted an additional pension of Rs. 1,000 in India or 100l. in England after 3 years' approved service as such, irrespective of the number of years which he has served in the department.

(v) Under Article 408 of the Civil Service Regulations the following periods of leave with allowances count as service:—

Total Service not less than.	Period of Leave out of India.
15 years	1 year.
20 "	2 years.
25 "	3 "
30 "	4 "
35 "	5 "

An Indian Civil Servant may retire on the expiry of 25 years from the date of his covenant or from the date of the despatch announcing his appointment (whichever may be the earlier) subject to his having rendered 21 years' active service (Article 561 C. S. R.). We advocate the following amendment of Article 408 of the Civil Service Regulations to permit of the following periods of leave with allowances out of India counting as service:—

10 years	-	-	1 year.
15 "	-	-	2 years.
20 "	-	-	3 "
25 "	-	-	4 "
30 "	-	-	5 "

on the ground that there is no apparent reason for differentiation in this respect between members of the Indian Civil Service and those of other European services, the climatic effects being the same in all cases.

79,090. (VII.) Such limitation as may exist in the employment of non-Europeans and the working of the system of division of service into Imperial and Provincial.—We are unaware of any limitations in the employment of non-Europeans, but we consider that the majority of the posts held by Collectors and Assistant Collectors should continue to be held by Europeans. We consider in view of the letter of the Government of India to the Secretary of State No. 469, dated 29th December 1904, that a reversion to the old system of Provincial Services would be a retrograde movement.

79,091. (VIII.) Relations of the service with the Indian Civil Service and other services.—At present three out of the five Collectorships are ordinarily reserved for members of the Indian Civil Service. We propose that in course of time two only of the Collectorships should be so reserved. We fully recognise that for the present the reservation of three of these appointments for the Indian Civil Service is necessary; but when the cadre of the Imperial Customs is filled up by men recruited under present conditions the same necessity will not arise, owing to the existence of a complete service of Assistant Collectors qualified both by education and experience. Owing to the smallness of the department there is a chance that a deserving officer may be blocked in promotion and deprived of reaping the reward of many years meritorious service—*viz.*, a Collectorship, or of receiving his reward too late to enable him to earn the extra pension reserved for those who have served in that capacity for three years. We consider therefore that two Collectorships should be definitely reserved for non-civilian Members of the Imperial Customs Service, two for members of the Indian Civil Service and the fifth should be open to either class. We recognise that it may be some years before it would be advisable to give effect to this proposal; but we consider the matter deserving of serious consideration owing to its importance to the non-civilian Members of the Customs Service. It is likely that an increase in trade may in the future necessitate an increase in the cadre of non-civilian Assistant Collectors in which case the question will become even more pressing.

* Appendix I.

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Mr. F. BUCKNEY.

[Continued.]

Mr. F. BUCKNEY called and examined.

79,092. (*Chairman.*) The witness was recruited direct to the service. He had served six years in the department. He entered with Cambridge Honours degree and most of the officers recruited from England entered the service with similar qualifications. Two men who had failed for the Indian Civil Service examination were at present in the service. The subjects embodied in the course for the Honours degree had been of use to him as an officer of the Customs Department.

79,093. Most of the posts of Collectors and Assistant Collectors should continue to be held by Europeans on account of their close contact with the European commercial community. A European was better adapted by his training than Indians to deal with such people.

79,094. The Customs Service was divided into outdoor and indoor posts. The indoor work could be efficiently carried out by Indians, but even in indoor work an officer came in contact with the commercial community.

79,095. Since the witness had been appointed to the service, three Indians had entered the department. Two occupied the positions of Assistant Collectors in grades above him, and one was a probationer. Two of the three came in from the Provincial Service.

79,096. He proposed a scale of pay rising from Rs. 350 to Rs. 1,500 in the 22nd year of service. The majority of mercantile firms and public bodies who were employing officers of similar qualifications gave them at least Rs. 400 a month to start with. He could not give the Commission any specific instances where outside firms gave a continuous scale up to Rs. 1,500. In making the comparison he had taken account only of the difference in the initial salary. It was difficult to say what subsequent terms of employment were like in private firms, because assistants in firms had the chance of becoming partners. He agreed, however, that with the exception of the smaller salary at the start, the scale of pay of the department compared favourably with that of private firms. Assistants in the Port Commission started on Rs. 450, were given free quarters, and rose by Rs. 50. He could not say to what amount. There were difficulties in the way of officers of the Customs Service living in a chummary, but apart from these, in mercantile houses, assistants were generally given chummeries rent-free, and in many cases allowances for servants. A single man could not get accommodation in a boarding house in Calcutta for less than Rs. 150 a month. As a rule mercantile firms did not give pensions, but a lump sum at the end of a man's service.

79,097. An Assistant Collector on Rs. 500 a month did practically the same work as an Assistant Collector at Rs. 1,400 a month. The duties were practically uniform throughout.

79,098. He thought it important in the interests of the service that Indian Civil Service officers should be still included in the Customs Service. They were a source of strength and brought in fresh ideas. He agreed that most of the work in the Customs Service was routine, and did not allow much latitude.

79,099. (*Mr. Madge.*) The witness took chemistry, physics and botany for his science degree. It would contribute to a man's future usefulness in the service if a commercial subject were added to the examination.

79,100. Members in the service were not allowed to speculate, whereas men in commercial houses were allowed to do so, and thus to add to their salary.

79,101. (*Mr. Fisher.*) On the whole there was no very acute feeling of grievance with regard to the conditions of service amongst Assistant Collectors in Calcutta.

79,102. He had found his science degree very useful in his work, especially in the appraisers' department. In the preventive and ministerial departments he had found it of not so great direct assistance. A science degree was not insisted on as requisite for all persons entering the service, but it was considered desirable.

79,103. There was no particular reason why an Oriental should be unfitted for the Customs Service, but he would always work at a distinct disadvantage however he was chosen.

79,104. (*Mr. Sly.*) Other things being equal, it was an advantage to have a science man instead of an arts man in the preventive service.

79,105. The dealings of the department with the mercantile community necessitated the recruitment of University men to the service. The present class of recruits was preferable to the public schoolboy. The age was more suitable, and a University training was very useful.

79,106. So far as the higher posts in the service were concerned, there was no difference in cost between the Civilian and the members of the Customs Service. The only case in which the Civilian could be said to be a much more expensive officer was in the grade of Assistant Collector.

79,107. He had had a good deal of experience of the subordinate grades in the Customs Service. He did not consider they would furnish any material suitable for promotion to the Imperial Service.

79,108. The cost of living in Madras was considerably less than the cost of living in Calcutta, but he thought the difference was made up by the local allowance of Rs. 75 a month.

79,109. His colleagues had not discussed the necessity for a Family Pension Fund.

79,110. (*Sir Valentine Chirrol.*) He had been transferred from Madras to Calcutta because a Collector at Chittagong fell sick and had to take leave, and there was already one Assistant Collector away from Calcutta.

79,111. Transfers were not regarded in the light of promotion; it was rather the reverse. The Customs Service offered no reward at all for special merit or diligence. A man in the service had no material incentive for doing good work other than the annual increments, which in any event he would go on receiving unless he was absolutely unsatisfactory. He thought such conditions were disadvantageous to any service.

79,112. The number of Collectorships open to the Imperial Service in future should not be increased.

79,113. (*Mr. Nind.*) When he said that the local allowance in Calcutta was a sufficient recompense for the extra cost of living in Calcutta as compared with Madras, he was speaking as a bachelor. In the case of a married man the allowance would not represent the difference in the cost of living. The distinction between a bachelor and a married man had been recognised in other services.

79,114. It was the fact that mercantile firms were at present recruiting very much more from the University class of man than they used to. That could be used as a very strong argument in favour of recruiting a University man for the Customs Service rather than a man direct from a public school.

The witness withdrew.

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Captain G. B. ARNOLD.

Captain G. B. ARNOLD, Transport Superintendent, British India Steam Navigation Company, Calcutta.

Written Statement relating to the Customs Department.

79,115. (I) **Methods of Recruitment.**—The present high class of men now recruited from Home have been a success from commencement of Imperial Service. A minimum number of appointments might be given to the Provincial Service and Natives if it were possible to do this without lowering the standard in any way.

79,116. (II) **System of Training and Probation.**—The present system is good for Europeans, but after the first term of Indian service it would be advisable when granting usual leave to add a few months of what might be called deputation leave, and this deputation leave could be spent at the various principal centres of Customs work at Home enabling the officers to increase their knowledge and efficiency. A Native should decidedly commence his service with one year in the Home Customs among the men and shipping.

79,117. (III) **Conditions of Service.**—Are good generally, but transfers should be made as far as possible regular, giving men a fair term in one port. This is beneficial both to the work and the mercantile community.

79,118. (IV) **Conditions of Salary.**—These are low at the commencement as compared with men of the same age (24–25 years) in good mercantile firms, good in the middle life but might be improved toward the end seeing that there are only two or three Collectorships open to the Imperial Service as compared with partnerships in mercantile firms.

79,119. (V) **Conditions of Leave.**—The leave does not compare well with mercantile firms: Imperial Service 4 years in 30, half pay, no passage Home or out. One month a year on full pay which may accumulate to three and be added to special leave on half pay. No furlough proper until 8th year. A better arrangement would be shorter periods, say first furlough after six

years and regular. In this connection the deputation leave referred to under paragraph 79,116 might be introduced advantageously and whilst adding to the health of the staff would at the same time improve their official efficiency. The present leave rules are more applicable to the sailing ship passage *via* Cape of Good Hope.

79,120. (VI) **Conditions of Pensions.**—After 30 years full service Rs. 5,000 a year at 1s. 9d. is given, which does not compare well with the position of a good mercantile man after same amount of service in one firm. A proportionate pension should be given. For service in India the Provident Fund such as is now organised by the large Railways seems to me the most satisfactory form of pension relief. The service to subscribe a proportion of the fund and the Government to also subscribe an amount to be decided on when organising the scheme. One outstanding advantage of the Provident Fund is the relief given to dependents in the event of sudden demise of an officer.

79,121. (VII) **Such limitations as may exist in the employment of Non-Europeans, and the working of the existing system of division of services into Imperial and Provincial.**—A Native Superintendent of Preventive service at present would not be a success, nor is he quite suited for any other outside superintendence yet, though with Home training a good deal can be done with him for inside office work. The existing system is hard on the Provincial service and should be modified somewhat to give hope to this Department. That is to say the door should be open for the highly capable Provincial men to rise to a position, say, equivalent to Assistant Collector.

79,122. (IX) **Any other points within the terms of reference to the Royal Commission not covered by the preceding heads.**—The reorganisation of the subordinate departments and a time-scale of pay given, thus supporting the controlling staff with a large and capable class of subordinates.

Captain G. B. ARNOLD called and examined.

79,123. (*Chairman.*) The witness had been in India 27 years. He had been brought into contact with the Customs Service for the last 15 years and had been in the habit of frequently seeing officers of the various grades of the service.

79,124. On the whole the change of organisation in 1906 had proved a great success. But he emphasised the importance of making port to port transfers at regular intervals. It was a great convenience to the mercantile community to know the men they were dealing with. At present transfers were not being made on any fixed principle.

79,125. His reason for proposing that a man should have some training in England after a certain period of service in India, was that an officer working continually in India, was liable to get into a groove. Officers should go to England in order to broaden their views.

79,126. The ordinary salary received by a good employee in a mercantile firm at the commencement of his career would be Rs. 300 a month. The average age at which a man started in a mercantile firm was 21. There were some instances of men coming out as graduates of Universities at 22 and commencing at Rs. 400.

79,127. Taking the age of 30, he quoted two actual cases of Customs officers receiving Rs. 550 in comparison with the case of a young man joining a mercantile firm, who commenced at Rs. 300 running up to Rs. 800.

79,128. He would like to see the age for recruitment to the Customs Service reduced.

79,129. In mercantile firms a man usually got 11 months' leave on half pay after six years' service with a free passage out and home; this would be near about Rs. 300 a month. The periods of service qualifying for furlough after that were shorter—about four years. That was very much more favourable than the Customs Service regulations with regard to leave. With regard to pension, if a man served long enough in a mercantile house, he was pretty sure to receive a pension, but there was no hard and fast rule.

79,130. In his opinion it was not necessary from the point of view of the efficiency of the service that there should be an element of Indian Civil Service officers in the department. Now the organization had become firmly established.

79,131. (*Sir Valentine Chirol.*) Promotions in business firms were made by merit. It was only really good men who could look forward to the prospects of being partners, and the prospect of a partnership was a reward much greater than any promotion which could be obtained in the Customs Department. There was, therefore, always an incentive to work before a young man in the mercantile firm, but there was no such incentive in the Customs Service, beyond promotion to the two posts of Collectorship. Those were very deadening conditions.

79,132. (*Mr. Sly.*) He considered that for Customs work in Calcutta an Honours degree was necessary.

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Captain G. B. ARNOLD.

[Continued.]

Further, an officer in the Customs Service required to possess character, initiative, tact and ability. He would not like to see the service recruited from public school boys instead of from University men.

79,133. He had had a good deal of experience of the subordinates in the Customs Department. He thought it would be a suitable class from which to recruit a few positions in the Imperial Service, because if no incentive was held out to them there would be discontent and bad work. He put forward the suggestion, not so much in the interest of the Imperial Service, as with the object of giving subordinates of approved merit a chance of promotion.

79,134. He did not consider Indians were suitable for employment in the subordinate branch of the

preventive service, as they did not care for outdoor life. The appraiser branch would be more suitable for Indians.

79,135. A young man in a mercantile house, in addition to his starting salary of Rs. 300, received in addition free quarters, lighting, fans, furniture and servants.

79,136. He desired to limit recruitment to the grade of Assistant Collector to men imported from England.

79,137. (*Mr. Nind.*) He thought the grant of bonuses in mercantile firms was exceptional. The extras given by mercantile houses made it very difficult to work out a comparison between the pay in a mercantile firm and the pay of the Customs Service.

The witness withdrew.

At Madras, Monday, 26th January, 1914.

PRESENT:

THE RIGHT HON. THE LORD ISLINGTON, G.C.M.G., D.S.O. (*Chairman*).

Sir VALENTINE CHIBOL.
WALTER CULLEY MADGE, Esq., C.I.E.

FRANK GEORGE SLY, Esq., C.S.I.
HERBERT ALBERT LAURENS FISHER, Esq.
R. R. SCOTT, Esq. (*Joint Secretary*).

H. H. HOOD, Esq., Officiating Collector of Customs, Madras.

*Written Statement relating to the Customs Department.**

79,138. (I.) *Methods of recruitment.*—The non-civilian members of the service have been recruited partly in England, and partly in India from the provincial Customs Service, and in one case from the Opium Department. The qualification of candidates for recruitment in England is an honours degree, preferably in Natural Science, Physics and Modern Languages, or other evidence of a high standard of education. Candidates are selected by the Secretary of State, and are ordinarily about 23 years of age. We consider that the recruitment of the service should continue to be by selection from honours graduates of the two Universities and not by competitive examination, and would suggest that those nominated in England should be selected by a Committee of the India Council (not necessarily a Standing Committee), or possibly by the Civil Service Commissioners. Indians should, we think, be nominated in India and selected from suitable candidates among the subordinates in the Customs Department or other branches of Government Service. Nomination by a Committee is suggested in order to eliminate the possible charge of patronage by an individual. We prefer selection by a Committee of the India Council as its members have first-hand knowledge of the type of men most suitable for service in India.

79,139. (II.) *System of training and probation.*—A probationary period for officers selected in England is advisable, and the system of training now provided at the principal Indian ports is sufficient.

79,140. (III.) *Conditions of service.*—Members of the Imperial Customs Service can only be posted at the six large ports, viz., Calcutta, Bombay, Madras, Rangoon, Karachi and Chittagong, and at the four first-mentioned the cost of living is exceptionally high.

* This Statement was prepared by the undermentioned Assistant Collectors:—Messrs. P. Eccles, I.C.S. and H. H. Hood, Bombay; W. W. Nind, Rangoon; C. R. Watkins, Bombay; G. N. Bower, P. Buckley, Madras, and P. W. Singleton, Bombay.

For reasons explained by the Government of India in their letter No. 469, dated 29th December 1904, to the Secretary of State, officers are liable to transfer from one port to another.

Local allowances.—Under existing rules Assistant Collectors receive a local allowance of Rs. 75 when posted at Calcutta, Bombay and Rangoon, but no such allowance is paid at Madras, Karachi and Chittagong. House rent and other expenses in Madras have increased during the last six years by a very considerable amount (probably 25 per cent. in the case of house rent). In Madras the Custom House is so far from the residential districts that it is absolutely necessary for all officers, however junior, to maintain a conveyance of some description. This expense is certainly greater than the difference which still exists between house rent at Madras and at Calcutta, Bombay and Rangoon, and consequently there is in reality as strong a case for the sanction of a local allowance at Madras as at the other ports. It is doubtful whether the allowance of Rs. 75 is sufficient at Rangoon, at which port special allowances are, it is understood, granted to members of some of the other services.

Government quarters.—As already stated, members of the Imperial Customs Service are posted at the large and expensive maritime ports; owing to the nature of their work their office hours are long, being fixed with reference to those of the commercial community; and further, some Assistant Collectors must be within call at all times. The Custom Houses are situated in parts of the cities in, or reasonably near, which it is becoming more and more difficult to obtain suitable quarters at a moderate rent, and we would therefore strongly urge the desirability of providing all members of the service with Government quarters at a reasonable rent.

79,141. (IV.) *Conditions of Salary.*—The scale of pay sanctioned for the department is as follows:—five Collectorships two (2,050), two (2,250), one (2,500) (with a local allowance in three cases). Three out of the five, are reserved for members of the I.C.S. Three Civilian Assistant Collectors on 1,000—

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Mr. H. H. Hood.

[Continued.]

100-1,300-50 (biennial) 1,400 18 non-civilian Assistant Collectors on 300-50-1,150-50 (biennial) 1,400. The proportion of higher appointments open to non-civilian Assistant Collectors is 11.1 per cent. of the number of appointments in the general list.

The social and educational qualifications of candidates recruited for the Imperial Customs Service are identical with those of the men recruited for the enrolled list of the Finance Department, and it is common knowledge that the new time-scale for the former service was modelled on that previously sanctioned for the latter department. It is therefore relevant to compare with the above scale of pay the scale for non-civilians in the Finance Department which is as follows :—

6 out of 9 Accountants-General $\left\{ \begin{array}{l} 4 (2,250). \\ 3 (2,500). \\ 2 (2,750). \end{array} \right.$

11 out of 12 Assistant Accountants-General on 1,500-60-1,800.

135 Assistant Accountants-General on 300-50-1,250-50 (biennial) 1,500.

The proportion of Accountants-General and 1st class Assistant Accountants-General is 12.6 per cent. of the number of appointments in the general list corresponding to the cadre of Assistant Collectors of Customs. In the case of the latter officers the proportion of higher appointments is, as previously stated, 11.1 per cent.

From a comparison of the figures it is evident that the pay and prospects of the Imperial Customs officers are inferior in the following further respects to those of the officers in the Finance Department :—

(a) A Customs Assistant Collector only rises to Rs. 1,150 by annual increments, whereas an Assistant Accountant-General rises to Rs. 1,250 by annual increments.

(b) A Customs officer rises to Rs. 1,400 whereas a Finance officer rises to Rs. 1,500.

(c) Collectors of Customs receive lower salaries than Accountants-General, and though this is partially counterbalanced by the local allowances granted in some instances to the former, the result is that privilege leave allowances are correspondingly lower.

It may be observed that, in addition to the points noted above, in which the Customs Service compares unfavourably with the Finance Department, the majority of Assistant Accountants-General are promoted to the Class I. cadre on 1,500-60-1,800 before they reach the period at which their increments become biennial, and assuming the existing period of service and a uniform rate of recruitment of 4 or 5 men a year, this must always be the case. In the Imperial Customs Service there are only two appointments to which its members can aspire on a higher salary than Rs. 1,400, and this is, we think, a sufficient reason for permitting an Assistant Collector to reach the top of the scale in the 22nd year of service. Under existing conditions an Assistant Collector in the Imperial Customs does not attain a salary of Rs. 1,400 until the 28th year of service, and if the scale sanctioned for the Finance Department had been adopted he would not draw Rs. 1,500 until the 30th year of service. There are no appointments in the Customs corresponding to those on 1,500-60-1,800 in the Finance Department. In order to secure the best candidates, as well as in the interests of the present members of the service, we consider that it is most desirable that the time scale recently sanctioned should be improved. The improvements suggested are :—

(a) That the maximum should be raised from Rs. 1,400 to 1,500.

(b) That the period of service necessary to attain the maximum salary should be materially reduced.

(c) That the biennial increments should be discarded in favour of annual increments.

We would urge that higher salaries should carry higher increments in accordance with the generally accepted practice, instead of the reverse, more especially as the expenses of a married man increase very rapidly when his family is growing up, and two establishments have frequently to be maintained. The

scale which we advocate is Rs. 1,000-100-1,500 in the case of civilian Assistant Collectors, and Rs. 300-50-1,050-75-1,500 in the case of non-civilians.

The initial pay is small and compares unfavourably with that on which juniors in some of the leading firms and exchange banks commence; but in view of the local allowances at Calcutta, Bombay and Rangoon, it does not appear necessary to increase it provided that a local allowance at Madras, as proposed in para. (III.) 2 of this memorandum, is sanctioned. It is understood that probationers are not likely to be posted at Karachi and Chittagong. That the probationer really does experience difficulty in living at the expensive maritime towns in a manner suitable to his position can be readily shown, and it is suggested that on the analogy of the Resolution by the Government of India, Finance Department No. 3489-E-O, dated the 22nd June 1906, the following concession should be granted. "In the case of probationers, the initial pay will be Rs. 300 for those appointed in England, and Rs. 200 for those appointed in India, to be raised to Rs. 400 on passing the departmental examination. Thereafter their pay will be fixed according to the general time scale, Rs. 300 being taken as the starting point."

Acting allowance.—Civilian Assistant Collectors of Customs, officiating as Collectors, draw acting allowances at the rate of two-thirds of the difference between the pay of the appointment and their substantive pay. (*vide* Article 105 of the C.S.R.). For non-civilian Assistants, the additional allowance is only one-fifth of the pay of the superior appointment (Article 140 C.S.R.), and they are debarred from the higher privilege which Article 104 (4) C.S.R. appears to confer on them (*vide* foot-note No. 2 to that Article). In the case of a non-civilian Assistant Collector on Rs. 1,200 acting as a Collector in the lowest grade, the difference exceeds Rs. 150. There appears to be no good reason for this differentiation in regard to the scale for acting allowances, and we accordingly ask that the basis of calculation may be the same for all members of the Imperial Service, the additional responsibility being the same.

79,142. (V.) Conditions of leave. — Members of the Imperial Customs Service recruited in England are subject to the European leave rules. The Royal Commission on decentralization made certain specific proposals (*vide* para. 157 (1) of their report) in regard to leave which are now being considered by the Government of India together with other simplifications of the rules. It is proposed to abolish the restrictions under which leave can now only be taken after stated intervals, and to allow leave earned to be granted at any time, provided the officer could be spared. The proposals constitute a most welcome concession, and it is hoped that they will be sanctioned. In this connection, however, there is one point which calls for notice, namely, the question of a leave reserve. Under the proposed system, an officer may have leave, provided that the number of absent officers does not exceed the fixed leave reserve, or, if the service has no regular reserve, one-eighth of the strength of the service, or such other proportion as Government may determine. It is believed that there is no regular leave reserve for the Imperial Customs Service, though the Government of India, in making their proposals for the inception of the service, referred to the three probationers as being available to fill leave vacancies. (No. 469 Finance and Commerce dated the 29th December 1904.) The non-civilians in the Service number 20, including two Collectors: one-eighth of this number is 2, and so the number of members of the service who could be on leave at one time would be only 2. This number is not sufficient. Provision is made in the case of the Indian Civil Service for 20 per cent. of its members to be on leave at one time, and it is hoped that the same proportion of absentees will be permitted in the Imperial Customs Service. The gradual substitution of members of the Imperial Service for the Assistant Collectors in the provincial cadres, and the removal of existing restrictions, will necessarily result in more frequent requests for leave.

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Mr. H. H. HOOD.

[Continued.]

79,143. (VI.) Conditions of pension.— Under existing rules a Non-civilian member of the Imperial Customs Service is entitled to a maximum pension of Rs. 5,000 after a service of 25 years, or Rs. 6,000 if he has served for 3 years as a Collector (Articles 474 and 475 of the C. S. R.). An officer in the Imperial Customs Service may voluntarily retire at the age of 55, or on completing 30 years of qualifying service (Articles 464 and 465 C. S. R.). Under Article 408 of the C. S. R. the following periods of leave with allowance count as service:—

Total service not less than	Period of leave out of India
15 years.	1 year.
20 "	2 years.
25 "	3 "
30 "	4 "
35 "	5 "

An Indian Civil Servant may retire on the expiry of 25 years from the date of his covenant or from the date of the despatch announcing his appointment (whichever may be the earlier), subject to his having rendered 21 years' active service (Article 561 C.S.R.). Pension paid in England is payable on a rupee basis at an exchange value of 1s. 9d. (Articles 469 and 934 C.S.R.). The ameliorations which we advocate are:—

(i) Payment of pension in England in sterling at the rate of 100l. per Rs. 1,000 per annum.

(ii) Voluntary retirement after 25 years' qualifying service, even in the case of the special additional pension permitted under Article 475 C.S.R.

(iii) Amendment of Article 408 of the C.S.R. to permit of the following periods of leave with allowance out of India counting as service:—

10 years	-	-	1 year.
15 "	-	-	2 years.
20 "	-	-	3 "
25 "	-	-	4 "
30 "	-	-	5 "

(iv) Payment to the estate of an officer who dies before retirement of the amount for which a portion of his invalid pension could have been commuted if he had retired on medical certificate.

Our reasons for advocating an increased pension are as follows:—

(a) The pension of Rs. 5,000 was fixed at a time when the rupee was worth about 2s. and the sterling value of Rs. 5,000 was therefore about 500l.

(b) The cost of living in England has increased very considerably. Mr. G. S. Barnes, of the Labour Department of the Board of Trade, has shown in his tables prepared for the information of the Select Committee inquiring into the conditions of employment in the English Postal Service, that the purchasing power of the sovereign has fallen from 20s. in 1895 to 16s. 3d. in 1912.

(c) It has been recognised that pensions may be regarded, to some extent, as deferred pay, and the fact that salaries have been increased in India to meet the increased cost of living is an argument in favour of higher pensions.

We suggest that provision be made for optional retirement at an earlier date because we think that conditions in India have changed since the Civil Service Regulations were framed. Work in Government offices generally is more exacting than it used to be, and cases cannot fail to occur where the health of an officer, though not bad enough to warrant retirement on medical certificate, would be so impaired by many years of strenuous work under the trying climatic conditions prevailing at the Indian ports, that his mental and physical condition would render his retirement after 25 years service desirable both from the point of view of Government as well as of himself. Moreover, the domestic sacrifices involved by service in India, even when the conditions are most favourable, seem to justify early retirement. We urge a more liberal allowance of leave counting as service as we consider it advantageous both to Government and the service to induce officers to take more leave for the benefit of their health. There is

no apparent reason for a differentiation in this respect between members of the I.C.S. and those of other European services, the effect of climate on health and general fitness being the same. We contend that the request for the payment to his estate of the commutable portion of the allowance to which an officer would have been entitled had he lived and retired on an invalid pension is logical and worthy of consideration either now or subsequently. The concession would undoubtedly be very helpful in many cases.

79,144. (VII.) Such limitations as may exist in the employment of non-Europeans and the working of the system of division of service into Imperial and Provincial.—We are unaware of any limitations in the employment of non-Europeans, but we are of opinion that a majority of the appointments of Assistant Collectors must continue to be held by Europeans. We refer more especially to those appointments involving the supervision of a large staff of European Preventive Officers, or considerable intercourse with seafaring men. The service was formerly Provincial, and for reasons given in letter No. 469, dated the 29th December 1904, from the Government of India to the Secretary of State, it was decided to make the service an Imperial one. There do not appear to be any reasons for reverting to the old system.

79,145. (VIII.) Relations of the service with the Indian Civil Service and other services.—As stated in paragraph 79,141 *supra*, three out of five Collectorships are reserved for members of the Indian Civil Service and there is a cadre of three Civilian Assistant Collectors. We have no doubt that the appointment of Indian Civil Servants is at present a source of strength to the department. In years to come, however, when non-civilian Assistant Collectors recruited in England have gained experience, the question will arise whether these officers, specially recruited and trained for Customs work, will not be able adequately to fill all the posts in the department. We would urge that it is no longer necessary to reserve absolutely three of the Collectorships for members of the Indian Civil Service, and would represent that the non-civilian members of the service may reasonably ask that two Collectorships should be reserved for them; and that in the event of a difficulty in finding a civilian of sufficient seniority and Customs experience, or for other special reasons, a third non-civilian might be appointed as Collector in either an officiating or a substantive vacancy.

79,146. ADDITIONAL REPRESENTATION BY MR. H. H. HOOD IN CONTINUATION OF PARAGRAPH 79,145.

In order to show one possible effect of the reservation of three out of the five Collectorships for members of the I.C.S., I wish to quote my own case, which is exceptional.

As the result of a request made by the Government of India for the services of an officer in the English Customs, I was selected in 1907 by the Board of Customs in London. The selection was approved by the Secretary of State for India, and I commenced work at the Calcutta Custom House in November 1907.

I have now nearly 19 years' service—more than 13 years in the English Customs, and about 5½ in India. My experience at home covered all branches of work in London and at other ports, and in 1901, when the war taxes were being imposed, I was offered the post of private secretary to the Chairman of the Board. More than 10 years ago, and subsequently, I officiated as Collector, and yet, if the reservation of three of the Indian Collectorships for the I.C.S. be adhered to, it will, in the ordinary course, probably be more than five years from now before I can be appointed to a substantive vacancy of Collector. In the meantime, substantive and officiating vacancies in the civilian cadre will occur which, if given to civilians, must be filled, it would appear, either by comparative junior officers with a few years' Customs experience, or by more senior officers with no Customs experience at all.

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Mr. H. H. HOOD.

[Continued.]

Mr. H. H. HOOD called and examined.

79,147. (*Chairman.*) The witness joined the Customs Department after serving 13 years in the English Customs. One of the main features of the Madras, and other Indian Custom Houses, as compared with the English Customs, was the employment of a large number of clerks and officers on very low rates of pay. In Madras 50 per cent. of the staff were on salaries of Rs. 30 a month and under. The effect was that the work of the Customs staff required a great deal of supervision. In England the subordinates who were relatively much better paid could be relied upon, very often: to make suggestions for improvement, whereas in India such suggestions came entirely from the gazetted officers and superior staff, and they were thankful if they could get the mere routine work done accurately and satisfactorily.

79,148. The English Customs Service was now recruited at the school-leaving age by open competition. It would be scarcely possible to utilize that examination for the purpose of recruitment in Madras and the witness would prefer the existing system, *plus* competition. Since submitting his written statement it had occurred to him that a combined competitive examination among nominated candidates might be held for the Finance and Customs Departments and one or two of the smaller services. For India, selection was of the first importance.

79,149. Newly recruited officers were rather too old if they came out to India at the age of 24; 22 was a more suitable age.

79,150. The majority of the appointments in the Assistant Collector class should be held by Europeans, because those officers came in contact with a good many Europeans and Americans without previous experience of India and Indians. People who had no experience of India were often irascible, particularly Englishmen who were representatives or members of commercial firms in England. They were not accustomed to the restrictions of the Indian tariff, and required very careful handling. If they had to deal with Indians, they had the feeling that Indians did not understand their point of view and requirements so well, and did not pay very much regard to what was said to them. He admitted that there were some Indians who were brought into contact with European traders.

79,151. He would like, if possible, to recruit Indians for the upper branch of the service by promotion from the appraising department, but in order to do that the right class of Indians would have to be attached to the department as Appraisers. Under the present rules there was power to appoint expert Appraisers on rates of salary above the normal minimum. An Indian who had been employed in a high position in a piecegoods firm could be brought into the Customs Service as an expert Appraiser on a salary exceeding the minimum prescribed for Assistant Collectors.

79,152. The main advantage in having Indian Civil Service officers in the Customs Service was that the new Imperial Service officers were all young men. If, however, they had been older men, they would have been just as well qualified as Indian Civil Service officers. Any advantage which had been obtained from the employment of Indian Civil Service officers had been counteracted by the frequency with which they had been changed. For instance, whilst he was in Calcutta, he served under three Collectors during a period of two years and nine months. That was decidedly bad. He would continue the employment of Indian Civil Service officers in the department for a few years longer. The department possessed some good men of its own, but they were too young to fill the higher posts.

79,153. An Indian Civil Service officer should serve for five years as Assistant Collector prior to his appointment as a Collector. He knew of instances where Indian Civil Service officers had become Collectors in a shorter period than that. In a recent case an officer

had been appointed to the Collectorship of Customs in Calcutta notwithstanding the fact that he had had no experience of Customs' work.

79,154. He advocated a year's probation in India for officers selected from England.

79,155. He did not think it was necessary that officers of the Customs service should be sent to England to gain experience of the English Customs Department. If an officer were sent, it would be very difficult indeed for him to assimilate the information that would be useful to him in India. It would be far preferable in exceptional cases for an officer from the English Customs to be recruited to the Indian service, as he himself had been. In such cases the officer brought out should receive considerably more pay than men of the same age already in the Indian Service.

79,156. There were no local allowances at Madras as was the case in Calcutta, Bombay and Rangoon, and he asked that Madras should be placed on the same footing as those three centres. The ground for refusing an allowance originally was that Government considered that the cost of living in Madras was not so high as it was elsewhere: but there were certain expenses which were higher in Madras than in Calcutta, Bombay or Rangoon.

79,157. On the average, assistants in private firms were better off than European officers in the Customs service at the initial stages of their Service. A good many men in private firms began on Rs. 400 and received free-quarters. After some years however, the advantage probably lay with the officers of the Customs Department. He would point out that commercial men came out on short term agreements, and if they were good men, they might get better terms when the agreement ended.

79,158. Assistant Collectors in the Customs Service were not all doing work of the same responsibility. He quite agreed that a time scale going to Rs. 1,400 was much too long without any charge bar. He would put the charge bar at about Rs. 800.

79,159. There was some difficulty in officers obtaining leave on account of the shortage of the cadre. The leave in the Customs Service compared favourably with the leave of officers in private firms, if it could be obtained when earned. The service required the addition to the cadre of one or two more Assistant Collectors, in order to provide for an adequate leave reserve. It was most important that officers should be able to take furlough before the completion of eight years' service; and he suggested that they should receive furlough after four years' service.

79,160. He made the claim for earlier retirement on the ground of unhealthy conditions. He did not know that the physical conditions under which men in Madras were living to-day were appreciably superior to the conditions of 10 years ago. There had been some improvements, but it was most desirable that a man who had lived through a number of hot weathers in Madras and the other Indian ports should be allowed to retire after twenty-five years' service. European hours not suited to tropical Indian conditions were observed, and Customs efficiency greatly depended on outdoor supervision. The extent of this supervision was entirely a matter of conscience; and after long service under trying conditions energy would often be impaired. In such cases Government would benefit by earlier retirement. Further he thought it was asking a greater sacrifice than Government had the right to ask, to require officers to do thirty years' service, and possibly to retire at fifty-five. In India a man was debarred from a great many of the things which went to make up life outside office work. A reasonable age for retirement would be fifty.

79,161. As regards pension he pointed to the fact that in England the Superannuation Act had been so amended as to make some provision for wives and families in consideration of a reduction in the scale of pensions; and he thought that a similar scheme ought

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[Continued.]

to be applied to India. He would personally prefer a scheme of this kind to a family pension fund, but he did not know the views of his colleagues as to a family pension fund.

79,162. (*Sir Valentine Chirol.*) Before coming out to India, the witness had served for a number of years as personal assistant to the Collector of Customs at Liverpool. He had subsequently been employed for a time in the Secretary's Department in London. Then he went to the outports and acted as a Collector. In this way he had acquired thorough experience of the whole work. The system in vogue in India would offer similar opportunities for a man to get thoroughly acquainted with the whole workings of the Customs service if the cadre were a little stronger. At present some Collectors and Assistant Collectors had too much desk work and not sufficient opportunity for personal supervision.

79,163. He did not personally think that the stress which had been laid upon the necessity of a high academic qualification for recruitment to the Customs service was really justified.

79,164. He would be prepared to say that the time had arrived when no posts in the Customs service should be absolutely reserved for Indian Civil Service men. Indian Civil Service men should only be appointed when it was possible to find a qualified man belonging to the department.

79,165. (*Mr. Sly.*) It would be difficult to give any comparison between the scale and salaries in the English Customs and that prevailing in India. The whole service in England was under reorganization at the present time. He could say that an officer who had entered the English Customs service in the same way and in the same year as he himself did, was now assistant secretary to the Board in London on a salary of 850*l.*, rising to 1,000*l.*; and there were some men junior to him in England who were now committee clerks rising to 800*l.* a year. The Collector of Liverpool received 1,200*l.* and the Collector of London 1,100*l.* One of the advantages of the English Customs service in the past had been that promising young men were picked out and put into important positions and the effect of this was that the Collectors at Liverpool and other large ports held the posts for many years: this was a great administrative advantage.

79,166. He came out to India on a five years' agreement. He was paid Rs. 1,150 a month *plus* the local allowance at ports where it was paid. After the five years' agreement had expired, he was permanently attached to the Indian Customs service.

79,167. He could not estimate the difference in the cost of living in Madras and Calcutta, as he was a bachelor, and had always lived at clubs. House-rents in Madras had increased from 20 to 25 per cent. during the last six years.

79,168. It would be difficult to draw a distinct line across the time scale, and say that the work attached to appointments above that should be of a specific character, because some ports were smaller than others and at the smaller ports work had to be allocated in a different way. A certain number of higher grade Assistant Collectors could, however, be distributed among the ports for specific reasons in each case.

79,169. He had not the figures* of the Customs revenue of the Port of Madras, but in Calcutta the revenue came to more than two millions sterling a

* The witness afterwards put in the following figures showing the Customs revenues collected at the five large ports for the year ending 31st March 1913:—

	£
Calcutta - - - -	2,764,212
Bombay - - - -	2,285,851
Rangoon - - - -	1,034,660
Karachi - - - -	558,829
Madras - - - -	495,782

The witness withdrew.

year. The revenue largely depended on the efficiency of the staff, particularly in regard to appraisal of values. A small difference in the valuation of piece-goods would make a substantial difference in the Government revenue so that a staff of fairly high qualifications and of great probity was required for the security of the revenue. With regard to piece-goods, that was so technical a subject that it was one of the reasons he had for saying he would be glad if Indian Assistant Collectors could be recruited from large mercantile houses. He agreed that such men would have to be brought in at a fairly advanced age, but they ought to be satisfied with a commencing salary of Rs. 500 a month.

79,170. The subordinate Customs service employed in the appraising department and in the preventive service would not form a suitable avenue of recruitment for European officers to the Imperial Customs service. The service aimed at getting its European appraisers from wholesale and retail mercantile houses. If it could obtain high class Indians from trading firms, they would be very suitable men for recruitment to the Imperial service, but until the large firms commonly employed high class Indians there would be difficulties.

79,171. (*Mr. Fisher.*) It would not be desirable to lay down a rule to the effect that in each of the great ports at least one officer in the Imperial service should be recruited through the English Customs, because of the difficulties in reconciling the claims to promotion of such officers with those of the officers recruited in the ordinary way. All he wished was that somebody in the Imperial service should have been recruited in that way.

79,172. During his year of probation, a probationer would sit in the different departments alongside the Assistant Collector, and see the work which was being done. At the same time he would study the Customs Acts. It was not necessary to lay down a limitation that a man should specialize in one department.

79,173. (*Mr. Madge.*) He had found his English experience of considerable value to him in carrying out his duties in India. Personally he had no difficulty in adapting that experience to Indian conditions, but possibly that was a matter of temperament. There might, in other cases, be some difficulty in that direction.

79,174. He thought that in time recruitment to the service from the Indian Civil Service should cease altogether. He knew of cases, which would take too long to relate, where the Customs experience of Civilian officers had been insufficient to justify their employment as Collectors in order that they might subsequently advise the Government of India on technical points connected with Customs revenue. There were no Indian Civil Service officers in the Customs service at the present time who were in it when he came out six years ago.

79,175. It was, he thought, the fact that the attraction of salary in some cases drew men into the department who had no intention of stopping there long: they simply stayed in the service as long as it was convenient to them, and then left.

79,176. He would approve of men in the provincial service being promoted to the position of Collector if they were found in all respects qualified, but would not lay down any hard-and-fast rule. At present only one Collector in the Imperial service had been promoted from the provincial service. In order to attract the best class of men available in India, some such prize appointment should at least be open to them. He preferred recruitment from men who had had a training in natural science. A knowledge of commercial matters was very useful to a Customs officer, as was also a knowledge of chemistry.

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Rao Bahadur S. T. BHANDARE.

At Bombay, Monday, 9th February 1914.

PRESENT:

THE RIGHT HON. THE LORD ISLINGTON, G.C.M.G., D.S.O. (*Chairman*).SIR VALENTINE CHIROL.
GOPAL KRISHNA GOKHALE, Esq., C.I.E.
WALTER CULLEY MADGE, Esq., C.I.E.FRANK GEORGE SLY, Esq., C.S.I.
HEBBERT ALBERT LAURENS FISHER, Esq.

And the following Assistant Commissioner:—

R. F. L. WHITTY, Esq., I.C.S., Collector of Customs, Bombay.

R. R. SCOTT, Esq. (*Joint Secretary*).

Rao Bahadur SADANAND TRIMBAK BHANDARE, late Assistant Collector of Customs, Bombay.

Rao Bahadur S. T. Bhandare was examined upon the Corporate Written Statement put in by Mr. Hood (*vide paragraphs 79,138-45*), with which he stated that he generally agreed, except in the following particulars:

79,177. (I.) Method of recruitment.—(*Paragraph 79,138*). It is suggested that Indians should be selected from suitable candidates "among the subordinates in the Customs Department or other branches of Government Service. Government of India in their Resolution No. 9651-21, dated 10th December 1906, say that in so small a service it would be "inconvenient to fix any particular appointments to be reserved for natives of India, and the appointments will therefore be made wholly by selection from among subordinates or by first appointments." The places in the cadre being limited, if the selection is thrown open to other departments than the Customs, the chances of subordinates in the latter department will be practically nil. If outside selection has to be made, the candidate must fulfil the condition:— (1) that he is educationally fit; and (2) that he has had mercantile experience.

79,178. (IV.) Conditions of salary.—(*Paragraph 79,141*.) The initial pay of a probationer selected by (1) educational and (2) mercantile experience will depend on his age and ability. It will be much higher than the man who is selected for merely taking an honour's degree.

79,179. (VII.) Such limitations as may exist in the employment of non-Europeans and the working of the system of division of service into Imperial and Provincial.—(*Paragraph 79,144*.) As the paragraph stands, the second sentence practically implies

that non-Europeans are incapable of filling such offices as involve the supervision of "a large staff of European Preventive Officers or considerable intercourse with seafaring men." I demur to this opinion. I think it depends upon the character of the officer selected, whether a European or non-European can control the two classes of men specified. We had a Parsee Officer in our presidency whose control was not weakened by his being a non-European, and there is the case of Mr. C. S. Bashyan Aiyenger who rose to be the Advocate General and a High Court Judge at Madras, and whose control of the Preventive Department, consisting mostly of Europeans and Eurasians, and his relations with European ships and ships' crews and European passengers in his initial career in the Customs did not suffer any drawback because he happened to be a Hindu and a Brahmin. (*Vide the Proceedings of the Sub-Committee, Public Service Commission, relating to Customs Department, printed, Government of India, Calcutta, 1887, page 3*).

79,180. VIII.) Relation of the Service with the Indian Civil Services and other services.—(*Paragraph 79,145*.) I do not think any reduction in the number of Collectorships held by members of the Indian Civil Service should be made. Some of the non-Civilian Assistant Collectors recruited in England may be educationally as good as the Civilian, but for many years to come the Members of the Indian Civil Service should hold the Collector's posts at the three principal Ports in India, and when these posts are thrown open to non-Civilian they should be open to those recruited in England as well as in India; merit being the chief qualification for appointment. However, the question does not require solution at present.

Rao Bahadur SADANAND TRIMBAK BHANDARE called and examined.

79,181. (*Chairman*.) He had recently retired from the post of Assistant Collector of Customs. He had been 18 years in the Government service. He was previously in the mercantile profession.

79,182. He agreed generally with the written statement submitted by the Imperial Customs Service, but took exception to the suggestion that the Head of the Preventive Service should necessarily be a European. There were Indians who could quite well carry out this work of the Preventive branch. Unless Indians were given an opportunity of proving their worth, it should not be said that they were incapable.

79,183. On occasions when he had been brought into contact with the European commercial community he had experienced no difficulty whatever; but he admitted that he was in rather an exceptional position owing to his previous commercial experience which gave him an inside knowledge of commercial life. If the Imperial Custom Service was organised as to attract members of the mercantile community it would be a very good thing. Nowadays big commercial firms employed young men with similar qualifications to those which were necessary for entry into the Customs. If such men were attracted to and joined the service the period of time which they had spent

in mercantile life previous to entry should be counted towards pension.

79,184. It was absolutely necessary that certain members of the Indian Civil Service should be employed in the Customs Service. Their employment was in the interest of the administration of the department; they also gave tone to the service. Even assuming that officers recruited to the service were suitable men with proper qualifications, he would not agree that it would be better in future for the service to be self-contained.

79,185. Officers on the time-scale running from Rs. 300 to Rs. 1,400 were not all doing work of the same value and responsibility. When a man reached Rs. 700 he began to take up higher class work.

79,186. (*Sir Valentine Chirol*.) In his experience he had always found that Indian Civil Service officers, whether junior or senior, were a much better class of men than any imported outsiders.

79,187. (*Mr. Madge*.) There might be some force in the argument that Europeans got on better with European seamen and others of that class, but the Japanese Custom Service was manned by natives, and no difficulty was experienced. He did not object to the employment of Europeans and Eurasians, but the

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[Continued.]

argument for the exclusive employment of Europeans as Heads of the Preventive Department did not hold.

79,188. It was not his experience that Indian Civil Service simply joined the Customs Service from motives of personal convenience.

79,189. (*Mr. Fisher.*) A man on Rs. 700 had acquired more commercial and general knowledge than a man on Rs. 250. He had to take charge of appraising work and to decide finally disputes about values. Previously such an officer would refer such matters to the Collector.

79,190. He did not suggest that the whole of the department should be recruited from men with 5 or 10 years' mercantile experience.

79,191. The percentage of Indians selected in India should be raised to one-third instead of one-sixth as at present. There were many things which Indians know instinctively and which the European had to learn; for instance, the customs of the people. The one-third proportion could be obtained from men who possessed both good educational qualifications and mercantile experience. If it was known that the Customs authorities would select from amongst such a class, educated men would enter mercantile houses.

79,192. (*Mr. Sly.*) He did not wish to abolish promotion for subordinates, but the difficulty was that often the general education of subordinates was not sufficient to qualify them for carrying out the duties of Assistant Collectors; but that difficulty would be minimised when the new commercial college in Bombay

was instituted. The annual Customs revenue of Bombay was 3 crores 40 lakhs, of which more than one-third was made up by duties on piece-goods, and about 60 lakhs came from silver. The revenue derived from piece-goods depended to a substantial extent on the efficiency of the Appraisers' Department; a small difference in the valuation would make a substantial difference in the revenue.

79,193. (*Mr. Whitty.*) It might be the case that if appraisers were appointed to the Imperial Service, it would be necessary to throw the Imperial Service open also to officers of the Preventive Department as appraisers were often selected in Calcutta from the Preventive officers.

79,194. He did not consider any special training was necessary in the case of Assistant Collectors; they could pick up the procedure quite easily.

79,195. He could not quite understand the newspaper agitation in regard to the frequency of transfers of Collectors. He knew of at least half dozen officers who had remained in the Customs for five or six years.

79,196. He did not know whether an Indian Assistant Collector would be happy in charge of a Preventive Department which consisted of 250 Europeans and Anglo-Indians. If an Indian aspired to be an Assistant Collector he must do his work well, and take up any work he was called upon to do whether he liked it or not. Until an Indian was tried in the position no one had the right to say he was not fit for it.

The witness withdrew.

F. D. LALKAKA, Esq., Assistant Collector of Customs, Bombay, called and examined.

This witness was examined upon the corporate written Statement put in by Mr. F. Buckney, vide paragraphs 79,086-91, to which he was a signatory.

79,197. (*Chairman.*) He had served in the Income Tax Department in 1898. He was then transferred to the Appraising Department of the Bombay Customs. He was subsequently taken into the Provincial Service and finally he was drafted into the Imperial Service.

79,198. He had been employed in Karachi, Madras, Calcutta and Bombay. His transfer from Madras has been of his own seeking, and his transfers from Calcutta and elsewhere were owing to the exigencies of the service.

79,199. While he held the view that the majority of posts of Collectors and Assistant Collectors should be held by Europeans was that it was necessary to preserve the British character of the administration.

79,200. The present mode of recruitment of Indians to the Imperial Service was quite satisfactory, but a certain proportion of the Assistant Collectorships in the Imperial Service should be reserved for Indians. The selection of Indians should first be made from the subordinate service, providing suitable men were available. Failing a suitable candidate from the subordinate service, Indians should be selected from outside. As a vacancy occurred, each Province should supply Indians in turn. At present all the Indians selected were from Bombay. He did not know the reason.

79,201. He did not think a commercial training was absolutely necessary for the Customs Service. The best training a Customs officer could obtain was during the course of his service in the Department. The present mode of recruitment for that purpose was quite suitable. He agreed that in the appraising branch a knowledge of commercial matters would be of great assistance, but in the other departments mercantile experience was unnecessary.

79,202. He saw no reason for regarding a European education as a necessary qualification for an Assistant Collector of Customs.

79,203. He requested an increase in the maximum pay of Assistant Collectors of from Rs. 1,400 to Rs. 1,500 so as to bring them into line with the Finance Department.

79,204. He agreed that at three ports the Assistant Collector of Customs was getting a salary, including

local allowance, of Rs. 1,475, but such allowances ought not to be taken into consideration, as they were given to equalise the conditions of service of Assistant Collectors stationed at different ports. At certain ports the cost of living was much less than it was at other ports. He suggested that Assistant Collectors at Bombay, Calcutta and Rangoon should rise to Rs. 1,575. He would also increase the local allowances of Bombay and Calcutta by Rs. 50. It was true that the Customs officers started at Rs. 375, whilst the Finance officers received Rs. 400. In his view an initial salary of Rs. 375 was too small.

79,205. It would not be practicable to divide the Assistant Collectors into two grades according to the responsibility of their work, because all departments were of equal importance.

79,206. With regard to the claim put forward for earlier retirement on the ground of the strain of work, he admitted that in some ways that strain had become less of recent years.

79,207. (*Mr. Sly.*) Six officers of the Customs Department had been promoted to the Imperial branch of the service, two of whom were Indians, and four were Europeans. Two of those six men had been promoted in Calcutta and four in Bombay. All directly recruited Indians had been appointed from the Bombay Presidency. He did not think it was the case that the best selection was obtained from the Bombay Presidency. There were just as good men in Calcutta or Madras as in Bombay. The men recruited in Bombay at the present time had absolutely no commercial training. The Appraising Department was the only department where a man of commercial training would be better than a man who had not that training.

79,208. An Assistant Collector was under training for an average period of two years during which time he had no definite responsibilities. At the end of the two years' training he was appointed to the charge of a branch.

79,209. (*Mr. Fisher.*) He was in favour of the promotion of a certain number of men from the subordinate service. He also thought it was important that the Department should be manned by persons with good general education. There were very few members of the subordinate service who had received a University education, but if it was

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Mr. F. D. LALKAKA.

[Continued.]

known that subordinates would be drafted into the Imperial Service, a much better class of men would be attracted. At present he had to admit that the field of selection from the subordinate service was necessarily very restricted.

79,210. (*Mr. Madge.*) When Government decided that an Indian should be appointed to the Imperial Service, it should not restrict its selection only to one Province. There was just as good opportunities for an Indian to acquire a commercial training in Calcutta as there were in Bombay.

79,211. (*Sir Valentine Chirol.*) He did not see any serious objection in principle to taking into the service experienced men who had previously had very close

relations with large commercial firms, with whom they would subsequently have to deal in the Customs House.

79,212. It would not be desirable to remove the disparity between his service and the Finance Department by reducing the conditions of service in the Finance Department to the level of those now in force in the Customs Department.

79,213. (*Mr. Whitty.*) He agreed that the system of promoting subordinates to higher ranks was given a lengthy trial, and by the universal consent of all the Chambers of Commerce, had proved to be a failure. Whenever a suitable man was found, however, in the subordinate ranks, he should be promoted.

The witness withdrew.

At Bombay, Tuesday, 10th February 1914.

PRESENT :

THE RIGHT HON. THE LORD ISLINGTON, G.C.M.G., D.S.O. (*Chairman*).

SIR VALENTINE CHIROL.
GOPAL KRISHNA GOKHALE, Esq., C.I.E.
WALTER CULLEY MADGE, Esq., C.I.E.

FRANK GEORGE SLY, Esq., C.S.I.
HERBERT ALBERT LAURENS FISHER, Esq.

And the following Assistant Commissioner :—

R. F. L. WHITTY, Esq., I.C.S., Collector of Customs, Bombay.

R. R. SCOTT, Esq. (*Joint Secretary*).

Sir C. H. ARMSTRONG, Chairman, Chamber of Commerce, Bombay.

Written Statement relating to the Customs Department.

79,214. (II.) *System of training and probation.*—The present system appears to work satisfactorily, and the Committee have no criticisms to put forward.

79,215. (III.) *Conditions of service.*—These are believed to be satisfactory. As, however, the Imperial Customs Service has only been established six years, it is perhaps too early to judge as regards the prospects of the Assistant Collectors in this service who are recruited from the English Universities.

79,216. (IV.) *Conditions of salary.*—My Committee are of opinion that in an expensive city like Bombay the minimum salary of Rs. 300 per mensem is too low, and they suggest it should be raised to Rs. 400.

79,217. (V.) and (VI.) *Conditions of leave and pension.*—It is understood that these are the same as for all other uncovenanted servants of the Government, and that being so, my Committee have no remarks to offer under this head.

79,218. (VII.) *Such limitations as may exist in the employment of non-Europeans.*—My Committee observe that out of the last eight appointments to Assistant Collectorships, two were secured by Indians. The Chamber, of course, is mainly concerned with the question of efficiency, and my Committee believe that, generally speaking, first-class European supervision is necessary and advisable. They do not mean by this that if first-class men are forthcoming in this country they might not give satisfaction. It is, however, remembered what happened in Bombay before the Imperial Customs Service existed. Owing to the lack of training, and constant changing, of the Indian Civil Service Collectors of that time, little control was exercised, and in the hands of subordinates, although

some were well-paid men, Customs work was delayed in every direction and the junior staff was very unsatisfactory. It is felt that the Customs departments should be worked as a business office, with complete and effective supervision and control, and that the senior officers should be men of ability and power who will not only immediately check abuses, but will, in consultation with the Commercial Community, endeavour in every way to perfect the system.

79,219. (VIII.) *Relations of the service with the Indian Civil Service.*—My Committee do not suggest any change in connection with the present practice of reserving the Collectorships of Bombay, Calcutta and Madras for members of the Indian Civil Service, and those of Karachi and Rangoon for Assistant Collectors of the Imperial Customs Service.

79,220. (IX.) *Other points.*—My Committee wish to add that they are quite satisfied with the work performed by the Civil Service Collectors in Bombay since the Imperial Customs Service was instituted, a general improvement in the administration having resulted from continuity of service. It is understood, however, that a suggestion has been made that the Imperialisation of the service might go further and that a Director-General of Customs might be desirable, and, if this would ensure uniformity of system, rules and decisions at the various ports, it might be a step in the right direction. A delegation of full powers to a Director-General would, however, be deprecated because it is felt the Commercial Community should retain their right of appeal to the Government of India; and my Committee would be averse to any change of system which would enable important questions to reach them through channels other than those of the Imperial Government.

Sir C. H. ARMSTRONG called and examined.

79,221. (*Chairman.*) The witness was Chairman of the Bombay Chamber of Commerce.

79,222. With regard to the recommendations as to salary, he was not aware that at Bombay, and at certain other centres, there was an allowance which

raised the initial salary of a Customs Officer to Rs. 375. In any case his Chamber was of the opinion that Rs. 400 should be the minimum.

79,223. The initial salary paid to young men in mercantile firms in Bombay varied to some extent, but

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[Continued.]

Rs. 400 was a fair initial sum. On an average young men came out to such houses at the age of 22 on agreements terminable after three to five years. They would rise from Rs. 400 by annual increments of Rs. 50 to Rs. 600 if they were serving under a five years' agreement. If they gave satisfaction, they would probably at the end of the first term enter into another agreement with a further rise of salary. The terms of salary of the Customs Service compared on the whole very favourably with the terms offered by private firms. European employers did not grant their employees any pensions.

79,224. Since the Imperial Customs Service was established in 1906 there had been four Collectors of Customs in Bombay, of whom only Mr. Gubbay had had previous experience of the work.

79,225. One of the main reasons for the change in 1906 was to provide for the interchange of officers, as it was considered advisable that there should be an interchange of experience between the various ports. On the whole that interchange has proved useful from a commercial point of view.

79,226. Even with changes as frequent as they had been at Bombay since 1906, there would not be any interference with the efficiency of the commercial system in Bombay. So long as the Collector had had experience of Customs work, the system worked quite satisfactorily. His Chamber were quite satisfied with the present Customs administration.

79,227. They also considered that first class Europeans were essential for the supervisory posts of the Service, their reason being that they had had very unsatisfactory experience of non-European agency in the past. Before the Imperial Customs Service was formed, there were constant changes in the appointment of Collector of Customs; the officers appointed knew very little about the work, with the result that it got entirely into the hands of subordinates, and the whole system was altogether most unsatisfactory. All sorts of difficulties arose, and it was not until first class European supervision was drafted into the Service that matters began to improve.

79,228. Even assuming under a re-organised system that Indians had the opportunity of becoming efficient in their work, he saw some objection to their holding positions as Collectors along with Europeans. Indians were very good at their work, but they were not administrators; they could not control a big office. Indians were quite good as appraisers, and he saw no objection to their occupying high positions in the Appraisers' branch. He would prefer Europeans for the Preventive branch, although he had not had much experience of that Department. He did not know whether the desire for a Director-General of Customs still existed. At one time it did, as there was no uniformity of system. It used to happen that a Collector at some other port would issue an order of very considerable importance of which the Collector in Bombay knew nothing. There had been three instances of that in the past, and his Chamber came to the conclusion that there ought to be uniformity of procedure, and that if an important order was made in one port, it should be made applicable to all ports. In fact an order of that character should not be made until the Collectors had consulted together, and decided to issue it at all ports. He did not think, however, that those conditions existed at the present time. He was rather inclined to think that Collectors did now consult together, and that orders were issued more or less simultaneously.

79,229. He had not been brought into very close contact with the non-civilian element of the Customs Department, but he did not think it would be possible to dispense with the necessity for the importation of Indian Civil Service officers. The commercial community of Bombay would sooner have an Indian Civil Service officer as Collector of Customs, as he was more in touch with Government. He rather doubted whether it would be possible for non-civilian departmental officers in an important Service like the Customs to get into contact with Government in the same way as Indian Civil Service officers were able to do.

79,230. (Mr. Gokhale.) Formerly when things were slack, English officers exercised supervision, but as the Collectors were always being changed and had no knowledge of the work the whole system got slack. He agreed that this did not prove that Indians would not exercise supervision effectively if they were placed in charge, but only that the subordinates required to be looked after properly, and that if they were not looked after properly, matters got slack.

79,231. There had been some Indian Assistant Collectors, and they had done their work quite satisfactorily.

79,232. (Mr. Sly.) His expression of opinion that it was desirable to have a European at the head of the Customs Department as Collector was based on the general experience of the firms in Bombay.

79,233. The young men he had mentioned who were recruited by private firms about the age of 22 on salaries of Rs. 400 were not University trained men; firms who employed University trained men usually gave them a little higher initial salary. The salary was an inclusive one, and there were no additions of any kind or description. Some men who came out on Rs. 300 received free rooms, but men who came out on Rs. 400 received no extras whatever. He considered that the proposal to recruit into the Appraisers' department of the Customs Service a certain number of local men who had had commercial experience in particular branches of trade in Bombay, was a good one. Appraising was very difficult work, and he did not see how a man could become a good appraiser unless he had had previous training in a commercial office. In his opinion men who had had such a training were better than those who received their entire training in the department itself. He thought the Customs Service could obtain a very good class of recruits from among the employees of mercantile firms; and he would recommend that a certain proportion of the recruitment in the Customs Department should, if possible, be made from men of this class.

79,234. (Mr. Fisher.) A piece-goods expert from a mercantile house in Bombay would not be a suitable recruit for the Preventive Department. He did not see any particular advantage in appointing young Indians with experience of mercantile houses to the preventive side, but as he had said before, he had not much knowledge of the preventive work of the Customs Service. The initial salary at which the Service could obtain a thoroughly experienced Indian as a piece-goods expert would be Rs. 500.

79,235. (Mr. Madge.) A man must have completed 10 years' experience in a mercantile house before he would be worth much as an appraiser in the Customs Service. He did not think an appraiser need go to England in order to gain further experience.

79,236. A further argument for retaining Indian Civil Service officers in the department was that such men with their experience of Customs became valuable to the Government, to the Board of Revenue, and even to the legislature, later in life.

79,237. (Sir Valentine Chirol.) He did not see why an Indian who had acquired his experience in the Service of some big private firm should be placed in a difficult position when he was taken into the Customs Service as an appraiser and found himself dealing with the same firm under entirely altered conditions. After all, he had only to appraise goods; he had no actual dealing with the firm. He had mainly to see that the firm put in right valuations.

79,238. He agreed that the Service had not been sufficiently long established for him to be able to express a preference for Indian Civil Service officers in the future, but still, the commercial element of Bombay felt that an Indian Civil Service man was the link with Government. He admitted that in a properly organised service the heads of that service ought to be the proper and reliable link between it and the Government, but he was not at all sure that they would be. He agreed it was not inconceivable that they might in time become capable of discharging this particular function.

79,239. (Mr. Whitty.) He was not aware that all the present expert appraisers in the service had been

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[Continued.]

recruited from mercantile firms, but he accepted the statement. Under the re-organisation scheme provision was made for entertaining expert appraisers on an initial salary higher than the minimum. It would be possible, therefore, to recruit expert appraisers both in England and in India on, if necessary, the maximum salary of an appraiser.

79,240. He repeated his statement that before the inception of the Imperial Customs Service, control was slack. The two officers who were continually changed were the Collector and the Civilian Collector. In addition to those officers there used to be five, and sometimes six, Assistant Collectors, permanent officials attached to the Bombay Presidency who did not change. These were, in some cases, promoted subordinates.

79,241. With regard to the prospects of assistants in commercial firms, it was a fact that a smart Assistant had every reason to look forward to a partnership, but, generally speaking, he would not be prepared to say that a man's emoluments as a partner would be greatly in excess of what he could look forward to in the Customs Service.

79,242. Four Civilian Collectors had been appointed in Bombay since the Imperial Customs Service had

been formed. The first, Mr. Cadell, had been Collector of Customs for about a year before the establishment of the Imperial Customs Service. He left the department to take up a post at a considerable sacrifice of pay and subsequently re-joined the department in Calcutta. Mr. Gubbay had three to four years' experience in Bombay as Assistant Collector, and subsequently four years' experience as Under Secretary to the Government of India in the Commerce and Industry Department, where he dealt principally with Customs matters. The present Collector had six years' Customs experience.

79,243. An appeal lay to the chief Customs authority against any decision of the Collector of Customs. It was desirable that the Commissioner ordinarily should have had some experience of Customs work. From the decision of the Commissioner of Customs there was petitional revision by the Local Government, or in the last resort by the Government of India. He agreed it was desirable that some officers in the Local Government should know something about Customs work, and that if the Imperial Customs Service was to be a self-contained one, there ought to be some avenue by which officers could get from the Imperial Customs to the Government of India.

The witness withdrew.

At the India Office, London, Tuesday, 5th May 1914.

PRESENT:

THE RIGHT HON. THE LORD ISLINGTON, G.C.M.G., D.S.O. (*Chairman*).

THE EARL OF RONALDSHAY, M.P.
Sir MURRAY HAMMICK, K.C.S.I., C.L.E.
Sir THEODORE MORISON, K.C.L.E.
Sir VALENTINE CHIBOL.
MAHADEV BHASKAR CHAUBAL, Esq., C.S.I.

ABDUR RAHIM, Esq.
FRANK GEORGE SLY, Esq., C.S.I.
HERBERT ALBERT LAURENS FISHER, Esq.
JAMES RAMSAY MACDONALD, Esq., M.P.

M. S. D. BUTLER, Esq., C.V.O., C.I.E. } (*Joint Secretaries*).
R. R. SCOTT, Esq.

Sir S. W. EDGERLEY, K.C.V.O., C.I.E., Member of the India Council.

Written Statements relating to the Indian Finance, Military Finance, and Customs Departments.

(1) *Extract from a Memorandum on Appointments made by the Secretary of State for India in Council.*

79,244. The Indian Finance, the Indian Finance (Military), and the Indian Customs Departments are grouped together for the purpose of dealing with candidates' applications. Previous to 1909 vacancies in the Indian Finance Department were filled by direct nominations by the Secretary of State. A list of candidates was kept by the Private Secretary. In 1909, as a consequence of the decision to recruit from England civilian accountants for the Military Accounts Department, the name of which was changed to Indian Finance (Military) Department, it was decided to recruit candidates for the two Departments together, and, in view of the increased number of appointments, to entrust the investigation of their claims to a small committee, who should recommend selected candidates for nomination by the Secretary of State. It was also decided that the Committee should deal at the same time with recruitment for the Indian Customs Department. The Selection Committees have been constituted as follows:—

1909 and 1910:—

Sir T. RALEIGH, K.C.S.I.	-	-	-	-	-	} Members of the Council of India.
General Sir C. C. EGERTON, G.C.B., D.S.O.	-	-	-	-	-	
Sir S. W. EDGERLEY, K.C.V.O.	-	-	-	-	-	

1911. Two Committees:—

(1) Sir T. RALEIGH, K.C.S.I.	-	-	-	-	-	} Members of the Council of India.
Sir T. MORISON, K.C.I.E.	-	-	-	-	-	
Sir T. W. HOLDERNESS, K.C.S.I.	-	-	-	-	-	

(2) Sir T. RALEIGH, K.C.S.I.	-	-	-	-	-	} Members of the Council of India.
General Sir C. C. EGERTON, G.C.B., D.S.O.	-	-	-	-	-	
Sir S. W. EDGERLEY, K.C.V.O.	-	-	-	-	-	

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Sir S. W. EDGERLEY.

[Continued.]

1912 :—

Sir T. RALEIGH, K.C.S.I. - - - - - } Members of the Council of India.
 Sir S. W. EDGERLEY, K.C.V.O. - - - - - }
 General Sir BEAUCHAMP DUFF, G.C.B., K.C.S.I. - - - - - Military Secretary, India Office.

1913 :—

Sir S. W. EDGERLEY, K.C.V.O. - - - - - } Members of the Council of India.
 Sir T. MORISON, K.C.I.E. - - - - - }
 General Sir BEAUCHAMP DUFF, G.C.B., K.C.S.I. - - - - - Military Secretary, India Office.
 R. E. ENTHOVEN, Esq., C.I.E., I.C.S. - - - - - Secretary to Government of India, Commerce and Industry Department.

(2) Note by Sir S. W. Edgerley relating to Appointments to the Indian Finance, Military Finance, and Customs Departments.

79,245. The number of appointments made by the Secretary of State for India in Council to these three departments is so small, being seldom more than two or three in any one year, that it is not usual to make any public announcement of the vacancies, but copies of particulars are sent to all inquirers and to the appointments committees of universities. Candidates who have obtained good mathematical marks, but just failed to obtain a place on the list of selected candidates for the Indian Civil Service, have vacancies, if then existing, in the Finance and Customs Departments specially brought to their notice.

Applications are registered in the Judicial and Public Department of the India Office, and scrutinised to see whether the applicants comply with the conditions laid down in the regulations. If further information as to their educational qualifications, or on other points, appear desirable, it is asked for.

Candidates are not required to furnish testimonials, but to give the names of persons to whom reference as to conduct and character may be made.

The applications of candidates are scheduled and submitted to the members of the Selection Committee, who mark on the schedule those whom they wish to see. Confidential inquiries as to conduct and character are addressed to the referees of these candidates before they appear before the Selection Committee.

After personal interview with each of the candidates who have been thought *prima facie* suitable on the particulars received, the Selection Committee draws up a list of the names of the candidates recommended for appointment to the vacancies already announced, and, in addition, a short supplemental list of candidates in order of preference to be drawn upon in the event of additional appointments having to be made, or of the withdrawal or rejection on medical grounds of any of the recommended candidates.

The Selection Committee's recommendations are submitted to the Secretary of State for India, who makes the necessary nominations to fill the vacancies.

The above describes procedure as to European candidates.

The Committee also see *prima facie* suitable Indian candidates, but they do not recommend such for nomination. The position as to Indian candidates is well shown by despatch No. 170 (Public), dated 25th September 1911.* The principle acted on is that the Government of India indent on the Secretary of State for the irreducible European element of the Department, and though the Secretary of State has not given up his freedom to deal with a very exceptional case, yet he would use that power very rarely. All normal Indian recruitment for the Departments is carried out in India itself.

Sir S. W. EDGERLEY called and examined.

79,246. (Chairman.) The witness said he presided over the Finance, Military Finance, and Customs Selection Committee, and he put in a printed paper* showing the constitution of the Committee since 1909. There was no one on the Committee with recent experience of India, but last year Mr. Enthoven, the Secretary of the Commerce and Industry Department, happened to be in England, and he was asked to sit upon the Committee. It was not, however, the practice in selecting candidates for the service to call in an Indian official who might be on leave at the time.

79,247. About 10 minutes to a quarter of an hour was taken in interviewing each candidate, and the Committee had before them testimonials and papers with regard to him.

79,248. The witness put in copies of the papers received from candidates and a copy of the list of candidates in the form in which it came before the members of the Committee.

79,249. The list of candidates he had put in showed the different classes from which the men were drawn and gave their academic qualifications. It was on that list that the members of the Committee noted whom they would interview. The candidates were selected on different qualifications, some having taken an honours degree and some a good place in the I.C.S. examination. They also insisted on mathematical qualifications. No one was taken without qualifications equivalent to those of a Cambridge Senior Optime. One of the candidates selected was an actuary. He also submitted the following return showing the number of

candidates that had appeared for the services during the last five years :—

Indian Finance, Military Finance, and Customs Departments.

Year.	No. of Candidates.	No. of Appointments offered.	
1909	51	14	One appointment withdrawn by Secretary of State.
1910	43	3	
1911	26	3	
1912	18	1	One selected candidate withdrew and the vacancy was afterwards filled in India.
1913	18	4	

79,250. Personally he preferred selection to competition, and he thought the selection at present was quite adequate. The number of candidates was very small. As a rule there were only about two or three vacancies a year, and possibly from 16 to 25 candidates. There might be some 40 or 50 on the schedule, but only about 16 to 25 would be interviewed. The custom had been for each member of the Committee to make a separate list after having seen the candidates, and then the lists would be

* See preceding written statement, paragraph 79,244.

* Vide Appendix No. III.

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Sir S. W. EDGERLEY.

[Continued.]

compared, and it was curious that there was practically very little discussion, the selection being almost unanimous, as there were generally two or three candidates who stood out very conspicuously. He could only remember one occasion when there was a slight discussion before the list could be settled.

79,251. All the Indians recruited to the services were recruited by the Government in India, and a competitive examination was held. He had mentioned in his written statement a despatch of September 1911* which showed very clearly the arrangements which were made with regard to Indian candidates coming before the Committee, and he put in a copy of a despatch of 1912, which showed the procedure adopted in dealing with specific cases of Indian candidates.

79,252. The proportion of Indians recruited in India and Europeans recruited in Europe rested with the Government of India. He believed there was a proportion settled, but all that the Government of India did was to indent on the Selection Committee in England for the irreducible European minimum, and their policy was to extend the employment of Indians in the Department as much as possible, especially in the Financial Department.

* *Vide* Appendix III.

79,253. (*Mr. Abdur Rahim.*) No Indians were appointed to the Customs Department from England; there was an exceptional power reserved in the rules to the Secretary of State to appoint Indians in England, but it was agreed with the Government of India, in view of the arrangements in that country, that that power should be very exceptionally exercised, and he had not known it exercised since he had been on the Council.

79,254-79,743. (*Sir Theodore Morison.*) The Selection Committee was appointed annually by the Secretary of State. He had nothing to do with the constitution of the Committee, but he imagined that the Secretary of State would be perfectly willing to appoint to the Committee anyone whom the Government of India might nominate, and he saw no objection to that being done. By including on the Committee persons who were not in the India Office, the Committee might be made very largely representative and any suspicion against it might be removed, but he could only say that, under present conditions, if any attempt was made to bring influence to bear, it would merely have the effect of making him specially critical with regard to the particular candidates brought to his notice in that way. It was, of course, of advantage that the Selection Committee should be one which had the entire confidence of the public.

The witness withdrew.

APPENDIX I.

LIST OF APPENDICES.

- I. REGULATIONS relating to APPOINTMENTS in the INDIAN CUSTOMS DEPARTMENT.
- II. STATEMENT of the CIVIL APPOINTMENTS on Rs. 200 a month and over held by EUROPEANS, ANGLO-INDIANS, and INDIANS on the 1st April 1913 in the CUSTOMS DEPARTMENT.
- III. DESPATCH from the SECRETARY of STATE for INDIA to the GOVERNMENT of INDIA No. 170 (Public), dated 29th September 1911.
- IV OFFICIALS, NON-OFFICIALS, and ASSOCIATIONS who furnished WRITTEN EVIDENCE to the ROYAL COMMISSION in connection with their INQUIRY into the CUSTOMS DEPARTMENT, but who were not orally examined.

APPENDIX I.

REGULATIONS relating to APPOINTMENTS in the INDIAN CUSTOMS DEPARTMENT.

1. *Appointments.*—The Secretary of State for India in Council will during each summer make such appointments as may be considered necessary to fill vacancies in the Indian Customs Department.

In making these appointments he will act with the advice of a Selection Committee.

2. A candidate may make an application for an appointment in any or all of the departments mentioned in paragraph 1. Applications must be made on the prescribed form, which may be obtained on application to the Secretary, Judicial and Public Department, India Office, S.W.

3. Appointments will, as a rule, be made in July of each year, and any person desiring to become a candidate for appointment in July of any year must submit his application not later than the 31st May of that year.

4. *Age.*—Every applicant must have attained the age of 22 years, and must not have attained the age of 25 years on the first day of August of the year in which he is a candidate for appointment. No exception to this rule will be allowed.

5. *Nationality.*—Every candidate must be a natural-born subject of His Majesty. Indian candidates will not ordinarily be appointed by the Secretary of State in England.

6. A candidate must be prepared to attend at the India Office, if required, at his own expense, to reply to any inquiries which may be considered necessary in connection with his application.

7. *Medical Examination.*—A selected candidate will be required to appear before the Medical Board of the India Office, by whom he must be certified as physically fit for service in India, before he can be definitely appointed.

8. *Educational Qualifications, &c.*—A candidate must, in order that his application may receive consideration, be in possession of a University degree with honours, or have taken a good place at the open competition for the Home (Class I.) and Indian Civil Services, or otherwise show evidence of a high standard of education. A knowledge of modern languages, and proficiency in chemistry and physics are also desired.

9. *Departure for India.*—Newly-appointed officers will, as a rule, be expected to proceed to India in September. They will be provided at the Government expense with a first-class passage to India, the cost of which they will be required to refund, should they voluntarily relinquish the service of Government before the close of two years.

10. The pay of a newly appointed officer commences from the date of his arrival in India. Particulars of the establishments and pay of the different departments are given in the appendices.

11. Newly-appointed officers will be on probation as explained in the annexure to these regulations.

India Office,
February 1914.

ANNEXURE.

THE INDIAN CUSTOMS DEPARTMENT.

[NOTE.—The arrangements and salaries hereinafter described are subject to revision according to the requirements of the Service.]

1. The Indian Imperial Customs Service as at present sanctioned will be constituted as follows :—

1 Collector, Class I., on Rs. 2,500 a month	} Three of these appointments will be reserved for members of the Indian Civil Service.
2 Collectors, Class II., on Rs. 2,250 a month each	
2 Collectors, Class III., on Rs. 2,050 a month each	

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.

18 Non-civilian Assistant Collectors 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, the pay of probationers, who are included in the number 18, being regulated as stated in the following paragraph.

Note 1.—No addition in the nature of Exchange Compensations Allowance is made to these salaries.

Note 2.—Collectors and Assistant Collectors while employed at Calcutta, Bombay, or Rangoon draw local allowances as follows :—

Collectors, Classes I. and II., Rs. 250 a month.
Collectors, Class III., Rs. 200 a month.
Assistant Collectors, Rs. 75 a month.

2. Vacancies in the non-civilian cadre are filled either by recruitment from England, or in India, by first appointment, or by promotion from the Subordinate Service. Probationers recruited in England will start on a pay of Rs. 300 a month. In their second year of service they will rise to Rs. 350, on passing either part of the departmental examination; and on completion of two years' service they 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 Government of India reserve to themselves the right of withholding or withdrawing increments of salary on account of misconduct or inefficiency.

3. Newly appointed probationers are required, before leaving this country, to enter into an agreement with the Secretary of State embodying the conditions of their appointment.

4. A probationer will draw pay from the date of his arrival in India. He will ordinarily be posted, in the first instance, to a Presidency town or Rangoon, and after the expiry of a year he will be required to undergo a departmental examination in Hindustani, in Customs work, and in law and procedure. His appointment will be subject to confirmation by the Government of India at the end of two years, and it may be cancelled for

APPENDIX I. (continued).

failure to pass the departmental examination, or at any time for unfitness or misconduct.

5. On being confirmed in his appointment a probationer will become eligible, as from the date of his arrival in India, for leave allowances and pension, under the provisions of the Civil Service Regulations applicable to the Department. These regulations are liable to be modified by the Government of India from time to time.

6. All appointments to the Collectors' grade, whether acting or permanent, will be made by selection, and seniority will not give an Assistant Collector a claim to a Collectorship. Once the rank of Collector is attained, civilians and non-civilians will be on the same footing for the purposes of promotion.

7. Probationers will be required to subscribe to a Provident Fund.

APPENDIX II.

STATEMENT of the CIVIL APPOINTMENTS on Rs. 200 a month and over held by EUROPEANS, ANGLO-INDIANS, and INDIANS, on the 1st April 1913, in the CUSTOMS DEPARTMENT.

Pay.	Number of Employés in each Grade or Class.															
	Total.	Europeans.	Anglo-Indians.	Hindus (including Sikhs and Parsis).										Mahammedans.	Indian Christians.	Buddhists.
				Brahmans (including Shênvis).	Kshatriyas.	Knyasthas (including Prabhus).	Baniyas and Vaiyas.	Sutras.	Other Hindus (i.e., other than those shown in cols. 5 to 9).	Total Hindus (cols. 5 to 10).	Sikhs.	Parsis.	Total Hindus, Sikhs, and Parsis (cols. 11 to 13).			
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
Rs.																
200—300	140	46	81	5	—	1	1	—	—	7	—	4	11	—	—	—
300—400	42	18	18	2	—	1	—	—	—	3	—	3	6	—	—	—
400—500	27	12	10	1	—	1	1	—	—	3	—	2	5	—	—	—
500—600	15	11	3	—	—	—	—	—	—	—	—	1	1	—	—	—
600—700	6	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
700—800	5	3	1	—	—	—	—	—	—	—	—	1	1	—	—	—
900—1,000	2	1	—	1	—	—	—	—	—	1	—	—	1	—	—	—
1,000—1,200	3	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1,200—1,400	3	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2,000—2,500	2	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2,500—3,000	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	246	104	115	9	—	3	2	—	—	14	—	11	25	—	2	—

APPENDIX III.

(Referred to in paragraph 79,245—Evidence of Sir Steyning Egerley.)

DESPATCH from the SECRETARY of STATE for INDIA to the GOVERNMENT of INDIA No. 170 (Public), dated 29th September 1911.

MY LORD,

I HAVE had under consideration the working of the system of recruitment for your Finance Department which was sanctioned in Mr. (now Lord) Gladstone's Despatch No. 146 (Financial), dated 17th December 1909. In examining candidates to fill the vacancies in your Finance, Finance (Military), and Customs Departments, notified in your telegrams of 9th February and 15th July last, I have had to consider the claims of Indian applicants who have been educated in this country; some of these had obtained distinction in British Universities and others were just outside the list of successful competitors at the Home and Indian Civil Service Examination, and belonged, therefore, to the class which you desired to regard as one of the regular sources of recruitment for this service. I have felt myself precluded from selecting any of these candidates by the undertaking given in

paragraph 5 of the Despatch of 17th December 1909, but I am not satisfied that by the system of recruitment now in operation their claims to appointment receive adequate consideration.

2. It appears to me probable that among the Indians who have read for Honours and been favourably reported on in British Universities there will be found some who would make good officers in your Finance Departments, but no provision appears to be made for the entry of their names upon the register of candidates referred to in Rule L of your Resolution No. 231 F.E., in the Finance Department, dated 17th January 1911. I observe that ordinarily names are entered on that register only on the recommendation of a Local Government, and that these recommendations are sent to you not later than the 1st May in each year, and that the candidates who secure nomination are examined in November. In this country, on the other hand, applications are received up to the end of May, and the selection is usually made at the beginning of August. An Indian who has applied to

APPENDIX III. (continued).

me for appointment cannot, therefore, learn the result of his application until the middle or end of August; on learning that he has not been selected by me he usually returns to India, but by the time he reaches India it will presumably be too late for him to secure a nomination, under Rule IV., to the examination of that year, and thus, owing to the age limit, there is a strong probability of his being rendered ineligible for appointment altogether.

3. In order to secure equality of opportunity between Indians educated in this country and Indians recommended by the Local Governments I have decided to adopt the following procedure.

4. Indian applicants will not be appointed by me, save in very rare cases, but I shall make a practice of sending to Your Excellency's Government the applications and testimonials received from Indian candidates possessing the qualifications required by the rules in force in this country. To this will be added a confidential statement, giving a full account of the merits and attainments of such candidates as seem to me fit subjects for a nomination, which will entitle them to take part in the competitive examinations held in India, or for direct appointment. Although I do not desire to fetter your discretion in considering the claims of these men, I shall anticipate that an entirely favourable report from me will, as a rule, secure for the candidate admission to the competitive examination, and I have no doubt that Your Excellency's Government will welcome the assistance thus given in appraising the eligibility of candidates educated in

England. It is only in consideration of an arrangement of this sort that the rule of not making direct appointments of Indians in England can be maintained.

5. In the Imperial Customs Service under the arrangements approved in 1906 there is no examination in India; but the occasional selection of Indians, otherwise than by promotion from subordinate grades, is contemplated. I request, therefore, that applications from Indians for appointment to this service, received by me and transmitted to you, may be taken into consideration on occurrence of a vacancy.

6. I shall probably have occasion to transmit to you the names of some Indians in August or September every year, and I forward to you, as an enclosure to this Despatch, the Report of the Committee before whom the European and Indian candidates of this year appeared.* In view of the inquiries which you will probably wish to make regarding the families of these candidates, and of others whom I may recommend to your notice in the future, it will be for your Government to consider whether the competitive examination should not be held later than November. A further reason for fixing a later date is that Indian candidates for the Indian Civil Service Open Competition are not aware of the result of that examination until September.

I have, &c.,
(Signed) CREWE.

* Not reprinted.

APPENDIX IV.

OFFICIALS, NON-OFFICIALS, and ASSOCIATIONS who furnished WRITTEN EVIDENCE to the ROYAL COMMISSION in connection with their INQUIRY into the CUSTOMS DEPARTMENT, but who were not orally examined.

- | | |
|---|---|
| <p>1. Vasudeo Rajaram Gupta, Esq., and Chaitan Sakharam Deole, Esq., Honorary Secretaries on behalf of the Deccan Sabha, Poona.</p> <p>2. The Customs Preventive Service, Bombay.</p> <p>3. The Wharfingers (46 in number) of the Bombay Customs Preventive Service.</p> <p>4. W. J. Bradshaw, Esq., Past Master, Calcutta Trades Association; Ex-Member, Bengal Council.</p> | <p>5. Captain W. R. Wright, Marine Superintendent, Asiatic Steam Navigation Company.</p> <p>6. J. H. Rundlett, Esq.</p> <p>7. Pat Lovett, Esq., Vice-President of the (Roman) Catholic Association of Bengal.</p> <p>8. A. S. Judge, Esq., Chief Collector of Customs, Burma.</p> |
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- Sending of officers to England not necessary, recruit-
 ment of officers from English Customs on higher
 pay preferred in exceptional cases, *Hood* - 79,155

- Work seen during probation period, *Hood* - 79,172

- Year's probation in India for officers selected in
 England advocated, *Hood* - 79,154

- Provident Fund, advantage of, Arnold** - 79,120

- Provincial men, door should be open to, to rise to posi-
 tion equivalent to assistant collector, Arnold** - 79,121

- Provincial Organization, reversion to, not advocated,
 Hood** - 79,090, 79,144, 79,152

Q.

- Quarters (*see under Housing*).**

R.**Recruitment:****AGE, REDUCTION:**

- would be no Advantage, *MacGregor* - 79,066

- Desired, *Arnold* - 79,128

- Age of arrival, 22 more suitable than 24, *Hood* 79,149

- from Appraisers' Departments, service might also
 have to be thrown open to Preventive Depart-
 ment, *Bhandare* - 79,193

- Class of men from England a success, *Arnold* 79,115

- Combined competitive examination among nomi-
 nated candidates might be held for Finance and
 Customs and some of smaller services, *Hood* 79,148

- Continuance of present methods advocated - 79,086

- in England, by selection from honours graduates,
 should continue, and suggestion *re* selection by
 committee, *Hood* - 79,138

- EXAMINATIONS, COMMERCIAL SUBJECTS:**

- would be Advantageous, *Buckney* - 79,099

- might be useful, *MacGregor* - 79,081

Recruitment—continued.of Indians (*see under* Indians).**OF MEN HAVING HAD EXPERIENCE IN MERCANTILE FIRMS:**Certain proportion desirable, *Armstrong* 79,233-5, 79,237no serious Objection in principle, *Lalkaka* 79,211Methods, *Whitty*, 79,044; *Hood*, 79,138.Minimum number of appointments might be given to Provincial Service and Indians if standard not lowered by, *Arnold* - - - - 79,115**QUALIFICATIONS:**high Academic qualifications not really necessary, *Hood* - - - - - 79,163Commercial experience unnecessary, but would be useful in appraising branch, *Lalkaka* 79,201, 79,207Good general education necessary, *Lalkaka* 79,209Honours degree in science not considered necessary, *MacGregor* - - - - - 79,059of Men recruited from England, *Buckney*, 70,092; *Hood*, 79,138.Particulars *re* those needed, *Arnold* - - - - - 79,132Science degree, value of, *Buckney* 79,102, 79,104Training in natural science preferred, and knowledge of commercial matters and chemistry useful, *Hood* - - - - - 79,176Regulations *re* appointments - - - p. 129-30**BY SECRETARY OF STATE:**Method, *Edgerley* - - - - - 79,244-50Number of candidates and appointments offered 1909-13, *Edgerley* - - - - - 79,249**Selection Committee:**Constitution, 1909-1913, and question of alteration, *Edgerley* - - - - - 79,244, 79,254Indian official not generally on, *Edgerley* - 79,246Selection preferable to competitive examination, *MacGregor*, 79,057; *Edgerley*, 79,250.**FROM SUBORDINATE SERVICE:**not Advocated, *Buckney* - - - - - 79,107of Certain number favoured, *Lalkaka* 79,209, 79,213Difficulty, *Bhandare* - - - - - 79,192Proposal, *Arnold* - - - - - 79,133not Suitable, *Hood* - - - - - 79,170**Recruitment—continued.**Systems satisfactory, *Whitty*, 79,044; *Armstrong*, 79,214.University men, advantage of, *Buckney*, 79,105, 79,114; *Arnold*, 79,132.on Vacancy occurring Government considers whether it should be filled by Secretary of State in India or not, *MacGregor* - - - - - 79,055**Retirement, period of service for:**

Comparison with other departments - - - 79,089

REDUCTION:Advocated, *Hood* - - - 79,089, 79,143, 79,160Advocated if granted to other services similarly recruited, *Whitty* - - - - - 79,049Strain of work less of recent years, *Lalkaka* 79,206**Revenues (*see under* Customs Revenues).****S.****Secretariats of Local Governments and Government of India should include officers having had direct experience of Customs works and procedure, *Whitty* 79,051****Subordinate Department:**no Foundation for theory in, of Government desire to get rid of locally trained men, *MacGregor* - 79,084Recruitment to Imperial Service from (*see under* Recruitment).Reorganisation advocated, *Arnold* - - - 79,121Staff, *MacGregor* - - - - - 79,054**T.****Time Scale (*see under* Pay).****Training (*see* Probation and Training).****Transfers from port to port:**too Frequent in some cases, and loss caused by, to officers, *MacGregor* - - - - - 79,065not Regarded in light of promotion, but reverse, *Buckney* - - - - - 79,111

should be more Regular - - - 79,117, 79,124

W.**Whitty, R. F. L., written statement - - 79,044-51**