

ROYAL COMMISSION ON THE PUBLIC SERVICES
IN INDIA.

A P P E N D I X
TO THE
R E P O R T
OF
T H E C O M M I S S I O N E R S .

Volume XIV.

MINUTES OF EVIDENCE

RELATING TO THE FOLLOWING DEPARTMENTS :—

- I. INDIAN FINANCE DEPARTMENT.
- II. MILITARY FINANCE DEPARTMENT, and
- III. MINT AND ASSAY DEPARTMENTS.

Taken at Delhi, Calcutta, Madras, Bombay, and London,
WITH APPENDICES.

Presented to both Houses of Parliament by Command of His Majesty.



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T. FISHER UNWIN, LONDON, W.C.

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ROYAL COMMISSION ON THE PUBLIC SERVICES IN INDIA.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

ROYAL COMMISSION

ON THE

PUBLIC SERVICES IN INDIA

RELATING TO THE

INDIAN FINANCE DEPARTMENT

At Delhi, Monday, 3rd November 1913.

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

M. F. GAUNTLETT, Esq., I.C.S., Comptroller and Auditor-General, and
J. B. BRUNYATE, Esq., C.I.E., I.C.S., Acting Secretary of the Government of India, Finance Department.

Joint written Statement relating to the Indian Finance Department.*

64,444.—(1) The Public Service Commission have called for a memorandum relating to the Indian Finance Department from the Comptroller and Auditor-General and also from the Secretary to the Government of India in the Finance Department. The information required for this purpose is contained partly in the records of the Comptroller-General's office and partly in those of the Finance Department. For this reason, and because separate memoranda on the same subject would cover very nearly the same ground, it is thought that it will be most convenient for the purposes of the Royal Commission if a joint memorandum, complete and self-contained, is submitted above the signatures of both officers; and the undersigned accordingly beg leave to present their memorandum in this form.

The memorandum thus prepared sets out the main facts relating to the Department, and certain changes, which, though they have been lately approved by the Government of India, have not yet been introduced. It also includes certain sections under the heading "Comments" in which personal opinions are expressed. These comments in every case represent the personal views of the Comptroller-General and not those of the Government of India, or the Financial Secretary. The latter has signed the memorandum as a whole subject to this reservation.

It must also be pointed out that in dealing with questions of pay, leave, pension and so forth the Government of India cannot treat a Department entirely by itself. They have to consider how far concessions given to one Department or Service may require to be applied to, or may provoke claims from, other branches of the public service whose position is more or less analogous.

(2) Before proceeding to discuss recruitment and the other detailed heads in respect of which the Commission required information it seems desirable to explain the constitution of the Department and the work the officers have to do.

(3) The Department is composed of:—

1 Comptroller and Auditor-General on Rs. 3,500—100—4,000.

*Mr. Brunyate signed subject to the reservation in paragraph 64,444(1) as regards those paragraphs which appear under the heading "Comments."

2 Accountants-General, Class I., on Rs. 2,750.
3 Accountants-General, Class II., on Rs. 2,500.
4 Accountants-General, Class III., on Rs. 2,250.

General List:—

2 railway appointments on Rs. 2,000.
1 railway appointment on Rs. 1,800.
10 officers in Class I. on Rs. 1,500—50—18,000.
3 officers in Class II. on Rs. 1,000—100—1,200—50—1,250—50 (biennial)—1,500.
140 officers in Class III. on Rs. 300—50—1,250—50 (biennial)—1,500.

It may be mentioned that the question of altering the pay and status of the Comptroller-General is now under discussion between the Government of India and the Secretary of State and that the Secretary of State has sanctioned the appointment of a Comptroller of Currency to take over the work connected with currency and finance which the Comptroller-General at present transacts in addition to his primary duties as chief officer of account and audit. Officers of the Indian Finance Department will be regarded as eligible for the new appointment; but a selection from that Department is not at present contemplated. An accounts officer so selected in the future will draw his salary as an officer of the Department, together with a local allowance of Rs. 200 per mensem. (An officer selected from outside the Department will draw a consolidated pay of Rs. 2,500—100—3,000.) An Assistant Comptrollership of Currency, open to the Indian Finance Department, has also been sanctioned. An incumbent drawn from that source will receive his departmental salary and a local allowance of Rs. 100 a month.

(4) The appointments of Comptroller and Auditor-General and Accountants-General are included in the schedule of 24 & 25 Victoria, cap. 54, and are consequently appointments which should ordinarily be held by the Indian Civil Service and cannot be manned from outside without the special sanction of the Secretary of State. But a non-Civilian officer once held the post of Comptroller and Auditor-General, and the claims of non-Civilian officers are in fact considered when vacancies occur. It has also been the steady policy of the Government of India for years past, as the operations and personnel of the Department expanded, to increase the number of non-Civilian

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[Continued.]

Accountant-Generalships, until at present they are twice as numerous as those filled by Civilians. The following statement shows the advance in this respect during the last 20 years :—

Year.	Number of Accountants-General.		
	Civilian.	Non-Civilian.	Total.
1893	4	1	5
1898	4	2	6
1903	4	2	6
1908	4	3	7
1913	3	6	9

It should be stated, however, that the Department now embraces the formerly separate "Accounts Branch of the Public Works Department," which had a non-Civilian Accountant-General of its own.

The three posts of Accountants-General to be filled in future by Civilians are to be normally one in each class. This simplifies questions of promotion by avoiding difficulties which would otherwise arise in weighing the respective claims of officers who belong to different branches of the public service.

(5) As regards the higher General List appointments, the present rule is that one appointment in Class I. shall be exclusively reserved for Civilian officers, while Class II., containing three appointments, is a special class created for Civilian officers exclusively. It is considered desirable that the Department should contain a leaven of officers who have had some general administrative experience and may be expected to have a broader outlook than those whose whole service has been passed in accounts work. The arrangements regarding Class I. and Class II. above referred to were designed to provide rates of pay more suitable for Civilian officers and so enable them to be brought into the General List to obtain the training and experience necessary to fit them, after an interval of reversion to the ordinary line, for Accountant-Generalships.

(6) These arrangements have not been completely successful, and difficulty has been experienced in recent years in obtaining suitable Civilian recruits for the Department. The question of modifying the present system of recruitment is, therefore, under consideration, but no final decision has yet been arrived at. It is desirable, in the first place, to limit the number of Indian Civil Service recruits taken in to such a figure as will man the Civilian Accountant-Generalships, without involving the detention of the Civilian officer in the junior posts for a longer period than is normally required for an adequate training. On this basis the number of Civilians in the General List could probably be reduced to two. Secondly, it is considered that the officer selected should normally rise to an Accountant-Generalship without reversion to ordinary executive work, subject, of course, to fitness, and to the further condition which this practice would imply that he should not be selected at all until he has served for an adequate length of time in the ordinary line. This implies that Indian Civil Service officers must in future be given a higher rate of pay—probably at Class I. rates—than is now necessary when Civilians of junior standing are taken in for three years and then reverted to their provinces. Under such a system Government would obtain officers who had already put in an adequate term of administrative work and would know from the outset that, if they proved satisfactory, they would remain permanently in the Department. When these officers acted as Accountants-General on the occurrence of temporary vacancies on the Civilian side, officiating officers would be obtained in their places and would thus be tested before final confirmation in the Department.

(7) Audit and account work throughout India falls under four main branches—Civil, Military, Railway, and Post and Telegraph. The Civil branch, besides dealing with directly civil audit and accounts, also brings finally to book the accounts of the other

branches. The Comptroller and Auditor-General is ultimately responsible for the audit and account work of the four branches, but he has more immediate concern with the civil than with the others, for which there are separate departmental Accountants-General, whereas the Accountants-General in the Civil branch deal, in immediate connection with the Local Governments, with the civil accounts of the principal provinces. There is again a very important distinction between (a) the Military Accounts, and (b) the Railway and the Post and Telegraph Accounts branches. The last two are officered by the Indian Finance Department, whereas the Military Accounts constitute a separate service working directly under the Government of India in the Finance Department. The Comptroller and Auditor-General, therefore, has no direct concern with the personnel, and very little with the detailed working of the Military Accounts branch. The same was formerly the case as regards the Public Works Accounts, which were dealt with by a separate service under the Public Works Department of the Government of India. Since 1910, however, the service has been absorbed into the Indian Finance Department. Thus the Indian Finance Department is now responsible for the Civil, Railway, and Post and Telegraph Account work throughout India.

It is also responsible for work in connection with the paper currency, the Comptroller-General being *ex officio* Head Commissioner of Paper Currency. The Comptroller of Currency, whose appointment has been sanctioned and will shortly be constituted, will take over this work from the Comptroller-General. The Accountants-General in the principal provinces are Commissioners of Paper Currency and will become in this respect subordinate to the Comptroller.

The financial advice required by Local Governments and Administrations is, in the main, supplied by their own Financial Secretaries and Financial Secretariat establishments. But the accounts officer of the province is also referred to when necessary, and especially in regard to questions of expenditure in regard to which it is doubtful whether the Local Government has or has not full power of independent sanction. Pending the creation of a Comptrollership of Currency, the Comptroller-General also has been freely consulted in the past by the Government of India in regard to matters with which the Comptroller will hereafter deal, *e.g.*, in respect of loan operations in India and fresh rupee coinage. Thus, the functions of the Indian Finance Department have not been strictly limited to matters of account and audit.

The Comptroller and Auditor-General and the heads of Civil Account offices also act as Treasurers of Charitable Endowments and are responsible for the custody of the securities vested in them in that capacity and also for the custody of most of the securities taken from Government servants throughout India.

The Accountant-General of each province is also responsible for the movement of funds from one treasury to another, and for the check by local inspection, performed by officers of the Department working under him, of the accounts of local bodies such as Port Trusts, Municipalities, and District Boards.

(8) In the Central Provinces and in Assam there are Comptrollers whose functions correspond to those of Accountants-General in larger provinces, and the account work in Baluchistan is under an officer styled the Comptroller, India Treasuries, who also deals with the accounts of the various Departments of the Governments of India, *i.e.*, the Government Secretariats and also the Imperial Departments directly subordinate to the Central Administration. The North-West Frontier Province is for account purposes attached to the Punjab.

(9) Besides manning the regular accounts appointments, the Department usually supplies at least one officer for the Finance Secretariat of the Government of India. The permanent Secretary of the Railway Board, and the officer officiating for him, one Assistant Secretary in the Railway Board and one in the Public Works Secretariat of the Government of India are

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[Continued.]

also at present officers of the Department. Some officers are likewise in Foreign Service, one in Siam and three in India, and another officer has also been asked for.

(10) The Indian Finance Department proper includes only the superior officers already referred to. The transaction of accounts and audit work also involves the maintenance of very large subordinate clerical establishments, the highest appointments of which on the Civil side are those of Superintendent on pay ranging from Rs. 200 to Rs. 450, and on the Public Works side, the second and first grade Accountants on a pay of Rs. 250 to Rs. 450. Intermediate between the superior officers and the subordinate clerical establishments, and recruited from the latter, there is a special class of subordinate gazetted officers styled "Chief Superintendents" on the Civil side and "Chief Accountants" on the Public Works side, whose pay runs from Rs. 450 to Rs. 750.

This variety of designation will probably be modified as the amalgamation of the different branches of the combined Department becomes eventually more complete.

(11) In addition to the work transacted by the Indian Finance Department proper and its attached subordinate establishments, a considerable amount of analogous works is carried out by the district treasuries where bills are presented for payment and subjected to a certain degree of check. The establishments employed for this purpose are, however, regarded as part of the Collector's regular district establishment, and not as belonging to the Accounts Department. Large payments for works are also made by Public Works officers, and an accountant belonging to the regular accounts establishment is attached to each Division to help Executive Engineers in the performance of their account duties. But accounts so prepared and checked are subject to completion and audit in the account offices proper.

64,445. (I.) **Methods of recruitment.**—For a historical review of the rules regarding recruitment, it is necessary to bear in mind the fact that the present *General List* of the Department has only lately been constituted from two formerly distinct branches, viz., that which dealt with Civil Accounts, known as the *Enrolled List*, and the former *Accounts Branch of the Public Works Department*.

Enrolled List.—All appointments up to 1886 were made in India from the successful competitors at an examination of nominated candidates. The nominees at two out of every three examinations were Europeans and Anglo-Indians, and at the third were Indians of unmixed descent. The Public Service Commission of 1886 made the following recommendations on the subject of recruitment for the Department:—

- (a) That indigenous agency should be more largely introduced into the Enrolled List.
- (b) That open competitive examination should take the place of competition after nomination.
- (c) That Chief Superintendents should be promoted into the Enrolled List.
- (d) That officers, who have shown marked ability in the charge of district treasuries or in other departments of the provincial service, should be exceptionally appointed to the Enrolled List.
- (e) That Government should continue to reserve the right of appointing any person to the Enrolled List in the interests of the public service.

All the above suggestions were accepted by the Government of India except (b), as regards which they considered that the reasons which originally led to the adoption of the system of nomination for the examination still applied and that no change should be made. The maximum appointments to be assigned to Chief Superintendents and the officers mentioned in (d) were fixed at one-third of the total number of appointments in the Enrolled List, exclusive of those reserved for members of the Indian Civil Service, and it was thought that the great majority of the officers so appointed would be Indians of unmixed descent, and that the adoption of this method would accordingly give effect to recommendation (a). These proposals were approved by the Secretary of State for India, but

the rule as regards nominations at every third examination was modified by the substitution of "statutory native of India*" for Indian of unmixed descent.

In 1899 an important change was made in the method of recruitment of the European branch of the service. It was found that suitable candidates of European birth and education were not forthcoming in India, and it was decided that they should be selected in future by the Secretary of State in England. The effect of the above change may be summarised as follows:—

(a) Not less than 45 per cent. of the appointments in the Enrolled List were to be given to non-domiciled Europeans recruited in England.

(b) Not less than 22 per cent. were to be filled by competitive examination of nominated candidates in India, such recruitment being restricted to statutory natives of India.

(c) A proportion not exceeding 33 per cent. might be given to Chief Superintendents or other officers specially promoted, who would ordinarily be Indians of unmixed descent.

In the same year the standard for the competitive examination in India was made to approximate to that of the M.A. course of the Calcutta University in Mathematics and Science, and the practical effect was the entire exclusion of the members of the domiciled community. In practice recruitment under (c) was carried out to a relatively small extent, so that the constitution of the Enrolled List tended to settle down into one Indian for every two Europeans.

In 1909 the Government of India thought it was possible to make another advance in the employment of Indians in the Department, and decided, with the approval of the Secretary of State, to regulate recruitment in such a manner as to ensure in future an equal distribution of appointments between pure Indians on one side and Europeans and Anglo-Indians on the other. The European element was to be mainly provided by appointment in England, while in India competitive examination was to be the ordinary method of selection, but the Government reserved to themselves the right to promote an exceptionally able subordinate from time to time and to have recourse to direct nomination on rare occasions.

The old Accounts Branch of the Public Works Department.—In 1893 the Accounts Branch of the Public Works Department was reorganised in order to give effect to the recommendations of the Public Service Commission. The final decision of the Secretary of State was—

- (a) That recruitment should be in India.
- (b) That appointments should be made in three ways—
 - (i) By the appointment of nominated candidates selected by competitive examination, with not less than three nominees for each vacancy.
 - (ii) By the promotion of deserving accountants.
 - (iii) By the transfer, in exceptional cases, of officers from the engineer establishment.

The nominees at two out of every three examinations held for appointments to be filled by the first of the above methods of recruitment were to be Europeans and at the third to be statutory natives of India. The maximum number of appointments filled by the second of the above methods was not to exceed one-third of the appointments filled by the first and second methods together. The Government of India also reserved the power of making special and exceptional appointments otherwise than in the three ways mentioned above.

In 1899 it was decided that the recruitment should be partly in India and partly in England as follows:—

(a) In England by the appointment of Coopers Hill men up to a limit of four-ninths of the vacancies to be filled.

* The words "Native of India" shall include any person born and domiciled within the dominion of His Majesty in India of parents habitually resident in India and not established there for temporary purposes only. (Statute 33 Vict., cap. 3, section 6.)

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[Continued.]

(b) In India by the promotion of deserving subordinates to the extent of three-ninths of the vacancies to be filled.

(c) In India by competitive examination of nominated candidates to the extent of two-ninths of the vacancies to be filled.

The recruitment in India was to be restricted to statutory natives of India. The Government of India continued to reserve the power to make special appointments.

In 1908 Lord Morley wrote that he was not satisfied that the principle of furthering the employment of Indians in posts of responsibility had yet been applied to the fullest extent possible in this Department. A very large proportion of the three-ninths vacancies assigned to promoted subordinates had gone to men of European parentage, and, apparently as a result of the examinations being below University standard and through more Europeans and Anglo-Indians than Indians having been nominated, most of the two-ninths examination vacancies had also gone to members of the domiciled community. The result was that only a small proportion of the appointments were held by Indians. The Government of India were opposed to any reduction in the proportion of Europeans recruited from England; but, in order to carry out Lord Morley's wishes, they agreed that only one-ninth of the vacancies should be used for the promotion of accountants in very exceptional cases, and that four-ninths should be filled by competitive examination in India of nominated candidates who were statutory natives of India. It was proposed to substitute for nomination by the Accountant-General a system of selection by the Government of India. By these means, and by stiffening the syllabus of the examination, they hoped to ensure that the great majority of appointments filled in India should automatically go to Indians.

Special recruitment for this Department has now ceased as the result of the amalgamation with the old Enrolled List and henceforth all fresh recruitment will be for the amalgamated General List and in accordance with the principles enunciated in subparagraph 16 below.

It will thus be seen that the policy steadily followed by the Government of India, and recently greatly developed, is to increase Indian recruitment, and that they are gradually working to a half and half division of the superior gazetted service between the two races. Nine Indian officers have held either substantively or temporarily the post of Accountant-General, and three more have filled posts in Class I. of the General List. Two Indian officers have held the post of Assistant Secretary in the Finance Department, and another Indian officer is to be appointed Additional Assistant Secretary this cold weather. Of these fifteen officers, eight have been Bengalis, three Madrasis, one Burman, one Parsi, one Mahratta Brahmin, and one Muhammedan.

General List.—The present position as regards recruitment is as follows:—

(1) Half the vacancies are to be filled by Indians of unmixed descent.

(2) The methods of recruitment are as follows:—

(a) By competitive examination of nominated candidates in India.

(b) By nomination in England by the Secretary of State.

(c) By the appointment of promoted subordinates to a loosely defined proportion of the total vacancies, a point which is referred to again in Comment (2) below.

(a) provides for the bulk of the Indian recruits, and (b) for the European element, since the Secretary of State's nominations may be regarded as going exclusively to it, direct applications for appointment by Indians in England being usually referred by him to the Government of India, if he considers them deserving of special consideration. Under (c) both Europeans and Indians are eligible.

The Government of India have, however, reserved the right of making direct appointments in India

outside the subordinate staff of the Department without competitive examination. This right has, however, been very sparingly exercised, and may at present be considered to be in abeyance.

The rules relating to the nomination and examination of candidates in India are given below:—

I.—A register of candidates is kept from which not less than three candidates for each vacancy are nominated by the Government of India from time to time as vacancies are expected. Only candidates so nominated are entitled to compete.

II.—Names are ordinarily entered in the register only on the recommendation of a Local Government.

III.—On or before the 1st of May in each year the Local Governments send to the Government of India the names of any persons whom they desire to recommend for entry in the register. The list must be accompanied in the case of each person by copies of certificates of character and education, by a statement of age (the limits of which have recently been fixed at 22 to 25 years of age), and by information regarding any services that may have been rendered to the State by his parents or family. Before being recommended by a Local Government each applicant must give satisfactory proof that he is a native of India within the meaning of the Statute 33 Vict., cap. 3, section 6.

IV.—The Government of India are also prepared occasionally to receive direct applications for registration from suitable candidates.

This last provision enables men who are unconnected, by their family or other interests, with Provincial Administrations to apply direct, supporting their applications by references to official authorities or other persons by whom they are personally known. Such applications must be submitted in the applicants' own handwriting to the Secretary to the Government of India in the Finance Department, and must contain the information required by rule III.

No definite rules have been published by the Government of India as to the principles upon which their nominations will be granted. The examination attracts candidates from all over India, possessing very high academic qualifications, and, in ordinary practice, the chief considerations which govern the rejection of applications are the necessity of maintaining a reasonable relation between the number of candidates admitted to an examination and the number of vacancies for which they are competing; and also the futility of encouraging a candidate to compete who has obviously no chance of success. As regards the former point, however, the practice is somewhat liberal; the implication of a severe restriction of admissions which is perhaps suggested by the present rule (namely, that not less than three candidates shall be admitted for each vacancy) being by no means strictly adhered to. As regards the latter point, nomination is not necessarily withheld in the case of a candidate whose prospects of success appear to be slight, if he is otherwise suitable and well recommended.

The ultimate use, however, of the nomination system—apart from the fact that it enables the Government to attach due weight to the claims created by loyalty and good service on the part of a candidate's family—is to make it possible, when necessary, to prevent the admission to the Indian Finance Department of an overwhelming proportion of members of any single race or class. Appendix III. will show that in almost every single instance in the last eight years the highest place has been attained by candidates from Madras and Bengal. It is understood to be the intention of the Government of India in future, if and when necessary, to exclude entirely from the examination of a particular year the representatives of any class which has become unduly preponderant. Subject to the possible exercise of this power, the nomination system is so worked as to give the vacant appointments unreservedly to the candidates possessing the highest academic qualifications, the present invariable practice being to give the appointments to those who obtain the top places in the order of merit, from the first downwards, without exercising any further right of selection.

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[Continued.]

The examination rules have hitherto been as follows:—

SUBJECTS FOR EXAMINATION.

<i>Compulsory.</i>		Marks.
Writing and Composition	-	300
<i>Optional.</i>		
Any two of the following—		
(a) Political Economy and Economic History	-	400
(b) Mathematics (Pure and Mixed)	-	400
(c) Physics	-	400
(d) Chemistry	-	400
(e) History (Indian and English)	-	400
(f) One classical language with its literature, viz., Latin, Greek, Hebrew, Sanskrit, Arabic, or Persian	-	400
Maximum marks obtainable	-	1,100

In the optional subjects the standard required is that of the B.A. Honours degree in any Indian University where these subjects are prescribed.

The successful candidates before appointment to the Department must pass a qualifying examination in—

(i) Elementary Mathematics (viz., Geometry, Algebra, Plane Trigonometry, and the use of Logarithms),

(ii) Book-keeping by single entry,

(iii) Political Economy.

Candidates who have taken Mathematics or Political Economy for the competitive examination are exempted from (i) and (iii), respectively. The qualifying examinations are held twice a year, if necessary; one being always arranged for about three months after the declaration of the results of the competitive examination. If a candidate who has succeeded in the competitive examination fails, on two occasions, to pass the qualifying examination he will not receive an appointment in the Department.

Considerable practical difficulty, however, has been experienced in regard to the qualifying examination, and the Secretary of State has cancelled it for candidates recruited in England and has suggested its complete abolition. The Secretary of State has informed the Government of India that he will not recruit an officer who has not an adequate knowledge of elementary mathematics, and the Government of India propose to make this a condition of nomination for candidates in India also.

The other subjects in the qualifying examination are Political Economy and Book-keeping. It will be possible to include these subjects in the course of training to be undertaken at the training school, which is suggested below, with the result that the qualifying examination will cease to exist as such.

Details of the recruitment in the last 10 years, and of the nominations for, and of the results of, the competitive examinations are given in Appendices II. and III. At the present date the whole Department contains 70 Europeans, 42 Anglo-Indians, 4 Mahomedans, 1 Sikh, and 41 Hindus, of whom 25 are Brahmins and 8 are Kayasthas.

The present position as regards the promotion of subordinates requires further explanation. Prior to the amalgamation of the Enrolled List and of the Accounts Branch of the Public Works Department, the Government of India had the right to fill one-third of the vacancies in the Enrolled List by the promotion of subordinates. For many years past, however, the proportion of vacancies so filled had been much smaller than one-third, and in 1909 the Government of India told the Secretary of State that, while they reserved to themselves the right to promote an exceptionally able subordinate, the right would be sparingly exercised.

On the Public Works side also the rate was one-third, and this was worked to in practice much more

closely than in the Enrolled List. In 1910, however, thirteen accountants were converted into Chief Accountants and given gazetted rank, and the rate of one-third was simultaneously reduced to one-ninth. It is admitted that, with the amalgamation, there must be some definite working rule and this matter is now under the consideration of the Government of India.

The Government of India have recently decided that the minimum age limit for candidates for the examination in India should be fixed at 22 years of age, as it already is in the case of selections in England, the maximum age limit in each case being already 25.

Comments.—(1) It is considered that recruits should be obtained in England by examination after nomination instead of merely by nomination as at present. Some of the officers, who have been obtained from England of late years, have not been of the intellectual calibre we have a right to expect with the prospects offered, and they compare unfavourably in this respect with some of the Indians obtained by competition after nomination.

(2) It is important to fix the proportion of appointments which shall be filled by the promotion of subordinates. The theoretical rule of one-third was never worked to in practice, and it was, it is thought, a bad rule in the interests of Government. Such a high proportion of promoted subordinates does not make for efficiency. The interests of Government and the reasonable claims of subordinates, both Civil and Public Works, would perhaps be satisfactorily met if it was settled that an average of one-sixth of the future vacancies should go to subordinates.

A proviso might be added, however, that there ought to be no guarantee that every successive sixth appointment should be given to them. The Department has suffered severely in the past, and will suffer for some time in the future, by uneven recruitment. The significant point in this connection is that the promotion of subordinates does not ordinarily affect the ultimate flow of promotion, as all officers are on a time scale for many years of their service, and subordinates are usually promoted at such an age as to leave little expectation of getting beyond the time scale to the special appointments. Consequently, when there is an unusually large shortage of officers, it may be convenient to promote subordinates rather more freely so as to avoid the ultimate interference with promotion which would be caused by taking an abnormal number of candidates from England or by competition in India in order to make good the deficit. If subordinates are more freely appointed at such times, the excess number so taken in might be made up for by refraining from making promotions later on the scale which would otherwise have been admissible.

64,446. (II.) Training of junior officers.—Prior to the amalgamation the training and examination of recruits were as described below. These rules are taken from the Resolutions of the Government of India in the Finance Department, No. 2,422, dated the 21st August 1873, and No. 3,496, dated the 28th December 1876:—

For the future, on appointment as a probationer in the Enrolled List of the Finance Department, an officer shall, for the period of at least one year, receive a definite course of training in the clerical duties of an Accountant-General's office under the following regulations. During this course of training the officer must not be appointed to act in any higher class of the Department, or to undertake any higher duties:—

(1) The work of an Indian Account office, as at present constituted, is divided into audit and account, of which the former leads up to, and prepares material for, the latter. When, therefore, a junior officer has been long enough in the office to have a general knowledge of its working, he should be attached to the audit section, and make himself practically acquainted with the procedure of testing, checking, and recording payments to gazetted officers, establishments, and pensioners and payments on account of contingent charges; and he should be required, without assistance, to audit and record the audit of some vouchers of each class.

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(2) When the junior officer reports himself ready to prepare a classified abstract, the Accountant-General should cause the original cash account and lists of payments received from some one treasury in a past month to be brought up, the vouchers and schedules being first arranged in the order in which they were received from the treasury, and the junior officer will then prepare and prove a classified abstract and objection statement, which will be checked with the abstract already passed and posted, and a report of any differences made to the Accountant-General. In Madras, classified accounts are still submitted, and in this Presidency junior officers should be required to post blank forms from the separate vouchers and schedules as far as the materials serve.

(3) At this stage the junior officer should be placed in charge of the objection book of one or more districts for a few months; this work will not occupy his whole time, and need not interfere with his further training.

(4) Next he must prepare for some months other than March or April, the abstract of transfer entries and statement of disbursers' accounts, and also post the closing entries of the month on as many pages of the Detail Book as the Accountant-General may consider sufficient to afford a fair test of his practical knowledge; the Superintendent of the Compilation Department will lay the papers before the Accountant-General again with a report of the corrections found necessary.

(5) Next, the junior officer should prepare the Journal entries of a month; he should also be required to prepare rough drafts of the entries, both Journal and Ledger, required to close the books of one year, and to open those of the next—the entries, in fact, which will be necessary in the local office to close and open the books in use at the time of its probation.

(6) At some stage in this course of training the junior officer should, for some months, be put in charge of one or more accounts current with other offices, both outward and inward, gathering materials for the outward account from the original district accounts, preparing the account current and agreeing it with the books, watching the action of the other party to the amounts in adjustment, and also taking the necessary steps to pass the inward amounts through the books, preparing the objection statement, and any letters connected with his work for the approval of the Accountant-General.

(7) The necessary duration of the course of training must vary with opportunities available and the industry and ability of the officer, and it is therefore not desirable to name any particular period; but on no account should the training be hurried, and the Accountant-General must satisfy himself that the junior officer has acquired a competent knowledge of the ordinary duties of the several branches of an Accountant-General's office; the certificate to that effect should be sent to the Government of India through the Comptroller-General.

It seems unnecessary to describe in detail the corresponding rules for the Accounts Branch of the Public Works Department. Recruits were attached solely to offices dealing with Buildings and Roads and Irrigation accounts, and not to those dealing with Railway accounts. The rules prescribed as detailed a course of training as those for the Enrolled List, and also insisted on a visit to a divisional office.

Departmental examinations were held twice a year. For the Enrolled List the subjects for examination were Précis and Draft, Financial Statements of the Government of India, Book-keeping, Civil Service Regulations, Annuities, Civil Account Code, Government Book-keeping, Political Economy and Political and Revenue systems of India; 50 per cent. in the aggregate had to be obtained, and the pass marks in each subject were 35 per cent. Unless a special declaration to the contrary was made, in which case higher pass marks in each subject were required, each examination had to be passed as a whole, but two-thirds of the maximum in any subject gained exemption from further examination in that subject.

For the Accounts Branch of the Public Works Department the subjects were Précis and Draft,

Book-keeping, portions of the Civil Account Code, the Public Works Department Code and establishment rules and procedure (including Civil Service Regulations and the Accountant-General's circulars). There was also an optional paper in State Railway accounts. The pass marks were in the aggregate 50 per cent. of the maximum marks for the compulsory subjects, in each paper separately, 50 per cent. in the papers on the Public Works Department Code, and one-third in the others.

On both sides the examinations were without books.

The amalgamation made certain changes immediately essential. Recruits were attached to the Civil Account offices, but they had to learn the systems of Public Works and of Railway, as well as of Civil, accounts. The examinations had to be amalgamated, and arrangements had to be made for recruits to be posted for a time to Railway Account offices to gain some idea of the work done therein. It was also thought necessary that they should visit treasuries and the offices of Executive Engineers so as to trace the accounts from their inception. This has all been arranged.

But the present examination is not merely an amalgamation of all the subjects formerly prescribed. It was felt that it was impossible and unnecessary to ask a recruit to pass an examination without books in all of those subjects. The first step was to relegate the non-technical subjects—Annuities (altered to Elementary Mathematics), Political Economy and Book-keeping—to the separate qualifying examination referred to paragraph 64,445 above. The next was to divide the examination into the subjects of which only a general knowledge was required, and the Codes, the detailed rules in which had to be known. The former were put into the Lower Examination to be conducted without books and the latter into the Higher in which books might be used.

The subjects and maximum marks in each examination are at present as follows:—

	Lower.	Marks.
Précis and Draft	-	200
Political and Revenue systems of India	-	250
Financial Statements	-	200
Total	-	650
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	Higher.	
Civil Account Code	-	250
Civil Service Regulations	-	250
Public Works and State Railway Codes	-	250
Government Book-keeping and Finance and Revenue Accounts	-	250
Total	-	1,000

For a knowledge of the Political and Revenue systems of India the examinee is referred to certain chapters of Strachey's India and of the Report on the Moral and Material Progress of India, to the official pamphlet on the Land Revenue Policy of the British Government, and to certain Acts of general application.

Both examinations must be passed within three years, and the standard is 40 per cent. in each subject and 50 per cent. in the aggregate. Each examination may be passed in instalments, but in that case the standard is 60 per cent. in each paper. If an examination is taken as a whole, an examinee is exempted from further examination in any subject in which he obtains 60 per cent. of the possible marks.

The Lower Departmental Examination at present is admittedly incomplete. It is intended to include papers on the general principles of Government accounts, and of audit work, in India, but the lectures and books on these subjects are not yet ready. With the abolition of the qualifying examination, Political Economy and Book-keeping also will have to be included.

It is admitted that on the whole the system of training was not satisfactory except where the training was supervised by an Accountant-General who took a

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keen interest in it. The main defects in the old system were:—

(1) The recruits were given a mass of detailed rules to learn before they were taught the fundamental principles on which the rules are based.

(2) Attention was paid more to ensuring knowledge of the text books than to ascertaining whether recruits could apply them in practice.

(3) Recruits were left too much to their own guidance and, except in certain cases, they did not receive sufficient assistance from the heads of the offices in which they were trained.

It is felt too that with the enlarged sphere of the recruits' studies the training must be more systematic.

Defect (2) has already been removed by the change in the examination rules. It is hoped to remove the other objections by the establishment of a training school in Calcutta, under the supervision of an experienced officer, for the theoretical and practical training of the recruits, a reform which the Government of India have accepted in principle. Lectures will be delivered on the subjects set for the Departmental examinations, and it is intended that matters dealt with theoretically in the lectures shall be demonstrated to the recruits in practice by reference to concrete cases arising in, and by visits to, the various Account offices in Calcutta. The more senior recruits will receive training in the actual audit and compilation of accounts. The supervising officer will be responsible for the preparation of the working time-table, for the delivery of some of the lectures, and for the supervision of the practical work in Account offices. If some such school and regular course of study be started, it will be desirable, if possible, to obtain the recruits in England and in India on such dates as to enable them to start work in Calcutta simultaneously.

It is expected that the period of training will last a year or perhaps 18 months, and in view of the expensiveness of Calcutta it is suggested that each recruit should receive Rs. 400 per mensem while under training instead of the present rates of pay. The present and proposed rates are as follows:—

	Present.		Proposed.
	Recruited.		For all Recruits.
	In England.	In India.	
	Rs.	Rs.	Rs.
Initial pay	300	200	400
After passing lower standard.	350	300	400
After passing higher standard.	400	400	400
On completion of 3 years' service.	450	450	450

Indian and English officers of the Department receive the same rates of pay throughout their service except while under training, and it seems undesirable to maintain this slight distinction.

64,447. (III.)—Conditions of Service.—*Present position.*—It is unnecessary to describe here the constitution of the Department, rates of pay and pension, conditions as regards leave and so on, as these are dealt with under other heads of this memorandum. But there are certain general conditions which, perhaps, merit explanation.

Officers of the Indian Finance Department are not purely Account officers; the functions with which they are entrusted, as indicated in paragraph 64,444 (7) above, may also be such as to require a certain measure of financial ability.

The officers are liable to transfer to any part of India and to Burma.

The offices in which most of the work has to be done are all situated at provincial capitals, so that living is relatively more expensive than for officers

employed in ordinary districts. The expensiveness of the various stations also differs to a considerable extent. Out of 43 offices four only are in hill stations. Of these four, moreover, only one is of any size, and the location of that office (at Ranchi) is temporary. In each large Civil Account office there are now two officers, whose time is mainly occupied in inspection, which necessitates touring; and two Deputy Auditors-General and the Examiners of Customs and Press Accounts are also touring officers. The Comptroller and Auditor-General and the departmental Accountants-General also tour, and the amount of touring will probably increase, but the work of the Department as a whole is office work. And the offices are very large. That of the Chief Examiner, North-Western Railway, contains nearly 1,000 men, while the Accountant-General of a province, who is also a Commissioner of Paper Currency, probably has between 300 and 500 men under his control. Efficient supervision, therefore, is a most important part of the work of the gazetted officers. The general work of the Department, too, while important, cannot be described as intrinsically attractive.

The main difficulty in the conditions of service in the Indian Finance Department is its recent absorption of the Superior Accounts Branch of the Public Works Department. So far as the superior gazetted officers are concerned, it has not yet been found possible to amalgamate the list for pay and promotion. This is due to the inequality of prospects on the two lists. At the time of the amalgamation there were 89 officers on the Public Works side and, excluding Civilians, 68 on the Civil. The 89 officers had open to them one post of Accountant-General on Rs. 2,500, and six posts in Class I. on Rs. 1,500—60—1,800. The 66 officers had open to them four posts of Accountant-General with pays of Rs. 2,750, 2,500, and 2,250, and five posts in Class I. on Rs. 1,500—60—1,800. Since then two of the Class I.* appointments on the Public Works side have been converted into posts on the pay of Rs. 2,000 per mensem, and a Class III* appointment has been converted into a post on a pay of Rs. 1,800. The total number of non-Civilian Accountant-Generalships is now six, of which four are reserved for members of the old Enrolled List, one is reserved for members of the former Accounts Branch of the Public Works Department, and one is open to the officers of both branches.

Thus the prospects of the former Public Works Accounts officers have been improved since the amalgamation, but they are still not nearly so good as those of the old officers of the Enrolled List.

A temporary difficulty in the conditions of service arises from the present shortage of officers in the Department. But this is being dealt with, first by the recognition of the fact that the accepted strength of the Department should be taken at a higher figure than has hitherto been allowed, and, secondly, by liberal recruitment in the current year, so arranged (by means of the promotion of subordinates) that future promotion will not be interfered with.

Comments.—(1) The officers of the Department in paragraph 10 of their memorandum say that the post of the Comptroller and Auditor-General should be open in practice as well as in theory to members of the Indian Finance Department. It has already been explained that the special sanction of the Secretary of State is necessary to such an appointment. With his sanction a non-Civilian officer—Mr. Gay—was appointed in 1886.

(2) The post of Assistant-Secretary in the Finance Secretariat of the Government of India might be definitely reserved for the Indian Finance Department. It has been filled by such an officer since its creation.

64,448. (IV.)—Conditions of Salary.—The Enrolled List prior to 1906, and the Accounts Branch of the Public Works Department prior to 1909, constituted graded services.

* The three appointments referred to are those held by the principal Account officer of each of the three State railways.

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On the Civil side the Comptroller and Auditor-General and the Accountants-General were paid at the rates given in paragraph 64,444 (3) above.

The rates of pay of other officers were:—

	Rs.
5 in Class I.	1,500
5 " II.	1,250
7 " III.	1,000
11 " IV.	800
12 " V.	600
11 " VI.	400

5 probationers on Rs. 200 to 300.

On the Public Works side the Accountant-General was paid Rs. 2,500 and the rates of pay of other officers were:—

	Rs.
6 in Class I.	1,500—60—1,800
7 " II.	1,250
7 " III.	1,000
7 " IV. (1)	900
8 " V. (2)	800
10 " IV. (3)	700
16 Deputy Examiners, Class I.	600
17 Deputy Examiners, Class II.	400
10 Assistant Examiners	250

Exchange Compensation Allowance was then admissible. Since 1906 and 1909, respectively, the standard rates of pay have been those set out in paragraph 3 above, and new entrants have not received Exchange Compensation Allowance. When these changes were made it was estimated that there would be no marked difference in expenditure on the Enrolled List, but that the increase of cost for the Accounts Branch of the Public Works Department would be Rs. 52,146.

The number of appointments in Class I. has always been determined ultimately by the number of responsible posts in the Department justifying the pay allotted to that class, although it has not been the custom to reserve Class I. appointments for the specific officers who at any time hold the posts. On the Civil side of the amalgamated General List these appointments are at present: one Deputy Comptroller-General, two Deputy Auditors-General, the Comptroller, India Treasuries, and the Comptroller, Central Provinces. The sixth appointment is reserved for a member of the Indian Civil Service. On the Public Works side there were six such appointments, viz., the Examiners, North-Western Railway and Eastern Bengal State Railway, the Examiner, Military Works Services, the Examiner, Punjab (*i.e.*, the Senior Public Works Examiner in that province), the Railway Account Officer (now replaced by the Accountant-General, Railways), and one other senior officer. The Examiners, North-Western Railway, and Eastern Bengal State Railway, have now been granted fixed rates of pay at Rs. 2,000 per mensem, and the Class I. appointments are now reduced to four. The Railway Account Officer has been abolished, but the Secretary of State agreed that a post in Class II. (now Class III.) should be reduced instead of in Class I. He also agreed to a reduction in Class III. and not in Class I. when the pay of the Examiner, Oudh and Rohilkhand Railway, was fixed at Rs. 1,800.

Promotion to Class I. appointments goes by seniority tempered by selection, *i.e.*, an officer is passed over if not considered fit for the higher posts in the Department.

As regards acting and other allowances the position is as follows:—

Acting allowances are granted under the ordinary rules of the Civil Service Regulations at one-fifth of the pay of the appointment in which the officer is acting.

Fixed travelling allowance is granted to the two Deputy Auditors-General and the Deputy Accountant-General for Railways for inspection at the rate Rs. 200 per mensem, and to the Examiners of Customs and of Press Accounts at the rate of Rs. 150 per mensem.

Officers stationed in Calcutta, Bombay, and Rangoon draw house allowances under the schemes of house allowances sanctioned for those stations, while junior

officers stationed in Rangoon also draw local allowances under the Burma allowance rules.

Local allowances are granted as follows:—

	Per mensem.
(1) To the Accountant-General of Bombay	Rs. 250
(2) To the Accountants-General of Bengal and Burma	150
(3) To the Comptroller, India Treasuries	150
(4) To the Assistant Secretaries in the Finance and Public Works Departments	250
(5) To the two Assistant Accountants-General for Railways	150
(6) To the senior Assistants to the Chief Examiner, North-Western Railway	150
(7) To the Examiners of Local Fund Accounts in the various provinces and to the Examiners of Press and Customs Accounts	200

It has been shown in paragraph 64,444 (4) above that the number of senior appointments thrown open to the non-Civilian officers of the old Enrolled List has steadily increased, and in paragraph 64,448 that the pay of the officers of the old Accounts Branch of the Public Works Department was improved in 1909.

Comments.—(1) It is impossible at present to express an opinion on many of the suggestions put forward by the officers of the Department in their memorandum, but cause can, perhaps, be shown for the following modifications, viz.:—

(a) The conversion into Accountant-Generalships of the two posts of Comptroller, India Treasuries, and Comptroller, Central Provinces.

(b) The inclusion in Class I. of the Comptroller, Assam, the Deputy Accountant-General for Railways for inspection, and the senior officer on the North-Western Railway under the Chief Examiner.

The officers of the Department in their memorandum have adduced arguments which seem to be of weight in respect of the three posts of Comptrollers. The Deputy Accountant-General for Railways for inspection performs work in the inspection of Railway Account offices analogous to that performed by Deputy Auditors-General. The latter, it is true, inspect departmental as well as Civil Account offices, but this distinction, perhaps, is not so great as to warrant the exclusion of the former from Class I. in which there are posts for the latter.

The senior officer under the Chief Examiner of the North-Western Railway is in subordinate charge of the Traffic Audit Section of that office, the staff of which is about 600 men. The receipts for the audit of which he is responsible amount to nine crores of rupees.

(2) If the number of posts of Accountant-General be increased, a fourth grade on Rs. 2,000 might be introduced, and no increase should be made in the number of appointments of Accountants-General allotted to members of the Indian Civil Service.

(3) If it be decided to add to Class I. any of the posts mentioned in (1) above, the Comptroller, Assam, should be added to the Civil List, and the other two appointments to the Public Works List.

Also it is thought that even if the number of posts of Accountants-General be increased, the number of posts in Class I. on either list ought not to be reduced.

(4) In the event of the number of posts in Class I. being largely increased, it may, however, be necessary to consider whether it is necessary to go beyond a pay of Rs. 1,250 for Class III.

(5) Officers in Imperial Departments such as the Indian Finance Department are placed at a disadvantage in not knowing, when they take leave, to which part of India they will be posted on return. This means that in nearly all cases they must use Bombay as the port of departure from, and arrival in, India. Under existing rules they have to pay their fares from Bombay to the stations to which they are posted in India, even though this may be Lahore on one side or Rangoon on the other. It is suggested that Government might pay for one first-class ticket from Bombay to the station to which an officer is

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posted. In the same way an officer returning from long leave in India might be granted one fare to the station to which he is posted from the station where he served prior to going on leave.

(6) Prior to the amalgamation such work appertaining to the Civil Account offices as necessitated touring was done by the Examiners, Local Fund Accounts, who drew local allowances of Rs. 200 per mensem. On the Public Works side there was a considerable amount of touring, but it was split up among various officers, and special local allowances were not granted. The system of Public Works Accounts consequent on the amalgamation has not yet been finally settled, but it is probable that the amount of inspection work will be increased. The Accounts Department has now taken over the inspection of treasuries. When the revision of the system of work in Civil Account offices, consequent on these changes, has been effected, it will probably be found desirable to allot inspection work in most provinces to special officers, who, during their period of appointment to these posts will do little other work. If such officers be appointed they ought to receive local allowances in the same way as Examiners of Local Fund Accounts. The rate of Rs. 200, however, is, perhaps, unnecessarily liberal. The whole scheme of local allowances in the Department has already received very careful consideration, and has been put on one side merely because it is felt that it is impossible to come to a final decision until a new scheme of work under the revised conditions has been evolved.

64,449. (V.)—Conditions of Leave.—*Present position.*—For the leave rules applicable to the Indian Finance Department reference is invited to the separate memorandum by the Comptroller-General summarising the European and Indian Service Leave Rules and the pension rules.

Officers appointed in India come under the Indian Service Leave Rules until they draw Rs. 800 per mensem, all others come under the European Service Rules.

Article 308, Civil Service Regulations, refers to a limit which may be prescribed for the number of officers to be absent at the same time on furlough and special leave. No such limit has been fixed for the Indian Finance Department, but in practice, owing to the exigencies of the service and the present shortage of the cadre, leave due and asked for cannot always be granted.

Considerable modifications of these rules are now under the consideration of the Government of India. A summary of these modifications is appended to the memorandum referred to above.

Comments.—(1) The suggestion that the maximum leave allowance in India should be equal to the maximum leave allowance in England converted at the rate of 1s. 6d. for the rupee might be accepted.

(2) It is thought that with one or two slight reservations the modifications suggested in the leave rules, so far as they concern the Indian Finance Department, might be readily accepted.

It is doubtful whether it would be wise to remove all restrictions, save the will of the authority granting leave, on the number of years an officer must serve before he takes his first furlough. The minimum leave allowance tempts an officer to take leave in his early years of service when he ought to be learning his work and least requires leave. The limit might be fixed, however, at five years instead of eight.

Again, the revision of the rule for counting service and leave under Indian Service Leave Rules for service and leave under European Service Leave Rules, when an officer passes from one to the other, may present hardly on an officer who has taken much furlough on medical certificate under the former.

Thus an Indian officer in the Indian Finance Department may come under the European Service Leave Rules after 10 years' service. Under the present rule his leave due will then be one-eighth of 10 years minus special leave taken. (He will not have been entitled to furlough without medical certificate.) Under the proposed rule his leave due will then be one-sixth of 10 years minus any special leave or

furlough on medical certificate already taken. Leaving out of account special leave taken, and calling the amount of furlough on medical certificate taken F, an officer will lose under the new rule if $[\frac{1}{8}(10-F)-F]$ is less than $\frac{10}{8}$, i.e., if F is greater than $\frac{5}{4}$ years or about 4½ months. So that an Indian officer of the Indian Finance Department will lose by the proposed rule if he takes more than 4½ months' leave on medical certificate in his first 10 years' service. This can easily be remedied by giving an officer already in service the option of remaining under the old rules, if they are more favourable to him.

64,450. (VI.)—Conditions of Pension.—*Present position.*—Officers of the Indian Finance Department obtain pension under the ordinary rules in the Civil Service Regulations, a summary of which has been submitted in the separate memorandum referred in paragraph 64,449 above.

The special point to be noticed under this head is the large number of appointments which carry a claim to the special additional pension of Rs. 1,000 a year under Articles 475 and 643 of the Civil Service Regulations, the former Article referring to the Civil Accounts Department proper and the latter to the late Public Works Accounts. Subject to the usual condition as to the exhibition of special energy and efficiency during three years' tenure of the selected appointments, all Accountants-General and officers of Class I. are eligible for these pensions. As previously explained, the pay of the principal accounts appointment on the North-Western Railway and that on the Eastern Bengal State Railway have recently been raised, so that they no longer belong technically to Class I.; but a recommendation has been made to the Secretary of State that the privilege of qualification for the extra pension shall be restored in these cases. A similar recommendation has been made in favour of the Chief Examinership, Oudh and Rohilkhand Railway, which also has been removed from the regular grade classification by the approval of a special rate of pay for this appointment.

Comments.—The most important requests which have been put forward by the officers of the Department fall under this head. In offering the following comments therefore, the Comptroller-General would invite special reference to the remarks in paragraph 64,444 (1) as to the expression of opinion now offered being personal to himself.

It must be admitted that the general expensiveness of living both in England and in India has increased considerably since the maximum rates of pension were fixed many years ago, so that the officers can now save less in India, and their savings and pension are of less value, either in India or in England, when they retire.

Thirty years seem also a long period to require an officer to serve in India before he can take pension, specially in view of the fact that the strain of work is much greater now than it used to be.

For these reasons the following suggestions are put forward:—

(1) The clerical service of India can retire on pension after 30 years' qualifying service has been rendered. A member of the Indian Civil Service can retire after 25 years' service. The officers of the Indian Finance Department might be permitted to retire after a period of service intermediate between these limits. One would naturally suggest 27½ years, but this may be rounded off to 27 years.

Pensions at present are converted at 1s. 9d. the rupee. This is a fictitious rate and is used for no other purpose save pension. It is suggested that this opportunity might be taken of making pensions payable at 1s. 6d. the rupee instead of 1s. 9d., this rate being chosen because it has already been selected in making the following calculations:—

- (a) Deputation allowance in England.
- (b) Leave allowance in England.
- (c) Exchange compensation allowance, which is given at such a rate as will raise one-half of an officers' salary, the proportion which he may be presumed to spend in England, to 1s. 9d. the rupee.

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With this reduction in the rate of conversion, the maximum for ordinary pension might be Rs. 6,500 after 27 years' service as against Rs. 5,000 under the present rules.

The sterling value of the proposed maximum ordinary pension, converted at 1s. 6d. would then be £487½ as compared with £437½ represented by the present maximum of Rs. 5,000, converted at 1s. 9d. Corresponding changes in the reduced rates of pension for premature retirement on medical certificate would also be required.

Voluntary retirement is, under present rules, also permitted on the attainment of the age of 55, even though 30 years' full service has not been rendered; indeed, retirement at that age is compulsory unless Government grant an extension. On the reduction of the service limit to 27 years, the limit of age above mentioned (55 years) would ordinarily become meaningless as a limit at which voluntary retirement is permitted, as admission to Government service after the age of 25 years is prohibited under ordinary rule. It is suggested, therefore, that the age-limit might be reduced to 52 years.

The new rule would then be that voluntary retirement would be permitted after 27 years' qualifying service or on the attainment of 52 years of age, whichever is earlier. Retirement would be compulsory as at present at 55 years of age subject to the reservation to Government of its present power of granting extensions.

(2) The special pension admissible under Article 475, Civil Service Regulations, will also need revision if the rate of conversion be altered. It may be increased to Rs. 1,300 per annum, which will be one-fifth of the maximum ordinary pension proposed above. In sterling, at the proposed rate of conversion, this represents £97½ as against £87½ at present.

(3) It is also suggested that commutation of pension to the extent of one-quarter should be granted as a matter of course. The conditions under which such commutation has been granted have been made much more liberal within the last two years: indeed, they have now been made so liberal that they might be done away with altogether, for their retention throws much work on sanctioning authorities without apparently any compensating advantages.

64,451. (VIIb.)—Provincial Service.—*Present position.*—There is no Provincial Service in the Indian Finance Department, but there is a special class of gazetted officers called Chief Accountants on the Public Works side and Chief Superintendents on the Civil side. These officers are all promoted subordinates. The numbers and rates of pay are shown in the following statement:—

Pay.	Chief Superintendents.	Chief Accountants.
Class I., Rs. 600—30—750	4	3
Class II., Rs. 450—30—600	16	10

A vacancy in a post of Chief Superintendent is usually filled by the promotion of a subordinate in the office in which the vacancy occurs. The Comptroller and Auditor-General has, however, full power to fill the vacancy from another office, and he has exercised this power on occasions. Theoretically, a Chief Superintendent is liable to transfer, but the exercise of this power is almost unknown.

Chief Accountants are a legacy from the Public Works Accounts offices. They were recruited by the promotion of 1st and 2nd grade Accountants for whom there is one list for the whole of India, so that 1st and 2nd grade Accountants and Chief Accountants are liable to transfer, and are constantly transferred, all over India.

As the rates of pay of these two classes of officers are the same, and as their numbers are comparatively small, there ought to be little difficulty in their amalgamation, and there is no need to distinguish between them in future appointments.

Both Chief Superintendents and Accountants draw local allowances as follows:—

	Rs.
Calcutta or Bombay	50 per mensem.
Rangoon	100

Comments.—(1) The Comptroller-General has already recommended to Government the localisation of 1st and 2nd grade Accountants and Chief Accountants, and then the approximation of the conditions of service of the latter to those of Chief Superintendents. It will then be desirable to substitute a common title for the two existing titles of Chief Superintendents and Chief Accountants, and one which will also emphasise their gazetted status. The latter seems to be desirable because practical difficulty is sometimes found at present in getting officers of other Departments to recognise that Chief Superintendents and Chief Accountants are gazetted officers.

(2) A proposal as regards the promotion to the General List of these officers in common with other subordinates has been set forth elsewhere.

(3) There is a strong desire to make audit less mechanical and more intelligent. This can be effected only by the superior gazetted officers taking a more direct part in the initial work of the Department and exercising more efficient control. The question whether this end can be attained by making greater use of Chief Superintendents and Chief Accountants in the more mechanical portion of an officer's work, and thus setting free the General List officers for the more important duties and for closer supervision, is under consideration.

64,452. (VIIa.)—Limitations in the employment of non-Europeans.—*Present position.*—This has been fully set out in paragraph 64,445.

The present ratio of recruitment is half Indian and half European. This rate, however, was fixed in 1909 only, prior to which the ratio was roughly one-third to two-thirds. The actual figures at the present moment are, excluding Indian Civilians, 45 Indians and 113 Europeans. The large discrepancy between these figures and the now accepted ratio shown above is explained in paragraph 64,445. The main cause was the very small recruitment, up to quite recently, of Indians for the old Accounts Branch of the Public Works Departments. Of the first 45 officers on the Public Works side of the present General List, four only are Indians.

Comments.—It seems undesirable to include promoted subordinates in working to the present ratios of half and half. They are chosen by merit only, and nationality should not enter into the question.

If this be recognised as regards the promotion of subordinates, the present ratio might be maintained as regards other modes of appointment. Indians intellectually are well fitted for the work of the Department, and the intellectual calibre of our Indian recruits is very high. But the clerical staff of the Department is very large, and quite half the value of each officer depends upon the way in which he can supervise this staff, and here the European at present is better than the Indian. Again an attempt is being made to render audit less a mere technical application of rules and more a real check over extravagance and faulty methods of work. There is no doubt that at first it will be easier to train the European than the Indian officer in this respect, because the Indian, for the very reason that law so appeals to him is prone to drive an argument to its logical conclusion, and to spend as much time and trouble in pursuing an objection on a technical point to a small amount as an objection to a large sum on a matter of principle. Theoretically this may be sound, but it leads to waste of time and friction in regard to trivial and technical points, and, if pushed to the extreme limit, will necessitate far larger establishments than exist at present, especially of gazetted officers. Government are not prepared, it is understood, to face the large additional expenditure involved, and, therefore, some modification of audit procedure is essential. Again, it is probable that shortly a larger number of officers will be occupied in touring than at present, and the European is better fitted for such work and more willing to undertake it.

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While, therefore, it is fully admitted that in many respects the Indian is extremely well suited for the work of the Department, it is considered that, for the present, the interests of Government will be best served by maintaining the present standard of recruitment, *i.e.*, half and half.

It should be emphasised that this paragraph is purely an expression of the Comptroller-General's own personal views.

64,453. (VIII)—Relations with other Services.—*Present position.*—The writers of this memorandum are not quite certain as to the point of view from which the Royal Commission desire that this branch of the subject should be approached. One possible aspect of it has been already discussed in dealing with the recruitment of officers of the Indian Civil Service for this Department, and with the circumstance that the headship of the Department is ordinarily held by an officer of that service. As regards their daily official relations with other officers of Government, it is hardly necessary to explain that the duties of the Accounts Department are such as to bring them into constant

contact, personally or by correspondence, with all classes of Government servants from the highest to the lowest, and the transaction of these duties, without friction, and at the same time without any surrender of the special position of an audit officer, demands high qualities of independence and patience. An audit officer as such is not, generally speaking, given discretionary powers, a fact which is perhaps sometimes overlooked or unknown. Other services of Government again, are probably not fully acquainted with the essential importance of the functions which he exercises, especially in regard to the higher classes of his work. It has been the aim of the Government in recent years to strengthen the hands of the Audit Department and to encourage a fuller appreciation of the important part which they play in the administrative machinery, and, as already stated, the Government of India are already considering proposals in regard to the status and duties of the Auditor-Generalship which may be expected to react favourably upon the efficiency and prestige of the Department as a whole.

M. F. GAUNTLETT.
J. B. BRUNYATE.

Messrs. GAUNTLETT and BRUNYATE called and examined.

64,454. (Chairman.) Mr. GAUNTLETT said that he joined the Department in 1897, and had occupied the post of Comptroller and Auditor-General since the end of March 1912. His present appointment was *sub. pro tem.* as the question of the status of the post was under the consideration of the Secretary of State; and the Government of India had come to the decision that until the matter was settled, no final appointment ought to be made.

Mr. BRUNYATE said that he had been Acting Secretary to the Government of India since May last, in the absence of Mr. Gillan, and had previously acted for a short time in 1908. He had been connected with the Finance Department at intervals between 1897 and the present day.

64,455. On the question of recruitment, Mr. GAUNTLETT said that he was satisfied with the 50 per cent. ratio as between European and Indian officers, provided that it was applied only to officers appointed by the Secretary of State, or by examination in India, and not to officers promoted from the ranks. His view was that promotion from the subordinate service ought to be, as it was, entirely by merit, and that being so, it was undesirable to lay down any fixed proportions.

Mr. BRUNYATE, on the other hand, took the view, first, that if no fixed proportions were prescribed, there might be a tendency to promote one class of subordinates to the exclusion of another class; and he suggested that this tendency had revealed itself in the Public Works Accounts, where an exceedingly large proportion of the promotion appointments was given to Europeans. Secondly, the promotion of subordinates was a convenient method of dealing with irregularities of recruitment, which might otherwise lead ultimately to irregular promotion; and from that point of view also he thought that it was better to consider the whole mass of appointments together in applying the 50 per cent. ratio. He would not say that of the subordinates who were promoted 50 per cent. must be Europeans and 50 per cent. must be Indians, but he would say that taking the three methods of recruitment together—appointments made by selection in England, by examination in India, and by promotion of subordinates, 50 per cent. should be Europeans and 50 per cent. should be Indians. He did not think that as a result of that an undue proportion of Europeans would be promoted by any of the three methods considered singly.

64,456. Mr. GAUNTLETT said that the effect of his proposal in respect of racial proportion would depend on the way in which the promotion of subordinates would be conducted. If more Indians than non-Indians were promoted from the subordinate to the higher ranks, then the result would be that there would be more Indians than 50 per cent. in the total; on the other hand, if more non-Indians were promoted, then the result would be under 50 per cent.

Mr. BRUNYATE said what he desired to guard against under any particular regime, was the promotion of officers belonging to one community to the exclusion of officers belonging to another community. He thought on the whole, if standards of the kind suggested were to be adopted, it was safer to apply them all round.

64,457. Mr. GAUNTLETT considered it essential to recruit a proportion of the staff from England, for the reasons stated in the memorandum, and with this opinion Mr. BRUNYATE agreed. In Mr. BRUNYATE'S judgment the audit department had not nearly reached the standard which would ultimately be required, and he thought that that standard was more likely to be attained by having in the department representatives of both races, who would educate one another, and would mutually modify the traditions which either class by itself would be likely to set up. Mr. GAUNTLETT added that at the present time if he desired to have the technicalities of a question thoroughly worked out, there were two or three Indians in this Department to whom he would ordinarily turn for assistance; whereas if the discipline in an office had been bad and he wished to get the office put in order, he would usually call upon the European officer.

64,458. Mr. GAUNTLETT explained that at the present time three of the 10 posts of Accountant-General were held by Indians. Of these, one was permanently employed as such; another had the honorary rank of Accountant-General and was working as his assistant, in charge of the separate office in Calcutta; and another was officiating Accountant-General at Allahabad.

Asked whether he would view with approval an increase of Indians in the grade of Accountant-General, Mr. GAUNTLETT said that once the half-and-half ratio was adopted, he could not see how Indians could be prevented from becoming Accountants-General, unless it was found by experience that a relatively large proportion of Indian officers was ineligible for promotion to Accountant-General's rank.

64,459. Mr. GAUNTLETT explained that the work of the Department required individual discretion and not merely a knowledge of the regulations, and he referred especially to the work which Accountants-General had to perform in regard to currency. In two stations at least, quite half the personal work of the Accountants-General is concerned with other than audit and account matters, such as the movement of funds within the province, the gauging of the requirement of funds to finance the movements of crops and generally the supply to the Government of India of timely information as to the financial position in important trade centres. Such work was not merely of a statistical character. The officer had to gauge what was the financial situation at any given moment—whether it was likely to become worse or better. He admitted,

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however, that the financial position could be ascertained by anybody skilled in finance.

Mr. GAUNTLETT stated that the service had been entirely recruited in India up till 1899. He thought the reason why that system of recruitment was changed was because it was felt that the English personnel obtainable in India was not exactly of the type that could be obtained at home. He was quite satisfied with the ratio which existed at present, and recruitment according to that ratio would inevitably result sooner or later in the Department being formed of half Indians and half Europeans.

64,460. Dealing with the comparative merits of the various methods of recruitment, nomination, limited competition, and open competition—Mr. GAUNTLETT said he was in favour of competition after nomination. He did not like the present system of pure nomination, because in his opinion Europeans of the requisite mental calibre are not always obtained under such a system. At present they were getting men at the University leaving age of from 22 to 25. He did not think he would like to see the age limits reduced, although he had no special views on the subject. It was important to remember in that connection that a long period of training in India was necessary; in fact, the period of training must be longer now than it used to be because the work of the Department had increased. An officer recruited at 25 did not really get to serious work until he had reached the age of 27. He did not think that was too late, because if, as he suggested, retirement was allowed after 27 years' service, an officer could retire at 52 years of age, and he did not consider a man of 52 was too old for work.

Men of the honours graduate class very rarely came from England into the Finance Departments. He believed the idea at one time was that an officer who had just failed for the Indian Civil Service should have a prior claim to appointment, but there had certainly been some officers recruited of late years who had not belonged to that class.

64,461. Mr. GAUNTLETT considered that men who held such qualifications as were prescribed in the circular issued by the Secretary of State did find the work somewhat monotonous. At the same time he thought that any man worth his salt would settle down and do his work honestly. He set more store by an examination than by a degree, because after all, it was not so very difficult to obtain a degree of some character in England.

64,462. Mr. GAUNTLETT was in favour of the promotion of subordinates to the extent of one-sixth, but full discretion should be reserved to vary the proportion in particular years as circumstances might require, provided that it was adhered to taking a series of years together. By that means he thought the tendency towards blocks in promotion would be averted. With this view Mr. Brunyate agreed.

64,463. Mr. GAUNTLETT said he did not find anything anomalous or invidious in the position of the Chief Superintendents in relation to the officers on the General List. There was, he said, a tendency for officers of other departments not to recognise the Chief Superintendent as a gazetted officer. Occasionally his Department received querulous letters from officers in other Departments asking what was meant by letters being addressed to them over the signature of a man who was not a gazetted officer. In the Department itself, however, the officers worked very well together; and the particular evil to which he had called attention was one which was quite susceptible to remedy. For instance, the Chief Superintendent could be given a title which would indicate that he was a gazetted officer.

64,464. With regard to promotion from the subordinate service to the grade of Chief Superintendent, Mr. GAUNTLETT pointed out that the subordinates desired to get promotion to the General List, but they did distinctly realise the value of promotion from the subordinate service to the grade of Chief Superintendent; one important reason being that a Chief Superintendent was not ordinarily liable to transfer all over India, whereas a gazetted officer

was so liable. He knew some subordinates who preferred the certainty of a Chief Superintendentship, in order that they could remain in their own province and in their homes, rather than promotion to the General List, with the risk it entailed of being transferred to other parts of India.

64,465. Mr. GAUNTLETT said that appointments on the General List were open to Chief Superintendents as well as to the subordinate service, but he was bound to recognise that the qualifications which were necessary for a Chief Superintendent were not always sufficient for an officer of the superior service. Adverting to a suggestion by a witness to be called that the Superintendent's grade should be extinguished, and that an equivalent number of posts should be added to the General List, the witness thought it would be found, certainly among Indians, that there was a difference of opinion on that point. For the reasons he had already given, he thought some Indians would prefer the Chief Superintendent's post with a certainty of remaining in his own home. Further, some men might be qualified for the position of Chief Superintendent, who could not be regarded as qualified for promotion to the General List. There was a considerable body of work in the Accounts offices which could be done quite well by officers of the status of Chief Superintendent, and it would be an unnecessary expense to Government to include all the Chief Superintendents' posts in the General List.

64,466. Mr. BRUNYATE desired to call attention to one point in regard to the limit of one-sixth as applicable to the number of officers promoted to the General List or the limit of one-third previously laid down for the superior Public Works Accounts. He thought in actual practice such limits had always been interpreted as meaning one-sixth of vacancies or one-third of vacancies, and not as meaning one-sixth or one-third of the total number of appointments in the Department. The difference was of practical importance. If subordinates were promoted to every sixth vacancy at an average age of, say 35, the promoted officers would not constitute one-sixth of the Department. It was therefore important if the Royal Commission had occasion to make any recommendation on this subject, that they should make their intention perfectly clear. In this connection he pointed out that the calculations at the end of the memorandum showing the prospects of promotion to the higher appointments were worked out actuarially on the total number of appointments in the Department, but if a considerable number of the General List appointments were filled by subordinates who were promoted too late in life ever to emerge from the time scale at all, the calculations might be rendered quite erroneous.

64,467. Mr. GAUNTLETT said that the result of reducing the number of Indian Civil Service officers in training for Accountant-Generalships from four to two would be to increase by two the number of Departmental officers Class III. He did not think it was contemplated that the number of Class I. appointments should be reduced, but that there should be an additional appointment in Class I. for the second Civilian, the three appointments in Class II. being eventually abolished. The suggestion was not made from the point of view of improving the prospects of the Departmental officers, but with the object of improving the recruitment of Civilians. He laid stress upon continuing the system of introducing the Indian Civil Service officer with his broader administrative experience. In order to get competent Indian Civil Service officers for the higher grades of the Service his Department considered it necessary that these officers should have at least three years' training before being given a permanent post as Accountant-General. They would like to have officers earmarked for the position. At present this was not the case. The present system was to scatter invitations broadcast all over India, and with some difficulty Civilians were found who offered to serve in the Department for three years. There was undoubtedly a tendency at the present moment for the young Civilian to come into the Department for the three years' training, because it gave him a certainty for three years of a salary of Rs. 1,000 and Rs. 1,200,

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instead of a salary varying from Rs. 600 to Rs. 800, but it might or might not be the case that the officer thereby obtained had the least desire to throw in his lot with the Department permanently.

64,468. Asked whether he did not think that out of the 150 officers nine could be found who would be competent to discharge the duties of an Accountant-General, Mr. GAUNTLETT said that in the process of Account and Audit his Department touched every single branch of work throughout India. Thus Departmental officers, in the course of their Service, come into touch with all branches of work, but mainly or solely from an accounts standpoint, whereas the Indian Civil Servant had come into touch with a considerable number of these branches of work from the executive point of view also. He had actually to do the work for which accounts were prepared and audited by the Accounts Department, and the whole theory of employing the Civilian in the Department rested on the fact that his administrative training in the general line had given him a knowledge of the executive aspects of questions, and enabled him to understand how the various branches of work were interwoven with each other. He was, therefore, able to understand more clearly what a decision on an audit or account question might mean, both in its effect on the point at issue and also in its indirect effects on other branches of work. The knowledge was of a type which it would be rather difficult for other officers in the Department, who saw nothing but the accounts aspect of any question, to obtain. He thought it would be undesirable to bring in a Civilian direct as Accountant-General, unless he had had some years' previous technical training to fit him for the post. He quite agreed that the more opportunities there were for high appointments to officers within the Service, the more the Service was encouraged and the more likely was the Service to get good recruits. That was the view on which the Finance Department had been steadily working. He added in this connection that two years ago they had abolished a rule which made it practically impossible for anybody but a Civilian Accountant-General to rise to the highest pay of the Department. There were now separate lists, and there would always be one non-Civilian in the grade of Accountant-General, Class I, and two in Class II.

64,469. With regard to training, Mr. GAUNTLETT said that he did not consider the present regulations altogether satisfactory, and suggested the inauguration of a training school for recruits at Calcutta.

Mr. BRUNYATE said that definite proposals had been put forward for a training school in Calcutta. The probationers would be assembled there; and there would be an Accounts officer of reasonably high standing in sole charge, who would do most of the lecturing. The further lecturing beyond his scope would be done by other lecturers. Practical work would be combined with teaching work. A scheme on these lines had been put before the Finance Member and had been accepted by him, but he thought it was intended not to proceed with the matter until the Government had the Commission's recommendation before it. The term "training school" was used in this connection, not to connote expensive building and similar arrangements, which were not contemplated, but a scheme of an economical nature which would provide essentially for the direction and supervision of study, for teaching, and above all, for the combination of teaching with practical work, the whole being carried on in accommodation already available at Calcutta.

64,470. Mr. GAUNTLETT said the main advantage of a school of this character was that the probationer would receive instruction in the fundamental principles of accounts and of audit. Hitherto, every officer who came into the Department had been obliged to wade through a mass of rules, and gradually to evolve the principles for himself, and the extent to which he could evolve the underlying principles depended entirely upon his own ability. Some officers did not understand them yet. He thought it would be very difficult to include in the examination for entrance into the Department any subject, instruction in which was

included in the training school syllabus, because the system of accounts in the Indian Accounts Office, and certainly the system of audit, were of a type quite different from those employed by ordinary commercial firms. For instance, one of the subjects set at a previous examination was book-keeping by single entry. That, of course, was quite useful in dealing with accounts of local bodies with which the Department had sometimes to deal—such as the Port Trust and the Improvement Trusts and the Corporations in Calcutta, Bombay, Rangoon, Karachi and Madras—but the ordinary accounts system of the Indian Government Accounts and the audit principles followed in India were not matters which could be learnt from an ordinary book on English book-keeping.

64,471. With regard to the question of leave, Mr. GAUNTLETT said that in his opinion the present leave reserve was not adequate. He explained that the cadre was made up of the actual number of posts, plus 30 per cent. for leave and training. He could not tell the Committee at the present moment what proportion of the 30 per cent. was appropriated for training, but 10 per cent. was allowed for training and deputation. In his view the 30 per cent. was inadequate and he had submitted a note to the Government of India on the subject. It had, however, been shown that his Department was still many men short of the number required under the 30 per cent. rule, and it was therefore felt to be impossible to consider any increase in the percentage for some years to come. The matter was therefore left in abeyance, and would be further considered when they had reached their authorised numbers. This would be in April 1915.

Mr. BRUNYATE thought that the question had been very much obscured by the fact that the Indian Finance Department had not obtained as yet even the full strength to which it was entitled under criteria on which they were all agreed. In the first place the Department stated its sanctioned strength at a certain figure, and it had not been getting that sanctioned strength; in the second place, in laying down a figure for its sanctioned strength, it was proceeding on palpably wrong data, and Mr. Gauntlett had already been told that he could rectify that; it was only after this that the point could arise whether the 20 per cent. leave reserve was adequate or not. Until Mr. Gauntlett had been working for some time on such a strength as was obviously proper, and which he had not been able to obtain in the past, it was a little difficult to appeal to past experience with regard to the 20 per cent. and say it had been proved to be inadequate. Although he did not desire to express any considered and final opinion against raising the 20 per cent., he would point out that in the Public Works Department the percentage was only 20.5 per cent., in the Police Department 21.3 per cent., and in the Forest Department 25 per cent., which included deputations; so that probably the leave reserve in the Forest Department was something more like 21 per cent. The Finance Department was manned very largely by Indians, who undoubtedly did not take the amount of leave that their European colleagues did, and he could as yet see no *prima facie* case why a 20 per cent. leave reserve was inadequate.

64,472. With reference to a complaint which had been made that too frequently a young recruit, instead of being given a wide general experience, was tied down to one specific piece of work, Mr. GAUNTLETT said that one of the rules so far had been that a recruit had to be counted against the strength of an office as soon as he had passed the first of the two Departmental examinations. The consequence had been that unless an office was overmanned the recruit was made to do a full day's work from the time he had passed his lower Departmental examination. The rules had therefore been cancelled.

Mr. BRUNYATE said Mr. Gauntlett had already been authorised not to bring any recruit on to the strength until he had had two years' experience, and this would ease the situation very considerably.

64,473. Dealing with the question of leave, Mr. GAUNTLETT said that he was generally in favour of the proposals which the Government of India had

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circulated for opinion but that he would like officers to be allowed to take first furlough after five years. He did not think it was desirable that young officers should be encouraged to take leave almost immediately they came out to the country. They did not require it so urgently as later on, and the present rules might tend to induce them to go on leave at an early period of service, because an officer could obtain the value of the minimum leave pay during his junior service, which he would not obtain at a later period.

Mr. BRUNYATE said he did not entirely agree with Mr. GAUNTLETT on the matter. He would sooner adopt the system which he understood the Government of India to be in favour of, namely, the removal of hard and fast restrictions, with discretion reserved to Government to deal with applications from the point of view of Service exigencies.

64,474. Mr. GAUNTLETT said he saw no justification for the extension of the European rules to the whole Service. The only argument in favour of such an extension was that only in matter of leave was there now any difference of treatment as between the Indian and the European officer. At the same time he did not think that any change which might be made would alter in the least the tendency of the Indian officer to take much less leave than his European colleague. It was also relevant to point out that the alterations which had been suggested in the Indian Service leave rules were far greater than the alterations which had been suggested in the European Service leave rules. If the suggestions were accepted, Europeans would be very much more on an equality with Indians than they were at the present moment. He thought it was more a sentimental demand than a practical one.

64,475. (*Sir Valentine Chirol.*) Mr. GAUNTLETT said there were two classes of promotion, one to the grade of Chief Superintendent and the other to the General List. The selection of officers for promotion was made on the basis of confidential reports, and also on the knowledge which the head of the Department endeavoured to obtain of the men who were under him. Regarding a suggestion which had been made to the Commission that men who worked in the Secretariat of the Finance Department, and those who came more prominently before the notice of the heads of the Department, were more likely to be promoted than men who were employed in the Accounts offices away from headquarters, Mr. GAUNTLETT said that so far as the Finance Secretariat was concerned, that criticism could be offered only in respect of the appointments which were made in 1913. He thought if the Commission went through the list as it stood at the present moment, they would find there had been hardly any cases of promotion to the General List from the Finance Secretariat, except cases of Superintendents who had held the post of Budget Superintendent of the Government of India, which was recognised as the most difficult and honourable post in the subordinate Secretariat. This superintendentship, moreover (Mr. BRUNYATE pointed out), was always filled by a selected member of the subordinate Accounts Department whose abilities would have in any case given him exceptional chances of promotion, even if he had remained in the ordinary line of his department.

64,476. Referring to a complaint which had been put forward that Chief Superintendents who were recommended for promotion to the General List year after year were sometimes superseded by outsiders or men from other provinces without any real co-ordination of their merits, Mr. GAUNTLETT said that all the confidential reports on Chief Superintendents came before him regularly every year, and that if an appointment had to be made to the General List, he wrote round to all his officers to obtain their opinions. He had done his utmost since he had been in the Department to try to get into touch with every senior member of the subordinate Account Service. He had had personal interviews with almost every Superintendent working under him, and the proposals which he put forward on the best of his knowledge were submitted to the most careful scrutiny in the Finance Department. Of course, it was always very difficult to

choose the best men out of an establishment of 6,000, one could not do more than one's best. The aim was to promote the most meritorious men.

64,477. Dealing with the complaint that officers on furlough were put to needless expense through being obliged in all cases to return to Bombay when their furlough had expired, Mr. GAUNTLETT thought the point might be put in a slightly different way. The real difficulty was that when an officer went on long leave, he did not know in the least where he would be posted when he returned. He went home for less than two years. It was always advantageous to him to take a return ticket, and the only place from which he could take a return ticket with any certainty of being able to utilise it on return was Bombay. If an officer was in Rangoon, and desired to go home, he could get an excellent steamer service from Rangoon, but that was of no use to him if he was posted to Lahore on his return. He was obliged to take a ticket from Bombay if he wanted to get the benefit of a return fare. He quite agreed that a man ought to have as long notice as possible as to the place where he was to be posted, but he did not think it would influence his expenses in the very least. Moreover, it was sometimes very difficult to know whether a senior officer would return to India or not, or whether he would eventually decide to come out at a particular moment; and occasionally an officer might say he was going on leave and then change his mind, and the whole chain of arrangements would be thrown out. At the same time, his Department did try to give an officer information as to where he was to be posted at the earliest possible moment.

64,478. Mr. GAUNTLETT said that his Department was not invariably consulted as to changes in the rates of pay of the various Public Services, and it would not be fair to say that responsibility for the very remarkable anomalies existing in the rates of pay of different Services rested in any way with the Indian Finance Department, except in so far as the Finance Secretariat was technically supposed to form part of the Indian Finance Department.

Mr. BRUNYATE explained that the Accounts and Audit Department had no responsibility in the matter. All that kind of work, certainly on the Civil side, was discharged by his own Secretariat, and the Government of India, and the corresponding Secretariats of the local Governments. On the Military side, where there were no local Governments, and no trained Finance Secretariats, the Accounts officers did to some extent offer advice on proposals as to rates of salary.

Mr. GAUNTLETT agreed that outside the Civil Accounts Branch more financial advice was given on general financial questions. In the Railway Department, for instance, the head of the Accounts Office would probably have an opportunity of commenting on any question affecting rates of salary on the State Railways, though he would not be responsible in any way for the final decision.

64,479. (*Mr. Sly.*) Mr. GAUNTLETT explained that he objected to the recruitment of Europeans in England at the school-leaving age instead of at the University-leaving age because he thought that recruitment at the school-leaving age would not give the Department as good an officer as it at present obtained. At the school-leaving age, if a boy was of great ability, he would wish to go on to the University and see what his prospects were likely to be, before he decided definitely to take up a career. He would much prefer an officer who had been through the University. The age limits might be made from 21 to 23, but he confessed he had not considered the question of reducing the age.

Mr. BRUNYATE considered the essential point was to be certain of getting good men. The Indian candidates who competed at the examination were some of the most brilliant men of the year, men who were at the top of their own academic tree, and the Department was fairly sure of getting exceedingly good men intellectually. As regards officers from England, if a man has been through the University and obtained certain distinctions, then there was some guarantee that he was a reasonably good man. If he had not been through the University, there was not that

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guarantee, but he himself should see no objection to some form of selection by examination which would give that guarantee, e.g., he would be glad to see selections for the Indian Finance Department made by means of the examination now held for the Indian Civil Service. If such a plan were adopted, but the age of competition for the Indian Civil Service were lowered, then he would have no objection to the age being lowered for the Indian Finance Department also.

64,430. With regard to the proposed training school at Calcutta, MR. BRUNYATE said that the annual number of recruits to the Department who would be in the school at the same time would be about twelve.

64,431. Mr. GAUNTLETT said that the duties of Chief Superintendents were similar to those performed by officers on the General List of the Finance Department, and yet they were dissimilar. There were branches in the Account Office, some of which were of greater importance than others, and it would ordinarily be the custom to put a Chief Superintendent in charge of some of the smaller and less important branches of the office, keeping more experienced General List officers for the more responsible Departments. Their status would be the same as that of the General List officers, but the quality of the work given to each class of officers would be determined by the requirements of the various branches of the office. Apart from the direct control of a particular section of the office, it was ordinarily, but by no means necessarily, the duty of a Chief Superintendent to be in general charge of the whole office establishment.

64,432. With regard to a proposal that the Finance Department Secretariat posts of Deputy Secretary and Assistant Secretary should be definitely reserved for the Indian Finance Department, MR. GAUNTLETT said that when the appointment of Deputy Secretary in the Finance Department was sanctioned by the Secretary of State it was decided that the pay of the post should be equal to that of an Accountant-General, and he believed the first officer appointed to the post was an Indian Civil Service Accountant-General. It was stated in the Secretary of State's despatch that the officer's status would be that of an Accountant-General, but the view generally taken was that an officer who had to deal with demands from every branch of the Service throughout India, required rather an intimate knowledge of the inside working of those branches of the Department than experience of account and audit. That was the reason why the post of Deputy Secretary had ever since been filled by an officer with general experience rather than by an officer with merely experience of accounts.

Mr. BRUNYATE said the Deputy Secretary had nothing whatever to do with accounts and very little to do with audit; and when the Government of India proceeded on the assumption that the post ought to be filled by men of general capacity and experience rather than by Accounts officers, it was no mere conventional counsel of perfection. As a matter of fact the post had been filled by some very distinguished men.

Mr. GAUNTLETT said he should mention that the appointment was made at the instance of the Secretary of State, who had said there ought to be an officer in the Finance Secretariat, whose special duty it would be to see that the Secretary of State's sanction to expenditure was obtained whenever such sanction was necessary. He believed that this special duty was imposed upon the Deputy Secretary.

64,433. Dealing with the grievance that house rent allowances were not paid to bachelors or to married men who lived at a station without their wives and families, MR. GAUNTLETT said the reason put forward by the Government of India for the distinction was that there was not the same extra expense on a bachelor as there was on a married officer. To that extent he agreed, but when it was urged that a married officer incurred no extra expense at a Presidency Town, he could not altogether agree, because if his wife and children were not with him in the Presidency, he had to maintain them in a separate house, and this must be a more expensive means of providing for them than if they were living with him. His personal view

on the matter was that the distinction should be abolished.

Mr. BRUNYATE said the point really was that Mr. A., living in Calcutta, with his wife and family at Mussoorie, was not necessarily paying more than Mr. B., living in Benares, with his wife and children at Mussoorie. Moreover, the rules were exceedingly liberal on that point in that they provided for the continuance of the allowance for something like four months after the wife of an officer left the Presidency town. Finally, he would point out that some means had to be devised of dealing with an exceedingly difficult situation which had arisen in several of the big towns. It was hoped, at the time, eventually to build houses, and so to deal with the rent question. Meanwhile, allowances had to be given, and some scheme had to be put forward to the Secretary of State which had a reasonable chance of being accepted. So it came about that the payment of house allowances was hedged in by restrictions which had been found distasteful, but which were not altogether without justification.

64,434. With reference to a complaint that the commutation rules were unsatisfactory in that commutation was allowed only at the rupee value of 1s. 4d., whereas a pension was paid at the privilege rate of 1s. 9d. MR. GAUNTLETT said that if the computation was allowed at the 1s. 9d. rate, it would have to be made on the money drawn in England, which would need the sanction of the Secretary of State; but he thought if commutation was allowed, it ought to be allowed at the same rate as pension. At the same time he pointed out that he had suggested that the 1s. 9d. rate for pension payments should be reduced.

64,435. Mr. GAUNTLETT thought that some officers in his Department were in favour of a Family Pension Fund in substitution for the present Provident Fund, but he had not heard such a scheme very strongly urged.

64,436. Dealing with a proposal that the pay of probationers and junior officers should be increased to meet the cost of living, Mr. GAUNTLETT said that he understood that the Government of India would be prepared to support this suggestion, in view of the proposal to institute a training school at Calcutta, and in due course to submit to the Secretary of State a recommendation for a flat rate of Rs. 400 during the whole period of training. He did not agree that whether an officer was under training at the training school in Calcutta or under training in an office elsewhere, he was living at the same rate of expense.

64,437. (Mr. Gokhale.) Mr. GAUNTLETT said that if the age was lowered to 17 to 19, the result would be an unnatural forcing of the young Indian students. There was no guarantee that the Anglo-Indian community would get any of the appointments offered unless they were able to pass the examination, for which they had to be nominated.

Mr. BRUNYATE said a register was kept of candidates for examination, who were in fact very numerous. At the coming examination, for example, when there happened to be four vacancies the number of candidates was something over 100. A relatively liberal representation would be given to any Anglo-Indians among them, so that they might have every reasonable opportunity of competing effectively, but it was known, as a matter of experience, that such men would not defeat other candidates.

Mr. GAUNTLETT said that it was true that before 1892 and 1893 a very large proportion of the appointments were held by Anglo-Indians, but since the new rules had come into force Anglo-Indian recruitment had practically ceased. The explanation of this was, he believed, that the examination previously held was of a lower type, and the raising of the standard of examination had practically meant that the whole of the vacancies were filled by Indians.

64,438. In further reply to Mr. Gokhale, Mr. GAUNTLETT said there was a difference of opinion between Mr. Brunyate and himself with regard to the ratio of men to be promoted. He himself proposed that the half-and-half ratio should apply to direct recruitment only, and that the men should be promoted

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only on the ground of merit. He agreed that at one time under such a method most of the promotions were given to Europeans and Anglo-Indians. That had been the case in the old Public Works Department. But he was of opinion that that would not occur again, because the proportion of Anglo-Indians to Indians in the superior subordinate account branches of the combined offices would be very much smaller than it was in the old Public Works offices.

64,489. Mr. GAUNTLETT said he was aware that so far back as 1872 the Home Government had laid down the principle: "That so far as may be possible and consistent with the requirements of the Public Service, all offices, other than those reserved for the Covenanted Civil Service, and those for which technical or professional qualifications are desirable, should be held by natives of India," but he thought his proposal was strictly in accordance with this principle, and that it was consistent with the interests of the Public Service that half the Department should consist of Indians of unmixed descent. Why he desired that such a large proportion as one-half of the

vacancies should be filled by Europeans was in order to ensure for the Department the possession of certain essential qualifications. He did not say for a moment that such qualifications were lacking in the Indian, but he said they were present to a greater degree in the European. Mr. GAUNTLETT added that at the present time he did know of one case where the organisation of an office had deteriorated considerably while under the control of an Indian. It was difficult to say whether there had been many cases of the sort, because not many Indians had been put in charge of an office up to the present. It was a question which he would be able to answer more fully in a few more years' time.

64,490. The new office of Comptroller-General of Currency had not yet been created. The present position was that the Secretary of State had agreed to a division of the duties for which the Comptroller-General was responsible. He believed that an appointment to the new post would be made early in January. What would be thereafter the status of the Comptroller and Auditor-General was still to be determined.

The witnesses withdrew.

P. N. MUKHERJI, Esq., Assistant Audit Officer, Delhi.

Written Statement relating to the Indian Finance Department.

64,491. As a representative of the Chief Superintendent's branch of the Indian Finance Department, I beg to submit the following memorandum for the consideration of the Royal Commission on the Public Services in India.

64,492. (I.)—*Method of Recruitment.*—This branch of the Department is recruited almost wholly by promotion of senior members of the subordinate Account Service—a service which was created, as stated in paragraph 82 of the Report of the Public Services Commission of 1886-87, with a view of remedying the defects of the older system which allowed men to rise from the lowest-paid clerical appointments, and was thus a source of danger of *responsible offices* being filled in course of seniority by men who had outlived their energy, the Commission being of opinion that the establishment of a separate service secured a higher stamp of men than could otherwise be obtained.

The above system of recruitment for the Chief Superintendent branch is quite sound in theory, but, in practical working, it has resulted in anomalies, and has, I venture to submit, adversely affected the efficiency of the Service. This defect has arisen in two ways. In the first place, promotions are made from amongst the members of the subordinate Service who happen to be serving in the particular offices where vacancies take place, to the exclusion of senior and more deserving members serving elsewhere. In the next place, these promotions are in nine cases out of ten made strictly according to seniority. The former arrangement results in an unequal flow of promotion, while the latter is responsible for the existence of men in the Chief Superintendents Service who are, rightly or wrongly, considered indifferent by the authorities.

The Chief Superintendents list is a general one for all India and their claims to promotion to the General List of the Indian Finance Department have necessarily to be considered in order of seniority on that list. This being the case, the filling up of a vacancy in the latter list from amongst men who may happen to be serving at the time in the office where such a vacancy occurs, to the exclusion of the claims of others serving elsewhere, can hardly be considered a fair arrangement. It is admitted that it is difficult to remove this defect under the existing organisation of the subordinate Account Service, which is split up into as many local lists as there are account offices in India. The remedy, no doubt, would be an All-India List, but if there are objections to such an arrangement I would suggest the adoption of the system proposed in paragraph 64,493.

The second defect pointed out above is a far more important one, in view of the adverse manner in which

it affects the prospects of the Chief Superintendents for promotion to the General List of the Indian Finance Department. If inquiries were made it would be found that men who had been considered quite capable officers at the time of their promotion to the Chief Superintendents' posts were unhesitatingly pronounced as indifferent workers within a short time, and passed over for promotion to the General List. It is not in the nature of things that deterioration should take place so quickly. The reason is to be found in something else. It is this, viz., that these men were recommended by their respective Accountants-General for promotion to the Chief Superintendents class in a more or less routine manner, to the exclusion of the claims of more deserving but junior men, but that when the time for promotion to the General List came some of these officers naturally failed to satisfy the high standard of efficiency demanded of them, and were thus not only doomed to remain where they were, but were also instrumental in blocking the prospects of quite capable members of the subordinate Service who might perhaps have done credit to the Department. The only remedy for such a state of things is to enforce the same test of selection for promotion to the Chief Superintendent class as is done in connection with promotion to the General List. It is admitted that it is very difficult for Government to give effect to this proposal, as recommendations for promotion to the Chief Superintendent Class rest primarily to the local Accountant-General, while those for elevation to the General List are made by the Comptroller-General. If this be so, I would request that the suggestion made in paragraph 64,494, which will solve this difficulty, may be adopted.

64,493. (II.)—*System of Training and Probation.*—As already stated, the officers belonging to the Chief Superintendent class are appointed from the subordinate Account Service. The members of this Service are generally university graduates who are eligible, both socially and intellectually, for appointment to the various superior Services and Departments under Government. They are taken on probation for a maximum period of two years, during which they are required to pass a stiff and highly technical departmental examination and otherwise satisfy the head of their office that they are quite fit for the posts which they might be called upon to fill in future. If the statistics were taken it would be found that the graduates belonging to the Chief Superintendent and subordinate Account Service compare not unfavourably with, at any rate, the majority of the Indian members of the General List of the Indian Finance Department. The departmental test which both the classes of officers have to pass is more or

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less similar, and sometimes the questions on the technical subjects of account and audit are identical. In these circumstances no remarks are called for with regard to the system of training and probation of Chief Superintendents.

64,494. (III.)—Conditions of Service.—This is the most important subject of representation from the standpoint of the Chief Superintendents, and I hope the Commission will bear with me when I submit the following somewhat lengthy remarks on this point. To begin with, I must say that the present conditions under which the Chief Superintendents have to serve are distasteful to them to a degree, and the feeling which prevails amongst them in the matter is almost bitter. It may be asked: What is this due to? The answer which I, as the representative of the Chief Superintendents, have to give is, that it is the result of the treatment which the Chief Superintendents receive in their every-day official life. In the first place, the officers of the General List of the Indian Finance Department, both senior and junior, look down upon them, whom they consider to be of no higher status than members of the subordinate Account Service. It may be mentioned in passing that the Chief Superintendents are allotted duties by Government which are exactly similar to those performed by officers of the General List. In fact, so far as their official duties are concerned they are in most instances placed in exactly the same position as their favoured confrères of the General List. It is this fact which makes them resent the treatment accorded to them all the more. Can it be possible that Executive officers should give that degree of attention to audit communications signed by officers who they know are considered to be of very inferior status in their own Department? Instances are not unknown in which communications from Chief Superintendents have been scornfully ignored by Executive officers. If the matter goes further, it is the Chief Superintendents who are pronounced as *wanting in tact* by their own departmental superiors. In my own experience I have come in contact with many Provincial Service officers, but I have never found them complain of their position nearly to the same extent as Chief Superintendents do. The cause of this marked difference between our Department and theirs is that in the latter, either the Provincial Service officers are allotted duties of a different and less responsible nature than those performed by their confrères belonging to the Imperial branch, or that where the duties are similar, they are given the same rank and status as Imperial Service officers, and the only difference lies in the rates of pay. Another fact which makes the position of the Chief Superintendents all the more difficult, is that the very nature of their duties is such that they have to come in contact with most of the officers of other Departments, and that, too, through their "retrenchment memos." It is notorious that audit officers are disliked by others who not infrequently think that they are deprived of their dues by the former, and when, on the top of this they find that the officer who is retrenching their claims is himself looked down upon in his own Department, the position may well be imagined.

It may be asked how this state of things can be remedied. One of the remedies I have heard talked about is to change their designation and give them a more dignified name. I doubt if this will be at all successful in achieving the object in view. It will not be long before the outside world will come to know of the real position held by Chief Superintendents, and then the high-sounding designation of the latter will hardly be of any avail. The only remedy is to raise the status of these officers and all the evils complained of will disappear. This can be done by abolishing the class of Chief Superintendents altogether, and adding a corresponding number of appointments to the General List of the Indian Finance Department. The cost will not be at all prohibitive. On the other hand, the Department will gain immensely in strength and efficiency. Promotions to the General List can then be made direct from the subordinate Account Service, and the objection now raised to the promotion

of subordinates (*vide* next sub-paragraph below) will disappear.

The next point on which the Commission's consideration is solicited is the question of the promotion of subordinates to the General List of Indian Finance Department. It was on the recommendation of the Public Service Commission of 1886-87 (*vide* paragraph 93 of their Report), and at the instance of the Government of India, that the Secretary of State in 1891 laid down that one-third of the vacancies in the General List should be given to Chief Superintendents and other officers who might show marked financial ability in charge of treasuries, or in other Departments of the Provincial Service. It was quite clearly understood that the Chief Superintendents should have the first claims for such promotion, as they are already in the Department, and are doing the same kind of work as officers of the General List, and that the promotion of outsiders should be made on rare occasions, and only when an exceptionally qualified candidate is found. In actual practice, however, the system has worked in quite a different manner, as will be evident from the following facts:—Up to 1910, altogether 12 men were promoted, and of these, only six were Chief Superintendents at the time of their promotion to the General List. In other words, during a period of about 20 years, only six Chief Superintendents were promoted. The others were officers belonging to the Financial Secretariat of the Government of India, and were put into the list as men who had shown exceptional financial abilities in charge of treasuries or other Departments of the Provincial Service. It is true that some of these officers had at one time belonged to the subordinate service of the Accounts Department, and had gone to the Secretariat on higher rates of pay and had specialised there in Budget work. But is this a sufficient reason why they should have been put into the General List over the heads of men who were already in the Department and were performing their duties with ability? Budget work, after all, does not play an all-important part in the local Audit Office. Take, for instance, the promotions made only a few months ago. Five men were promoted, three from the Financial Secretariat and two from the Accounts Department. Of the former, none had, I believe, a day's experience of the work in an Account Office, at any rate, as a Superintendent, or even as a senior clerk, and only one was a graduate; yet they are all of them considered quite capable to take up the duties required of an assistant Accountant-General at a moment's notice. If these duties are so easy to perform I would ask why are such high rates of pay given to the officers of the Department, and why has a stiff and highly technical departmental test to be passed by new entrants before they are confirmed. I would submit that the nature of the duties performed by those promoted officers in the Secretariat were of a quite different nature from what they have to perform in an Audit Office. Wherein, then, lay the claims of these gentlemen to supersede hundreds of officers already serving in the Department? It is true that they were serving in the Secretariat, but this gives them as much claim for promotion to the General List of the Indian Finance Department as is possessed by a Superintendent of the Home Department for the post of District Superintendent of Police, or a senior clerk of the Railway Board for the post of a District Traffic Superintendent. I do not for a moment dispute their abilities in their respective lines, but to admit that they are nearly as qualified for the work of an Audit Office as a capable or even as ordinary Chief Superintendent would be doing injustice to the latter class of officers.

Apart from the appointments of outsiders to the General List, which has seriously affected the prospects of the Chief Superintendents and also of all officers below, there is another fact which has equally, or perhaps in a greater degree, affected the prospects of the latter. There is a feeling amongst officers of the General List that the promotion of subordinates should be restricted as much as possible. The grounds on which such a feeling is entertained may be stated as (a) Social, and (b) Official. Under (a) I have frequently

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heard it talked about that there are social objections to the promotion of subordinates to the General List. I do not know exactly what is meant by such a statement, and the point may perhaps be made clear by questioning the officers who will come to give evidence before the Commission. So far as Indians (I mean men of pure Asiatic origin) are concerned, there cannot be any such objection, for the members of the subordinate Service from which Chief Superintendents are recruited, come exactly from the same stratum of society as the Indian members of the General List. The case of Anglo-Indian subordinates may be different, but if members of this community can compete at the Indian Civil Service examination, it is not quite convincing how they can be kept back from the General List if they are otherwise qualified.

As regards (b), viz., official objection, it is stated that the promotion of subordinates adversely affects the prospects of the junior officers of the General List, as the former rank above the latter by virtue of the higher rates of pay drawn by them at the time of promotion. There is some force in this argument. But is there sufficient justification for withholding from an entire class of public servants the reward which they have earned by their hard and meritorious work under Government? Moreover, the introduction of the time scale of pay in the General List has to a very great extent obviated this difficulty. The appointment of subordinates on higher rates of pay no longer affects the prospects of junior officers of the List until the time of promotion to Class I. arrives. Many of the promoted subordinates retire before they attain that rank, and even if they remain in the Department thereafter they do so only for a short while. If statistics were taken it would be found that the prospects of the General List have not been appreciably affected by the promotions that have been made in the past. But all this difficulty would be solved if the class of Chief Superintendents be abolished altogether, a corresponding number of posts being added to the General List. Promotions might then be made to the General List direct from amongst the members of the subordinate Service while they are still young and energetic and might be placed, if necessary, towards the bottom of the General List in order to safeguard the claims of the junior officers of that List. It should, however, be laid down that a definite proportion of appointments (not less than one-third) should be reserved for members of the subordinate Account Service, and that under ordinary circumstances no outsider should be appointed to the General List.

Lastly, there remains the question of the qualification of the subordinates for promotion to the General List. As nobody has ever questioned the ability of the promoted officers I would not dwell at length on this point. I would, however, draw attention to the fact that out of the four existing officers of the Department who have been decorated with "C.I.E."

by Government, two are promoted subordinates, and of the few uncovenanted Accountants-General, that there are at present three who have risen from the ranks. These facts speak for themselves and render any further justification of the claims of subordinates for promotion, perhaps, unnecessary. I can only add that if there are not as many Chief Superintendents in the Department fully qualified for promotion to the General List, it is due more to the defective system mentioned in paragraph 64,491 above rather than to any fault on the part of the members of the Service from which the Chief Superintendents are recruited.

64,495. (IV.) Conditions of Salary.—The following remarks are submitted with reference to the existing conditions. If, however, the proposal to abolish the Chief Superintendents appointments is accepted, these remarks need not be considered. When the appointments of Chief Superintendents were originally created the maximum pay was Rs. 800 and the minimum Rs. 500. It was, however, in 1891, when it was decided to reserve one-third of the appointments in the late Enrolled List for the Chief Superintendents, that the scale of pay was reduced to Rs. 450—Rs. 600, but some improvement was effected in 1907, when four out of the total 16 appointments were converted into a separate class on a pay of Rs. 600—Rs. 750. It will thus appear that the maximum pay now attainable by a Chief Superintendent still falls short of the corresponding limit which obtained about a quarter of a century ago, while the existing minimum of Rs. 450 is the same as the pay of the senior grade of Superintendents and actually less than what has, until a few years back, been the pay of the latter class of officers. On the other hand, the work and responsibility of these officers have greatly increased, and many, if not all of them, are employed on duties more or less similar to those performed by officers of the General List. Apart from this the cost of living in India has, as is well known, greatly advanced during the last 20 years. This increased cost of living has been a source of embarrassment to the Chief Superintendents, who are necessarily experiencing great difficulty in maintaining their position, specially as they do not, under existing conditions, attain to the senior grade till they are well advanced in years, if they are fortunate enough to do so at all. It is, therefore, considered necessary that the pay of the Chief Superintendents, as a class, should be improved and a progressive rate of pay introduced. A reasonable scale would be Rs. 600 to Rs. 1,000. The proposed scale corresponds to the pay of the senior grade of most of the provincial Services in India, and there is no reason why a similar prospect should not be conceded to the corresponding branch of the Accounts Department. There is no reason why Chief Superintendents should draw a lower rate of local allowance in the Presidency towns.

Mr. P. N. MUKHERJI called and examined.

64,496. (Chairman.) Mr. Mukherji said that he was appointed to the subordinate Accounts Service in 1902, and that, after passing the departmental examination, he was sent out on inspection work with the Deputy Auditor-General throughout all the Account offices in India. He had on three or four occasions been posted to the Secretariat for special duty. One of the important duties on which he had been engaged was the task of preparing a report on the growth of Indian expenditure asked for by the Secretary of State. On completion of this duty he had returned to the Comptroller-General's office and worked there for about nine months. It was only a few months ago that he was permanently promoted to be Chief Superintendent, but he had been called on before to act as a Chief Superintendent on more than one occasion. He represented about 23 officers. He was not sure whether all of them endorsed his views, as in the short time available he had not been able to approach them, but he was sure the majority of them would be in agreement with his proposals.

64,497. Mr. Mukherji said that he was not quite satisfied with the present system of promotion from the grade of Superintendents to the Chief Superintendents' class. One of his grievances was that promotions to the grade of Chief Superintendent were made from the offices in which vacancies actually occurred, and that many eligible officers in other offices were passed over. The only remedy he could suggest was the institution of an All-India List from which promotions could be made. He admitted that there would be considerable difficulty in having a list of this kind, because the rates of pay were not high enough to justify the transfer of officers from place to place. In the alternative he suggested abolishing the grade of Chief Superintendent and promoting direct from the subordinate Service to the General List, adding to the General List the same number of posts which would be reduced by the abolition of the Chief Superintendents' grade. There might be objection to such procedure in that all the Chief Superintendents now serving in the Department might not be considered to be suitable

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for promotion to the General List, but that difficulty could be surmounted by a gradual process. He suggested that whenever there was a vacancy in the Chief Superintendents' List there should be no further promotion to the Chief Superintendents' List, but that either a competent Chief Superintendent or a subordinate should be promoted direct to the General List. He thought such a proposal would meet with the general approval of the officers of the subordinate Service because it would considerably improve their prospects. He did not think his scheme would actually take away from the rank and file of the subordinate Service certain posts which were at present open to them, because, although they would lose by the abolition of the Chief Superintendentship, they would gain far more by having the larger prospects offered by promotion to the General List. It was not the fact that men who were promoted from the subordinate Service to the Chief Superintendents' grade were those who had justified their promotion by merit and long service. Promotion was made more or less as a matter of routine and that was practically the greatest grievance under which the subordinate Service suffered. In nine cases out of ten it was the man at the top of the list who was promoted.

64,498. Asked whether young men should be promoted over the heads of a considerable number of their colleagues in the subordinate Service, the witness replied that first of all the claims of the senior men should be considered, and if they were found wanting, junior men should get the promotion. There were very few instances where men had been passed over for promotion to Chief Superintendent's rank, but there were numerous instances where men had been passed over for promotion to the General Lists. The test of selection for the General List was much more stringent than the test for selection to Chief Superintendent's rank. Admittedly every Chief Superintendent was not necessarily qualified for the General List. On the other hand, he did not mean to say for one moment that there were not men in the Chief Superintendents' List who were fit for promotion to the General List. On the contrary, he urged that qualified Chief Superintendents had been passed over by men employed in the Government of India Secretariat. From 1891 to 1910 only six Chief Superintendents had been promoted to the General List. He did not agree that the inference to be drawn from this was that Chief Superintendents were not qualified for promotion to the General List.

64,499. With reference to the statement that only the Budget Superintendent in the Secretariat, who usually came from the Comptroller-General's Office, was ordinarily promoted to the General List, witness explained in detail how a man, however brilliant he might be, must necessarily be out of touch with audit work proper for a considerable number of years before he could become an expert in Budget work. This Budget experience was of no use to an officer of the General List until he became an Accountant-General, and it was very rarely that a promoted officer reached that stage. It came to this, then, that men were promoted who were out of touch for a very considerable period with the kind of work which they were to perform during the rest of their service, while those who were doing the same work all along were passed over.

64,500. The witness suggested that if the grade of Chief Superintendents was retained officers belonging to that grade should rise to a maximum salary of Rs. 1,000. In support of this he would mention that the scale proposed corresponded to the existing or proposed pay of the senior grade of most of the Provincial Services in India. The Provincial Services to which he alluded were the Provincial Executive Service, the Provincial Educational Service, and the Provincial Service of the Judicial Department, in which Service officers could rise to Rs. 1,000.

64,501. (Mr. Sly.) The witness said that Mr. Gauntlett's contention that the Chief Superintendent only held charge of the more unimportant sections of the office might be correct in theory, but in practical working it was not so. For instance, he himself had been appointed to the post of Deputy Comptroller,

India Treasuries, which was one of the most responsible posts in an Accounts Office. Such appointments are of frequent occurrence.

64,502. With regard to his scheme that one-third of the appointments in the General List should be filled by promotion from the subordinate Service, he urged that this proportion had already been laid down by the Secretary of State, but had never been worked up to.

64,503. The departmental test for Chief Superintendents was similar to the departmental tests which were undergone by officers in the General List, with the exception of one or two subjects. The General List officers had to pass an examination in Political and Revenue system and in Financial Statements. He agreed that the test for Chief Superintendents was one confined to the audit and account duties of the Department, whereas the test for the General List was supposed to comprise broader financial principles and subjects.

64,504. The witness considered that local allowances should be paid at the same rate to Chief Superintendents as to officers in the General List. One of the differences now existing was that in Calcutta a General List officer got Rs. 175 in the cold weather and Rs. 90 in the hot weather, whereas a Chief Superintendent was only paid Rs. 50 all the year round. In Mr. Mukherji's view, it was necessary, if the office of Chief Superintendent was retained, that there should be a change of title, but he did not think that this would improve matters to any very great extent.

64,505. (Mr. Madge.) It had been suggested that the title of Chief Superintendent should be changed to that of "Extra Assistant Accountant-General," as distinguished from the title of Assistant Accountant-General, which was given to junior officers in the General List. He agreed that the word "Extra" would certainly not improve their position, but it would not lower it to any greater degree than was the case at the present time. He was aware, as a matter of personal experience, that there were Chief Superintendents who had been selected because they were strong and capable men, but, generally speaking, promotion was by seniority. The fact was there was no chance of a fair rate of promotion in the subordinate Service. Generally it took a man a number of years before he became a Senior Superintendent, and probably when he was promoted to the Chief Superintendent's rank he had not very many years to serve.

64,506. With regard to Mr. Gauntlett's statement that great care was taken to go into the merits of all officers throughout the country when promotions to the General List took place, the witness said that it was true as regards officers serving in the Department, but that it did not fully apply as regards Secretariat Superintendents. He pointed out that promotion to the General List did not rest ultimately with the Comptroller-General, but with the Finance Department of the Government of India. The former had probably not much voice in most of the promotions which had been made from the Government of India Secretariat.

64,507. (Sir Valentine Chirol.) The witness agreed that the general drift of his evidence was to the effect that the subordinate Service was recruited from the same class of Indians as those who were recruited direct to the General List. What he wished to see was the creation of more opportunities, partly in order to do justice to the claims of individuals and partly for the encouragement of the whole Service.

64,508. (Mr. Gokhale.) For many years there had been a rule that one-third of the appointments to the General List should be by promotion from the subordinate Service, but that rule had never been carried out to any substantial extent. The ratio would probably work out to less than one-sixth or one-seventh. The proportion of men promoted from the subordinate Service (including the Chief Superintendents) to the General List should certainly not be less than one-third of the total number appointed to the General List.

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Mr. P. N. MUKHERJI.

[Continued.]

64,509. At the present time the Comptroller-General made appointments to the grade of Chief Superintendent on the recommendation of the Accountants-General. Final appointments to the General List were made by the Government of India on the recommendation of the Comptroller-General. His complaint was that the Government of India gave three out of five places to men in their own Secretariat, and that was why he had stated that no outsiders should be promoted.

64,510. In answer to a question as to how appointments should be made in the event of the abolition of

The witness withdrew.

T. H. PRUCE, Esq., Chief Accountant, Office of Accountant-General, Punjab, called and examined.*

64,511. (*Chairman.*) The witness said his chief grievance was that the rule prescribing that three-ninths of the vacancies on the General List should be filled by promotions had been abolished in 1909. The Government of India Resolution stated that the practice of making such appointments would not be abandoned, but would be made only in case of exceptional merit. As a *quid pro quo*, the grades of Chief Accountants were created, but this only enabled men to rise to a maximum of Rs. 750 a month, as against Rs. 1,600, the pay of an Examiner, First Class. The Service had not asked for the grade of Chief Accountants to be created, and they did not consider the establishment of this anything like a suitable *quid pro quo* for the loss of promotion.

64,512. They were also not satisfied with the present scales of pay for Chief Accountants. He would recommend that there should be only one grade of Chief Accountant instead of two grades at present, if the grade of Chief Accountant was to be retained at all. He suggested that the pay should be Rs. 750 rising to Rs. 1,000, because the duties and responsibility attaching to the post were practically identical with those performed by officers getting higher rates of pay on the General List. As an instance, he mentioned that at the present time he was sharing a branch, which was too large for one officer to control, with a Deputy Accountant-General. The Deputy Accountant-General's salary was Rs. 1,100, whereas he himself was drawing Rs. 540. A similar state of things was to be found everywhere.

64,513. He considered that officers now holding the post of Chief Accountant were qualified by their knowledge and administrative ability for promotion to the General List. In 1909, when the grade of Chief Accountant was created, all Examiners of Accounts were asked to nominate men who were qualified in every way to rise to higher posts or to the General List, and the promotions were made strictly by selection. Therefore he felt justified in assuming that all the men who were appointed—13 in all—were qualified for advancement to the General List. The qualifications for entry to the subordinate Service had not risen in the same way as the qualifications for the Civil Branch had risen in recent years, but the examination held after men had got into the Department was usually considered very severe. They had been given no reason why the system of fixed promotion had been abolished. He did not think it had been removed in the interests of public efficiency, because there had been many officers who had risen from the rank of Accountant to the rank of Accountant-General in the Public Works Department, and many others who had risen as high as the grade of Examiner, First Class. He advocated a reversion to the former state of things, not merely in the interests of officers in the Service, but in the interest of the Service itself.

64,514. Another grievance he had was the present system under which all officers were made the subject of confidential reports. He desired to see this system abolished. There was a rule which prescribed that every adverse report should be read out to the officer concerned, but that rule had practically become a dead letter. He thought an officer in the position of Accountant-General ought to have the courage of his

the grade of Chief Superintendent the witness said that the Accountants-General would forward recommendations to the Comptroller-General, and that the Comptroller-General would make the promotions partly on these recommendations and partly on his own knowledge of the various candidates. He added that hitherto the knowledge possessed by the Comptroller-General of the qualifications of members of the Accounts Service was almost negligible, but that since Mr. Gauntlett had been Comptroller-General this aspect of the matter had changed very considerably.

convictions, and to be able to say in an open manner what complaint he had to make about any officer serving under him. He agreed that confidential reports gave valuable information to officers with regard to the general conduct of subordinates, and supplied information which otherwise they might not have an opportunity of obtaining, but, on the other hand, the reports might be very highly coloured.

64,515. Another grievance was with regard to the rule about halting allowance for journeys on tour. The rule required a halt of 24 hours from midnight to midnight before a halting allowance could be claimed for that particular day. Therefore, if an officer arrived at a place at 6 in the morning, worked there the whole day, the next day, and left on the third day by 6 o'clock in the evening, he was only entitled under the rule to one halting allowance, although he had put in three days' work, and had had three days' expenses. His proposal was that a halt of 12 hours between 6 in the morning and 6 in the evening should be sufficient to entitle an officer to payment of halting allowance.

64,516. (*Sir Valentine Chirol.*) The witness said that under the old system he could have risen at least to the rank of First Examiner if he had been promoted early enough in life. Promotion to this grade had not been at all exceptional. Under the present system he could not look forward to a higher salary than Rs. 750, unless he chanced to be selected for promotion to the General List, and such selection was now exceptional, whereas, under the old system, promotions were made in the normal course.

64,517. (*Mr. Madge.*) There would be no objection to confidential reports if an adverse report was shown to the officer concerned in every case. He would insist, however, on that rule being rigidly observed.

64,518. (*Mr. Sly.*) The main grievance of himself and the officers he represented was that the post of Chief Accountant was not sufficient compensation for the loss of promotion to the superior Service.

64,519. (*Mr. Gokhale.*) The witness said that the rule prescribing that one-third of the vacancies in the General List should be filled by promotion was carried out on the whole strictly. He held to his contention that a fixed proportion of promotions was better than a Chief Accountantship, but he agreed that if such a rule was merely laid down on paper, as it had been in the case of the Civil Accounts Branch, without being put into practice, it would be better for the Service as a whole that there should be a certain number of Chief Superintendentships.

64,520. (*Chairman.*) The witness said that the work in the Public Works Accounts Branch was quite different from that of the Civil Accounts Branch. The Public Works Department Branch deals with receipts and expenditure on Public Works. It required a more detailed and technical knowledge to deal with Public Works accounts than it did to deal with the ordinary Civil Treasury accounts. The Public Works accounts were much more elaborate and detailed and required a special training, which was only acquired by serving in an Executive Engineer's office where the accounts of the receipts and expenditure were actually kept.

* This witness did not submit a written statement.

The witness withdrew.

23 January 1914.]

Mr. H. G. TOMKINS.

At Calcutta, Friday, 23rd 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.

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

H. G. TOMKINS, Esq., C.I.E., Accountant-General, Bengal.

Written Statement relating to the Indian Finance Department.

64,521. The following written statement is drawn up for the information of the Royal Public Service Commission in accordance with their request conveyed to me by the Comptroller-General in his letter No. 2023-E.—185-13, dated the 26th September 1913.

The officers of the Finance Department have already submitted a joint* memorial for the consideration of the Commission, embodying their views and proposals in regard to the nine heads prescribed by the Commission for the purpose. Having joined with the other officers of the department in submitting this memorial, it follows that the representations made therein are in accord generally with my personal views, and I understand that it is unnecessary for me to repeat what has already been said. In this memorandum, therefore, I propose to refer throughout to the general memorial already referred to, and to make only such additions or modifications as represent my further personal views on the subject.

64,522. (I.) *Method of recruitment.*—In paragraph 1 of the memorial are given the sources of recruitment of the Indian Finance Department. As regards the recruitment of officers in England and India, I am in general agreement with what has been said in the two following paragraphs of the memorial. I would, however, lay stress on the importance of careful nomination, as a competitive examination alone, or even with nomination by a low standard, is liable to produce men who are successes from a crammer's point of view, but not necessarily good recruits for the service of Government. I am inclined to view that the standard of nomination in India might be higher. In the coming examination for the Finance Department 59 candidates are to sit. This number appears to me to be large, if stringent nomination has been adopted. When I entered the department only three men were nominated for each vacancy. This number is of course small, but the limitation of numbers has a good deal to recommend it.

Paragraph 4 of the memorial deals with recruitment by promotion of subordinates. This method of recruitment is one which, in my opinion, needs special consideration, both on account of the effect which it is apt to have on the officers of the Department recruited by the other two methods named, and on account of the expectations which it raises among the subordinate staff from which the selections are made.

The wording of the orders under which the method of recruitment under consideration was adopted is as follows:—"by the promotion of deserving chief superintendents, or officers who have shown that they possess financial ability by their services in the Financial Secretariat of the Government of India or in other offices." From this it will be gathered that the appointments were originally intended to be rather exceptional than otherwise, and that they were given as rewards for specially good service rendered or ability shown by senior, or at any rate fairly senior, subordinates. As time has gone on, however, the original idea has become rather obscured, the appointments being now regarded by many of the subordinates as an ordinary avenue into the Department.

It seems necessary to consider, therefore, whether these appointments by selection from the subordinate services are to be regarded as an ordinary means of recruitment of the Department or as special concessions given only to men of tried service and special ability. For reasons which I give below, my opinion is that they should be restricted to the latter. In paragraph 4 of the memorial, however, it is proposed rather to extend the method, by allowing it to cover one-sixth of the strength of the Department, and to apply to the Subordinate Account Service as well as to the classes mentioned above. It is also recommended that the men should be selected while they are young. These proposals if given effect to would, I fear, have a most deleterious result both as regards the Department and the subordinate services.

First as regards the Department. Subordinates selected at present, and I do not understand that any change is contemplated in this respect, are not introduced into the general list of officers at the bottom, but, on account of their having some amount of service under Government at their credit, they are assigned positions which the Government of India consider appropriate. That is to say, these new officers come into the list over the heads of a certain number of junior officers who have been recruited by the Secretary of State in England or by examination in India. If the new officers are considerably senior in age to those above whom they are put, they will retire in the natural course before they reach the top of the General List, and the pay of all the officers of Class III, being on a time scale, these new recruits will not affect the officers over whom they go. But, if the new officers are *young* men, though they will not affect the officers over whom they go in Class III, when the time comes for promotion to Class I and the Accountant-General's list, the promoted subordinates will block the way of the regularly-recruited officers to the higher appointments of the Department and thus materially lessen the prospects which the latter had on entering the service. If this is done to any considerable extent, it will in my opinion operate not only to promote discontent among the officers of the Department, but also possibly to lessen the attraction of entry into the Department by the harder avenue of competitive examination. If the selected men were put into the list at the bottom, like other new entrants, this disability would be removed. But there is another side to the matter, which I will now deal with.

The field of selection for the special men referred to is at present the superintendents of the Finance Department Secretariat and the chief superintendents of the Accounts offices, to which, since the amalgamation, may now also be added the Public Works Chief Accountants. All these are officers of gazetted standing. Below them comes the Subordinate Account Service, consisting of the superintendents of the branches of the Accounts Offices in India. These men are the backbone of an account office, and from them are picked out the chief superintendents. The Chief Superintendent is the right-hand man of the Accountant-General in the internal administration of the office; he is specially selected from the Subordinate Account Service, usually in the office in which the vacancy arises. The prizes of the Subordinate Account Service, therefore, are the appointments of chief superintendents. It is now proposed to allow appointments direct from the Subordinate Account Service to

* Printed as the written statement of Mr. K. L. Datta—*vide* paragraphs 64,561-6.

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[Continued.]

the Finance Department, and to select the men when young. In my opinion the result of thus taking the cream off the Subordinate Account Service will be to make the appointment of Chief Superintendent unpopular, and to cause it to be regarded as a side track into which no subordinate of ability will want to go. The field of selection left for the purpose of filling the appointments of Chief Superintendent, will, therefore, be a number of second-rate men, who will also in many cases be discontented persons who have not succeeded in getting selected for the Finance Department.

In the Subordinate Account Service itself, the effect will also be very undesirable. At present, the best men in that service are recruited by direct appointment on about Rs. 100 a month, and, on passing the Subordinate Account Service examination, they enter that service and are then qualified to be superintendents in an Account Office, the salary running from about Rs. 200 to Rs. 450 a month. If these men when young are drafted off into the Finance Department, the result will be that the service will be looked upon by aspirants for the Finance Department as a mere stepping-stone—in fact there is even now some tendency to this. As a result, the more pushing and fortunate ones will rush through the Subordinate Service in a few years, and those left behind will be discontented failures who will still be moving heaven and earth to get into the Finance Department, instead of settling to their work with a reasonable anticipation of becoming some day chief superintendents, and later on perhaps officers of the Department. The career of one of these young men will therefore not improbably be, after seven or eight years in the Subordinate Account Service, to skip over most of the senior appointments in that service, over the appointments of the chief superintendents, over a number of officers of the Finance Department, and then to rise and eventually take one of the higher appointments of the Department out of the mouth of the officer in the Finance Department over whom he came.

It seems hardly desirable for a man who could not or did not enter the Department by the usual avenue of nomination and examination to have the opportunity of doing all this, considering the expense and qualifications which that examination entails. Apart altogether from this somewhat personal aspect of the matter, the proposal if adopted will, in my opinion, lead to the deterioration of both the chief superintendents and general body of the Subordinate Account Service. It is, however, of the greatest importance to the efficiency of the work of the Department that these shall be maintained at as high a level as possible, and for the above reasons I am opposed to the Subordinate Account Service being added to the field of selection to the Finance Department, and also to young men being put in. The appointments should, in my view, be restricted to the superintendents of the Finance Department Secretariat, chief superintendents and chief accountants of the various Account offices in India.

There is also one other important point which requires consideration, namely, the extent of selection. It seems to me that one-sixth of the strength of the department is very liberal. It is to be remembered that the men selected are to be remarkable for their ability and good service, and it does not seem to me probable that the supply of men of this standard from among those from whom selections are to be made will be equal to the demand. The result is likely to be a rather undesirable drain on the services which supply the men, thus weakening the services, and also the possible lowering of the standard of man supplied. It will of course be said that the limit of one-sixth is a maximum, and that there is no need to work up to it, but if it exists, there is no doubt that subordinates will expect it to be worked up to, and in practice this will generally be done. The limit in the late Public Works Accounts Department was one-ninth, and I would suggest this as being more suitable.

64,523. (II.) System of training and probation.—I am completely in accord with the views set forth in paragraphs 5 and 6 of the memorial. It would be

necessary of course to secure that the teaching of the probationers in the Account Office did not dislocate the work of that office. A number of them in one office at the same time might be a considerable hindrance.

64,524. (III.) Conditions of service.—I have nothing to add to paragraphs 7 to 15 of the memorial.

64,525. (IV.) Conditions of salary.—The conditions of salary are fully set forth in paragraph 16 of the memorial and in the additional note to the memorial, from which it will be seen that, although it is not proposed to actually raise the pay of the grades of Accountants-General, the additional appointments asked for to each of Grades I. and II. will in a measure secure this end. It has been shown that the work and responsibilities of Accountants-General have been largely increased since the pay of the grades was fixed, and these officers of course are affected equally with others by the heavy rise in the cost of living which has taken place in recent years. If the re-grading of the list as proposed is adopted, it will also affect the necessary improvement in the remuneration of Accountants-General. If not, however, it would in my opinion be reasonable to raise the pay of each grade by, say, 10 per cent. Beyond this, I have nothing to add to what has already been said in paragraphs 16 to 21 of the memorial and the special note at the end.

64,526. (V.) Conditions of leave.—With the exception of a portion of paragraph 24, I am in accord with the proposals made in paragraphs 22 to 25 of the memorial, and in particular with the proposal to raise the maximum rate from the present 800*l.* a year to 1,000*l.*, the rate already enjoyed by the officers mentioned. Similarly, the Indian rate should also be raised from Rs. 600 a month to Rs. 833½ for the same reasons. There would seem to be no reason why officers enjoying precisely the same rules as regards the other conditions of leave should be treated differently in the matter of allowances. For instance, in the case of the two Accountants-General in Class I. of the list, one draws 1,000*l.* a year while on leave, and the other 800*l.*, though both are subject to the same conditions of leave in other respects, and they both have precisely the same official status, duties, and responsibilities. This distinction is in my opinion invidious, and should be abolished, the maxima being fixed at Rs. 833½ a month and 1,000*l.* a year for all alike.

The proposal at the end of paragraph 24 is to raise the maximum leave allowance for leave other than privilege leave to 1,000*l.*—and the Indian rate to the same sum converted at 1*s.* 6*d.* the rupee. That is to say, the proposal is to abolish the differential maxima for long leave taken in and out of India, and to make the maximum allowance the same for both. As I understand this question, it is felt by some that the present rules prescribe one rate for Indian officers and another more generous rate for Europeans; and that the distinction is invidious. If it were so, there would in my opinion be good ground for objecting to it, but it is not as a matter of fact the case.

The present rule prescribes one maximum rate for any officer who takes his long leave in India and another more favourable rate for any officer who takes it out of India; and these two rates are applicable equally to Indians and Europeans. The apparent grievance has arisen from the fact that for the most part Indian officers take their long leave in India, whereas the reverse is the case with the Europeans.

There appear to me to be good reasons for maintaining a more favourable rate for long leave out of India than for such leave taken in India. One of the most important features of this question, at the present day, seems to me to be connected with the rapid development of the country; and the much higher qualifications and more up-to-date methods which that development requires of all officers of Government, whether they be European or Indian. In no department is this more the case, perhaps, than in the Finance in which officers are in contact all the time with other branches of the service, all pressing forward with a speed which has hitherto been unthought of. Officers in the old grooves must in this movement get

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left behind; and they will do more than this; for unless they are up to the standard required, they will actually hinder the work of others around them. It is not, therefore, in my opinion sufficient for an officer to get into a groove and just maintain a level which will earn his pay. He must keep up with the rest of the world and there is no better way of doing this, whether the officer be European or Indian, than by going abroad during his long leave into a fresh climate, among fresh people, and fresh ideas. He will thus rub shoulders with other people in the world, he will imbibe new ideas, and his outlook will be widened, thus making him a far more valuable officer to Government than he could otherwise be. So important does this seem to be in the interests of the department, that I should be inclined to give the preference, in selecting an Accountant-General from the general list, to a man who had spent his long leave out of India over one who had not.

There is no denying, however, that long leave spent out of India is a good deal more expensive than that spent in the country. Apart from the steamer passage, the cost of living is greater, and there are beside incidental expenses which would not otherwise be incurred.

The policy, therefore, of giving a more liberal maximum allowance for leave taken out of India than for that taken in the country is a wise one. Apart from the fact that it is reasonable that an officer who

goes to the extra expense of taking his leave in this way, and making himself capable of giving the greatest return to Government, should receive more than an officer who simply spends his time, often without real change, in his own house or in some hill station, it is, in my opinion, important, for the reasons I have given, that long leave out of India should be directly encouraged, and should be given a distinct preference over that spent in the country. This applies to both European and Indian officers. I would, therefore, propose that Rs. 833½ a month for leave in India and 1,000l. a year for leave out of India be adopted as the maximum rate of allowance in place of that suggested in paragraph 24. In order to give an encouragement to the younger officers, however (the maximum suggested above will not, of course, affect officers on less than Rs. 1,666 a month), I would suggest also the extension of the minimum limit of 500l. a year now in force for Indian Civil Servants to other officers. Indian officers are generally married young, and to a man on small pay, the ordinary leave allowances would probably be insufficient to enable him to incur the expense of a voyage and living out of India. With the minimum allowance, however, there would be an inducement to him to do so.

64,527. (VI.) Conditions of Pension.—I have nothing to add to what has been said in the memorial with which I am in full accord.

Mr. H. G. TOMKINS called and examined.

64,528. (Chairman.) The witness had been in the service 23 years. He was recruited under the old system which provided for recruitment in India by means of a competitive examination among selected candidates after nomination by the Government of India. Three candidates were selected for each vacancy. No appointments were then made in England to the department.

64,529. He had no remarks to offer on the question of the limitation of the employment of non-Europeans, as he was generally satisfied with the present arrangement by which 50 per cent. of the vacancies were allotted to Indians.

64,530. He had no objection to recruitment by competition, provided that such competition was preceded by nomination of the candidates. Competition by itself was likely to produce a sharp man who would get through an examination by a process of cramming, but it did not necessarily follow that he would be a satisfactory man in a department like the Finance Department, where very large questions, touching nearly every department in India, had to be dealt with. With regard to the form that selection should take, in the first place, a man recruited to the service should be in good physical health. Thoroughly satisfactory school certificates should be insisted upon, and the candidate's general appearance should also be taken into consideration. There should be a selection committee composed of men capable of judging character. When the witness entered the Department he had had to supply two satisfactory references from men well known in the Government service who were personally acquainted with him, and he thought that might also be a valuable test to impose.

64,531. The present age limits of 22 to 25 were rather high; they should be 21 to 25. Under the higher limits an officer might be any age from 24 to 27 before he was of any use in the Department and that was too old. A period of training was necessary in the department before officers would be put to responsible work. There was a great tendency for officers in the Finance Department, unless they started with a good general training of this sort to get into a monotonous way of doing their work. The value of an auditor in a Government Accounts Office consisted not merely in his ability to check small accounts, but in his capacity to take a broad view. The Finance Department officers were jacks-of-all trades. They were supposed to know something of practically every department with which they came into touch. Also

they were not mere auditors. They had to give a very large amount of financial advice to the heads of departments, to local governments and to the Government of India. Although the duties of junior officers were confined to less responsible work, they were put in charge of a branch of an accounts office after they had completed a certain number of years' service and training, and they were then expected to be able to form an opinion and to undertake the responsibility of their appointments.

64,532. In proposing that one-ninth of the vacancies on the general list might be filled by promotion of subordinates, he meant to suggest that this proportion should be regarded as a maximum. Otherwise the Government of India might find itself handicapped through having to promote an officer who was not really fit for promotion. In the Finance Department at present there was, he thought, no maximum in practice. In 1908 the maximum in the Public Works Accounts before the recent amalgamation had been reduced to one-ninth as a higher limit was found to have disadvantages. This supported the witness's view.

64,533. In his opinion, the higher appointments of the service should not be reserved for officers of the Indian Civil Service, but should be open to any officer of the Department provided he was qualified for the post. There were several of his colleagues who had been qualified for holding the office of Comptroller-General. They were quite as good men as some of the civilians who had been appointed to this post. He agreed that it was to secure good qualifications and breadth of view that Indian Civil Service officers were originally appointed to the Department, but these could now be secured outside that service, and officers who had passed through the various grades of the Finance Department would also have those particular qualifications.

64,534. The duties of the 140 officers on the time scale did not involve the same degree of responsibility. Men on the lower rates of pay had nothing like the responsibility of men on the higher rates of pay. There was no comparison at all between a Deputy Accountant-General and an assistant. An officer in Class III. would normally obtain a more responsible post when he had reached a salary of Rs. 1,100 to Rs. 1,200 a month.

64,535. He did not know that an officer forfeited his furlough on account of the inadequacy of the leave rules. What he laid stress on was that the present rates were invidious. An Indian Civil servant, who

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[Continued.]

was holding the same appointment as a departmental officer, was given a maximum allowance of 1,000*l* a year, whereas his brother officer who had the same duties and responsibilities, and was granted his leave under the same rules, was given 800*l*. There seemed to be no reason for the distinction.

64,536. (*Sir Valentine Chirol*.) His service was a contented* one, but anything in the nature of a charge bar in the time scale would be likely to cause discontent. There was already selection for promotion to Class I. appointments and to the posts of Accountant-General.

64,537. (*Mr. Sly*.) A university degree was a useful qualification for an officer of the Department, but it was not absolutely necessary. He was not sure that it would be wise to take recruits at the school-leaving age of 18 or 19. He would not take men younger than 20.

64,538. (*Mr. Fisher*.) It was very questionable whether it was practicable to establish a training school in Calcutta for the purposes of his department. A training school in any one place would be extremely difficult to run if the men were to be given practical training in any of the accounts offices. There would

be half a dozen men running riot in the office, and in the result there would be no accounting done. Even a single probationer in an accounts office was a distinct drawback. A man could not be given a satisfactory training in the Accounts Department unless he was entrusted with the absolute handling of the accounts. It would, of course, be possible to get a grounding in the code rules by attending a course of lectures.

64,539. The Department had he thought not suffered in any way from the absence of a selection bar before the maximum pay of the time scale was reached.

64,540. (*Mr. Madge*.) Promotions from Chief Superintendships to the enrolled list were made on the recommendation of the Comptroller-General.

64,541. There were cases in which a senior man who was strongly supported was not given promotion, and his rejection carried with it an imputation of inferiority. What happened very often was that an officer was put on some special piece of work, and so came to notice. He thus had an advantage over others who had not had this opportunity. He could suggest no remedy for this. If two men were equally strongly recommended, the senior man should be given the preference.

The witness withdrew.

T. R. KELLNER, Esq., Officiating Chief Examiner, Oudh and Rohilkhand Railway.

Written Statement relating to the Indian Finance Department.

64,542. (I.) Method of recruitment.—A good deal turns on this question of recruitment. The memorandum† from the whole Department contains a separate note on the subject of the pay and prospects of the officers, which shows that what the Department is suffering from is a falling off in the ratio of the higher appointments to the lower. Now the reason for this is that the strength of officers in the different Accounts Offices has been steadily increasing, and this increase has been all in the junior ranks. As the activities of Government steadily grow and become more complex, as the railways add to their mileage and the volume of their traffic, there must of necessity be more work of audit and accounting, and as the number of separate Accounts Offices does not increase but rather tends to diminish, the demand must be for more junior officers to cope with the work. So far this demand has been met by increasing the number of gazetted officers, with the inevitable result that there is a set back in the rate of promotion. The present set back can be met by the increase asked for in the number of higher appointments, which increase is more than justified on other grounds; but if the present policy of multiplying the number of junior gazetted officers is continued, there is bound to be again in a few years a falling off in the rate of promotion, and there may not be then higher appointments, the creation of which is justifiable on other grounds. The problem is, therefore, how to meet this steady demand for assistance without adding to the number of junior officers.

* The witness afterwards wrote on this point as follows:—

“The form of my reply may carry a wrong impression regarding the Finance Department officers' memorial to the Commission. My intention was to explain that no radical discontent or grievance existed generally in the department which it is admitted has always been sympathetically considered by the Government of India.

“I did not intend it to be inferred from this however that the officers of the department do not feel strongly about the matters to which their memorial relates. Some of the concessions have been urged on the Government of India for many years and the matters dealt with in the memorial are the outcome of a general feeling in the department which has taken form in the memorial. The memorial, however, has not been presented in any spirit of discontent, but in the assurance that, as far as possible, the Commission will favourably consider the defects strongly felt by the department to which attention has been invited.”

† Printed as the written statement of Mr. K. L. Datta. *Vide* paragraphs 64,561-6.

All Accounts Offices have attached to them a class of men known as chief superintendents or chief accountants, who are selected from the Subordinate Accounts Service. They are utilized to do much the same duties as junior gazetted officers, have charge of sections in the same way, and the problem can, I think, be met by increasing the number of such men, raising at the same time the maximum salary they can rise to. Not only would this be cheaper to Government than increasing the number of junior officers, but it would have an excellent effect on the recruitment for the Subordinate Accounts Service—an improvement here is badly needed—and ensure for the superior service a steady proportion of higher appointments to lower. It would also remove a grievance of the old Public Works Accountants. This grievance is that, whereas, when they joined the Department, one-third of the superior appointments were reserved for them, in 1909—when about 26 such appointments were open to them—this prospect was taken away, and instead, 13 of their own first-grade accountants appointments were turned into chief accountants. In other words, they lost 26 appointments of officers and 13 1st grade accountantships to receive instead 13 chief accountantships on a maximum salary a good deal lower than they could hope to rise to as gazetted officers. The accountants who were in the Department at the time feel this a distinct breach of the conditions under which they joined.

In the joint memorandum it is proposed that one-sixth of the officers should be recruited from the subordinate ranks; but this will not give back to these accountants what they had before. What I would suggest, therefore, is that one-half of the total “working strength” (officers and chief superintendents or accountants combined) sanctioned for all offices should come from the subordinate ranks; that of this half two-fifths should be in the superior (officer) grade and three-fifths chief superintendents or accountants; and that the maximum pay of a chief superintendent or accountant should be raised to Rs. 850 at least. Seeing that the mean pay of a Finance Department officer, Class III., is Rs. 847-8-0 a month, it is cheaper to Government to increase the numbers of chief superintendents and accountants than that of junior officers; doing this will not only retain a better flow of promotion for the officers, but provide a more attractive Subordinate Accounts Service.

The proposal above would give the following result as compared with what existed at the end of June this year. The strength sanctioned for the different offices aggregated to 132 officers and 34 chief superintendents or accountants (excluding short term temporary appointments). The Department on that date contained 165 officers, of whom 44 were on long leave,

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deputation; or foreign service, meaning a shortage of 11 officers. Under my proposal the working strength of 166 would be divided into—

- 83 officers recruited by examination and competition and from the Indian Civil Service.
- 33 officers appointed from the Subordinate Accounts Service (there are 28 such now.)
- 116
- 50 Chief superintendents or accountants (against the existing strength of 34).

If to the 116 officers required as above, 44 for long leave, deputation, and foreign service be added, the strength necessary is 160 against 165, the present number; but of this 165, six are probationers and should not count, and others have since retired or died. Also there is a demand for an increase in the sanctioned strength of certain offices.

64,543. (II.) System of training and probation.—So far as railway accounts offices go, the trouble is that senior officers have now so much to do that they cannot devote the same amount of time to the instruction of probationers as was possible in previous years, and to there being frequently a shortage of officers so that the probationer cannot be struck off regular duties as he counts against the strength of trained officers. What happens in the railway accounts offices happens probably in others. The proposals put forward in the joint memorandum should help to improve things, *provided that* probationers are over and above the strength of the office.

64,544. (III.) Conditions of service.—I endorse what has been written on this point in the joint memorandum of the whole Department. In the old days, when the P.W. accounts were under the P.W. Department, I served for 2½ years as assistant accountant-general, P. W. D., a secretariat appointment virtually, and I know that this secretariat experience and the knowledge I then acquired has been of distinct use to me since. I fully agree, therefore, in the suggestion that the post of Deputy Secretary to the Government of India in the Finance Department should be reserved for the Indian Finance Department, and I think Government would find that it would be advantageous to them to give as many of their officers as possible a training and experience in secretariat work; only these appointments should be held for a stated period, after which the officers should revert to the regular line.

In paras. 14 and 15 of the joint memorandum a recommendation is made that the old P. W. accounts officers should be allowed the option of retiring at any time after completion of 20 years' qualifying service with the maximum pension as for 25 years' qualifying service. I support this recommendation, but I think there is one other thing which should be done. When the "Amalgamation" was introduced Government decided not to make it a complete fusion of the cadres of the two departments but to allow each to retain for its own members the higher appointments it had before the amalgamation. But there is one appointment of accountant-general so reserved for the enrolled list which I think should be open to both. When the postal and telegraph accounts were combined in 1910 an appointment of an accountant-general, postal and telegraph accounts was created. The claims of the P. W. list men to a half-share in this appointment were entirely ignored at that time and the appointment added to those accountant-generalships reserved for the enrolled list; and this though the enrolled list had the least claim to it, for the postal accounts offices were staffed mainly by the old postal accounts department and the telegraph accounts offices entirely by the P. W. list men. An appointment of the same class on both lists was abolished to provide for this new appointment, but whereas this new appointment was given to the enrolled list, and the officers of that list benefited, the officers of the P.W. list were made to lose in their rate of promotion. I submit that the fact that the claims of the P.W. list men to a half share in this appointment were not considered at the time does not prevent them from

being considered now, nor does the fact that at the time of the general amalgamation this accountant-generalship was among those reserved for the enrolled list mean that it was rightly so. The intention of Government may have been ultimately to staff the combined office entirely from the enrolled list; but the bigger "amalgamation" made later in the same year must have modified this, and in practice officers of both lists are employed. The contention I put forward is that this appointment should be open equally to *both* lists.

64,545. (IV.) Conditions of salary.—I do not think the proposals in the joint memorandum of the whole Department are sufficient to meet the existing conditions and needs. I accept the number of accountant-generalships proposed—14—but I think the Accountant-General, Railways, should be of a higher rank and status and draw more salary than the others. This post should be a special appointment on a salary of at least Rs. 3,000 a month. He is not an accountant-general of an Accounts Office, but the administrative head of what is virtually a separate branch of the Finance Department. He has under him the heads of 13 separate offices, and more officers than the Finance Department contained in 1891. So for the proposals relating to accountants-general I would substitute the following:—

	Rs.
1 Accountant-general, Railways, on at least	3,000
4 Accountants-general on	2,750
4 " " "	2,500
5 " " "	2,250

These to include the three now reserved for the Indian Civil Service:

Since the joint memorandum of the whole Department was written the Secretary of State has sanctioned a fixed rate of salary of Rs. 2,000 a month for the examiners, North-Western and Eastern Bengal State Railways, and Rs. 1,800 for the examiner, Oudh and Rohilkhand Railway, and also a local allowance of Rs. 150 for the senior deputy examiner in the North-Western Railway office. This falls short of the request preferred in the memorandum of the whole Department, and is not, I think, sufficient. These three State railway examinerships should be of the rank of and be graded with accountants-general, and the arguments for the increase sanctioned put forward in Government of India Despatch No. 172, dated 26th June 1913, to the Secretary of State all bear out this contention. One difficulty in doing this is, I understand, that these officers would then be in the same class as the Accountant-General, Railways, to whom they are subordinate; but if my contention that the status and pay of the post of Accountant-General, Railways, should be raised is accepted, this difficulty will disappear.

Further, the local allowance of Rs. 150 to the senior deputy examiner on the North-Western Railway is not enough. The Department have asked for one deputy for this railway on Rs. 1,750–2,000, but I have been attached to this office for the last eight years, and know that during all this time each successive examiner has been forced to so organise it that he has two deputies, and will continue to have to do so, whether two deputies be recognised by Government or not, for the work cannot be done otherwise. Moreover, I have held during these eight years both the deputy charges in turn, and both, I consider, are equally important. Including the travelling auditor, it has been shown that 16 supervising officers are necessary for this office, a number no other Accounts Office can equal. I do not consider, therefore, that the recommendations in the joint memorandum are adequate, but think that there should be two deputies in Class I. attached to this office.

Nor do I think the proposal that two of the Senior Government Examiners of Railway Accounts should be in Class I. sufficient. There are three such appointments, Calcutta, Madras, and Bombay, all equally important, and all three of them should be

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in Class I. The list given on page 16 of the joint memorandum should, I think, therefore be modified as follows:—

Deputy Comptroller-General	-	-	1
Deputy Auditors-General	-	-	2
Examiner, Military Works Accounts	-	-	1
Deputy Accountant-General, Railways, for inspection	-	-	1
Comptroller, Assam	-	-	1
(The above to be all on Rs. 2,000.)			
Deputy Accountants-General, North- Western Railway	-	-	2
Deputy Accountant-General, Madras, Bombay, Bengal, United Provinces, Punjab, and Burma	-	-	6
Deputy Accountant-General, Post Offices and Telegraph	-	-	1
Senior Government Examiners of Rail- way Accounts	-	-	3
(Six of these to be on Rs. 1,750 and six on Rs. 1,500.)			

Travelling Allowance.—There is one point not touched upon in the joint memorandum, and that is that Finance Department officers attached to railways, like all other officers attached to railways, draw for all journeys other than on transfer only single-class fare and daily allowance. For a long time this has been a crying grievance among officers attached to railways, who are invariably heavy losers for all journeys off the home line. Officers on companies lines draw special allowances in such cases, double daily allowances or more, and I think that for all journeys off the home line, or when attending conferences or committees, double daily allowance should be allowed.

64,546. (V.) Conditions of leave.—I agree with the recommendations made in the joint memorandum.

If Government are unable to agree that leave on half pay should be commutable into leave on higher allowances, one thing they might do is to raise the minima allowances prescribed in Articles 320 and 342 of the Civil Service Regulations. Officers invalided have frequently to undergo expensive courses of medical treatment, and if the officer is on small pay his ordinary leave allowances are quite insufficient, and he has either to run into debt or not to undergo the proper treatment; whichever he does he impairs his efficiency and his worth to Government. I would suggest, therefore, that for the present minima prescribed in Articles 320 and 342 of the Civil Service Regulations the following should be substituted:—

- (a) On ordinary furlough or special leave—
When paid in England, 360*l.* a year, or three-fourths of the salary last drawn on duty, whichever is less.
When paid in India, Rs. 400 a month, or three-fourths of the salary last drawn on duty, whichever is less.
- (b) On furlough other than ordinary—
When paid in England, 180*l.* a year, or 37½ per cent. of the salary last drawn on duty, whichever is less.

Mr. T. R. KELLNER called and examined.

64,548. (Chairman.) The witness had completed 20 years' service in the Finance Department.

64,549. He did not think it was at all desirable to recruit the Finance Department entirely in India. There should always be an element of officers recruited from Europe. The recruitment in India ought not to be more than 50 per cent.

64,550. So far as the needs of the Department were concerned, men with university training were not required. A boy who had gone through the ordinary school course in England had received as much educational training as the Department required.

64,551. There should be an examination at the school-leaving age, and if in addition to that a boy had a year in a London office to knock the nonsense out of him it would be all to the good. A recruit would require more than two years' training in India, as the

When paid in India, Rs. 200 a month, or 37½ per cent. of the salary last drawn on duty, whichever is less.

This would benefit officers drawing less than Rs. 800 a month. The present minima, if paid in India, benefit those drawing less than Rs. 333½, if paid in England those drawing less than Rs. 444½ a month.

64,547. (VI.) Conditions of pension.—I support the recommendations made in the joint memorandum of the Department, but in addition there are two suggestions I wish to make. The first is that Government should allow officers retiring to commute the whole or any portion of their pensions into annuities on the joint lives of themselves and their wives, payable to the husband during his life and to his wife on his death. This would be a great boon to all married officers, as they would then know that there would be provision for their widows should they die soon after retirement, and beyond the expenditure on the actuarial tables it would cost Government nothing. These annuities should be paid under the same conditions as pensions and at 1*s.* 9*d.*, if paid in a country using a gold currency.

The second is that Government should take power to discharge an official at any time with the pension or gratuity he has earned for his length of service, and as this would be modifying the conditions under which they now are to allow any of their servants to retire after 20 years' qualifying service with the pension he has earned by that service.

Except for their non-pensionable services Government make no distinction between discharge and dismissal, with the result that if they wish to get rid of an inefficient or undesirable servant they can only dismiss him with loss of all pension, &c. This either handicaps Government considerably or at times causes hardship to the men. At the same time if any such power is taken there must be safeguards against its abuse. All unfavourable confidential reports should be shown to the individuals concerned, and no person should be discharged for inefficiency unless his whole record is unfavourable or he has been reported on unfavourably by at least three separate officers. It is the fear that this power might be abused which does not commend the proposal to officers generally, but I think it should be possible to provide safeguards against this.

As this would be a new power Government would be taking which would modify existing conditions of service, it is only fair that Government should make the concession proposed in exchange. In all services there are certain men who for various reasons, health, disgust with their prospects, domestic reasons, &c., are dissatisfied and anxious to go, but who cannot under the present rules. It would be to the advantage of Government to let these men go on the pension earned by their service, and much more satisfactory to the men themselves.

Finance Department dealt with all the other departments. At present the Railway Accounts offices were suffering from the practice of appointing junior officers for railway duties after two years' training. They were sent to the railway to fill the places of officers on leave. They had never seen a Railway Accounts office before, and for two years they were not fit to take charge. Even if a man had completed two years' training in the general office he required another two years before he became an efficient officer in the Railway Department. The mere fact that he had taken a degree at the university stood him in very little stead.

64,552. It would be for the efficiency of the service if men came out younger, because they required at least three years' training before they could in any way be called efficient officers, and the younger they were the more willing were they to submit to the drudgery of

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this training. A man could not obtain a training in railway work except on a railway.

64,553. The witness was recruited under the old rules. After he entered he was told that whether he passed his examination or not he would have to do four years' training. He did not find that period too long, because at the end of the four years he had not received any railway training. After his training he was appointed to a railway office, and had to pick up the work as best he could.

64,554. Apart from the Indian Civil Service officers, the Department consisted of 140 officers in class 3, and about a dozen more highly placed officers. His idea was that only 50 per cent. of the working strength of each of the offices should be filled by direct recruitment. In the working strength he included the chief accountants and chief superintendents. The chief superintendents and chief accountants were perfectly fitted to take charge of the less important sections of the office.

64,555. He would agree to a proposal for introducing an efficiency bar between Rs. 300 and Rs. 1,500. It was a reasonable scheme, but he did not think the Department would like it. Personally he thought there should be an efficiency bar at Rs. 850. After Rs. 850 an officer in a Railway Accounts office would ordinarily be put on more important work.

64,556. (*Mr. Sly*). He admitted with regard to the rate of promotion in the Finance Department as compared with other departments, that there was no room for grievance.

64,557. It was the case that the Government of India had, as recently as 1908, reduced the proportion of posts in the general lists filled by promotion from the subordinates from one-third to one-ninth. The reason given was that it was desired to increase the proportion of direct recruits in order to attract a better class of officers. He thought that policy was wrong.

He was quite prepared to admit that an officer promoted from the subordinate ranks might not be as good as a man appointed direct, but on the other hand Government obtained a vastly better subordinate service by offering promotion to subordinates. He thought that the advantages of promoting a larger number of men from the subordinate ranks outbalanced the advantages of recruiting officers direct.

64,558. Assuming that his proposal was accepted, the scale of pay of chief accountants, which was very largely raised in 1908 in order to compensate them for the loss of promotion into the Imperial Service, should not be reduced. It had to be remembered that the rates of pay of the Subordinate Accounts Service were exactly the same as they were 40 years ago, and everybody admitted that the cost of living in India had risen considerably.

64,559. There was a distinct change of duties when officers got to a salary of Rs. 850. For instance, the class III. establishment included a large number of men who went out as Government Examiners. They were attached to the various railway companies and acted as "watch-dogs" on behalf of Government. Other senior officers took charge of the bigger sections of the office. Some of them were absolutely detached from the head office. Before becoming a Government Examiner, an officer would be an Assistant Examiner in charge of one of the sections.

64,560. The work connected with the Railway Department required the same qualifications as the work of the Finance Department. He would not agree with the members of the Finance Department who had said that their service required the highest intellectual training and attainments. There was no necessity for such, as the work in the Railways was of purely a commercial character, and there were successful men in the commercial world who did not possess a university degree.

The witness withdrew.

At Madras, Tuesday, 27th 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*).

K. L. DATTA, Esq., Accountant-General, Madras.

*Written Statement relating to the Indian Finance Department, being the corporate views of the Officers of the Department.**

64,561. (I.) Method of recruitment.—(1)† Sources.—The present system of recruitment for the Indian Finance Department is that vacancies are filled up alternately by the Secretary of State and the Government of India. The appointments from England are made by selection, while those in India are made by a competitive examination among candidates nominated by the Government of India. Superintendents of the

Government of India Finance Department secretariat, and chief superintendents employed in Accounts offices, are also, from time to time, appointed to fill vacancies in the Department, at the discretion of the Government of India.

(2) Age.—Until recently Indian universities matriculated their *alumni* without regard to age; in consequence a young Indian could obtain his Master of Arts degree when 18 or 19 years old. The Secretary of State, it is understood, chooses his men from the *proxime accessits* of the Indian Civil Service examination, whose age is usually from 23 to 25. The disadvantage to the European recruit in consequence of the disparity of age is manifest. This would be obviated if the limit of age were fixed at 22 to 25 years for all future entrants whether appointed in England or in India.

(3) Competition after nomination.—The different systems under which Europeans and Indians are now ordinarily recruited might with advantage be assimilated. In both cases, preliminary nominations should be made having regard to the candidate's personal character and habits, good influence over others, respectability and position, and physical fitness; subsequent competition, which might be made as

* The written statement was forwarded by Mr. K. L. Datta as President of the Indian Finance Department Conference. In transmitting it he wrote:—"The conference was composed of 18 officers nominated as their representatives by the officers of the Department, stationed at various places in India. This conference discussed at considerable length the suggestions made by the several local committees and the written statement includes only proposals on which there was a consensus of opinion among those present. It may, therefore, be taken to represent practically the unanimous views of the officers of the Department, on matters dealt with therein."

† The italic figures in brackets represent the number of the paragraph in the written statement.

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difficult as desired, would give a body of men in no way inferior to any other service or department. This would not exclude the appointment of men in England on account of any particular training or qualification.

(4) *Promotion of subordinates.*—In regard to the promotion of secretariat superintendents, &c. there is no desire whatever to stop the introduction of men who have distinguished themselves in subordinate positions, but there is undoubtedly a strong opinion prevalent in the Department that the number of subordinates promoted should be definitely fixed at a maximum of one-sixth of the total number of appointments. Such promotions should not be restricted to chief superintendents and secretariat superintendents, but extended to members of the Subordinate Account Service. When a man has given evidence of his fitness for the superior service it is considered desirable to promote him as early as possible, instead of at a later stage, when it will be difficult for him to accommodate himself to his altered circumstances.

64,562. (II.) System of training and probation.—

(5) *Defects of existing system.*—Of late years the training given to recruits has been anything but satisfactory. It is felt that although there are rules on the subject in the Civil Account Code they are not ordinarily observed owing to paucity of officers on duty. The newcomer has at present no proper opportunity of acquiring a knowledge of the principles on which the system of audit and accounts in India is based, and an acquaintance with the broad features of Indian finance. There is a tendency for the recruit to be placed in charge of a section or branch of the office in which the duties are of a purely routine nature, are least calculated to interest or stimulate the young student, and occupy the whole of his time. The question is one of great importance, as men of more than average intellectual attainments are thus brought face to face with conditions which prevent them from acquiring any real interest in their work and induce an apathy from which it takes years to recover. It is considered that a probationer should in no circumstances be put in charge of any portion of the regular duties of an officer until he has had at least two years of systematic training in the Department.

(6) *Training School, &c.*—A training school should be established at a station where there is already a civil account office. Lectures on general subjects, including Indian economics and finance, should be given here, and probationers should have an opportunity of studying the actual processes of audit in the accounts office. They should, at a later stage, be attached to a treasury, a public works division, and a railway accounts office. Such a training would be infinitely more useful than the best that can be hoped for under the present conditions.

64,563. (III.) Conditions of service.—(7) *Appointments of Deputy and Assistant Secretary, Finance Department.*—Officers of the Indian Finance Department perform the dual functions of audit officers and of financial advisers to the local governments or administrations to which they may be attached, and in the public works and railway branches of the service executive officers look to them for advice and assistance on all matters involving financial considerations. Officers of this department are thus able to acquire a good business knowledge of the work of the different departments in which they are employed, and this has enabled them in the past to fill some of the higher administrative posts with credit. At the present time one officer fills the posts of Assistant Secretary in the Finance Department, two fill the post of deputy secretary and assistant secretary, Public Works Department, another fills the important and responsible post of secretary to the Railway Board, and another that of assistant secretary to them. These appointments have been filled in the past also by many officers of the Department.

(8) The post of deputy secretary to the Government of India, Finance Department, was originally sanctioned as a third-class Accountant-Generalship, mainly for the examination of all new proposals for expenditure, both from a financial and an audit point of view, for which an officer trained in accounts was peculiarly

well qualified. But as at the time all the Accountant-Generalships, with the exception of one, were reserved for the Indian Civil Service, the deputy secretaryship also was similarly reserved for them. It is, however, believed that an officer trained in accounts is better fitted for this appointment than members of the Indian Civil Service who have never had any training in accounts. In view of this fact, the post of deputy secretary to the Government of India, Finance Department, which is now reserved for the Indian Civil Service, should, in future, be reserved for officers of the Indian Finance Department.

(9) The post of assistant secretary, at present reserved for the uncovenanted service generally, should also be reserved for the Indian Finance Department and the designation and status of the post should be raised to that of Under Secretary, thus equalising the number of Financial Secretariat appointments reserved for the Indian Civil Service and the Indian Finance Department respectively.

(10) *Appointment of Comptroller and Auditor-General.*—It is further considered that the post of Comptroller and Auditor-General should be open in practice as well as in theory to members of the Indian Finance Department.

(11) *Appointment of Railway Accounts Officers to the Agency Department.*—In paragraph 161 State Railway Open Line Code, Volume II., it is laid down that officers of the Accounts Department are equally eligible with officers of the other departments of the railway to posts in the Agency Department. It is suggested that practical effect should be given to the provisions of this paragraph, which are rapidly becoming a dead letter. It may be pointed out that some years ago certain members of the Accounts Department filled with credit the post of manager of some of the largest railways in India.

(12) *Secretariat Training of Junior Officers.*—With a view to officers of the Indian Finance Department acquiring secretariat training, it is proposed that one officer each year should be attached to the Finance Department secretariat for a period of 12 months, and that officers selected for such training should have not less than five and not more than 10 years' service.

(13) *Exemption from the Operation of the Arms Act.*—Indian officers of the Department are not at present exempt from the operation of the Arms Act. It is the general opinion of all officers of the Department that this exemption should now be granted as in the case of officers of lower positions in other services, especially as their official duties in connection with inspection work now take them, on occasions, to dangerous and out of the way places.

(14) *Grievances of the Public Works Accounts Officers.*—In consequence of the amalgamation of the Superior Accounts Branch of the Public Works Department with the enrolled list of the Finance Department, officers of the two lists are now in one department but on different cadres. A great disparity exists between the prospects of promotion above Class III. of officers on the enrolled and the Public Works lists due to the small number of appointments above that class open to the latter, and this causes inequalities of status among officers of the same standing in the same office.

(15) As a partial remedy for these disabilities under which the accounts officers of the old Public Works Department labour as the result of the amalgamation, it is suggested that they should be allowed the option of retiring at any time after completion of 20 years' qualifying service with the maximum pension as for 25 years' qualifying service. Such a concession will not be unprecedented, as in 1893, owing to a block of promotion, engineers were permitted to retire from the service of Government on somewhat similar terms.

64,564. (IV.) Conditions of salary.—(16) *Pay and Prospects.*—A separate note on the subject of the pay and prospects of officers of this Department is enclosed as an addendum to this memorandum. It sets forth at some length the case for an enhancement of the rates of pay of officers of the Department and for improving the status of certain superior appointments on account of an increase in the work and the responsibilities attaching to them. For the reasons stated in para-

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graph 13 of that note, it is not considered expedient to suggest an increase in the rates of pay of accountants-general. Briefly, the proposals which are submitted for consideration are:—

(1) That the status of the following appointments may be raised by converting them from Class I. appointments to accountant-generalships:—

- (i) Comptroller, India Treasuries.
- (ii) Comptroller, Central Provinces.
- (iii) Chief Examiner, North Western Railway.
- (iv) Chief Examiner, Eastern Bengal Railway.
- (v) Chief Examiner, Oudh and Rohilkhand Railway.

(2) That these five appointments may be reserved for the officers of Finance Department other than members of the Indian Civil Service. This will raise the number of accountant-generalships open to officers of the Finance Department from 6 to 11. These 11 appointments should be graded as follows:—

Accountant-general, Class I.	-	-	3
Ditto Class II.	-	-	4
Ditto Class III.	-	-	4
			—
			11

(3) That the total number of appointments in Class I. of the list should be fixed at 16 (including one appointment reserved for members of the Indian Civil Service) and these 16 posts should be graded as follows:—

Grade I.	-	-	6 posts @ Rs. 2,000
,, II.	-	-	10 „ @ Rs. 1,750
			—
			16

(4) That the pay of Class III. of the list may continue to be Rs. 300—50—1,500 as at present, but as it is extremely difficult in these days of high prices for any officer of the Department to live at a presidency or a capital town where he is invariably posted, on less than Rs. 400, in a style befitting his position, every probationer should get during the first three years of his service a fixed pay of Rs. 400. He should not, however, get Rs. 450 until he has completed three years' service and passed the prescribed examinations as at present. This will be highly appreciated, but is in reality a very small concession, as probationers appointed from England are at present allowed to draw Rs. 350 and Rs. 400 as soon as they pass their lower and higher departmental examinations respectively, and they are usually able to do so at present in 6 to 12 months and 12 to 18 months. The concession will, therefore, involve an extra payment to them of Rs. 100 per month for 6 to 12 months and of Rs. 50 for a further period of 6 months.

(5) That probationers appointed in India should be placed on a footing of equality with those appointed from England in regard to initial pay. At present they receive Rs. 200, as against Rs. 300 drawn by the English recruits, and the difference in rates of pay continues until the higher departmental examination is passed. This is the only difference between the pay and prospects of European and Indian officers throughout their service, and should be removed. It may be pointed out that Indian recruits are invariably married men, and it is as difficult for them to live on less than Rs. 400 at a capital town as for a European probationer, who is always a bachelor.

(17) *House Allowance.*—Government has already recognised that the proportion of his salary, which an officer must allocate for the payment of house rent, varies in different places, and that, in some towns, the salary of the officers is insufficient to meet the rent demanded for a house befitting the position which they are required to maintain. Of necessity, the Finance Department officers are stationed in all capitals, imperial and provincial, and it is precisely in those cities that the demand for houses has increased seriously in recent years.

(18) To mitigate this undoubted hardship, Government has sanctioned the grant of house rent allowances in Calcutta, Bombay, and Rangoon. There are two conditions among others attached to these allowances,

namely, (1) that the officer must be married, and (2) that his wife or children must be residing with him during certain specified periods. Both these conditions have always been felt by the department to be inequitable. An officer has not unfrequently to pay house rent when living alone. When his wife and children are away, it only means that he has to maintain two or even three separate establishments. It cannot be argued that his expenses are decreased owing to the absence of his wife and children, yet one is confronted with the paradox that he is in a worse position than the officer who has but one establishment to maintain. Then again in Calcutta the rate of the allowances is considerably lower in the hot than in the cold weather. But if an officer rents a house or flat, his rent is fixed for a year or a period of years without regard to the hot or cold seasons. It is only in the case of an officer who rents a house temporarily for the cold weather that he has to pay an abnormally high rent. It is believed that the Calcutta rules were framed primarily with regard to the periodical cold weather visits of the Government of India; but with the change of capital, conditions have changed, and the allowance is now drawn almost entirely by officers stationed in Calcutta throughout the year, and the rules should be altered to meet present conditions. In view of these facts, it is strongly urged that an accommodation allowance of Rs. 150 per mensem, in the case of Calcutta, Bombay, and Rangoon, and Rs. 100 in the case of Madras and Shillong, should be granted to all officers of the Finance Department, whether married or not, instead of the present house rent allowance. This, it is submitted, will not give any claim whatever to officers of other departments, as they are only temporarily in headquarters stations, whereas the Finance Department is invariably represented by several members at these most expensive stations.

(19) *Travelling Allowance.*—The conditions of service of officers in an imperial department are not the same as those of members of a provincial service, or of the Indian Civil Service. When returning from leave out of India, the latter always know to what port they should take their passage; but it is only in the rarest cases that an officer of the Finance Department knows to what province he will be sent. Consequently he is compelled to return to Bombay for orders. Comparing the case of a Finance Department officer and a member of the Indian Civil Service in the Burma Commission proceeding on leave, it is found that the former must take single passages from Rangoon to London and from London to Bombay, while the latter can take a return ticket from Rangoon to London. If they travel first class by sea all the way, the expenditure will be Rs. 1,458 in one case and Rs. 1,050 in the other. The Department considers that its members have an equitable claim to travelling allowance from the port of landing when returning from long leave out of India, and to travelling allowance to the new station from the last station when returning from leave taken in India.

(20) It is the invariable result of transfer that an officer is greatly out of pocket, and the travelling allowance admissible under the present rules of the Civil Service Regulations is quite insufficient to cover even his actual travelling expenses for himself, his family, and personal effects, much less the other losses incidental to transfer. While it is not expected that Government should compensate an officer for monetary loss, in breaking up one establishment and setting up another, it will be recognised that there is room for greater liberality in regard to travelling allowance on transfer. The principle laid down in Article 1098 of the Civil Service Regulations might be extended to officers of the Finance Department, and it is earnestly desired that Government should lay down a scale on those lines.

(21) *Local Allowances.*—It is considered that the local allowances at present granted to certain Accountants-General should be continued, and that every other officer who is appointed solely for touring and who is only occasionally at headquarters should get a local allowance. It is further considered that an officer whose main work is usually at headquarters and who is only occasionally on tour, should draw an increased

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daily allowance of 50 per cent. over and above the existing rates, subject to a maximum of Rs. 10.

64,564. (V.) Conditions of Leave.—(22) *General*.—It will probably meet with acceptance that, in a mixed department like this, there should be no distinction between the treatment of Europeans and Indians, especially if the conditions of recruitment be assimilated as has been proposed; it is therefore suggested that all officers of the General and Public Works Lists of the department should come under the European service leave rules from the date of joining.

(23) *Nature and Period of Leave*.—The question whether leave on half pay should be commutable into leave on higher allowances, or on full pay, has for some time been under the consideration of Government, and was recommended in paragraph 157 of the Report of the Royal Commission upon Decentralisation in India. The Department strongly supports that recommendation, and thinks that the difficulties which have hitherto restrained Government from acting upon it are not insuperable. For example, it is stated that "in the case of regularly constituted services which contain a provision for a leave reserve calculated on the existing conditions of service, any material reduction in the total amount of leave taken by an officer during his service will have the immediate effect of turning a portion of the reserve into a surplusage of officers for whom there will be no need, and some extra expenditure will have to be incurred until the cadres of the various services can be re-adjusted" (paragraph 4 of Government of India, Finance Department, Letter No. 538 C.S.R., dated the 13th September 1912) in the case of this department, at any rate, the present leave reserve is inadequate, and it is believed that this is already recognised by Government and the question of increasing it is under consideration. There is, therefore, no likelihood of a surplusage of reserve officers in this department, and probably the same is true of many other services.

(24) *Leave allowance. Maxima should be raised*.—It is thought that leave allowances do not bear a proper proportion to an officer's salary, in view of the marked rise in the cost of living which has occurred both in England and in India, since the existing limits were laid down. The present maximum was fixed at 800*l.* per annum at a time when the highest salaries open to uncovenanted officers in India were small and seldom exceeded Rs. 1,333½ comparatively. As the rupee in those days was equal to 2*s.* the Indian equivalent was taken at Rs. 8,000 per annum. Now that the pay open to uncovenanted officers has been gradually and largely increased, the maximum leave allowance admissible has become disproportionately small in the case of most senior officers and is quite insufficient in the case of officers in the position of accountants-general. The difficulties are enhanced in cases where officers are compelled to take leave on medical certificate and have to meet heavy fees for medical attendance. It is desirable that the limit of allowances for leave, other than privilege leave, be raised to 1,000*l.* a year if paid in England (a privilege already enjoyed by the Indian Civil Service and by officers of railway companies in India) and that the Indian rate be fixed at the same amount, converted at 1*s.* 6*d.* the rupee.

(25) It may be mentioned that the present maxima for leave have been in force more than half a century, during which period the cost of living has increased enormously and the sterling value of the rupee has gone down from 2*s.* to 1*s.* 4*d.* The low maxima, both for payment in India and in England, have proved a great deterrent to senior officers taking full advantage of the leave rules and this has undoubtedly affected their efficiency and the chance of junior officers getting acting promotion and caused considerable administrative inconvenience.

64,565. (VI.) Conditions of pension.—(26) *Amount of pension*.—The arguments advanced in support of an increase of the maxima for leave allowances apply with greater force to the case of the maxima for pension which also were fixed more than half a century ago. As the rules stand a junior officer, who has been in

receipt of Rs. 850 for only three years before retirement receives the same pension as a senior officer drawing double that pay or more and an accountant-general on a three and a quarter times that pay receives a pension of only Rs. 83 per month more. The maximum pension admissible under Article 474, Civil Service Regulations, should, it is suggested, bear a more reasonable proportion to the salary actually drawn by the officer before retirement.

(27) The following scale of pensions is recommended for adoption in lieu of the table in Article 474 of the Civil Service Regulations:—

Years completed Service.	Scale for Pension. Fiftieths of average emoluments.	Maximum per annum.
		Rs.
10 - - -	10	—
11 - - -	11	—
12 - - -	12	—
13 - - -	13	—
14 - - -	14	—
15 - - -	15	3,750
16 - - -	16	4,000
17 - - -	17	4,250
18 - - -	18	4,500
—	—	—
—	—	—
24 - - -	24	6,000
25 - - -	25	6,250
26 - - -	25	6,500
27 - - -	25	6,750
28 - - -	25	7,000
29 - - -	25	7,250
30 and above -	25	7,500

NOTE.—It is not proposed to have any maxima for less than 15 years' service, as the actual amounts of pension admissible are never more than even the present rates of maxima.

(28) *Length of qualifying Service*.—Under the existing rules, no officer can retire on pension unless he has rendered 30 years' qualifying service or attained the age of 55 or is permanently incapacitated for further service. The disability to retire earlier is felt keenly in the conditions of service obtaining in India. It is suggested, therefore, that an officer should have the option of retiring on full pension after 25 years' qualifying service.

(29) *Leave qualifying for Pension*.—The rule in Article 408, Civil Service Regulations, allowing certain periods of leave with allowances to count as service for pension is a concession which is appreciated, but it is considered that it is not sufficiently liberal especially in regard to leave in India. It is suggested that it should be improved slightly by substituting the following table for the one in the rule quoted:—

If the total Service of the Officer is not less than	He counts as Service a Period of Leave out of India not exceeding	He counts as Service a Period of Leave in India not exceeding
10 years - -	1 year - -	1 year.
15 " - -	2 years - -	1 "
20 " - -	3 " - -	2 years.
25 " - -	4 " - -	2 "
30 " - -	5 " - -	3 "

(30) *Additional Special Pension*.—In view of the improvements in the scale of ordinary pensions suggested herein, it is not considered expedient to suggest an enhancement of the scale of additional special pensions admissible under Article 475 of the Civil Service Regulations to officers holding certain superior positions in the Department.

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(31) *Commutation of ordinary Pensions.*—Under recent orders of Government, pensioners may be allowed to commute their pensions, up to a limit of one quarter, provided certain conditions which are fully set forth in Government of India, Finance Department No. 585-E. B, dated the 27th September 1912, are fulfilled. This concession removes a long-felt disability, but it does not go far enough. It is considered that every pensioner should be at liberty to have a quarter of his pension commuted as a matter of course. Pension is deferred pay, and a portion at least ought to be paid to the officer or to his heirs in the case of his premature death.

(32) It has been accepted as a principle that pensioners residing in a country where the rupee is not legal tender, are entitled to draw their pensions at the rate of 1s. 9d. the rupee. Under the rules at present in force, the advantage of this privileged rate is not allowed to them in the calculation of the commutation value of their pensions, the calculation being made as for the rupee value of the pensions. To extend the utility of the rules, it is suggested that in the case of pensioners drawing their pensions at 1s. 9d. the rupee, the commuted value of their pensions should also be calculated at the same rate.

(33) *Gratuity to Families of deceased Officers.*—A very small percentage of the officers of Government live to enjoy their pensions. The trying conditions of service in India seriously affect the longevity of officers, and the ever-growing increase of work which officers of this department have in recent years been called upon to cope with, is responsible for the premature death of several strong and healthy members of the Department. Many die when drawing comparatively small rates of pay. The families of officers dying while in service are not eligible for any part of the pensions earned by them or to the commuted value thereof. In consequence, they are left unsuitably provided for, especially as the rates of contributions to the family pension funds to which uncovenanted officers are eligible to subscribe are high, owing to the fact that Government gives no special help to such funds, as in the case of the Indian Civil Service family pension fund. In view of these difficulties, it is suggested for consideration that in the case of officers dying while in service, the commuted value of a quarter of the pension admissible for the qualifying service on the date of death should be paid to the widow and children of deceased officers, the nearest exact age of the deceased being taken for determining the commuted value of the pension.

(34) It is a matter of common knowledge that Government has always repudiated claims raised by officers' widows and families, and has held that it is the duty of every officer to make suitable provision for them. But, in view of the enormous increase in the cost of living, and considering the fact that many of the services are now recruited from men who are required to live in the same style as members of the Indian Civil Service, it is impossible for them to save enough to make their families independent.

(35) *Family Pension Fund.*—As an alternative to the foregoing suggestion, it is proposed that a family pension scheme be constituted for the benefit of uncovenanted officers of Government on the same lines as the Indian Civil Service family pension fund.

64,566. *ADDENDUM.—Pay and Prospects.*

Organisation in 1886—When the Public Services Commission of 1886 was appointed, the organisation of the Civil Accounts Department was as follows:—

	Rs.
1 Comptroller-General (reserved for I.C.S.)	3,500
5 Accountants-General (which were scheduled for the I.C.S., but 1 of which was actually held by an uncovenanted officer), viz. :—	
2 on	2,750
2 on	2,500
1 on	2,250
4 Class I.	1,750—50—2,000
5 „ II. (including 2 for the I.C.S.)	1,250—50—1,500
6 „ III. (including 1 for the I.C.S.)	1,000—50—1,250
8 „ IV. (including 1 for the I.C.S.)	800—40—1,000
6 „ V.	600—40—800
4 „ VI.	400—40—600
8 Probationers	200 to 300

(2) *Organisation in 1891.*—The Public Services Commission of 1886-7 did not recommend any change in the rates of pay. But the Finance Commissioner (Sir Charles Elliott), in paragraph 44 of his report, held that the scale of salaries of the appointments in the Department was considerably higher than it need be. A change was made in the organisation of the Department in 1891 with reference to the recommendations of Public Services Commission and the remarks of the Finance Commissioner, and under the new organisation the appointments to be filled by uncovenanted officers were as follows:—

	Rs.
1 Accountant-General (pay as above)	—
4 Class I.	1,500
3 „ II.	1,250
5 „ III.	1,000
7 „ IV.	800
8 „ V.	600
8 „ VI.	400
5 Probationers	200 to 300

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(3) Even with the reduction then made in the pay of the Department, the average cost of an officer and the average salary which he might ordinarily draw throughout his service remained higher than in the other uncovenanted services (e.g., Imperial Engineers, Imperial Forest Service, &c.). This will be evident from Statements I. to III. appended to this memorandum, as well as from the following salient figures relating to the organisation of the three principal uncovenanted services in 1891:—

Finance (Accounts Department).		Imperial Forest Officers.	Imperial Engineers.
	Rs.		Rs.
Accountant-General	2,250—2,750	Inspector-General (average)	2,333 0·5
*Class I.	1,000—1,800	Conservators	1,000—1,600 9·2
„ II.	1,250	Deputy and Assistant Conservators; maximum	900 90·3
Lower classes: maximum	1,000		100·0
	100·0		846
Average salary	1,010		835

* There were two personal allowances of Rs. 300 for deserving officers in this grade whom it was not found possible to promote to the office of the Accountant-General.

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Functions of the Department.—There is reason to believe that the pay and prospects of officers of the Finance Department were in 1891 kept at a higher level than those of the other uncovenanted services after deliberate consideration. It had been recognised in the past, both by the Government of India and by the Secretary of State, that it was a matter of the greatest importance that the superior officers in the Finance Department should be, in every respect, of equal ability with those holding the higher offices in other branches of the administration, and that, to ensure this, whatever inducements might be really necessary to draw into the Finance Department officers possessed of the highest qualifications should, without hesitation, be offered. The officers of the Finance Department are not purely account officers, though, even if they were so, there would be a sufficiently strong case for giving them a liberal remuneration. For the accounts of the Government of India are not only immense in volume but they are also extremely complex in character; including, as they do, the transactions of nine local governments, each possessing its own revenue and expenditure of a great railway system in which a capital sum of 350L. million sterling has already been invested, and which is administered by a department of the Government of India, and of an important commercial department (viz., the Post Office and Telegraphs); and it would be necessary to offer the temptation of a fairly liberal income in order to attract good men to a rather laborious life of intricate and uninteresting office work. But apart from its purely account duties, the department is entrusted with functions which require financial ability of a high order. Its senior officers are in many important respects the financial advisers of the local governments and administrations, of the several departments of the Government of India, and of the big spending subordinate departments; and they are always the constitutional check on these various authorities to ensure that the orders of the Secretary of State in Council and of the Government of India in the Finance Department are not departed from and that financial regularity is preserved. They are also entrusted with the management of the currency offices and of Government funds within their respective

jurisdictions. To secure a properly trained and thoroughly efficient service capable of discharging these important and multifarious functions it is necessary that its prospects should in no way be less than those of other uncovenanted services; and this fact appears to have been recognised by the Government of India when reorganising the Department in 1891.

(4) The work entrusted to the Department has naturally grown in volume, in complexity and in responsibility, with the growth of the administrative machinery and the development of the country. In 1891 the amount of expenditure which the Finance (Civil Accounts) Department, consisting of 41 officers had to audit and account for, stood at about 30 crores. Now the amalgamated service of about 158 officers has to audit and account for about 102 crores of expenditure chargeable to revenue and 8 crores of capital expenditure. The figures exclude debt, deposit and remittance transactions. In 1891 the paper currency circulation amounted to 23 crores; it now amounts to about 66 crores, while the rupee coinage under the present system and the developments in the Indian currency problem which have taken place in recent years have undoubtedly added to the work and responsibility of the officers of the Department. Moreover, the severity of the restrictions which the Secretary of State has recently imposed on the powers of the Government of India and the subordinate authorities has materially added to the audit officer's duties and responsibilities. One of his important functions now is to scrutinise every item of fresh expenditure and to decide whether it is within the financial powers of the authority concerned to sanction it.

(5) *Necessity for Improvement.*—It is, therefore, disheartening to find that while considerable improvements have been made since 1891 in the prospects of the Imperial Forest and Engineer Services, the prospects of officers of the Finance Department have received much less attention. The result is that, at the present day, the average prospects of these officers are worse than those of the Imperial Engineers and about the same as those of the Imperial Forest Officers. This will be evident from Statements I. to III.* appended, and also from the salient figures tabulated below:—

Finance Department.		Imperial Forest Officers.		Imperial Engineers.	
Accountant-General	2,250-2,750	3.8	Inspector-General	2,650	1.4
Class I.	- - - 1,500-1,800	7.0	Chief Conservator	2,150	- - -
Lower classes:—			Conservators	1,500-1,900	10.1
Maximum } ordinary	1,250	89.2	Deputy and Assistant Conservators:—		
Maximum } possible	1,500		Maximum	1,250	88.5
Maximum	- - - 330		Minimum	380	- - -
		100.0		100.0	100.0
Average salary	- 1,170			1,141	1,208

An officer of the Finance Department now can rise ordinarily to a pay of Rs. 1,250 per mensem, in the 20th year of his service, and an Imperial Forest Officer or an Imperial engineer takes the same time to attain the same pay. But thereafter the finance officer is confronted with a block in promotion as compared with the other two services. In the latter an officer can rise ordinarily, and on an average, to an administrative post carrying a pay of Rs. 1,500 and over in the 25th year of his service, while in the former he must wait till his 28th year before he can get to Class I. Moreover, the value of a Class I. appointment in the Finance Department is now less than that of a forest conservator or of a superintending engineer; and the average pay of an "uncovenanted" Accountant-General, to use a phrase that is now obsolete, is now less than it was in 1891, though the average pay of a chief engineer or of the highest administrative appointments in the Imperial Forest Service has been considerably increased.

(6) At the same time, the Finance Department can

certainly claim that it ought to have received better treatment at the hands of Government. Its officers have generally proved themselves quite capable of discharging the important and responsible duties entrusted to them either in their own proper sphere or in the secretariats of the Government of India. This fact has been admitted in a way by Government in recent years by having thrown open to them a larger number of Accountant-Generalships than they could fill in 1891. The uncovenanted officers, who have filled these high positions, have done so with credit to their department and advantage to the state. Several officers of the Department have successfully organised and reformed the financial administration in native states and in neighbouring foreign countries such as Egypt and Siam; two have been selected to fill successively the secretaryship of the Railway Board; another was employed for over a year to carry on temporarily the administrative duties of the Controller

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of Stationery and Printing; and it was to an officer of the Department that Government entrusted the recent enquiry on high prices. For ten years the Government of India have utilised the services of a member of the Department in connection with the preparation of the budget of the Empire. It is true that the Department has never clamoured in the past, like the other uncovenanted services, for an improvement in its prospects; but this was only consistent with its dignity and position as one of the principal trustees of the public funds.

(7) In the last few months, however, Government has become alive to the urgent necessity of restoring audit to its proper position, and the proposals which are believed to have been submitted to the Secretary of State in this connection provide for the raising of the pay of the principal audit officer to Rs. 5,000 a month and bestowing on him a greatly enhanced status. It is a necessary corollary of the proposed measure of reform that the Finance Department should be restored to the position which it occupied up to 1891 as the premier uncovenanted service. It is not necessary for this purpose to make any substantial alteration in the rates of pay in the lowest class. As has been already stated, the Finance Department officer rises to Rs. 1,250 in the 20th year of his service in the same way as officers of the other two principal uncovenanted services, but he receives comparatively less remuneration in the first eight years of his service, and it is necessary to remedy this by slightly increasing, as explained in paragraph 23, the pay of the officers during the period of their probationary period, namely three years. The crying need is, however, for more appointments, and for a higher average pay, in the grades of Accountants-General and in Class I.; and the necessity for these can be justified with reference to the growth of the volume of work and the responsibility which now devolves on the senior officers of the Department, and quite apart from any consideration of improving the prospects of the Department.

(8) *Accountant-Generalships, i.e., Appointments on Pay of Rs. 2,250 and over.*—The sanctioned number of appointments of this class is nine, of which three are reserved for the Indian Civil Service and six for the Finance Department, the latter being graded as follows:—

Rs.	
1 on 2,750	} average pay 2,417.
2 on 2,500	
3 on 2,250	

The nine appointments provide for the following posts: Seven Accountants-General for the major provinces which are administered by Governors or Lieutenant-Governors; one Accountant-General, Post Office and Telegraphs; and one Accountant-General, railways. There are, however, five other appointments which should properly be provided for in this class, viz., the Comptroller, India Treasuries; the Comptroller, Central Provinces, and the Chief Examiners of the North Western, Eastern Bengal, and Oudh and Rohilkhand State Railways.

(9) When the appointment of the Comptroller, India Treasuries, was created in 1883, the work assigned to the new officer was strictly that of an accountant and differed considerably from that of an Accountant-General, who is to a great extent the financial adviser of his local government. The subordination of the new officer to the Comptroller-General was at that time very real; the correspondence with government and heads of imperial departments was conducted by the Comptroller-General; there was a joint establishment and the position of the Comptroller, India Treasuries, was simply that of a deputy to the Comptroller-General, who was responsible for the making up of accounts and watching adjustments. His work and responsibilities have, however, grown considerably; and both of these are now much more varied and call for a higher degree of alertness, tact, and resource than those of the ordinary provincial accountant-general. He has a separate establishment,

with four gazetted officers under him, and his connection with the Comptroller-General is no closer than that of the ordinary provincial accountant-general. He is the financial adviser of the administration of Baluchistan, which now possesses a *quasi* provincial settlement and for which he has to prepare a separate budget, of the administrative departments of the Government of India, of various minor administrations and of certain heads of imperial departments, all of whom now possess certain financial powers. He practically occupies the position of the Accountant-General to the Government of India, and it is time that he should be given the requisite status and pay.

(10) The work and responsibilities of the Comptroller, Central Provinces, have largely increased since Berar was acquired on lease from the Nizam and amalgamated with the Central Provinces; and there has been a further increase in both directions on the amalgamation of the civil and public works account offices. In 1891 this officer audited and accounted for only about 72 lakhs of expenditure. Now he has to audit and account for about 3½ crores. In fact judged from every standpoint, the appointment is now more important than the Accountant-Generalship of Behar and Orissa or the accountant-generalships of the North-Western Provinces and of the Punjab in 1891. The Comptroller is the financial adviser of the local administration, whose financial powers are exactly the same as those of the local governments of the major provinces, for which, it has just been announced, a legislative council entrusted with powers to discuss the provincial budget is to be created. The scale of salaries of the heads of departments and other superior officers in the amalgamated province has, moreover, been gradually brought on a level with that prevailing in the Punjab and some other major provinces. It is only fair and proper that the provincial head of the audit and accounts office should be given the status and pay of an accountant-general, and this is essential to avoid any weakening of the authority and independence of an officer exercising such importance and onerous functions. It is understood that the local administration is keenly alive to the necessity of the step and has already approached the Government of India informally on the subject.

(11) The work and responsibility of the chief examiners of the North Western, Eastern Bengal, and Oudh and Rohilkhand Railways are certainly not less than those of provincial accountants-general, and it has become both necessary and desirable that these three officers should be given the status and the pay of the latter. It is not desired to deal with this aspect of the matter in any controversial spirit; but the figures given in Statement IV* will, it is believed, carry conviction with them on this point. The salaries at present drawn are disproportionate, not only by comparison with those paid by railway companies to their employes holding similar positions, but with the magnitude of the financial interests committed to their charge. On the larger companies' lines, the pay of the chief auditors ranges from Rs. 2,000 to Rs. 2,750. The North Western Railway, it may be added, is the largest railway in India. The fact that the service of companies' officers is non-pensionable does not justify so wide a difference, the more so as the contributions made by the companies to the provident funds of their employes aggregate, in the case of officers of this standing and length of service, a sum that most officers would probably be glad to accept on retirement in lieu of a pension.

(12) The Finance Department can, therefore, justly claim that the number of appointments in the grades of accountants-general should be now raised by five. The total number of accountant-generalships should thus be raised from 9 to 14. Of the latter number three will, under the existing arrangement, be reserved for the Indian Civil Service, and 11 appointments should be available for the uncovenanted members of the Department.

The average pay of an accountant-general has come down from Rs. 2,550 in 1891 to Rs. 2,417 at

* *Vide* Appendix IV.

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the present day, though his work has increased in volume and responsibility with the development of the administration and of the revenues of the country, while there has been a further enhancement

in both directions consequent on the recent amalgamation of the civil and public works accounts offices. Some idea of the growth of work will be obtained from the statistics given below:—

PROVINCES.	1891.			1912.		
	Expenditure audited.*	Number of Subordinate Gazetted Officers.	Number of Clerks.	Expenditure audited.*	Number of Subordinate Gazetted Officers.	Number of Clerks.
	Crores.			Crores.		
Madras - - - - -	2·85	5	192	8·60	10	435
Bombay - - - - -	4·38	6	248	9·06	11	453
United Provinces† - - - -	2·51	4	169	7·87	10	374
Punjab - - - - -	1·78	3	102	6·90	11	336
Bengal - - - - -	6·55	6	247	6·95	10	348
Post Office and Telegraphs -	—	—	—	4·65	15	1,641

* Excludes local expenditure.

† Includes currency Office, Cawnpore.

On the other hand, the remuneration of every other head of a provincial department has been raised during the period; and if the head of the Accounts Department is to maintain his authority and position some increase in his remuneration has become absolutely necessary. In view, however, of the fact that it is possible for Government to ameliorate the prospects of the officers of the Department by raising the status of certain appointments, it is considered inopportune to suggest any increases in the rates of pay of Accountants-General.

(14) In addition to the 11 appointments mentioned above, members of the Finance Department should also be definitely declared to be eligible to hold the post of Deputy Secretary in the Finance Department which was sanctioned originally as a third-class accountant-generalship, as well as the post of Comptroller and Auditor-General. The officers of the Department do not wish to go so far as to expect that the hands of the Government of India or the Secretary of State should be tied by the absolute necessity for selecting the Comptroller-General from amongst them, as they feel that in the case of such a high post public interest should alone prevail; but they do feel that if any of the accountant-generalships are to continue to be filled by members of the Indian Civil Service, this circumstance shall not in practice so work out that on grounds of seniority on the list, the monopoly of the comptroller-generalship shall rest with the Indian Civil Service.

(15) *Appointments in Class I.*—In view of growth of the volume of work and the responsibilities of officers of the Finance Department, as well as of the increase which has taken place since 1891 in the pay of superintending engineers, of conservators of forests, and deputy inspectors-general of police, it is fair and proper that the maximum pay of this class should be restored to Rs. 2,000, at which figure it stood prior to the re-organisation of 1891. It is suggested that there should be two grades in this class, with pay Rs. 1,750 and Rs. 2,000.

(16) The present number of sanctioned appointments in this class is 12, including one appointment reserved for members of the Indian Civil Service.

In paragraph 8 above it has been suggested that five of the superior appointments, viz., those of the comptroller, India Treasuries, comptroller, Central Provinces, and the chief examiners, North Western, Eastern Bengal, and Oudh and Rohilkhand Railways, should be raised to accountant-generalships. There

will then remain a residue of seven appointments in this class. It is, however, now time that nine more appointments were added to this class; in other words, to have 16 class I. appointments for the under-mentioned posts:—

Deputy comptroller-general - - - - -	1
Deputy auditors-general - - - - -	2
Examiner, military works accounts - - - -	1
Deputy accountant-general, railways, for inspection - - - - -	1
Deputy accountant-general, North Western Railway - - - - -	1
Senior deputy accountants-general, Madras, Bombay, Bengal, the United Provinces, the Punjab, and Burma - - - - -	6
Deputy accountant-general, Post Office and Telegraphs - - - - -	1
Comptroller, Assam - - - - -	1
Two of the Senior Government Examiners of Railway Accounts - - - - -	2
	<u>16</u>

Six of these appointments might be in the first grade, on a pay of Rs. 2,000, and 10 in the second grade, on a pay of Rs. 1,750, giving an average pay of Rs. 1,843 per appointment.

(17) *Comptroller, Assam.*—In Assam no head of a provincial department receives such a low remuneration as the Comptroller. Those who are members of the Indian Civil Service receive their grade pay as deputy commissioners which is the same as in other provinces in Northern India. The Inspector-General of Civil Hospitals gets Rs. 2,250; the forest conservators get their grade pay varying from Rs. 1,500 to 1,900; and there is a chief engineer besides a superintending engineer. The Director of Public Instruction alone gets Rs. 1,250-1,500, but this will in all probability have to be raised in the near future. In fact, the province has been given a more expensive headquarters staff than it had before 1905; and if the Comptroller is to maintain his position and dignity, his pay should be raised at least to that of Class I. The large increase in the cost of living at Shillong has affected him equally with the other headquarters officers; and the volume and responsibility of his work has undoubtedly grown substantially from what it was before 1905. Some indication of the growth in the volume of work will be gathered from the following figures:—

1891.			1912.		
Expenditure audited.	Number of Subordinate Gazetted Officers.	Number of Clerks.	Expenditure audited.	Number of Subordinate Gazetted Officers.	Number of Clerks.
42 lakhs - - -	1	29	165 lakhs - - -	4	75

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The establishment of proper control over tracts on the North-East Frontier and the development of the country, for which the Government of India are lavishly allotting funds, are also bound to result in a further enhancement of the Comptroller's work and responsibility.

(18) The senior Deputy Accountant-General in a provincial accounts office undoubtedly occupies the most responsible position in the office, and yet he does not receive any extra remuneration beyond the pay admissible under the time scale. His duties and responsibilities have been greatly enhanced in recent years owing to a similar increase in those of the Accountant-General himself. He is in charge of the establishment and as has been shown in paragraph 13, the establishment has grown largely almost everywhere since 1891. For about four months of the year he has practically to carry on the Accountant-General's work, when the latter is employed on budget work, the volume of which has grown considerably from what it was in 1891, while its importance has greatly increased owing to the delegation of wider financial powers to provincial Governments and the establishment of legislative councils with powers to discuss the Imperial and Provincial budgets. It is on the Deputy Accountant-General that the efficiency and smooth working of the office now mainly depends. His work is enormous in bulk and monotonous in the extreme; and it requires a high sense of duty to perform this monotonous work efficiently, and at the same time to keep a quick eye to detect radical defects and a clear brain to deal with the important questions which frequently come before him. It is now time that regular provision for all these appointments should be made in Class I. of the Service. It is possible that an officer of this class may not immediately be required for the Central Provinces if the Comptroller is given the status and pay of an Accountant-General. But the expenditure in these provinces is rapidly growing with the development of their resources, and the need for a second senior officer is bound to arise in the near future. It will also be necessary and desirable soon to have a senior officer to audit and check the capital expenditure in connection with Imperial Delhi, but we do not press for it now.

(19) The considerations urged in the preceding paragraph for raising the pay and status of the senior Deputy Accountant-General in the provinces apply almost equally in the case of the headquarters Deputy Accountant-General, Post Office and Telegraphs. There are, however, certain additional considerations in this case which justify his being given the same status and pay as the senior Deputy Accountants-General of the service provinces. Owing to the scattered position of his subordinate officers, the Accountant-General of this important commercial department has to spend a portion of his time on regular tours, while his presence is not infrequently required at the summer headquarters of the Government of India about important financial questions; and it is desirable that he should have a senior deputy of some status to carry on during his absence from office.

(20) Lastly, in view of the important interests committed to the care of Government examiners of railways, of the necessity for employing on the larger railways in this capacity officers of special experience and tact, and the probability that, in future, the charge of two important railways will be committed to the care of a single Government examiner, it is essential that at least two of these appointments should be in Class I.

(21) Of the 16 appointments proposed in Class I., one will, under present arrangements, be reserved for the Indian Civil Service. It is hoped that the remaining 15 appointments, together with the 11 accountant-generalships, will not be considered more than is absolutely necessary to give the 158 uncovenanted officers of the Finance Department a prospect of rising, ordinarily and on an average, to a superior post in about the 25th year of their service, and will thus restore to the service the position it enjoyed among the Imperial Services in 1891.

(22) All the appointments in Class II. are reserved for members of the Indian Civil Service. It is not proposed to make any suggestions in regard to this class.

(23) Some 141 officers of the Department are in what is known as Class III., on a time scale of pay. The initial pay is Rs. 300, which is quite insufficient for young recruits, considering that they are invariably posted to the headquarters stations of provinces, which are usually expensive places, while recruits for the Engineer and Forest Services get an initial pay of Rs. 380, supplemented whenever they are posted to expensive places by a house or Presidency Allowance. Officers of the Finance Department in Class III. rise by annual increments of Rs. 50, to Rs. 1,250, and thereafter they are given biennial increments until the maximum of Rs. 1,500 is reached. The biennial increment of Rs. 50 is a paltry addition to the salary of an officer with more than 20 years' service. It is suggested that the rise from the minimum of Rs. 300 to the maximum of Rs. 1,500 should be throughout by annual increments of Rs. 50, but that the initial salary of a probationer, whether recruited from England or appointed in India, should be Rs. 400, subject to the condition that he would not rise to Rs. 450 until he had served for three years and passed both the lower and the higher departmental examinations as at present.

(24) The cost of the proposals made in this memorandum will amount to about 1½ lakhs a year, Statements V. and VI.* But that is no reason why Government should hesitate to introduce a much needed reform in an important branch of the public service. The extra expenditure will be much less than what Government has already incurred in improving the prospects of the other Imperial Services. Thus the cost of improving the pay of about 500 Imperial Executive and Assistant Engineers in 1908 amounted to no less than 5 lakhs, while considerable sums, aggregating Rs. 3 lakhs, were also spent in improving the prospects of the Imperial Engineer Service between 1891 and 1908. Statement VI. shows the average pay of an officer of this department if the suggestions made herein are adopted.

[NOTE.—The calculations in Statement III. are based on the special "life and service table" used for Imperial Engineers: those in Statement II. are based on the ordinary table for services recruited in England, which was actually worked out with reference to the conditions prevailing in the Imperial Forest Service; those in Statements I. and VI. are based on the ordinary table for services recruited in India, this table being used in preference to that for services recruited in England, as the special pension rules applicable to the Imperial Forest Service do not apply to the Finance Department.]

Supplementary Written Statement by Mr. Datta.

64,567. (I.) Method of recruitment.—(a) *Indian Finance Department Officers.*—Under the present system vacancies in the Indian Finance Department (excluding the portion reserved for Indian Civil Service officers) are filled up alternately by the Secretary of State in London and the Government of India in this country; or in other words the intention of the Secretary of State is that the service should consist of an equal number of Europeans and Indians of pure Asiatic descent.

The Indian Finance Department is one of the few departments of the Government of India in which Indians have proved very successful in all grades; and it is admitted on all hands that Indians are peculiarly well-fitted for this class of work. All the present Indian officers, with rarely any exception, have proved their capacity for all the posts in the Department and there is not the slightest doubt in my mind that they have contributed materially to raise the standard of efficiency of the Department to its present high level.

Even in the higher grades in which administrative ability is essential, e.g., in the grades of Accountant-

* *Vide Appendix IV,*

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General, Indian officers have proved themselves equal to the task.

In consideration of these circumstances there is a very strong case for increasing the proportion of Indian officers in the Department and I would suggest that it may be raised from half to two-thirds.

At present the number of officers of pure Asiatic descent is much less than the prescribed proportion of half the total number, being 45 against a total strength of 159 (including officers on foreign service), but no special steps are being taken to recruit Indians in larger numbers to work up to the sanctioned limit. Under the present system of recruitment it will take nearly 23 years to bring the number of pure Indian officers to half the total strength.

I would therefore suggest that in future two-thirds of the vacancies be given to Indians. If this is done the proportion of half and half will be reached in about 12 years. In about 13 years thereafter, at the same rate of recruitment, the proportion of Indian officers would amount to two-thirds the total number as proposed by me. My proposed proportion of two-thirds and one-third will therefore actually come into effect a quarter of a century hence.

(b) *Indian Civil Service Officers.*—The pay of Class II of the Indian Finance Department reserved for officers of the Indian Civil Service is at present Rs. 1,000—100—1,200—50—1,250. Service in this department entails living in expensive presidency and capital towns and the pay offered attracts very junior Indian Civil Service officers. As a consequence when these officers come to this department they have very little administrative experience, and the lack of such experience prevents them from being as efficient accountants-general as they might otherwise prove.

The number of civilians at present employed in the Department is very small and it is in my opinion very desirable to keep this number to keep up the prestige of the Department. But as a result of the present system the Indian Civil Service officers we are now getting are not as efficient as they might otherwise be and it is desirable to attract a better class of men from the Indian Civil Service by improving their pay.

I would therefore suggest that the pay of this class be so improved as to induce comparatively senior officers of the Indian Civil Service (I would fix 10 years as the minimum period of service before an officer is attached to the Department) to accept service in this Department. This would really increase the efficiency of the Indian Civil Service officers in the Indian Finance Department.

64,568. (II.) *System of training and probation.*—In paragraph 6 of the joint-memorandum it has been

suggested that probationers should be given opportunities of studying the actual processes of audit in the accounts office. Studying these processes as a mere looker-on is not really helpful and in order to make them useful officers it is essential that they should master all the details of work in an office which they are expected to supervise and control. I would therefore suggest that all probationers should be required to perform without assistance the duties of junior and senior clerks in the different branches of a civil and railway account office for different periods according to the importance of the branch. This would give them a thorough insight into the details of the work which cannot otherwise be acquired and which is essential in making them really efficient officers.

64,569. (V.) *Conditions of leave.*—Under present rules leave allowances paid in England are paid at 1s. 6d. the rupee. European officers thus get 12½ per cent. more leave allowances than Indian officers—an anomaly which should under the present conditions be done away with. The cost of living has risen more in India than in the United Kingdom and if any concession is to be granted it should be in the case of leave in India rather than in that of leave out of India.

It may be urged by some that European officers have to incur additional expenditure by way of passage money which the Indian officers have not to incur and that some special concession is called for them. But it should be borne in mind that Indian officers, even while on leave, living in the same country as they do on duty, have to live in their usual style and cannot curtail their expenses during leave, while European officers can live on a much reduced scale while at home. There is therefore no case for any differential treatment and leave allowances paid in India should be increased by 12½ per cent.

64,570. (VI.) *Conditions of pension.*—Similarly pensions paid in England or in any other country where the rupee is not current are converted at 1s. 9d. the rupee, or in other words European officers are allowed a pension 31¼ per cent. or roughly one-third more than what the Indian officers receive. The value of the rupee in gold is now practically a fixed one, and with the reorganisation of the Department in 1906, the exchange compensation allowance has been withdrawn. There is therefore no reason why the European officer should receive a higher pension than an Indian officer whose emoluments while in service are quite equal. This difference should also be levelled up and the pensions of the Indian officers should be raised by one-third.

Mr. K. L. DATTA called and examined.

64,571. (*Chairman.*) The witness was Accountant-General of Madras. He had occupied that position since April last and had previously been employed on the Prices Enquiry. He had 33 years' service. He joined the subordinate accounts service in the Comptroller-General's office, and after seven years' service was promoted to a senior superintendship in the Financial Secretariat. He served in that capacity for three years and for three years he was a senior chief superintendent. After 13 years' service he was promoted to the enrolled list.

64,572. Open competition for the recruitment of Indians was a satisfactory method of appointment. He did not attach much importance to preliminary selection, because the selection was made by European officers who were not in close touch with Indians. He admitted that although in theory he preferred open competition to the present system of competitive examination among selected candidates, in practice he was satisfied with the class of officer which was being recruited. Probably, however, there were many well qualified men who would compete for the service if they knew that they would be quite sure of getting a nomination.

64,573. He suggested that the grades of chief superintendent and chief accountant should be abolished, and that these posts should be brought on to the general list, as the incumbents did practically the same work as junior officers on the general list. As compensation for the loss of those offices, he would introduce a new grade in the subordinate service rising from Rs. 450 to Rs. 600. Officers who showed signs of marked ability in the subordinate accounts service should be promoted to the enrolled list early in life, and should enter the higher scale at their existing rates of pay. That had always been the rule. When he himself was promoted to the enrolled list he was put over about a dozen officers, because his pay as a subordinate was much higher than the pay of the junior officers of the Department. He did not see why that should be a source of dissatisfaction, because officers always knew that a certain number of officers from the subordinate service would be appointed above them. He would not raise the qualification of the subordinate service, as sufficiently good men were at present being obtained.

64,574. He suggested keeping the present number of Indian Civil Service officers, and he would like still

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further to improve their pay. There was no actual advantage to the service, as now organised, in having Indian Civil Service officers in it. But the retention of a small number of them added to the status of the service.

64,575. With regard to the incremental scale, which ran from Rs. 300 to Rs. 1,500, and covered a period of 28 years' service, he explained that the whole of the 140 officers employed within that scale were not discharging work of the same value and responsibility. The difference in the duties could be clearly defined. He would agree to the principle of a charge bar, and would place it at about Rs. 1,200. He would then have another time-scale running from Rs. 1,200 to Rs. 2,000. He would merge in the latter time-scale the appointments set out in the joint written statement. He thought that would be an improvement on the present system.

64,576. He suggested certain modifications in the rules governing leave allowances, and he based his proposals on the relative cost of living for Europeans and Indians. When Indians and Europeans were paid the same salary, he considered there ought to be no difference in their leave allowance or their pension. An officer on leave or pension in England could live on a much reduced scale, because his position would not be known there, and he could lead an obscure life. Although he made that statement, he would not admit that the expenses of a European officer in India were greater than the expenses of an Indian. Distinctions in the pay of two officers doing the same work in the same service at once involved differences of prestige. If the Indian received less, he would not carry the same respect with the public and would be looked upon by his European colleagues as of an inferior status. Even if a foreign service allowance was instituted, the objection would still remain.

64,577. He was of opinion that the cadres of the finance, and military finance, services might be amalgamated in future; he thought the time was ripe for amalgamation. Such a system would be satisfactory, because an officer in the amalgamated cadre would have a much wider and much more varied experience. Certain economies would also result from the amalgamation.

64,578. His statement in the memorandum to the effect that "the intention of the Secretary of State is that the service should consist of an equal number of Europeans and Indians of pure Asiatic descent," was not his own interpretation. That had been the practice of the Government of India in the Finance Department, and he believed they would not have followed it, if it had not been consented to by the Secretary of State. It was also clear from a question and answer given in the Imperial Legislative Council which he would put in.*

64,579. If his proposal for giving two-thirds of the vacancies to Indians was carried out, he would have no objection to domiciled Europeans being included in that number. So far as selection in India was concerned, he did not wish to confine them to any particular race.

64,580. With reference to his statement that it was desirable to tap a better class of men from the Indian Civil Service by improving their pay, he meant by "better class," men of more experience.

* Question put by the Hon. Mr. Madge at the Imperial Legislative Council on Tuesday the 29th March 1910.

"Will the Government be so good as to state whether, in the reply of the Under Secretary of State to a question from Mr. Rees, that it has been decided in future to aim at recruiting from Indians one-half of the vacancies occurring in the enrolled list of the Finance Department, the word 'Indians' includes or excludes 'Statutory Indians' as defined by an earlier decision of the Secretary of State; and, if it excludes them whether the Government will take steps to remove the barrier thus thrown up against the domiciled community."

The Hon. Sir Guy Electwood Wilson replied:—

"What has been decided is to recruit Indians, in the sense of persons of pure Asiatic descent, for one-half of the future vacancies in the enrolled list. But this new decision throws up no new barrier against members of the domiciled community. They will still remain eligible as at present for admission by competition in India, or by promotion from the subordinate ranks. Their position is in no way affected."

64,581. He did not wish to see probationers put in charge of sections, but only of particular items of work, which would give them a very good preliminary training.

64,582. He thought that invariably it was the temptation of better pay which induced Indian Civil Service men to come into the Department, but once having entered, they generally stayed on.

64,583. (Mr. Fisher.) He agreed with the statement that of late years the training given to recruits was anything but satisfactory. They had been given no training. In many cases they had been put in charge of a routine branch in the currency office. For instance, he had an officer under him who had put in four years' service, three of which had been spent in that branch, on duties of a purely routine character unconnected with accounts work.

64,584. He agreed with the recommendation that a training school should be established at a station where there were already a civil and a railway accounts office. In addition to that he proposed that men should be made to do actual work, and not be allowed simply to look on. At present they sat in a separate room, and took their instruction from a clerk, without attempting to do the work themselves. He did not think a training school would be very expensive to establish. It would only entail the appointment of one officer who would give lectures on general subjects connected with the work of the Department.

64,585. (Mr. Sly.) In theory the present system of recruitment of Indian Civil Service officers was to bring them in for a certain number of years as junior officers for training and subsequently after a period of service in the ordinary line to appoint them as accountants-general. In practice, however, an Indian Civil Service officer would either remain in the Department until he got his promotion to an accountant-generalship or after training leave it for good. That was because a certain number of the accountant-generalships were reserved for officers of the Indian Civil Service and even acting vacancies were filled by Indian Civil Service officers; on the occurrence of an acting vacancy an Indian Civil Service officer in the Department was appointed to officiate, as it would not be convenient to bring in a previously trained officer from the ordinary line, neither would such an officer care to come for such temporary appointments. It was therefore usual to appoint the most senior of the Indian Civil Service officers in the Department to act in the vacancy and to retain him in the Department permanently. If, however, at the time an officer completed his three years' course there was no acting vacancy he was reverted and was not brought back into the Department. His proposal was to alter the present system. He would bring the Indian Civil Service officer into the Department when he was older, and would retain him there permanently.

64,586. He was not in favour of lowering the age of recruitment in England and of abolishing the university qualification. He considered the university qualification was necessary for the work of the Finance Department. The best men possible should be obtained.

64,587. In the statistical comparison between the prospects of the Financial Department and certain other services in India which was set out in the written statement, no allowance had been made for the fact that in the Finance Department a certain proportion of vacancies were filled by the promotion of subordinates who retired early. But this did not affect the argument as a proportion of the vacancies was filled in this way even before when according to the same method of calculation the average pay of an officer on the general list was considerably higher than the pay of the other classes of officers referred to.

64,588. With regard to the promotion of subordinates, he recommended that the proportion should be increased to the old figure of two-ninths.

64,589. A deputy secretary in the Finance Department was in no sense of the term an audit officer or an accounts officer, and the reason why he recommended that Finance Department officers should be given some secretariat training was that the work there was different from the ordinary work of an accounts

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officer. The deputy secretaryship was a very senior appointment, which should be filled only by an accountant-general. A civilian, unless he had had some training in accounts, was not likely to be able to fill the position as well as an accountant-general.

64,590. (*Sir Valentine Chirol.*) In his opinion a university qualification was much better than selection.

64,591. It was of no practical utility for an Indian Civil Service man to come into the Finance Department for a few years only in order to get familiar with the practice of accountancy in India.

64,592. It was very difficult for him to give any illustration of the necessity for employing men of the highest intellectual attainments on the work of his department. He himself had done very difficult work. For a brief description of the functions of the depart-

ment he would refer to paragraphs 4 and 5 of the addendum to the joint written statement. During his service he had been put eight times on special duty. When he was a very young officer he was asked to assist in the reorganisation of the Indian accounts, the simplification of the railway accounts, and the simplification of the Indian accounts.

64,593. He held that so far as extra expenses of living were concerned a native of Bengal transferred to Madras was just as much serving in a foreign country as an Englishman appointed from England for service in India.

64,594. (*Mr. Fisher.*) If it was a condition of his service that an Indian was required to serve throughout India, and the pay he received in the service was fixed in view of this condition, he saw no reason why he should get any allowance.

The witness withdrew.

Rao Bahadur K. BALARAMA AYYAR, Examiner of Accounts, Eastern Bengal State Railway.

Written Statement relating to the Indian Finance Department.

64,595. I am generally in agreement with the joint memorandum submitted by the officers of the department.* I have only the following additional remarks to make.

64,596. (I.) *Method of recruitment.*—In the absence of open competitive examinations, it is suggested that each of the Indian universities should be empowered to nominate one candidate for each vacancy thrown open for competition among nominated candidates. This would give an equally fair opportunity for all the different provinces.

64,597. (III.) *Conditions of service.*—Attention is invited to paragraphs 14 and 15 of the memorandum.

The amalgamation of the old Public Works Accounts Department with the Civil Accounts Department was under consideration in May 1909, and was completed in April 1910. Though more than three years have elapsed since that date, no amalgamation of the cadres of the two services has been made and the Public Works Accounts officers have had no compensation for their loss of status as administrative officers. At the outset, I would remark that status is not measurable in Rs. As. Pies and that what we of the Public Works Accounts list primarily ask for is status and not increased emoluments.

The Honourable Mr. Gillan in connection with this very amalgamation was kind enough to observe as follows:—"The amalgamation must be considered—and I wish this to be clearly understood if there has been any misapprehension about it—as a combination of two establishments followed by a reduction in the combined strength and any disadvantage which results in the way of postponement of promotion or otherwise must fall on both components and not on one only. My conclusion is that we must amalgamate cadres. I do not indeed deny that there will be hard cases; we may find in practice that they are fewer than at first sight would seem probable and we may be able to apply certain remedies." This eminently fair principle has, however, not been adopted in the case of the officers of the two services. And, unfortunately for the Public Works Accounts officers, the Finance Department has occupied the anomalous position of counsel for the enrolled officers and of judge in the cause. Consequently, it is the firm conviction of the Public Works Accounts officers that impartial justice has not been done.

Attempts have been made to base the superior claims of the officers of the enrolled list on (1) the high standard of their competitive examination in India and (2) on the greater variety of accounts work that they deal with. Though these points have not been pressed, it is well to point out that the competitive examination on the Public Works side was stiffer than the corresponding examination on the civil side in the years 1889 to 1893, and that in 1894 the

Public Works examination was lowered to the level of the Civil examination. I believe the higher standard of examination on the Civil side was introduced only in about 1899.

As regards variety of work, there was greater variety on the Public Works side with its railways and telegraphs at a time when Civil audit was mainly concerned with audit of salaries and allowances. The first expansion in civil audit, was when it took over the postal accounts and that is after all a recent addition.

Irrespective of the above, it has been, I believe, discovered in the past three years during which the two classes of officers have been working together, that there is not much difference in the capacity of the general average officer of either list. In fact, Public Works officers have been employed in all branches of civil audit and have not been found wanting.

The real and only cause that stands in the way of an amalgamation is the so-called "vested interests" of officers of the enrolled list. It has been argued that by an amalgamation of the two cadres "the competition for the three or four accountant-generalships will also be increased and these encroachments on their preserves can hardly fail to cause dissatisfaction among the enrolled officers."

We of the Public Works list do not deny that the enrolled officers will have cause for dissatisfaction. But we contend that if, as is proclaimed, the amalgamation of the two accounts departments was necessary in the interests of better administration, and if, as the result of such a measure, disadvantages are inevitable, such disadvantages shall be borne by both departments and not by one only. Due to the amalgamation, the officers of the Public Works list have lost 10 administrative posts carrying the status of financial advisers to local governments. And we contend that as a set off we should get a share in the administrative posts available to enrolled officers. If this be not admitted, it leaves us in the unenviable position of perpetual deputies and of serving under officers junior to ourselves—a state of affairs not congenial either to efficiency or contentment.

When I entered the Public Works Accounts Department in 1892, I had the prospect of rising to one accountant-generalship and 10 administrative offices exclusive of railways. When my contemporaries entered the enrolled list, they had the prospect of one accountant-generalship and four administrative posts. The second accountant-generalship was thrown open to enrolled officers only in about 1898, the third in about 1906, and the fourth in 1910. It will thus be seen that until about 1906 the prospects of enrolled officers were not superior to those of the Public Works list, and that enrolled officers who entered the service before 1906 have not much cause to complain of "vested interests" by a complete amalgamation.

The accountant-generalship that was created in April 1910 by the amalgamation of the Postal and Telegraph Accounts offices has been ear-marked for enrolled officers by the Finance Department. This is

* Vide paragraphs 64,561-6.

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[Continued.]

an injustice. The amalgamation of the two departments was under consideration in 1909 and was effected under sanction of the Secretary of State in April 1910. This accountant-generalship that was created by the fusion of Class I. appointment on both sides, on the date on which the amalgamation of the two departments took place, should have been given to the combined list of officers and not merely to the enrolled list. This would only be an act of justice though late in recognition.

With the above alteration, the number of accountant-generalships to which the officers of the enrolled list can lay exclusive claim to is only three, and as there are on the present date three more accountant-generalships open to uncovenanted officers, it should be possible to effect an amalgamation without seriously affecting the "vested interests" of enrolled officers to administrative appointments. But if it is still considered that a complete amalgamation cannot be carried out, and that all the accountant-generalships cannot be placed on a common list, it might be possible to compensate the Public Works officers for their loss of administrative appointments by a transfer of one accountant-generalship from the enrolled list to the common list. The distribution of accountants-general will then stand thus:—

Enrolled List	-	-	-	-	2
Public Works List	-	-	-	-	1
Combined List	-	-	-	-	3

As explained in paragraph 11 above, the enrolled officers who entered the department before October 1906 will, in such a distribution, have lost no vested interests. And at the same time, the Senior Public Works Accounts officers, who entered service in the nineties and who have been most hit by this so-called amalgamation, would have received some measure of compensation for their loss of status. The enrolled officers who entered the Department between 1907 and 1909 would have a cause for complaint when their turn comes 15 years hence, but such cases would be few and can be dealt with on their merits when the time arrives.

And if the Honourable Commission is unable to ameliorate the condition of the Public Works Accounts officers in any of the ways proposed above, it is the prayer of the officers that they be permitted, whenever necessary, to get out of the awkward position they will

find themselves in, by retiring from service on the terms suggested in paragraphs 14 and 15 of the joint memorandum.

64,598. (V.) Conditions of leave.—When the sterling value of the rupee was variable there was a necessity to fix the rate of exchange at which leave allowances were payable in England at the fixed rate of 1s. 6d. But with the sterling value of the rupee fixed as at present, it should be possible to do away with such special rates, at least as far as new entrants to the services are concerned.

The same applies to the special rate of 1s. 9d. applied in the payment of pensions in England.

64,599. (VI.) Conditions of pension.—Attention is invited to paragraph 29 of the memorandum.

We, Indians, do not see any necessity for the differentiation in the treatment of leave "in" and "out of" India. The object of this rule is to encourage officers to take leave at intervals to recruit their health by rest and change of air and thus become better fitted for the service of Government. If so, there is no reason why a period of leave spent in Egypt or Italy should count for pension while a period spent in Kashmir or Darjeeling should not count.

64,600. (IX.) Other points.—Generally speaking, it appears that the ratio which the pay of the superior appointments in India bears to the pay of the ministerial appointments in the several departments is very high as compared with other countries. It has not been possible for me to get comparative statistics on the subject and I offer this only as a suggestion.

Such a disparity in the ratios might be due to—

- (1) The high pay of the superior appointments;
- (2) The low pay of the ministerial appointments;
- or
- (3) To a combination of both the above.

The last cause is perhaps true in India. The pay of the superior appointments has been revised from time to time as the result of memorials submitted by the interested departments, but the cause of the ministerial services has not been taken up for serious consideration in spite of the large increase in the price of foodstuffs. This general question affects all departments of Government and should form the subject of a general inquiry.

Rao Bahadur K. BALARAMA AYYAR called and examined.

64,601. (Chairman.) The witness has occupied his present position of Examiner of Accounts in the Eastern Bengal State Railway for two and a half years. He had been in the service for 22 years.

64,602. He was in favour of recruiting the Finance Department by open competition rather than by nomination.

64,603. Public Works Accounts officers had suffered in status from the recent amalgamation, in that they were formerly financial advisers to the local governments. Now they had become simply deputies to the Accountants-General. He admitted that there had been an improvement of pay at the time of the amalgamation, though not due to the amalgamation, and that the absorption of the administrative posts was bound to take place as part and parcel of the reorganisation.

64,604. Officers on the present time-scale, which ran from Rs. 300 to Rs. 1,500, were not all doing the same class of work. The senior men had more responsible work, and the junior men did more routine work.

64,605. It would add to the efficiency of the service if a charge bar could be placed at some point in the time scale so as to distinguish between those who were doing less important work and those who were doing more important work. He suggested that the bar might suitably be placed at Rs. 1,000.

64,606. In their joint written statement they had recommended either the payment of gratuities to the families of deceased officers, or a family pension fund. Personally he would prefer the payment of gratuities.

There was a difference of opinion amongst his colleagues as to the institution of a family pension fund. The majority were in favour of the grant of gratuities. If they could not get gratuities they would be glad of the institution of a family pension fund.

64,607. He was against the proposal that the posts of Chief Superintendents should be absorbed in the general list. He would rather promote the best of them to the bottom of the enrolled list after, say, 10 years' service. That would be more acceptable to the service, and would add to its efficiency. His experience had been that subordinates, when they were promoted rather late in life, had already got into a groove, and it was very difficult for them to get out of it. They were too much accustomed to receiving orders, and had not the faculty for issuing them.

64,608. (Sir Valentine Chirol.) He saw a little difficulty in picking out the best men after 10 years' service for promotion to the higher posts, but there would always be a certain number of men standing out conspicuously amongst their colleagues, who would be really deserving of promotion. The difference between a first-class man and a second-class man would become quite apparent in a short number of years.

64,609. (Mr. Sly.) A subordinate officer after 10 years' service would be drawing, under the present scale, Rs. 400. He would promote that officer over the heads of all imperial officers on probation. That was the practice in the Public Works Service, and it

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was not resented. A senior man at the top of the service, above 10 years' service, would rise in the ordinary course to the rank of Chief Superintendent.

64,610. There were about 450 clerks in each office, and it was from amongst that body of men that he would make the selection. There would be about 15 men in each office from whom a selection could be made. If the system he proposed were adopted, he would not recommend that the compensation which was granted in the shape of an improved scale of pay for Chief Accountants some years ago should be withdrawn. That would remain as compensation for the other men who rose up in the ordinary course to the top of the subordinate service.

64,611. (Mr. Fisher.) He did not think there would

The witness withdrew.

be any dissatisfaction in the upper branches of the subordinate service in having young men picked out and put over the heads of older men. The older men must recognise that they had lost their chance. They had had their opportunity when they were young.

64,612. As compensation for the abridged prospects of promotion due to the recent amalgamation, officers of the old Public Works Accounts Department should be given the option of retiring after 20 years' service upon the pension that would be due to them as for 25 years' service. Not many officers would avail themselves of the concession. The point was that occasionally a man might be called on to work under a junior, and it was to avoid such contingencies that the suggestion was made.

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.

HERBERT ALBERT LAURENS FISHER, Esq.

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

H. N. HESELYNE, Esq., Accountant-General, Punjab and North-West Frontier Province.

Written Statement relating to the Indian Finance Department.

64,613. (VII.) Such limitations as may exist in the employment of non-Europeans.—*Proportion of Indians.*—This is larger than in any other service which is not a provincial service. If the department is to retain its British character—which as an important part of a British civil administration it ought to do—the European element should not be further reduced than it will be when the full percentage of 50 per cent. of Indians of pure Asiatic descent has been worked up to. In consequence of the facts (1) that Europeans take more leave than Indians and (2) that most of the men promoted from the ranks are Indians, the effective strength of the department, that is, the number of men actually on duty at any time, will, even as things are, eventually be more Indian than European. Any increase of the Indian element, with a *per contra* reduction of the European, would reduce the latter to a negligible quantity and make the service practically an Indian service. Europeans possessing the qualifications required would not enter a department so largely Indian.

64,614. (V.) Conditions of leave.—The absence of a minimum rate of leave allowance, such as that prescribed for members of the Indian Civil Service and military officers in civil employ, constitutes a genuine grievance. It prevents young officers from taking leave out of India when they want it and should take it in their own interests and also those of the State. The reasons which justify the concession of a minimum to the services named apply in their full force to officers of the Finance Department; the work of these officers is entirely sedentary, and its nature is such as to require sustained effort and close application; it is without variety and the interest in it of the most keen and zealous of officers is apt to flag. The civilian and the military officer in civil employ who, perhaps, are less in need of their first furlough after eight years' service in India can take it because the leave allowance they receive is enough to live upon at home; while the officer of the Indian Finance Department is compelled, by pecuniary considerations, to postpone it. After nine years' service a member of the Indian Civil Service, in receipt of about Rs. 1,000 a month, gets as furlough allowance 500*l.* a year. An officer of the Indian Medical Service of the same length of service, in receipt of a pay of Rs. 600 a month, ordinarily receives as furlough allowance about 440*l.* a year. An officer of the Indian

Finance Department, in receipt of a pay of Rs. 700 a month is entitled to about 300*l.* a year. The disparity is great, and more than pay, position and service justify. A minimum furlough allowance of 400*l.* would not cost the State much, but to the service it would be an inestimable boon.

The maximum leave allowance should be increased from 800*l.* to 1,000*l.* a year. The only officers of the department affected by this proposal are accountants-general, and it is based on the ground that as accountants-general who are not members of the Indian Civil Service stand, in respect of pay and allowances when on duty, in precisely the same position in every way as those who are, it is only fair that the position in respect of leave allowance should be equalised. The leave allowance of a non-civilian accountant-general on a pay of Rs. 2,750 a month is 800*l.* a year, while that of a civilian accountant-general on Rs. 2,250 a month is 1,000*l.* a year. The non-civilian has his leave allowance arbitrarily docked to an amount 25 per cent. less than that given to his junior. This is not, I think, either reasonable or equitable, the non-civilian being entitled to at least equal generosity on the part of the State. Of the two he is the senior man in the department and much the senior in the service of Government, he draws the higher pay and is much the older man with, as a rule, heavier demands upon him. The case for Indian officers who desire to take rest from work without leaving India is even stronger than that for Europeans. The limitation of Rs. 666½ a month makes it next to impossible for an Indian accountant-general to take leave other than privilege leave, however much it may be to his interests and incidentally to the interests of the State that he should do so. A man who is drawing between Rs. 2,250 and Rs. 2,750 a month has usually adopted a style of living and incurred insurance and other liabilities which make it impossible for him to take long leave; he simply cannot make both ends meet on a leave allowance of Rs. 666½ a month. Consequently the senior Indian officers of the department look upon any leave other than privilege leave as a luxury quite out of their reach.

64,615. (IV.) Conditions of Salary.—The only recommendations I have to make in regard to pay are—(1) that the minimum be increased to Rs. 400 a month; (2) that the maximum of the third class be reduced from Rs. 1,500 to Rs. 1,250; and that the first class be divided into three grades of an equal

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number of appointments in each on Rs. 1,500, Rs. 1,750, and Rs. 2,000.

The enhancement of the minimum is proposed on the ground that for young men who are invariably posted to stations which are the headquarters of provincial governments, and, as a rule, the most expensive places in the provinces, Rs. 300 a month is not now a sufficient salary. It is a common thing now for men posted to mofussil stations like Allahabad, Lahore, and Nagpore to refrain from joining the local club or gymkhana; they cannot afford it if they wish to avoid starting life in debt. No one has not lived in a place like Nagpore, for instance, can appreciate what it means to a young man to be shut out of the society of people of his own age, race, and class as he largely is if not a member of the club. It is not to the interest of Government that men joining an important department should at the very outset of their service develop a dislike of the country and become morbid and discontented.

The restriction of the maximum pay of Class III. to Rs. 1,250 is recommended on the ground that that is a sufficiently high pay for a man who, after 20 years' service in the department, has not proved his fitness for the higher posts for which his experience ought to have qualified him.

The substitution of three grades on Rs. 1,500, Rs. 1,750, and Rs. 2,000 for one on Rs. 1,500—60—1,800 is recommended on the grounds (1) that selection for a special post should carry with it an immediate and fairly substantial increase of pay, and (2) that for men who are nearing the end of their service the grant of a small annual increment is not an appropriate means of increasing pay. In justification of an increase of the maximum to Rs. 2,000 attention is drawn to the fact that that was the maximum previous to 1891, when Rs. 2,000 a month was relatively a much higher salary than it now is.

It is very generally asserted that the Finance Department is "one of the best paid services in India," the implication being that it is overpaid. There is no denying that the scale of pay is more liberal than that of most other services, but it is not, as at one time it was, the most liberal of all except of course, that of the Indian Civil Service. The conditions of service in the department, however, are such that its officers are not really as well off as those of many services in which the scale of pay is less liberal. Whichever Province they may be posted to their station is, as a rule, the most expensive in that province, the pleasant out-of-the-way places in which men live on half as much living costs at headquarters are unknown to them; their stations are far apart, and a transfer invariably means breaking up house at one place and setting up at another—selling things for pence and replacing them for shillings. They cannot, as officers serving in one province only almost invariably do, transport goods and chattels from place to place. There is no variety in their work, and they cannot look forward to tours and the cheap camp life of the cold weather. The Opium Department is very poorly paid as compared with the Finance Department, and yet some young officers of that department who have been provided with appointments on the same pay and with better prospects in the Finance Department are not rejoicing—they say they have lost heavily by the change. Members of the Indian Civil Service who join the department usually secure an immediate gain of from 25 to 50 per cent. of salary by the transfer, and yet the department does not attract them. Why?

The answer is, look at both sides of the account, expenditure and receipt, not only receipt.

More even than the pay of Europeans is that of Indians in the department the subject of comment. With reference to this I would like to say that the department is for Indians, as for Europeans, an expensive one, and further, that it is because of the attractive scale of salary it offers that the Department secures the pick of the Indian universities. The very best men seek it, and but for the fact that the pay is well above that procurable in the provincial service of their own provinces not a man of them would think of joining it, for in turning to the Finance Department he gives up not only the prospect of serving at home, upon which an Indian sets a very high valuation, but also the attractions offered by place and power among his own people. Many of the Indians who join the department are quite up to the level of those who enter the Indian Civil Service. Being known to be men of high order of ability and character they are sought after by foreign employers. At the present moment there is one holding high office under the Nizam's Government and drawing a salary which greatly exceeds the pay he would be drawing as an Accountant-General in British service, and another in Mysore on a pay well in excess of that to which as an officer on the general list he would be entitled. The pay which these men are receiving from their foreign employers must be taken as representing approximately their market value, the two instances mentioned not being exceptional and isolated cases of men having fallen into a good thing by chance; there is a demand for others, and, if Government could spare them and would let them go, the demand would probably increase.

64,616. (VI.) Conditions of pension.—As the maximum pay of officers of the classes to which the pension rules in Part IV. of the Civil Service Regulations apply has increased greatly since Rs. 5,000 a year was fixed as the maximum pension, and as it is a principle underlying all pension rules that pension should bear a reasonable proportion to pay, the maximum pension limit should be raised, and an increase of 50 per cent. i.e., to Rs. 7,500 a year, would not, having regard to all the circumstances, be unreasonable. The rate of exchange for the payment of pension may be altered from 1s. 9d. per rupee to 1s. 6d. on the grounds (1) that the former rate gives to officers on comparatively small pay pension which is disproportionately large as compared with pay and (2) makes the difference between rupee pensions paid in, and those paid out of, India excessive.

The special additional pension may be restricted, if the maximum is raised as proposed, to officers who reach the position of Accountant-General, and it may be fixed at 20l. for each year of service as Accountant-General subject to a maximum of 100l.

The requirement that in order to qualify for the special additional pension an officer must render service which is "specially approved" may be dispensed with. It works unequally, the pension being allowed in some cases which are really not as strong as others in which it has been disallowed, and disallowed in some which are quite as strong or stronger than others that have gone before, and in which it has been allowed. Terms such as "has shown special energy and efficiency" are liable to be interpreted differently by different people, and this makes the special additional pension largely a matter of luck, which of course it ought not to be.

Mr. H. N. HESELTINE called and examined.

64,617. (Chairman.) The witness had been 33 years in the service. He entered the department as a subordinate. His last appointment was that of Accountant-General of the Punjab. At present he was on special duty.

64,618. The difference between British and Indian accounts work lay not so much in the form of accounting as in the method of conducting business, and in particular, in the qualities of punctuality and promptitude.

64,619. His colleagues would be in favour of commuting their half-pay furlough to shorter periods on proportionately higher rates of pay if favourable conditions of commutation were allowed.

64,620. It would be difficult to make any distinction between the responsibility and value of the work of the different officers included in Class III., but there might be an efficiency bar at Rs. 800.

64,621. With reference to his recommendation for a graded system for Class I., he admitted that up to a

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certain point the time-scale system had rather definite advantages in that it gave a fixed increment of pay every year, but any increase of pay which a man received after his twentieth year of service would be more welcome and better appreciated if it came in the form of a substantial increase by promotion from grade to grade. He agreed it might happen under his scheme that one officer might have to remain in the lowest grade for six or seven years, whilst another man might get into the higher grade in a much shorter time, and that such a difficulty would not arise under an incremental scale system; but the risk was one which his colleagues would be quite prepared to take.

64,622. It was a fact that Indian Civil Service officers were not attracted to the department even by an immediate gain of 25 to 50 per cent. in salary. That increase was very largely illusory. Officers found that it did not pay them to come into the Finance Department, as expenses were so much greater in the larger towns. The fact that the work of the department was lacking in variety was also an important factor.

64,623. He did not quote the two cases of officers who had been taken away from the department to foreign countries in order to suggest that the department was not adequately paid, but to show that those officers were not being paid more than the market value.

64,624. He knew of many cases where the additional special pension of Rs. 1,000 per annum had been refused.

64,625. (*Sir Valentine Chirol.*) When he said that the European element of the department should not be further reduced if the service was to retain its British character, he was referring to the subordinate branch. He did not mean to suggest that the superior officers—European or Indian—were lacking in discipline. An Indian, within his own limits, was quite as good as a European; each had his own virtues, but in regard to control, the European was much the better man.

64,626. He denied absolutely the statement that the educational service, the forestry service and the agricultural service required men of far higher intellectual attainments and qualities of character than did the Finance Department. He considered those services were far better off in every way than his own service; they had not anything like the same incessant grind of uninteresting work. It was not true to say that officers in the Finance Department considered themselves above such uninteresting work, and that the real remedy would be to reduce both the qualifications required and the salary. Officers of the department had most intricate financial matters referred to them by the local administration and local governments, and if the qualifications were lowered, men would be recruited who would not be capable of giving local governments the assistance they required.

64,627. When he first entered the service he had no qualifications other than a fairly good English education. He came out to India; obtained an appointment; lost it, and then found a friend who secured him an appointment in which he did well and from which he had risen to the higher ranks.

64,628. (*Mr. Madge.*) Interchanges in themselves, for the sake of interchange, between the financial secretariats and the Accounts Department would be a mistake, but Government should be left free discretion to promote suitable men.

64,629. He did not endorse the proposal that the number of subordinates promoted to the general list should be definitely fixed at one-sixth. If selection was to be made on the ground of merit, it was better to leave the proportion in the hands of Government.

64,630. The appointment of Indians to the department should rest entirely with the Government of India.

64,631. (*Mr. Fisher.*) He was not in favour of the establishment of a training school for members of his

department. Young men when leaving college desired to start real work and did not desire to attend courses of lectures. Theoretical training in accounts was not as good as actual practical work. The time a man would have to spend in a training school would be better occupied in doing the work of an auditor or divisional accountant. A recruit to the department should first learn the details of the work in an office; he should then undergo a course of training in the secretariat, and do actual work there, and also in the office of the Accountant-General. Under such a system a man would see how financial questions were dealt with from both sides. At present a man got no training in the secretariat or in the Comptroller-General's office. A recruit should be sent to the secretariat after he had passed his lower departmental examination. He saw no difficulties in the way of carrying out such a proposal except that the department was short-handed. There would be no objection on the part of the secretariat.

64,632. He was fully satisfied with the quality of Indians who entered the department, but he could not say the same with regard to some of the English recruits. They were not of the same class as formerly were obtained in respect of intellectual attainments: they had not the capacity to get a real grasp of the work. If men were obtained for the Indian Finance Department as they were obtained for the Indian Police, namely, by limited competitive examination in England, there would not be the same risk of getting bad bargains.

64,633. (*Mr. Sly.*) He did not agree with the proposal that the deputy secretaryship in the Finance Department of the Government of India should be reserved to the Finance Department. The principal consideration which Government should have before it was how best to fill the appointment in the interest of the service as a whole, and not in the interests of a particular branch of the service. For the deputy secretaryship the Government should allow itself the widest possible choice; and there was a much better chance of getting a qualified man from the ranks of the Indian Civil Service than from the Finance Department. The assistant secretaryship most decidedly should be reserved to the Finance Department. The designation of the post should be "under secretary." Even the deputy secretary relied a great deal on the assistant secretary in technical matters. An assistant secretary was not an audit officer; he was closely connected with the financial work of local governments.

64,634. It was difficult to say whether the necessity would continue for maintaining an element of Indian Civil Service officers in the department when the present system of recruitment had had a good trial; but speaking as an accountant-general, he would have been very sorry to be without the help of the Indian Civil Service officer who was on his staff.

64,635. He was in favour of a system of promotion from the subordinate ranks to the highest positions in the department.

64,636. It was not the case that the duties of chief superintendents were exactly the same as those of the general list officers except to a very small extent. A chief superintendent usually took charge of a branch like the pension audit and was put in general charge of the discipline and routine of the office.

64,637. (*Mr. Gokhale.*) He had had one Indian officer under him who had been as good as any European in maintaining discipline and order; but he did not think there was likely to be found a sufficiently large proportion of Indian officers who would be able to undertake the duties of a large share of the administrative posts.

64,638. He was prepared to say in a general way that discipline, on the whole, was more slack under an Indian officer than under English officer.

64,639. (*Mr. Madge.*) Indian Civil Service officers were tempted to join the department as a convenience to themselves on account of the higher pay.

The witness withdrew.

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Mr. G. KAULA.

G. KAULA, Esq., Deputy Accountant-General, United Provinces.

Written Statement relating to the Indian Finance Department.

64,640. *Introductory.*—I am generally in agreement with the views expressed in Mr. K. L. Datta's Joint Written Statement of May 1913,* which includes only proposals on which there was a consensus of opinion amongst the representative officers of the department (including myself) who met in a conference at Calcutta. In accordance with a suggestion which has been made to me, I do not propose to repeat those views. The following paragraphs therefore deal only with other points or furnish further explanations on matters dealt with in the Joint Memorandum.

64,641. (I.) *Methods of recruitment.*—(2) *Appointment of Indians in England.*—With reference to paragraph 3 of the Joint Memorandum, I would add that it should be possible for young Indians, who have received their education in England, also to be eligible for appointment (direct or after passing a competitive examination, as may be decided for other candidates) to the department, through the India Office. The question which I wish to raise is not at all a racial one, inasmuch as I have no desire, as an officer of the department, to suggest, for the present, any change in the principle which has been laid down, that half the appointments shall be made by a competitive examination in India. I wish only to bring to the notice of the Commission that an Indian youth with an English education cannot gain admission into this department except by securing a nomination after return to India, and undergoing a competitive examination several months subsequently. Rightly or wrongly, there is a growing desire on the part of Indian parents to give their sons the best education that they can afford, preferably an English education. Most of us of the present generation do, and certainly those of the rising generation will, desire to send our boys to English public schools, at an early age, to receive their education according to the latest methods, but many of us considerably hesitate to undertake the heavy expense and to take the risk, as there is no assurance that, failing to pass the Indian Civil Service examination, they will be appointed by the India Office to any of the other Imperial services. The English door of admission is shut against our boys, and they are invariably referred to the Indian Government for a nomination to appear for a competitive examination in India. One of the results of this policy is that some Indian parents may be compelled to deprive their sons of the benefits of the English education which is at their command, and to educate them in this country, which, by the way, is a very difficult problem with officers of the all-India service, who seldom remain long enough in any one station to make any satisfactory arrangements locally for the education of their children. It could hardly have been the intention that the sons of a class of loyal subjects of His Majesty should be thus penalised and deprived of one of the most valuable blessings of the British Raj, viz., a thoroughly sound education such as can be had in the public schools and universities of Great Britain. An Indian Accountant-General spares no expense to educate his boy in England. The boy has the misfortune to fail in the Indian Civil Service examination, and because he is the son of his father he cannot get into the Indian Finance Department through the India Office, whereas, if his father were a non-Indian, possibly with little or no claim on the patronage of the Indian Government, the boy could count upon receiving a direct appointment *without any special examination*, even though his educational qualifications were not superior to those of the Indian boy. This disqualification of Indian youths should be removed. We all recognise that a fair proportion of recruits to the Indian Finance Department may be men brought up and educated

according to British ideals and methods, and we do not propose any change in this valuable principle. But if and when an Indian satisfies this test of ability, he should not be disqualified because of his birth or domicile. The English door should be open to Indians and non-Indians alike, and the system of recruitment should be such as to secure to all a fair chance. Let the Indian examination be also open to Europeans educated in India, both domiciled and not domiciled, and let the training and education of recruits and not their race or domicile, determine the channel of their enlistment.

(3) *Promotions of Subordinates* (paragraph 4 of the Joint Memorandum). I support very strongly the proposal that in making promotions of subordinates to the gazetted ranks of the department, the claims of subordinates (accountants and superintendents) employed in the several accounts offices should receive greater consideration than in the past. It should be possible for a deserving subordinate, with a good record, to be promoted, even though it may not be his good fortune to have had an opportunity of serving (either in the Secretariat or elsewhere) directly under the high officials with whom necessarily the final selection rests. Public Works Accountants have a distinct grievance on this score, as until a few years ago one-third of the vacancies in the Superior Accounts Branch of the Public Works Department were reserved for them. It is true that now they are eligible for some 13 Chief Accountants' posts (3 on Rs. 600—30—750 and 10 on Rs. 450—30—600), but as these 13 appointments come out of 13 posts of 1st grade accountants (Rs. 350—20—450—50/5y—550) which were abolished, the improvement which was effected in the prospects of these subordinates was by no means substantial. It certainly did not compensate them for the loss of promotion to superior positions on pay much in excess of Rs. 750. In my humble opinion most of our subordinates, who are the backbones of our offices, are very much under paid. Their responsibilities have steadily been increasing year by year and the standard of intelligence required of the upper subordinates is very high. Their pay and prospects have not advanced to the same extent, and the men have a real grievance worthy of detailed enquiry. It is true that the Commission do not propose to deal with the grievances of the subordinate services, but it is respectfully submitted that the grievances of the upper subordinates are not entirely unconnected with the interests of the superior services, especially if, as in the case of the Indian Finance Department, the successful working of the department depends, to a considerable extent, on the efficiency and loyal co-operation of senior subordinates. It is on these grounds, amongst others, that the definite allotment of a share of the gazetted appointments to deserving subordinates of the department has been recommended by the officers of the department. The share may reasonably be assessed at one-sixth, which proportion is arrived at as follows. Roughly the undermentioned posts may be filled up by promoted subordinates of all types:—

	No.
Two posts of attached officers in each of the Provincial Account offices in Bengal, Madras, Bombay, Burma, the United Provinces, and the Punjab	12
One post of attached officer in the Provincial Account offices in Bihar, the Central Provinces, and Assam	3
Two attached officers on the North-Western Railway	2
One attached officer on the Eastern Bengal State Railway	1
One attached officer on the Oudh and Rohilkhand Railway	1
Two Government Examiners of Railway Accounts	2

* *I*de paragraphs 64,561-6.

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	No.
Three posts in postal accounts -	3
Two miscellaneous posts -	2
Total -	26

which is roughly one-sixth of the sanctioned cadre

(4) If subordinates are to be promoted definitely to the extent of one-sixth as recommended, this proportion should come out of the English and Indian portions of the direct recruitment equally, thus—

Direct -	{ English - } $\frac{5}{12}$ ths each.
Subordinates -	{ Indian - } $\frac{1}{6}$ th.

64,642. (III.) Conditions of service.—(5) *Insufficient sanctioned strength.*—The sanctioned strength of officers of the department is not quite sufficient for the work required of them. Every hot weather the inconveniences of this scarcity of officers are keenly felt, when officers with leave at their credit have to be deprived of their holiday at the time they need it, and those who have to remain at their posts find themselves saddled with extra work and responsibilities, as the arrangements that can be made in leave vacancies are seldom quite satisfactory. Anything that can be done to relieve the pressure of the situation will be gratefully appreciated, as it has become too chronic to be borne without injury to the officers personally, as well as to the efficiency of the department.

(6) *Grievances of the Public Works Accounts officers.*—The proposals made in paragraphs 14 and 15 of the Joint Memorandum require special attention, and, from the point of view of such of the Public Works Accounts men as are employed in Civil Account offices, they are of the first importance.

(7) Prior to 1910, there was a separate accounts service, called the Superior Accounts branch of the Public Works Department, for the account and audit work of the Public Works, Railway, and Telegraph Departments and of the Military Works Services. This service was under the control of the Public Works Department of the Government of India. The prizes open to the service were (1) the appointment of Accountant-General, Public Works Department (pa Rs. 2,500), (2) six posts in Class I.—on pay Rs. 1,500—60—1,800; and (3) some 23 independent charges, two of which had jurisdiction extending over the whole of British India (including Aden and the Persian Gulf), and nine of which carried the respectable position of the heads of departments under provincial Governments.

(8) Two years earlier (*i.e.*, in 1908) most of the officers of this service had petitioned His Excellency the Viceroy for an improvement in their rates of pay, as the orders passed by Government, in 1907, on a representation submitted by some officers to the then head of the service, were not at all satisfactory. The specific prayer was that the improvements which had been effected in 1906 in the rates of pay of the Enrolled List of the Finance Department (as the General List of the Indian Finance Department was called in those days) should be extended to the Superior Accounts branch of the Public Works Department with back effect. The grounds on which this claim was based were that the terms under which the officers had joined service, and subsequent orders of Government, had confirmed the principle laid down in 1893, that the entrance examination of the Superior Accounts branch may be "assimilated to that of the Enrolled List of the Finance Department, and that the *scale of salaries of both establishments may be brought into accord.*" The orders relied on are :—

Government of India, Public Works Department resolution No. 36-A.E., dated the 9th February 1893.

Government of India, Public Works Department resolution No. 144-A.E., dated the 19th June 1893.

Government of India, Public Works Department, letter No. 1144-G., dated the 29th August 1903.

Secretary of State's despatch No. 54-P.W., dated the 29th September 1905.

(9) In 1909 it appears that the Government of India had made up their mind to grant some of the prayers of the Public Works Accounts officers, *viz.*, to grant incremental rates of pay to officers below Class I., as in the case of the Enrolled List—but no orders issued in that year, although subsequently when they did issue, in 1910, retrospective effect as from 1st October 1909 was given to them. It is understood that the delay in the issue of the orders was due to the consideration of the question which had been raised by the Royal Decentralisation Commission, as to why the two accounts departments might not be amalgamated into a combined department under the direct control of the Finance Department of the Government of India.

(10) Thus it was that early in 1910 the Public Works Accounts was still a separate service, and the question of its amalgamation with the Civil Accounts Service, which had been decided upon by the Government of India, was awaiting submission to the Secretary of State for sanction. At the same time, the office of the Examiner of Telegraph Accounts (Public Works Accounts Service) having been amalgamated with that of the Comptroller, Post Office (Civil Accounts Service), a separate proposal was submitted to the Secretary of State to create an Accountant-Generalship for the head of the combined Post Office and Telegraph Accounts, and the Government of India were pleased to throw open this new appointment to the officers of the Enrolled List, although the officers of the Public Works Accounts Service had no less claim to it, for the reasons stated below :—

(1) The amalgamated post replaced partly the Public Works post of the Examiner of Telegraph Accounts, who was usually a Class I. officer eligible for the special additional pension.

(2) The other post which was replaced by it, *viz.*, that of the Comptroller, Post Office, which was a civil appointment since 1902 (I believe), was not such a post.

(3) The amalgamation of the whole of the Public Works Accounts Service with the Civil Accounts Service having been practically decided upon, an injustice was done to the claims of the Public Works men by submitting for the Secretary of State's sanction, in advance of the whole scheme only by a few weeks, the separate proposal to amalgamate only two of the offices belonging to the two services, and to award the resultant prize of a new Accountant-Generalship to the Enrolled List men.

(11) Shortly afterwards were submitted to the Secretary of State the proposals for the amalgamation of the two accounts services and for the grant of the incremental rates of pay for Public Works officers below Class I. On these proposals being sanctioned, the combined department came under the control of the Finance Department of the Government of India with effect from the 1st July 1910, and the service came to be designated as the Indian Finance Department. The orders introducing the time-scale of pay for the Public Works men were issued in a resolution dated the 23rd September 1910, and they had retrospective effect from 1st October 1909. Thus it was that the time-scale came into force *at the time* of the amalgamation, though not in consequence of it. This is a point of some importance, as will be seen later on.

(12) The amalgamation was a measure of great administrative reform, calculated not only to strengthen the independence and improve the efficiency of audit, but also to bring about substantial savings in the cost of ministerial establishments of account offices. The two separate Civil and Public Works Accounts offices for each province were amalgamated into one under one head of office, and as the heads of civil account offices held the higher position of Accountant-General, the posts of the Public Works heads of offices, *viz.*, Examiners of Public Works Accounts, ceased to exist.

(13) The correspondence with the Secretary of State has not been published, and it is not known whether the amalgamation, as sanctioned by that authority, was to be confined only to a combination of offices (including a fusion of the subordinate services) and to the administration of both the accounts departments as a single unit, and was not to extend to an

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amalgamation of the two superior services. It cannot be said what the orders of the Secretary of State on the point are, and how they were arrived at, but so far no attempt appears to have been made to extend the principle of amalgamation and fusion to the cadres of the two superior services, and they still continue to be separate.

(14) It is true that the maintenance of separate promotion lists as before does not *per se* give any cause for dissatisfaction, as men on either list retain their respective prospects of promotion. But rupees, annas and pies do not always indicate the full value of privileges gained or lost. To understand the position created by this half measure of amalgamation, it is necessary to state a few facts. These are:—

(1) Although the Public Works list had some 17 years prior to the amalgamation of 1910 been "assimilated" to the Enrolled List, latterly the higher prizes open to men on the former list had become less favourable. In 1893 each of the two services had only one Accountant-Generalship available for its members. The peculiar constitution of the Public Works Service did not admit of the creation of any fresh appointments of this class, and in consequence the prospects of men of that service made little progress. Whereas, on the civil side, the number of appointments thrown open to the uncovenanted officers was increased twice, once in about 1898 and again in about 1906. They had thus three posts open to them, and the addition of the Post Office and Telegraph appointment in 1910, which was by no means justified, has raised to four the number of Accountant-Generals' appointments reserved for them.

(2) It is clear from this that the progress of promotion to the highest positions of the department is unequal on the two lists, and the disparity is very great.

(3) Although the two classes of officers are on separate lists of promotion, they are employed now on similar duties. Their appointments are interchangeable, and except in the railway accounts offices, to which very few men of the civil side have so far been posted, men of both the lists working in the same office are employed in the same way as if they belong to the same service.

(4) The Public Works men have lost the ten independent charges with the status of heads of departments, and as their prospects of promotion to Accountant-Generalship are at present very meagre, they will seldom be heads of the combined civil account offices. Their position has been aptly described to be that of perpetual deputies. Assistants of the civil side, holding subordinate positions in the same office, will rise above them, and the perpetual deputies will, in some cases, find themselves relegated to the position of second deputies, under their whilom subordinates, with much less service and experience!

(5) This is not an imaginary description of what will happen. Anomalies such as these have arisen during the three years that have passed since the amalgamation, and there is genuine discontent amongst all Public Works men employed in the civil account offices, and fear in the minds of those employed in the railway offices that they may also have to suffer some time. It is common knowledge that one or two senior officers, who had rendered sufficient service, have retired in disgust and that there are others no less discontented who would, if they could, leave the service rather than put up with the indignities to which they have been subjected by this change in the conditions of service. That there is such a discontent is admitted by all the officers of the department and this is evidenced by the proposals made in paragraphs 14 and 15 of the Joint Memorandum, which were passed unanimously by representative officers of both the services present at the Calcutta conference.

(6) With the loss of independent charges has also been lost the very important privilege which Examiners of Public Works accounts enjoyed in almost all the provinces, of spending 6 to 8 weeks of the hot weather, every year, at the summer residences of Local Governments. This loss is by no means insignificant, if climatic conditions are taken into consideration.

(15) It appears that in April 1912 one of the senior officers of the Public Works list, Mr. C. V. French, made a representation to Government on the subject, and suggested, amongst other things, that the two promotion lists should also be amalgamated. It is not known if any other officer of the Public Works list made a representation, or if Government took any steps to ascertain the general feelings and views of officers of that list. It is believed that the views of some officers of the other list were obtained, but I cannot say if any reference was made to senior officers in the position of permanent Accountants-General (especially civilians) who were not only in a position to gauge the full extent and genuineness of the discontent, but were likely to offer unbiased advice as impartial and uninterested parties. It is no wonder that the orders which Government passed on Mr. French's memorial are so disappointing. The general opinion of the men affected thereby is "that impartial justice has not been done" and that "the Finance Department has occupied the anomalous position of counsel for the enrolled officers and of judge in the cause." The orders were to the following effect:—

(1) The prospects of the officers of the Public Works branch as a whole were very substantially improved at the time of the amalgamation effected in 1910.

(2) Government cannot entertain any proposals which would have the effect of depriving Civil Accounts officers of any prospects which were open to them before the amalgamation.

(3) Nor do Government think it would be possible to frame any scheme whereby the losses of such officers would be made good by concessions in other directions.

(4) While Government fully recognise that certain advantages would attach to a complete amalgamation of the two branches, if this could be effected immediately, they are reluctantly obliged to hold that such a measure is entirely impracticable.

(5) It cannot be maintained that officers of the civil branch have brought with them into the amalgamation any sort of vested interest in future accretions to the number of posts to be held by uncovenanted officers. On the other hand, Government hold that there are no grounds for giving to officers of the Public Works branch any preferential claim to such posts.

(6) The sixth appointment of Accountant-General now (1912) thrown open to the uncovenanted service, should be filled by the best qualified uncovenanted officer to whichever branch he may belong.

(16) It is manifest that, though Government would not concede that any compensation was due to the Public Works men, they practically admitted that these officers had a grievance in consequence of the amalgamation of departments. That an amalgamation of the services was desirable, from the administrative point of view, is also freely admitted; but the conclusion that this is impracticable is as unfortunate as untenable. It is impossible to believe that such important features of the scheme of amalgamation of two important departments of Government, as the practicability or otherwise of combining the cadres of the two superior services, and the likelihood or otherwise of discontent being created amongst a certain class of officers, could have been left out of consideration when the scheme was submitted to the Secretary of State for sanction. Equally impossible it is to think that the Secretary of State would have sanctioned the scheme of amalgamation, if he had fully realised that the advantages claimed for the scheme would be greatly marred by the fact that a deserving class of public servants would be injuriously affected thereby. Not that any of us wish the amalgamation were undone—the Commission have means of finding out whether or not we are loyal to the new conditions—but it strikes us that if the Secretary of State were aware of the difficulties, he would have desired their removal by doing something for us before giving his assent to the scheme of amalgamation.

(17) The position taken up by the Government of India is, it is submitted, not such as to make reconsideration impossible, and I propose to show how, by taking up

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each of the points enumerated in paragraph 15 of this memorandum :—

(18) Point (1).—The words “at the time” are significant. They show that even Government are not in a position to say that the alleged improvement was “in consequence of” the amalgamation. The improvement referred to is that supposed to have been brought about by the introduction of the time-scale of pay for officers below Class I., and has no bearing on the question of grievances under discussion, which are enumerated in paragraph 14 of this memorandum. It certainly did not affect the case of the Public Works list officers appointed prior to 1894, as the time-scale benefited no officer of this class. There are some eight officers of this class still in service, and they are the most senior men at the top of the list. And as to “at the time,” again, I would invite re-perusal of paragraph 11 of this note.

(19) Point (2).—Officers of the Public Works list, as a class, have no desire to deprive their brethren of the Civil list of any of the prize appointments which were open to them when the amalgamation took place—but, in this connection, the propriety of allotting the Posts and Telegraph Accountant-Generalship exclusively to the Enrolled List requires impartial reconsideration. It will be clear, from what has been stated in paragraph 10 of this note, that this appointment should not be treated as having belonged to the Enrolled List on the date of the amalgamation. If this view is accepted, there were only three posts of Accountant-General open to the Civil Accounts branch on that date. Altogether there are six posts available for the uncovenanted services. If instead of reserving any number for either class, all the six posts are thrown open to both, the prospects of the civil side men will be no worse than they would be with only three appointments reserved for them alone. The Government would have the further advantages of selecting the best qualified men available.

(20) Point (3).—The fear of possible losses to the Enrolled List men is imaginary, as has been explained above. It is not stated, nor is it conceivable, that the possible loss of a new appointment yet to be created can be considered as creating a grievance. On this point, in fact, the decision of Government (*vide* point 5) is definite, viz., “that it cannot be maintained that officers of the civil branch have brought with them into the amalgamation any sort of vested interest in future accretions to the number of posts to be held by uncovenanted officers.” This decision is in conformity with the principle laid down in Secretary of State's Despatch No. 10, dated the 7th October 1880, viz., that Government does not undertake to protect officers against the indirect and remote effects of any administrative measures which it has been considered necessary to adopt in the interests of the State generally. But if there are any other losses which need be compensated, the plan can be adopted, which is not unusual, of maintaining a *pro forma* separate list of promotion, and allowing compensatory personal allowances to such of the officers as may suffer by the amalgamation. It is not probable that there will be many such cases, especially as it is distinctly laid down that promotions to the higher positions of the department will be strictly by selection. The extra expense to the State will not be very much, and it will certainly be covered by the large savings of a permanent nature which have been effected in the cost of account offices in consequence of the amalgamation. And if the extra expense is not to be fully met by Government, there is the valuable principle to be followed, which was laid down by the Honourable Mr. R. W. Gillan in dealing with an exactly similar problem :—“The amalgamation must be considered—and I wish this to be clearly understood, if there has been any misapprehension about it—as a combination of two establishments followed by a reduction in the combined strength, and any disadvantage which results in the way of a postponement of promotion or otherwise must fall on both components and not on one only. My conclusion is that we must amalgamate cadres. I do not indeed deny that there will be hard cases. We may find in practice they are fewer than at first sight would seem probable and we may be able to

“apply certain remedies.” This is a sound practical view of the situation, which only an impartial person is capable of taking. That this view should prevail in the case of subordinate establishments, and that an amalgamation of their cadres should be decided upon, is another evidence that even the Government of India accept it. But unfortunately they hesitate to extend it to the case of the superior cadres—with the result that all disadvantages fall to the lot of men of the Public Works Service. No wonder then that Public Works officers find it necessary to give expression to their feelings in the following strain :—

“There is no doubt that the measure as conceived by the Decentralisation Commission and as accepted by the Secretary of State on *a priori* grounds, was in the best interest of the Administration, but what Public Works officers complain of is that the measure has not been carried out in regard to them, and if it was, it was only that portion of it that was disadvantageous to them that has come into effect, while the compensatory advantages of the amalgamation have been kept back from them.”

(21) Point (4).—This has been dealt with under points (2) and (3). It is not clear to the aggrieved men of the Public Works List how it is that an amalgamation of cadres is quite practicable in the case of the subordinate services but not in that of the gazetted officers. “Vested interests” should play as important a part in the one case as in the other.

(22) Point (5).—The principle laid down in the first sentence is sound, as already stated, but the second sentence only indicates that going into details, in regard to the allotment of individual posts, Government have, to our misfortune, overlooked the main problem of finding a remedy to make practicable the fusion of cadres, the necessity for which they had freely recognised (Point 4).

(23) Point (6).—The remedy ordered by Government does not in any way help to ease the situation. It introduces, in fact, a new principle which brands the Public Works List men as an inferior class of officers, and the results of which will, in due course, reflect on the efficiency of the department. Below Class I., officers on both the lists are to draw the same rates of pay, both being on the time-scale of pay. They are gentlemen appointed under similar conditions and practically holding similar qualifications. They are all employed in the same offices on similar duties and are treated as equals in every way. After about 20 years of service, when they both draw Rs. 1,250, one set of men is to understand that the chances of further promotion of the other set of men are about three or four times their own. Is this a state of affairs that a modern enlightened Government should create amongst an important class of officers, whose duties are of such a nature that keenness and zeal is a *sine qua non*? Will this conduce to efficiency? I cannot do better than quote the words of Sir Charles Wood and Lord Stanley (page 26 of the Proceedings of the Sub-Committee, Public Services Commission, 1886-7), who made the following observation when the reservation of Accountant-Generals' posts for the Indian Civil Service was under discussion :—“A rigid exclusion of uncovenanted servants from the higher offices must lead to discontent, and the association of men of the same class to do the same work with the restriction of all the prizes to one portion of them must create discontent in its most aggravated form . . . do not think that such an arrangement can be considered politic.” These remarks apply with much greater force in the present case, as the necessary difference between the status of the Indian Civil Service and the other uncovenanted services does not exist between two classes of uncovenanted public servants, such as Public Works and Civil Accounts men, *vide* paragraph 8 of this memorandum. There is no difference whatsoever and the position is and should be one of perfect equality, if for no other reason, because the amalgamation of their respective departments has been considered feasible, and has been brought about. The half-hearted settlement of the question is tantamount to a postponement of the fusion of cadres for a whole generation, as there are no further additions to the Public Works List. In other words, there is to be no amalgamation

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of the two services until there is nothing to amalgamate, and all the appointments fall to the lot of the new General List. It is difficult to believe that such was the amalgamation, to which the Secretary of State gave his assent.

Promotions above Class III. and higher up are supposed to be made on a strict principle of selection. What selection can there be, when one class of men has three or four times the chances of promotions which the others have. It is far-fetched to suppose that for each Public Works officer found competent, three or four Enrolled List officers equally competent will be found. What the result of such a system will after a time be, is fairly obvious.

(24) It will be clear from the foregoing remarks that the Public Works men have a genuine grievance, the existence of which is recognised both by Government and the Enrolled List men, that this personal grievance of theirs is likely to affect prejudicially the efficient working of the department, and that it is not quite so impracticable to remove the grievance. The Public Works men pray respectfully that justice should be done to them. They concede at once that the Enrolled List men have a claim which should be respected, but that this claim has been somewhat exaggerated, inasmuch as they seem to be entitled only to such a rate of promotion as they would have reasonably expected if they had remained on a separate cadre with only three Accountant-Generalships open to them. They respectfully think that consistently with the recognition of the claims of the civil men to this just extent, it is quite practicable to bring about a position of equality of status and prospects amongst amongst both classes of officers of the amalgamated department. When admittedly there is a large disparity in the rates of promotion, it will never be possible to remove it so long as Government choose to make no attempt to effect a readjustment in the relative proportions of the small additions to their respective prospects that it may be possible to make from time to time. If new appointments are to be thrown open equally to the two services, the disparity will ever continue; and to lay down such a principle is tantamount to declining to take any steps to remove the disparity. No fair-minded man can expect the Enrolled List to surrender what is theirs rightfully, but there is nothing to prevent Government from allotting in any way they like, on administrative grounds, the additional appointments which have or may hereafter become available. For reasons quite unconnected with this question, the officers of the department have unanimously recommended that the time has arrived for certain appointments of the department to be raised to the status and emoluments of an Accountant-General. If, as there is no doubt, the Commission find that the creation of those appointments has become necessary, Government have a ready means of adjusting the existing disparity in the rates of promotion, and bringing about the desired amalgamation of cadres and the consequent equalisation of the pay and prospects of all members of the combined department. Of course this can never be done, if considerations such as those mentioned in the second sentence of point (5), paragraph 15 of this memorandum, will be allowed to weigh with them. So long as nothing that the one set of men are in enjoyment of is taken away from them, a preference given to the other set on administrative grounds, should not create any cause for dissatisfaction.

(25) This then is the direction in which, it is respectfully submitted, something can be done to remove the grievances of the Public Works men as a body. For some of the junior men one thing can certainly be done at once. All new entrants to the department are brought on the General List, and as such, in the absence of a specific declaration to the contrary, they may years hence lay claim to the larger number of Accountant-Generalships reserved for the Enrolled List, in preference to their seniors on the Public Works List. It is probably not the intention that any men joining the combined department after the amalgamation should be in a better position than the junior officers at the bottom of the Public Works List,

and this should be made clear by an authoritative pronouncement on the point.

(26) The Public Works officers have a firm conviction that the honourable the Royal Commission will investigate their grievance and recommend its removal in the manner suggested. But, if it be our misfortune that the Commission do not find themselves able to make such a recommendation, we would ask the very great favour that we may be permitted, whenever necessary, to get out of the awkward position we may find ourselves in by retiring from the service on the terms suggested in paragraphs 14 and 15 of the Joint Memorandum. There need be no fear of any very great extra expense to the State, as it will not be every aggrieved Public Works officer whose pecuniary circumstances will permit him to make the great sacrifice which early retirement even on concession terms will involve. Only a few will so retire, but every retirement will help to ease the situation, inasmuch as it would accelerate, to some extent, the promotion of those who may decide to put up with the indignities of the situation and remain on in the service. No grievance of the kind we are discussing can be removed without an expenditure of money, and it is for Government to decide, on administrative grounds, in what form this extra expenditure should be met—either as pensionary charges for a number of years to young and able-bodied public servants, or as small increases in emoluments, which have to be sanctioned, sooner or later, on other and weightier grounds.

64,643. (IV.) Conditions of salary.—(27) *Chief Examinerships of State Railways*.—I would invite special attention to paragraph 16 (1) of the Joint Memorandum and paragraph 11 of the addendum thereto, as since the memorandum was written, the Government of India have obtained the sanction of the Secretary of State to some enhancement of the rates of pay attaching to the three posts of Chief Examinerships of State Railways. Whilst we are grateful to Government for what they have done, it is disappointing that the unanimous claim of all officers of the department that the three appointments should be raised to the status of Accountant-General (Rs. 2,250, Rs. 2,500 and Rs. 2,750) has not been granted. The rate of Rs. 2,000 has been sanctioned for two of the appointments and only Rs. 1,800 for the third. When submitting their proposals to the Secretary of State on the 26th June 1913, it is apparent that Government were not unaware of the unanimous demand made in the Joint Memorandum of the 19th May 1913, and it is unfortunate that the settlement of the matter was not held over until the Royal Commission were in a position to investigate it and offer their finding and advice to the Home Government. In any case it is felt that the Secretary of State might have been told what the officers of the department had claimed and why it was not proposed to consider their prayer. The despatch to the Secretary of State is silent on this point and this omission, it is respectfully submitted, should not prejudice the officers' claim.

(28) The question should be reopened for discussion, as it is felt that even the revised rates of pay are not commensurate with the responsibilities and difficulties of the work. These new rates confer no higher status on the incumbents of the posts, such as is necessary, and the new principle which has now been introduced for the first time, of attaching a slightly lower rate of pay for one of the three important appointments, is one not to be commended, inasmuch as it is unsuitable to the conditions of a service, the members of which receive promotions on one common list, and the superior appointments of which are interchangeable. Administrative difficulties are bound to arise and either Government will have often to deprive the holder of the Oudh and Rohilkhand Railway appointment of officiating and substantive promotions to Rs. 2,000 when his turn comes, or to make too many transfers, as a change of incumbent will be necessary every time there is a vacancy higher up, and the Oudh and Rohilkhand Railway officer is to be promoted therein, even though for a short time.

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(29) An Accountant-General is an Accountant-General, whether he is in the Punjab or in Bihar and Orissa. He is graded in the 1st, 2nd or 3rd grade of Accountants-General according to his position on the common list and can receive promotion without being transferred. Government have a free hand as to the postings of Accountants-General, but there will be difficulties in regard to the railway appointments. The fixing of the pay of each appointment and the consequent creation practically of two new classes of Accountants-General (without the designation) has thus brought into existence three classes of independent charges for which selections will be made from amongst Class I. officers of the department:—

I.—Nine Accountants-General.	{	Indian Civil Service	3
		General List	4
		Public Works List	1
		General and Public Works List.	1
			—
			9
			—

II.—Two Chief Examiners at Rs. 2,000.

III.—One Chief Examiner at Rs. 1,800.

And when it is mentioned that an officer must be actually holding one of the appointments in a class before he can be promoted to the position and pay of the class, it will be clear that numerous complications will arise which will present administrative difficulties and create discontent amongst officers.

(30) And if the rumour is correct that, for the present, only officers of a particular class will be posted to the three Railway Chief Examinerships, these difficulties and the consequent discontent will be serious indeed. As it is, a considerable amount of uneasiness has been created, but it is premature for me to dwell on this, as there has been no definite pronouncement by Government on the policy which will in future govern these matters.

(31) Suffice it to say that the general feeling is that there should be only one class of superior independent charges to which Class I. men could rise, and that the graduating of salaries within that class should not be dependent on the tenure of particular appointments. This class should be that of Accountants-General, as nothing short of that would give the necessary status and pay. A Chief Engineer in the Punjab holds the same position as a Chief Engineer in any of the less important provinces—even the Central Provinces—and a Chief Examiner of an important State Railway like the Oudh and Rohilkhand Railway should not receive less pay than the Chief Examiner of another railway because of the greater importance of the latter.

Supplement to Mr. G. Kaula's written Statement.

64,644. (III.) Conditions of salary.—*Chief Examinerships of State Railways.*—In the penultimate sub-paragraph of my preceding written statement, I alluded to a feeling of uneasiness which had been created in the minds of certain officers of the Public Works List, since the enhancement of the rates of pay attaching to the three posts of Chief Examiners of State Railways. The first postings made under the new arrangements involved the supersession of a few of the senior officers of the list, employed in the amalgamated civil account offices or other offices, by juniors of their own list employed in railway offices. As is explained below, such supersession was an impossibility under the conditions of service which obtained prior to the amalgamation of civil and public works accounts. It was not known whether the individuals affected were passed over for any personal shortcomings, or simply because they happened to be employed in non-railway offices at the time or had never been given by Government the opportunity to work in a railway account office. There were certainly rumours to the effect that, although promotion to Class I. (four instead of six appointments on Rs. 1,500

—60—1,800) would continue to be open to all Public Works men, as on a common list, none but men employed in the Railway account offices, would be promoted to any of the three posts on the special rates of pay (Rs. 1,800 or Rs. 2,000). There was no pronouncement by Government as to the principle which would regulate these promotions, and as the Railway appointments had been sanctioned only a few weeks previously, I considered it premature to dwell on the point at any length.

This was in the last week of October 1913. More than three months have passed since, and no orders have issued to allay the anxiety of the officers concerned. It is not that this is a personal question affecting only the few men now passed over, but if there is any truth in the rumours which are still current, the position is a very serious one from the point of every man who happens now to be in a non-railway office, or who may be transferred hereafter from a railway to a non-railway office. The uneasiness has consequently increased, and, as the Royal Commission are now about to terminate their enquiry, it is felt that this grievance should, with their permission, be brought prominently to their notice.

To understand the position clearly, it is necessary to state briefly the conditions of service prevailing before the amalgamation of Public Works and Civil Accounts took place. The Public Works Accounts service (or the "Superior Accounts Branch of the Public Works Department" as it was then called) was entrusted with the audit of the accounts of several departments, viz.:—Public Works (Buildings and Roads and Irrigation), Military Works, Telegraphs, State Railways and Companies' Railways; but the officers of the service were on a single list for purposes both of promotion and work. They were interchangeable, and it was rarely the case that a particular officer remained employed on one class of work only throughout his service. Many instances can be quoted of officers who were transferred from department to department, and there are still in service officers who have worked in almost all the departments. Whatever one's duties, promotion depended on seniority and merit, but never on the class of work on which one was employed. There was no post carrying any special rate of pay or special allowance for any particular class of work, and promotion to any position was equally open to all. A few men might have specialised themselves for one class of work or another, but the service as a whole was so constituted that every officer could be entrusted with the work of any of the departments.

When the amalgamation took place, there were altogether six appointments of Class I. and all these were equally open to men employed in railway as well as non-railway offices. With the enhancement of the three Railway Chief Examiners' rates of pay (September 1913), the number of appointments in Class I. has been reduced to four. These seven superior appointments should have been thrown open to all the men on the list, but the nominations actually made to the three new posts make it very doubtful that this is intended to be done. The three Chief Examiners are not the most senior men of the list, or the three who would have been selected if the claims of all the senior men of the list had been considered as would have been the case prior to the amalgamation. It is difficult to surmise what the exact intention of Government is or on what grounds senior officers, against whose character or abilities nothing is known to their colleagues in the service, have been superseded by their juniors. In the absence of a pronouncement on the subject, one can only look at the facts as they are, and these seem to establish that the prospects of promotion above Class III. (there is no Class II.) are not now the same for all officers of the service, and that the accident of one's being employed (under orders of Government, of course) in a railway office, or not, will determine whether or not he is to belong to the more fortunate of the two groups. The

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chances of promotion of Class III. men to the seven appointments are as follows:—

Posts.	Railway Men.	Non-railway Men.
Rs. 2,000	2	Nil.
1,800	1	Nil.
1,500—60—1,800	4 conjointly with non-railway men.	4 conjointly with railway men.

The term "railway men" means men who happen to be employed in railway offices, even though their special acquaintance with railway accounts work may be of short duration. Similarly, the term "non-railwaymen" includes men with railway accounts experience who may happen to be posted to one of the non-railway offices.

The foregoing will at once show that such of the Public Works List men as are employed in civil accounts or other non-railway offices have a distinct grievance. And these are the very officers who have been most hard hit by the amalgamation (*vide* paragraph 14 of my memorandum dated the 31st October 1913). For three years they have been smarting under certain grievances caused by loss of status and position consequent upon their so-called "amalgamation" with the civil accounts officers, and instead of the situation being eased for them they have been actually deprived of—

- (a) two of the Class I. appointments which were open to them, and
- (b) their share of the improvement in the prospects of the Public Works List, effected by the enhancement of Chief Examiners' rates of pay.

It is possible that Government have some other scheme in view in order to remove the hardships of these officers, but the silence of Government on the point has caused considerable anxiety and damped the energies of these officers, most of whom have had to work very hard since the amalgamation. It is very difficult to suggest a remedy; but it is the claim of these officers that all the higher offices should be equally open to all men on their list, if indeed it is not possible to throw open every high post in the amalgamated Civil and Public Works Accounts Department (Indian Finance Department) to every man of that department. The three Chief Examinerships should be open to all. Special acquaintance with railway accounts work need not be a *sine qua non* for these posts. The incumbents of these posts are responsible heads of large offices, with several gazetted officers under their orders. A few of their assistants might be specialists in railway work, but the qualifications required of themselves should not be those of specialists, but of intelligent and capable officers with varied accounts experience and proved administrative ability. Three successive holders of the appointment

of Accountant-General, Railways, who is the principal officer of the Railway Accounts branch and under whom all the Chief Examiners are, have been officers of the Civil Accounts Department who had never worked in public works or railway offices before. It is presumed that their ignorance of the details of railway work was not a disqualification, otherwise three such appointments would not have been made in succession. A Public Works Accounts man employed in a non-railway office is not ignorant of those details; he has some knowledge thereof, practical as well as theoretical, even though he may not have actually worked long on railways. If, therefore, he possesses other qualifications necessary for the charge of a large office, there is no reason why the accident of his not being employed in a railway office should make him ineligible for a Chief Examinership, especially when there is no bar to his being posted (when promoted to the rank of Accountant-General) as Accountant-General, Railways, who is the head of the railway accounts branch in India. Should there indeed be reasons for not accepting this proposition, it is submitted that every Public Works man employed in a non-railway office should be given the opportunity, if he so desires, of being transferred to railways, so that he may have full chances of promotion to all the seven appointments. This alternative suggestion is made with considerable hesitation, as it is obviously impossible for Government to transfer at once all the Public Works men to railways, for the simple reason that the total number of officers is more than the number of appointments in railway offices. This itself will show that the only fair course which is practicable, is that which has always been in force, viz., to make all appointments interchangeable, to give promotions equally to all on one list, and to refrain from creating a class of specialists in railway accounts work. Another consideration will make this conclusion quite clear. All further recruitment to the separate Public Works List has been stopped since the amalgamation. All new recruits to the Indian Finance Department are now borne on the General List (old Enrolled List). The Public Works List is an ever-dwindling one, and after a number of years the number left on this list will not be sufficient to supply the needs of all the railway offices. The only course then left will be to draft men of the General List on to railways to supply the deficiency. And when the last Public Works man leaves the service, the railway branch will be manned entirely by General List officers. This may take a number of years, but the time will come when the specialist will disappear. Why not then anticipate the inevitable result at once? Interchange and equal chances of promotion was the principle which was observed, without any disadvantage to the State, for nearly half a century, and it is the one which forces itself upon us; but if Government have any reason for abandoning it now, it is respectfully submitted that they should recognise that the men who suffer in consequence, should be sufficiently compensated, in some tangible form, for the actual loss of promotion and status.

Mr. G. KAULA called and examined.

64,645. (Chairman.) The witness had completed 18 years' service. He was recruited to the department by competitive examination in India.

64,646. He was in favour of entry to the service by competitive examination both in England and in India.

64,647. Personally he did not agree with the 50 per cent. rule. His opinion was that there should be no distinction, but that all appointments should be made by competitive examination. The view of his colleagues was, however, that 50 per cent. of the appointments should be open to Indians, and 50 per cent. to Europeans.

64,648. Indians should be eligible for appointment in England. An Indian who was educated in England could not be fairly appointed in India. The grievance was that such a man had to come out to India before he received a nomination, and had then to sit for an

examination, and to undergo a far stiffer test than if he had been appointed in England inasmuch as the number of candidates with whom he had to compete out here was very large and they were usually the best products of the Indian universities.

64,649. Subordinates, both Superintendents and Accountants, should be promoted because there was a large number of subordinates who were quite as good as Chief Superintendents and Chief Accountants, and quite as eligible for promotion to the higher ranks, especially amongst the Indians. No facilities were offered to subordinates for getting promotion to the superior grades, and they had to wait until they were promoted to the Chief Superintendentships. They were then too old for promotion. It would be a distinct advantage both to the department and to the officers if they were selected at an earlier stage. There was a large number of well-educated, intelligent

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and respectable persons amongst subordinates, who were quite fit to be superior officers if appointed early enough. They were subordinates because better positions were not available. If such a scheme were carried out it would not affect the popularity of promotion to the position of Chief Superintendent and Chief Accountant, because the latter posts would be on quite a separate plane, and other subordinates would aspire to them.

64,650. He would not object to promoting selected Chief Accountants and Chief Superintendents to the General List, but it should not be made a rule that Chief Superintendents alone should be so promoted.

64,651. The amalgamation of the Public Works and Civil Accounts branches was the cause of one of the greatest grievances of a certain section of the department. He admitted that the prospects of pay of some officers in the Public Works branch were somewhat improved at the time of the amalgamation, but "at the time" had no bearing on the subject whatever; to say that at a certain time certain advantages accrued was quite beside the question. There had been an improvement owing to the introduction of the time-scale, but the department would have got the benefit of the time-scale, even if the amalgamation had not taken place.

64,652. When he joined the service the prospects open to recruits of both the Public Works and Civil Accounts Departments were identical, the two departments were considered as sister services, and the rates of pay and the conditions of examination, &c., were the same. If he had known that the Civil Accounts Service was likely to be improved gradually in spite of the declared assimilation, he would undoubtedly have tried for a nomination to that service.

64,653. He could very easily show that a Public Works Accounts officer had been deprived of status and positions which he enjoyed prior to the amalgamation. For instance, he himself had been head of a department. After the amalgamation he was not even the head of an office but was relegated to the position of a second officer, and at the present time he was the third man in an office. His salary was not reduced by the amalgamation, but he was placed in positions inferior and subordinate to those enjoyed by officers of the Civil Accounts branch with less service and no better qualifications.

64,654. He would be the last person to suggest that the grievances of the Public Works men should be remedied by depriving the Civil men of the prospects open to them prior to the amalgamation. But this protection of their "vested interests" could hardly be extended to the higher posts which were not open to them prior to the amalgamation, but had been thrown open to the uncovenanted men since, or even to the post of Accountant-General, Posts and Telegraphs, as explained in the written statement.

64,655. All officers now entering the service came in on the "General List" of the department, and had equal opportunities. In that respect he desired to say on behalf of the junior officers that the last man on the separate Public Works Accounts List had still the old prospects open to him, whereas men who had been appointed to the General List after the amalgamation had all the fresh appointments open to them. The time would come when a man appointed after the amalgamation would have better prospects than the last man on his list; this should be remedied in any case.

64,656. He was in favour of the establishment of a family pension fund. If Government assisted the existing family pension fund, as they did in the case of the Civil Service, it would be more popular than it was at present. The existing rates were prohibitive, especially for Indian officers.

64,657. (Mr. Gokhale.) He did not in the least agree with the statement expressed by the last witness that Indian members of his department were as a class inferior to the English members in the matter of dis-

cipline and control, and that things on the whole were more slack under an Indian Accountant-General than under an English Accountant-General. As a member of an office which had been manned by more than one Indian Accountant-General, he strongly protested against such a statement. He had worked under both English and Indian Accountants-General, and he had found no difference in the matter of discipline and control.

64,658. (Mr. Fisher.) His views as to the training of young officers in the department were more or less the same as those expressed in the joint written statement.

64,659. The Government did not apparently consider the full details of the problem when they undertook to carry out the amalgamation of the Public Works and Civil Accounts branches; in fact they had not carried out any amalgamation of the two services at all, and consequently there was only an amalgamation of offices. They had put two offices under the same roof, and had called it an amalgamation. The departments themselves had not been amalgamated. Certain sections of the office had been put together in a certain room, and the work had been assimilated, but there was no amalgamation of the members of the department.

64,660. (Mr. Madge.) The examination both in India and in England should be open to both Indians and Europeans. He did not think this would raise the proportion of Indians above 50 per cent., but if it did the department would not suffer from it. He did not want 50 per cent. of Indians and 50 per cent. of Englishmen in the department. He desired 50 per cent. of officers with Indian education, and 50 per cent. with an English education and English character.

64,661. There had been absolutely no compensating advantages in the amalgamation of the Public Works and Civil Accounts branches. It was not true to say that a Public Works Department accounts officer could rise under the new arrangement higher than under the previous one; in fact he had been deprived of some of the advantages which he formerly possessed.

64,662. With regard to the suggestion that the claims of subordinates for promotion to the gazetted ranks had not been given the attention they deserved, there were two sections of subordinates, the Public Works and the Civil subordinates. The former, who previously had a certain definite number of appointments, viz., 33 per cent., open to them, had now been deprived of them, and were given now only certain posts of Chief Accountants which also were not *additional* posts, inasmuch as they had been created out of an equal number of subordinate posts. The grievance of both the Public Works and the Civil subordinates was that in recent years the appointments to the superior ranks had been made in large numbers from certain men at headquarters, who were employed in the Secretariat and who were always under the eye of the persons who had to make the appointments. It followed, therefore, that subordinates who were scattered over the rest of India had very little chance of promotion, because they were not known personally.

64,663. (Sir Valentine Chirol.) When he said in the written statement that "most of us of the present generation do, and certainly those of the rising generation will desire to send our boys to English public schools" he was referring to Indian officers of the department, and their friends outside the department. He could have brought forward evidence to show that there was that desire on the part of most Indians of the educated classes. At the same time there was a certain amount of reluctance, because the prospects of admittance into the department through the India Office were so bad. He agreed that the result of sending young Indians to the public schools in England might be to denationalise them to a certain extent, but the fact remained that most Indian gentlemen did not mind this within certain limits.

The witness withdrew.

5 May 1914.]

Sir S. W. EDGERLEY.

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.I.E.
 SIR THEODORE MORISON, K.C.I.E.
 SIR VALENTINE CHIROL.
 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.*

64,664. 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.	-	-	-	-	-	

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 Department.*

64,665. 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 29th 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.

* *Vide* Appendix V.

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Sir S. W. EDGERLEY.

[Continued.]

Sir S. W. EDGERLEY called and examined.

64,666. (*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.

64,667. 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.

64,668. 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.

64,669. 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	
1910	48	3	
1911	26	3	One appointment withdrawn by Secretary of State.
1912	18	1	
1913	18	4	One selected candidate withdrew and the vacancy was afterwards filled in India.

64,670. 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 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.

64,671. 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.

64,672. 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.

64,673. (*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.

64,674–65,143. (*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.

* See preceding written statement, paragraph 64,664.

* Vide Appendix V.

The witness withdrew.

APPENDIX I.

LIST OF APPENDICES.

- I.—REGULATIONS relating to APPOINTMENTS in the INDIAN FINANCE DEPARTMENT.
- II.—STATEMENT showing the NUMBER and SOURCE of RECRUITMENTS for the INDIAN FINANCE DEPARTMENT, 1904-13.
- III.—RESULTS of the COMPETITIVE EXAMINATION for ADMISSION to the INDIAN FINANCE DEPARTMENT, 1904-13.
- IV.—STATEMENTS put in by Mr. DATTA as follows :—
- (i) INDIAN FINANCE DEPARTMENT.—Comparison of prospects, 1886-1913.
 - (ii) IMPERIAL FOREST SERVICE.—Comparison of prospects, 1891-1913.
 - (iii) IMPERIAL ENGINEERS.—Comparison of prospects, 1891-1913.
 - (iv) Comparison of the charges of the CHIEF EXAMINERS of RAILWAY ACCOUNTS with those of CIVIL ACCOUNTANTS-GENERAL in respect of numbers of STAFF controlled and amounts of REVENUE and EXPENDITURE audited.
 - (v) COST of PROPOSALS.
 - (vi) AVERAGE SALARY to be drawn by OFFICERS of the INDIAN FINANCE DEPARTMENT under NORMAL CONDITIONS if the changes suggested are introduced.
- V.—CORRESPONDENCE regarding the ADMISSION of INDIAN CANDIDATES in ENGLAND to the COMPETITIVE EXAMINATION for the INDIAN FINANCE DEPARTMENT and the INDIAN CUSTOMS SERVICE being (i) Despatch from the Secretary of State for India to the Government of India No. 170 (Public) dated 29th September 1911 and (ii) Despatch from the Government of India to the Secretary of State No. 44 (Finance) dated 22nd February 1912.
- VI.—STATEMENT of the CIVIL APPOINTMENTS on Rs. 200 a month and over held by EUROPEANS, ANGLO-INDIANS, and INDIANS on 1st April 1913 in the INDIAN FINANCE DEPARTMENT.
- VII.—OFFICIALS and NON-OFFICIALS who FURNISHED WRITTEN EVIDENCE to the ROYAL COMMISSION in connection with their INQUIRY into the INDIAN FINANCE DEPARTMENT, but who were not ORALLY EXAMINED.

APPENDIX I.

REGULATIONS relating to APPOINTMENTS in the INDIAN FINANCE 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 Finance 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 sufficient knowledge of elementary mathematics is essential; and preference will be given to candidates who produce evidence of proficiency in mathematics.

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 FINANCE DEPARTMENT.

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

1. The appointments for which probationers admitted to the Indian Finance Department will in future be eligible are as follows :—

Rupees a month.

4 probationers	{	<p>200 and upwards, if appointed in India.</p> <p>300, with yearly increments of Rs. 50 (subject to certain regulations as regards passing departmental examinations), if appointed in England (see below, paragraph 5).</p>
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APPENDIX I.—continued.

130 officers on the General List, Class III. } 300, rising by annual increments of Rs. 50 to Rs. 1,250, and thereafter by biennial increments of Rs. 50 to Rs. 1,500.

11 officers on the General List, Class I. } 1,500, rising by annual increments of Rs. 60 to Rs. 1,800.

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

In addition, six Accountant-Generalships (salaries varying from Rs. 2,250 to Rs. 2,750) may be given to officers of the Indian Finance Department as the reward of conspicuous merit, if there is, when a vacancy occurs, such an officer in all respects competent to fill the appointment efficiently.

2. Vacancies in the Indian Finance Department are filled partly in England and partly in India.

3. Particulars as to Leave and Pension are contained in Appendix IV.*

* Not reprinted.

4. Appointments to the Indian Finance Department are in the first instance on probation and are subject to confirmation by the Government of India.

5. The initial pay of officers selected in England as probationers will be Rs. 300 a month; but these officers will rank for seniority with, and not above, the Indian recruited officers, whose initial pay as probationers is Rs. 200 a month.

6. Probationers are required to pass certain departmental examinations, particulars of which can be obtained on application to the Financial Secretary, India Office. The rules are liable to alteration by the Government of India. Failure to pass these departmental examinations within a period considered reasonable will involve loss of appointment.

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

8. Officers of the Indian Finance Department are liable to serve in any part of India and in Burma, and they are occasionally lent for Foreign Service in the Native States of India, Siam, &c.

APPENDIX II.

(Referred to in paragraph 64,445—Evidence of Messrs. Gauntlett and Brunyate.)

STATEMENT showing the NUMBER and SOURCE of RECRUITMENTS for the INDIAN FINANCE DEPARTMENT, 1904–13.

	1904.		1905.		1906.		1907.		1908.		1909.		1910.		1911.		1912.		1913.		Total.		Grand Total.	
	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.	Indians.	Non-Indians.		
IN ENGLAND.																								
By the Secretary of State—																								
Civil Branch		1		3		1		1	(a)1	3		5		1		1					1	16	17	
Public Works		1		2		4		2		2		2										13	13	
IN INDIA.																								
By competitive examination—																								
Civil Branch			1		(b)2		2		2				3				(c)2		(d)1			13		13
Public Works	1				1		2		1	1												5	1	6
By direct appointment—																								
(a) From the Opium Department—Civil.																					3		3	3
(b) From other sources—Civil.							(f)2		(f)1		(e)1		(h)1			1						5	1	6
By promotion of subordinates—																								
(a) From the Finance Department—Civil.						1					1						1		1		2	3	3	6
(b) From the Subordinates Accounts Service—Civil.								1											1			1	1	2
(c) From the Public Works Subordinate Accounts Service.		1		1		2		1		2			1	1					2		1	1	11	12
(d) From other outside offices—Civil.																	1	(h)1				1	1	1
TOTAL	1	3	1	6	3	8	6	5	4	8	3	7	5	2	2	3	3	3	3	6	29	50	79	

(a) The Secretary of State has now agreed not to appoint Indians in England ordinarily.

(b) As the result of an examination held in December 1905.

(c) As the result of an examination held in November 1911.

(d) As the result of an examination held in December 1912. One of the two selected candidates has not been appointed yet, owing to failure in the qualifying examination.

(e) The son of a Public Prosecutor who was assassinated for political reasons.

(f) To maintain racial representation.

(h) An Auditor of Customs Accounts, Calcutta, who was previously a Chief Superintendent, promoted in connection with the newly created post of Peripatetic Auditor of Custom House Accounts in India.

(i) A Burman for purposes of racial representation.

APPENDIX IV.

APPENDIX IV.

(Referred to in paragraph 64,566—Evidence of Mr. K. L. Datta.)

STATEMENT I.

Indian Finance Department—Comparison of Prospects.—1886-1913.

ORGANISATION.			
In 1886.	In 1891.	In 1906, prior to Introduction of Time Scale Pay.	Present.
Rs.	Rs.	Rs.	Rs.
4 Class I. on 1,750-50-2,000	1 Accountant-General, average - 2,500	3 Accountants-General, average - 2,665	1 Accountant-General - 2,750
3 " II. on 1,250-50-1,500	4 Class I. average 1,500	5 Class I. - 1,500	2 " - 2,500
5 " III. on 1,000-50-1,250	3 " II. " 1,250	5 " II. - 1,250	3 " - 2,250
7 " IV. on 800-40-1,000	5 " III. " 1,000	7 " III. - 1,000	11 Class I. 1,500-60-1,800
6 " V. on 600-40- 800	7 " IV. " 800	11 " IV. - 800	141 " III. 300-50-1,250
4 " VI. on 400-40- 600	8 " V. " 600	12 " V. - 600	$\frac{50}{2}$ -1,500
8 Probationers on 200 to 300	8 " VI. " 400	11 " VI. - 400	
	5 Probationers on 200 to 300	5 Probationers - 200 to 300	
37	41	59	158

AVERAGE SALARY DRAWN BY AN OFFICER DURING HIS SERVICE UNDER NORMAL CONDITIONS.

Years of Service.	Organisation of 1886.	Organisation of 1891.	Organisation in 1906, prior to Introduction of Time Scale Pay.	Present Organisation.
	Rs.	Rs.	Rs.	Rs.
1	Probationer - 200	Probationer - 200	Probationer - 250	Class III. - 300
2	" - 200	Probationer, acting VI. - 330	Probationer, acting VI. - 380	" - 350
3	Probationers, acting VI. - 330	" " - 300	Class VI. - 400	" - 400
4	" " - 330	Class VI. - 400	Class VI., acting V. - 520	" - 450
5	" " - 330	" " - 400	" " - 520	" - 500
6	" " - 330	Class VI., acting V. - 520	" " - 520	" - 550
7	Class VI.-V. - 520	" " - 520	" " - 520	" - 600
8	" - 560	" " - 520	Class V. - 600	" - 650
9	" - 600	" " - 520	" - 600	" - 700
10	Class V. - 640	Class V. - 600	" - 600	" - 750
11	" - 680	" - 600	Class V., acting IV. - 760	" - 800
12	Class V., acting IV. 800	Class V., acting IV. - 760	" " - 760	" - 850
13	" " 840	" " - 760	" " - 760	" - 900
14	" " 880	" " 760	Class IV. - 800	" - 950
15	Class IV. - 920	Class IV. - 800	" - 800	" - 1,000
16	" - 960	" - 800	" - 800	" - 1,050
17	" - 1,000	" - 800	Class IV., acting III - 1,000	" - 1,100

APPENDIX IV.—continued.

Years of Service.	Organisation of 1886.	Organisation of 1891.	Organisation in 1906, prior to Introduction of Time Scale Pay.	Present Organisation.
	Rs.	Rs.	Rs.	Rs.
18	Class IV., acting III. - - 1,000	Class IV., acting III. - - 1,000	Class IV., acting Class III. - 1,000	Class III - - 1,150
19	" " 1,050	" " 1,000	" " 1,000	" - - 1,200
20	Class III. - - 1,100	Class III. - 1,000	Class III. - 1,000	" - - 1,250
21	" - - 1,150	" - 1,000	" - - 1,000	" - - 1,250
22	" - - 1,200	" - 1,000	Class III., acting II. - - 1,250	" - - 1,300
23	" - - 1,250	" - 1,000	" " 1,250	" - - 1,300
24	Class III., acting II. - - 1,250	Class III., acting II. - - 1,250	Class II. - - 1,250	" - - 1,350
25	Class II. - - 1,300	Class II. - - 1,250	" - - 1,250	" - - 1,350
26	" - - 1,350	" - - 1,250	Class II., acting I. - - 1,500	" - - 1,400
27	" - - 1,400	Class II., acting I. - - 1,500	Class I. - - 1,500	" - - 1,400
28	Class II., acting I. - - 1,750	Class I. - - 1,500	" - - 1,500	Class III., acting I. - - 1,500
29	Class I. - - 1,800	" - - 1,500	" - - 1,500	Class I. - - 1,560
30	" - - 1,850	" - - 1,500	" - - 1,500	" - - 1,620
31	" - - 1,900	" - - 1,500	Accountant-general - 2,250	" - - 1,680
32	" - - 1,950	" - - 1,500	" " 2,250	Accountant-general - 2,250
33	" - - 2,000	Accountant-general - 2,250	" " 2,500	" " 2,250
34	" - - 2,000	" " 2,250	" " 2,500	" " 2,500
35	" - - 2,000	" " 2,500	" " 2,750	" " 2,750
	Average - 1,072	Average - 1,010	Average - 1,124	Average - 1,170

STATEMENT II.

Imperial Forest Service.—Comparison of Prospects.—1891-1913.

ORGANISATION.	
In 1891.	Present.
Rs.	Rs.
1 inspector-general - - - - 2,333	1 inspector general - - - - 2,650
6 conservators, I. - - - - 1,600	2 chief conservators - - - - 2,150
6 " II. - - - - 1,350	7 conservators, I. - - - - 1,900
6 " III. - - - - 1,100	7 " II. - - - - 1,700
17 deputy conservators, I. - - - - 900	7 " III. - - - - 1,500
23 " " II. - - - - 800	184 deputy and assistant conservators - { 380-40-700
37 " " III. - - - - 650	50-1,250
38 " " IV. - - - - 550	
32 assistant conservators, I. - - - - 450	
30 " " II. - - - - 350	
196	208

APPENDIX IV.—continued.

AVERAGE SALARY DRAWN BY AN OFFICER DURING HIS SERVICE UNDER NORMAL CONDITIONS.

Years of Service.	Organisation of 1891.	Present.
	Rs.	Rs.
1	Assistant conservator, II., acting I. - 440	Assistant conservator - - - 380
2	" " II., " - 440	" " - - - 420
3	" " II., " - 440	" " - - - 460
4	" " I., " - 450	" " - - - 500
5	" " I., acting D.C. IV. - 550	" " - - - 540
6	" " I., " " - 550	" " - - - 580
7	" " I., " " - 550	" " - - - 620
8	Deputy conservator, IV., " " - 550	" " - - - 660
9	" " IV., " " - 550	" " - - - 700
10	" " IV., " " - 550	Deputy conservator - - - 750
11	" " IV., acting III. - 650	" " - - - 800
12	" " IV., " " - 650	" " - - - 850
13	" " III. - - - 650	" " - - - 900
14	" " III. - - - 650	" " - - - 950
15	" " III. - - - 650	" " - - - 1,000
16	" " III. - - - 650	" " - - - 1,050
17	" " III., acting II. - 800	" " - - - 1,100
18	" " III., " - 800	" " - - - 1,150
19	" " II. - - - 800	" " - - - 1,200
20	" " II. - - - 800	" " - - - 1,250
21	" " II., acting I. - 900	" " - - - 1,250
22	" " I. - - - 900	" " - - - 1,250
23	" " I., acting I. - 900	" " - - - 1,250
24	" " I. - - - 900	" " acting conservator - 1,500
25	" " I., acting conservator 1,100	Conservator, III. - - - 1,500
26	Conservator, III. - - - 1,100	" III., acting II. - - - 1,700
27	" III., acting II. - - - 1,350	" II. - - - 1,700
28	" II. - - - 1,350	" II., acting I. - - - 1,900
29	" I. - - - 1,350	" I. - - - 1,900
30	" I. - - - 1,350	" I. - - - 1,900
31	" I. - - - 1,350	Chief conservator - - - 2,150
32	Inspector-general - - - 2,333	Inspector-general - - - 2,650
	846	1,141

STATEMENT III.

Imperial Engineers.—Comparison of Prospects.—1891-1913.

ORGANISATION.	
In 1891.	Present.
	Rs.
·5 chief engineer, Class I. - - - 2,000	1·9 chief engineer, Class I. - - - 2,750
·6 " " " II. - - - 2,000	1·9 " " " II. - - - 2,500
·5 " " " III. - - - 1,800	4·0 superintending engineer, Class I. - 2,000
1·5 superintending engineer, Class I. - 1,600	4·2 " " " II. - 1,750
1·5 " " " II. - 1,350	4·2 " " " III. - 1,500
1·5 " " " III. - 1,100	83·8 executive and assistant engineers { 380-40-700 50-1,250
12·6 executive engineer, Grade I. - - - 950	
13·5 " " " II. - - - 800	
14·6 " " " III. - - - 700	
6·2 " " " IV. - - - 600	
37·0 assistant engineer, " I. - - - 500	
10·0 { " " " II. } - - - 350	
" " " III. } - - - 350	
100·0	100·0

APPENDIX IV.—continued.

AVERAGE SALARY DRAWN BY AN OFFICER DURING HIS SERVICE UNDER NORMAL CONDITIONS.

Years of Service.	Organisation of 1891.				Present Organisation.				
					Rs.				Rs.
1	Assistant, 2-3	-	-	-	350	Assistant engineer	-	-	380
2	" 2-3	-	-	-	350	" "	-	-	420
3	" 1	-	-	-	500	" "	-	-	460
4	" 1	-	-	-	500	" "	-	-	500
5	" 1	-	-	-	500	" "	-	-	540
6	" 1	-	-	-	500	" "	-	-	580
7	" 1	-	-	-	500	" "	-	-	620
8	" 1	-	-	-	500	" "	-	-	660
9	" 1	-	-	-	500	" "	-	-	700
10	" 1	-	-	-	500	" "	-	-	750
11	" 1, acting executive	-	-	-	600	Executive engineer	-	-	800
12	" 1	"	"	-	600	" "	-	-	850
13	Executive, 4	-	-	-	600	" "	-	-	900
14	" 4	-	-	-	600	" "	-	-	950
15	" 3	-	-	-	700	" "	-	-	1,000
16	" 3	-	-	-	700	" "	-	-	1,050
17	" 3	-	-	-	700	" "	-	-	1,100
18	" 3	-	-	-	700	" "	-	-	1,150
19	" 2	-	-	-	800	" "	-	-	1,200
20	" 2	-	-	-	800	" "	-	-	1,250
21	" 2	-	-	-	800	" "	-	-	1,250
22	" 2	-	-	-	800	" "	-	-	1,250
23	" 2	-	-	-	800	" "	-	-	1,250
24	" 1	-	-	-	950	" "	acting S.E. 3	-	1,500
25	" 1	-	-	-	950	Superintending engineer 3	-	-	1,500
26	" 1	-	-	-	950	" "	3, acting S.E. 2	-	1,750
27	" 1	-	-	-	950	" "	2	-	1,750
28	" 1, acting S.E. 3	-	-	-	1,100	" "	2	-	1,750
29	Superintending engineer 3, acting S.E. 2	-	-	-	1,350	" "	1	-	2,000
30	" " 2 " " 1	-	-	-	1,600	" "	1	-	2,000
31	" " 1	-	-	-	1,600	Chief engineer 2	-	-	2,500
32	Chief engineer, average	-	-	-	2,100	" "	1	-	2,750
33	" " "	-	-	-	2,100	" "	1	-	2,750
	Average	-	-	-	835				1,208

STATEMENT IV.

Comparison of the charges of the Chief Examiners of Railway Accounts with those of Civil Accountants-General in respect of numbers of Staff controlled and Amounts of Revenue and Expenditure audited.

NAME OF OFFICER.	STAFF CONTROLLED.		Revenue (lakhs).	Expenditure (lakhs).	Total Turnover (lakhs.)
	Officers.	Sub-ordinate Clerical Staff.			
Examiner, North Western Railway*	13	954	8,81	8,57	17,38
" Eastern Bengal Railway*	7	592	3,35	3,29	6,64
" Oudh and Rohilkhand Railway*	6	456	2,10	1,89	3,99
Accountant-General, Bombay	11	428	17,76	9,06	26,82
" " Bengal	10	364	15,76	6,91	22,67
" " Burma	10	439	9,14	6,10	15,24

N.B. —Government is aware that the audit of receipts as carried out in our Civil Accountant-General's office is not for a moment to be compared with the audit of railway revenue as carried out in a railway account office and the figures in column "Revenue" should be read in the light of this fact, which is further borne out by Article 4, Chapter 2, Civil Account Code, Volume I., and Article 721, II., and Chapter 45, Civil Account Code, Volume II, and State Railway Code, Volume I., Chapter II.

* These officers also manage the very large and important printing presses which are maintained for railway purposes.

APPENDIX IV.—continued.

STATEMENT V.

Cost of Proposals.

Present Cost per Month.		Proposed Cost per Month.		Extra expenditure per Month.
(i) Accountants-General:—	Rs.		Rs.	Rs.
1 at 2,750	2,750	3 at 2,750	8,250	
2 at 2,500	5,000	4 at 2,500	10,000	
3 at 2,250	6,750	4 at 2,250	9,000	
Total	14,500		27,250	12,750
(ii) Class I. :—				
11 at 1,500—60—1,800	18,700	6 at 2,000	12,000	
		10 at 1,700	17,500	
			29,500	
		Less $\frac{1}{15}$ in for one I.C.S. appointment.	1,844	
			27,656	8,956
(iii) Class III. :—				
141 at 878·5	1,23,868	132 at 846 $\frac{2}{3}$	1,11,760	
		Extra for raising 7 probationers' pay.	1,000	
			1,12,760	— 11,108
		Deduct—Local allowance of Comptroller, India Treasuries.	— 150	— 150
Total	1,57,068	Total	1,67,516	10,448 or 1,25,376 a year.

STATEMENT VI.

Average Salary to be drawn by Officers of the Indian Finance Department under normal conditions if the changes suggested are introduced.

Year of Service.	Rs.	Year of Service.	Brought forward	Rs.
1 Probationer	400	20 Class III.	-	1,250
2 "	400	21 "	-	1,300
3 Class III.	400	22 "	-	1,350
4 "	450	23 "	-	1,400
5 "	500	24 Acting Class I.	-	1,750
6 "	550	25 Class I.—2	-	1,750
7 "	600	26 "	-	1,750
8 "	650	27 Class I.—1	-	2,000
9 "	700	28 "	-	2,000
10 "	750	29 Officiating Accountant-General	-	2,250
11 "	800	30 Accountant-General, Class III.	-	2,250
12 "	850	31 " Class II.	-	2,500
13 "	900	32 " Class I.	-	2,750
14 "	950	33 " "	-	2,750
15 "	1,000			
16 "	1,050			
17 "	1,100			
18 "	1,150			
19 "	1,200			
		Total	-	41,450
		Average	-	1,256

APPENDIX V.

APPENDIX V.

(Referred to in paragraph 64,665—Evidence of Sir S. W. Edgerley.)

CORRESPONDENCE regarding the ADMISSION of INDIAN CANDIDATES in ENGLAND to the COMPETITIVE EXAMINATION for the INDIAN FINANCE DEPARTMENT and the INDIAN CUSTOMS SERVICE being (i) DESPATCH from the SECRETARY of STATE for INDIA to the GOVERNMENT of INDIA No. 170 (Public) dated 29th September 1911 and (ii) DESPATCH from the GOVERNMENT of INDIA to the SECRETARY of STATE No. 44 (Finance) dated 22nd February 1912.

(i) Despatch No. 170 (Public), from the Secretary of State for India to His Excellency the Right Honourable the Governor General of India in Council, dated India Office, 29th September 1911.

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 I. of your Resolution No. 281 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 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.

(ii) Despatch from the Government of India to the Secretary of State for India, No. 44, Finance Department, dated Calcutta, the 22nd February 1912.

WE have the honour to acknowledge the receipt of your Lordship's Despatch No. 170-Public dated the 29th September 1911, regarding the system of recruitment for the Indian Finance Department. We cordially accept the procedure laid down in paragraph 4 of the Despatch, and we agree that it is essential that Indians, who have been educated in England, should, as regards the competitive examination, be afforded equal opportunities with those recommended by Local Governments in this country. We have also, with reference to the remarks in the last paragraph of the Despatch, decided to hold the examination during the latter half of December instead of in November as at present.

2. Applications from Indians for appointment to the Imperial Customs Service, received by your Lordship and transmitted to us will, as desired, be taken into consideration on the occurrence of a vacancy in that service.

* Not reprinted.

APPENDICES VI. and VII.

APPENDIX VI.

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 INDIAN FINANCE DEPARTMENT.

Pay.	Number of Employés in each Grade or Class,																
	Total.	Europeans.	Anglo-Indians.	Hindus (including Sikhs and Parsis).										Total Hindus, Sikhs, and Parsis (cols. 11 to 13).	Muhammadans.	Indian Christians.	Buddhists.
				Brahmans (including Shenvis).	Kshatryas.	Kaiyasthas (including Prabhus).	Baniyas and Vaisyas.	Sudras.	Other Hindus (i.e., other than those shown in cols. 5 to 9)	Total Hindus (cols. 5 to 10).	Sikhs.	Parsis.					
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	
Rs.																	
300—400	6	4	—	1	—	—	—	—	1	2	—	—	2	—	—	—	
400—500	22	6	4	4	1	1	—	—	3	9	—	1	10	2	—	—	
500—600	33	6	12	7	—	—	—	1	5	13	—	2	15	—	—	—	
600—700	23	9	5	4	—	2	—	—	2	8	—	—	8	1	—	—	
700—800	13	4	4	1	—	3	1	—	—	5	—	—	5	—	—	—	
800—900	17	8	5	2	—	—	—	—	2	4	—	—	4	—	—	—	
900—1,000	15	7	7	1	—	—	—	—	—	1	—	—	1	—	—	—	
1,000—1,200	18	9	5	3	—	1	—	—	—	4	—	—	4	—	—	—	
1,200—1,400	20	12	4	3	—	1	—	—	—	4	—	—	4	—	—	—	
1,400—1,600	6	3	1	1	—	1	—	—	—	2	—	—	2	—	—	—	
1,600—1,800	7	3	4	—	—	—	—	—	—	—	—	—	—	—	—	—	
2,000—2,500	4	3	—	—	—	1	—	—	—	1	—	—	1	—	—	—	
2,500—3,000	2	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total	186	76	51	27	1	10	1	1	13	53	—	3	56	3	—	—	

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1. G. W. V. DE RHE-PHILIPPE, Esq., Chief Examiner of Accounts, North Western State Railway.

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Family Pension Fund—continued.

in Substitution for present Provident Fund, some officers believed to be in favour of, but no strong desire heard, *Gauntlett* - - - - - 64,485
for Uncovenanted officers, high rates of contributions, and no Government help, *Datta* 64,565(33)

Finance Department of Government of India :**ASSISTANT SECRETARY :**

Local allowance, *Gauntlett* and *Brunyate* 64,448
Reservation of post for officers of Indian Finance Department:
Advocated, *Gauntlett* and *Brunyate*, 64,447; *Datta*, 64,563.
Advocated, and title should be "under secretary," *Heseltine* - - - - - 64,633
Proposal, *Gauntlett* - - - - - 64,482

DEPUTY SECRETARY :

Functions, and qualifications required, *Brunyate* and *Gauntlett* - - - - - 64,482
Members of Finance Department should be definitely declared to be eligible for post, *Datta* 64,566(14)
Reservation of post for officers of Indian Finance Department:
Advocated, *Kellner*, 64,544; *Datta*, 64,563, 64,589.
Proposal, *Gauntlett* - - - - - 64,482
Proposal not approved, *Heseltine* - - - - - 64,633
Status, *Gauntlett* - - - - - 64,482
Widest possible choice necessary, and better chance of getting qualified man from I.C.S., *Heseltine* 64,633

Secretariat, Superintendents, promotion to general list (see by Promotion from subordinates under Recruitment).

Forest Service. (See Imperial Forest Service.)

Furlough (see under Leave).

G.

Gauntlett, M. F., I.C.S., evidence - 64,444-64,490,
p. 56-7

General List appointments :

Civilians, arrangements, and alteration under consideration, *Gauntlett* and *Brunyate* - 64,444(5-6)
Constitution from enrolled list and former Accounts Branch of the Public Works Department, *Gauntlett* and *Brunyate* - - - - - 64,445
Recruitment (see that title).

H.

Heseltine, H. N., evidence of - - - 64,613-64,639

Higher Appointments :

Falling off in ratio of, to lower appointments and increase needed, *Kellner* - - - - - 64,542
Pay, ratio to pay of ministerial appointments high compared with other countries, and pay of ministerial services should be considered, *Balarama Ayyar* - - - - - 64,600
Reservation for I.C.S. officers not advocated, *Tomkins* 64,533

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I.**Imperial Engineers :**

Average salary drawn by an officer during his service under normal conditions, 1891, 1913, *Datta* p. 61
Organisation, 1891-1913, and comparison with Accounts Department, *Datta* 64,566(3), 64,587,
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Average salary drawn by an officer during his service under normal conditions, 1891, 1913, *Datta* p. 60
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Indian Civil Service Officers :

as Accountants-General (see under Accountants-General).
not Attracted to service even by immediate gain in salary, *Heseltine* - - - - - 64,615, 64,622
Coming into Finance Department for few years to get familiar with practice of accountancy of no practical utility, *Datta* - - - - - 64,591
Maintenance of element, question as to continuance of necessity, *Heseltine* - - - - - 64,634
System of recruitment and proposed alteration, *Datta* 64,585
Tempted to join department owing to higher pay, *Heseltine* - - - - - 64,639

Indian Customs Department :

Grouped with Indian Finance and Indian Finance (Military) Departments for dealing with recruitment, *Edgerley* - - - - - 64,664
Number of candidates and number of appointments offered 1909-13, *Edgerley* - - - - - 64,669

Indian Finance Department :

Cadres of finance and military finance services might be amalgamated, *Datta* - - - - - 64,577
Capacity of officers to discharge important and responsible duties, *Datta* - - - - - 64,566(5), 64,592
Clerical establishments, appointment and pay, *Gauntlett* and *Brunyate* - - - - - 64,444(10)
Comparison with educational, forestry, and agricultural services, *Heseltine* - - - - - 64,626
Comparison with opium department, *Heseltine* 64,615
Constitution, *Gauntlett* and *Brunyate* - 64,444(2-3)
Functions, *Gauntlett* and *Brunyate*, 64,444-9(7-11), 64,447; *Tomkins*, 64,531; *Datta*, 64,563, 64,566(3).
Grouped with Indian Finance (Military) and Indian Customs Departments for dealing with recruitment, *Edgerley* - - - - - 64,664
Joint memorial from officers of - 64,561, 64,566
Agreed with, *Kaula* - - - - - 64,640
Generally agreed with, *Balarama Ayyar* - 64,595
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Qualifications, lowering of, would be objected to, *Heseltine* - - - - - 64,626
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Service generally contented though certain concessions urged, *Tomkins* - - - - - 64,536
Size of offices, *Gauntlett* and *Brunyate* - - 64,447
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Indian Finance (Military) Department, grouped with Indian Finance and Indian Customs Departments for dealing with recruitment, *Edgerley* - - 64,664

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Posts held by, particulars, *Gauntlett* and *Brunyate* 64,445

Indians—continued.

PROPORTION IN SERVICE :	
50 per cent. :	
Approved, <i>Tomkins</i>	64,529
Maintenance desirable at present, <i>Gauntlett</i>	64,452, 64,489
Rule not agreed with personally, all appointments should be made by competitive examination, <i>Kaula</i>	64,647
Increase :	
above 50 per cent., objections to, <i>Heseltine</i>	64,613, 64,625
Two-thirds advocated, <i>Datta</i>	64,567, 64,579
Intention of Secretary of State that service should consist of equal numbers of Europeans and Indians of pure Asiatic descent, <i>Datta</i>	64,567, 64,578
Number less than prescribed proportion, <i>Datta</i>	64,567
Promoted subordinates, inclusion of :	
Advocated, <i>Brunyate</i>	64,455-6
not Advocated, <i>Gauntlett</i>	64,488, 64,452, 64,455-6
Quality satisfactory, <i>Heseltine</i>	64,632
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Open competition approved and selection not considered important as made by Europeans not in close touch with Madras, <i>Datta</i>	64,572
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RECRUITS :	
Class considered satisfactory, <i>Datta</i>	64,572
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Different rate for long leave out of India and in India approved, and suggestion, <i>Tomkins</i>	64,526
Distinction between rates to I.C.S. officers and departmental officers should be abolished, <i>Tomkins</i>	64,526, 64,536
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Maximum :	
Increase advocated, <i>Tomkins</i> , 64,526; <i>Datta</i> , 64,564; <i>Heseltine</i> , 64,614.	
in India, equal to maximum in England, suggestion approved, <i>Gauntlett</i> and <i>Brunyate</i>	64,449
Lowness of, deterrent to senior officers taking full advantage of rules and effect on efficiency. &c., <i>Datta</i>	64,564(25)

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ALLOWANCES—continued.

Minimum :

400L. advocated, <i>Heseltine</i>	64,614
Increase advocated and proposed rates, <i>Kellner</i>	64,546
Paid in India, should be equal to those paid in England, <i>Datta</i>	64,569, 64,576
Rates of exchange for allowances payable in England, special rate should be abolished at least for new entrants, <i>Balarama Ayyar</i>	64,598
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EUROPEAN RULES :	
All officers should come under, from date of joining, <i>Datta</i>	64,564
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Commutation into leave on higher allowances or on full pay should be allowed, <i>Heseltine</i> , 64,619; <i>Datta</i> , 64,564.	
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Period of service before, limit must be retained but five years suggested, <i>Gauntlett</i>	64,449, 64,473
Long, out of India, advantages, <i>Tomkins</i>	64,526
Period of service before, removal of hard-and-fast restrictions favoured, with discretion to Government to deal with applications from point of view of service exigencies, <i>Brunyate</i>	64,473
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Local allowance (see under Pay).

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ROYAL COMMISSION ON THE PUBLIC SERVICES IN INDIA.

APPENDIX TO THE REPORT

OF

THE COMMISSIONERS.

VOLUME XIV.

MINUTES OF EVIDENCE

RELATING TO THE

MILITARY FINANCE DEPARTMENT

Taken at Delhi, Calcutta, Bombay, and London,

WITH

APPENDICES.

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ROYAL COMMISSION ON THE PUBLIC SERVICES IN INDIA.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

ROYAL COMMISSION

ON THE

PUBLIC SERVICES IN INDIA

RELATING TO THE

MILITARY FINANCE DEPARTMENT

At Delhi, Tuesday, 4th November 1913.

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.

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

W. H. MICHAEL, Esq., I.C.S., Joint Secretary to the Government of India, Finance Department
(Military Finance), and

Colonel B. W. MARLOW, C.I.E., Military Accountant-General.

Joint Written Statement relating to the Military Finance Department.

65,144. (I.) **Methods of Recruitment.**—Before December 1909, the superior staff of the Military Accounts Department was recruited from British officers of the Indian Army; but in that year the Secretary of State decided that it should be recruited in future solely by civilians appointed by him in England.* The only exception to this rule has been the appointment in India in November 1912, with the approval of the Secretary of State, of a civilian gazetted officer of the Opium Department on the reduction of that department. There are still 43 military officers in the department out of a total strength of 57 officers, and it will be many years before they will all leave the service. It is unnecessary to detail the methods of their recruitment, and the following remarks will be confined entirely to the civilian officers.

The Secretary of State during each summer makes such appointments as may be necessary to fill vacancies in the department, with the advice of a Selection Committee. Appointments are, as a rule, made in July of each year, and any person desiring to become a candidate for appointment in any year must submit his application not later than the 31st May of that year. He must be a natural born subject of His Majesty, and must be between 22 and 25 years of age on the 1st August of the year in which he is a candidate for appointment. Natives of India are not ordinarily appointed by the Secretary of State in England. A candidate must be prepared to attend at the India Office, if required, at his own expense, and to reply to any inquiries which may be considered necessary in connection with his application. A selected candidate is 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. In order that his application may receive consideration a candidate must 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. Preference is given to candidates who produce evidence of pro-

ficiency in mathematics. Newly-appointed officers are as a rule, expected to proceed to India early in September. They are provided at 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.

The civilian officer comes into the department, of course, with no experience whatever of military matters, and consequently his usefulness at the outset is less than that of a military officer, who, under the old system of recruitment, joined the department with six or seven years' regimental service. But this disadvantage is temporary, and the civilian officer soon becomes sufficiently proficient at his work to deal with matters connected with the accounts of the Army in an efficient and tactful manner. The new method of recruitment has been in force for about four years only, but the experience of this period proves that it is possible to obtain the services of capable and well-educated men. From the high praise bestowed on the young civilian officers by Controllers of Military Accounts in their annual confidential reports, there is every reason to be satisfied with the new policy.

The question of promoting deserving and capable gazetted officers of the Subordinate Account Service to the superior staff, as in the case of the other Accounts Departments in India is under consideration, and will shortly be submitted to the Government of India. If this proposal is agreed to by the Government of India there would be no bar to the promotion of a deserving Indian gentleman to the superior grades. It is, however, to be remembered that the recruitment of civilian officers is an innovation which it will take the Army some time to get accustomed to, and the further change of the employment of Indians in the higher grades would therefore have to be proceeded with very cautiously.

65,145. (II.) **System of Training and Probation.**—The recruitment of military officers having ceased, the remarks under this head are confined to civilian officers.

Appointments to the departments are, in the first instance, on probation, and are subject to confirmation by the Government of India.

* *Vide* Regulations printed as Appendix I.

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On first arrival in India, a probationer is posted to a Circle Controller's Office for instruction, ordinarily for six months, after which he appears for an examination in the "Divisional system" of accounts. He is then transferred to the office of the Controller of Military Supply Accounts for another six months' instruction, at the end of which he is examined in the system of "Military Supply" accounts. Details of these examinations are given in Appendix II. The periods of instruction may be extended, if the Controller considers it necessary, with the approval of the Accountant-General.

During the course of his instruction, a probationer is attached in turn to the different sections of the Controller's, Deputy Controllers, and Divisional Disbursing Offices; not for the purpose of performing regular duties, but that he may gain a thorough knowledge of departmental procedure and of the regulations dealt with in each section. The duration of the course of training in each section necessarily varies with the industry and ability of the probationer, and no probationer is transferred from one section to another until the Controller is satisfied by the report of the officer in charge and by his own observation that he has acquired a thorough knowledge of the duties of the section he is about to leave. He is required to study the procedure of each section (as laid down in its manual), and is trained concurrently or subsequently in the actual working of the section. When he has thus acquired a general knowledge of the working of a section, he is made to perform clerical duties therein without assistance, and his work is subject to the same supervision as that of the clerical establishment and is, in all cases, placed before the officer in charge, who reviews it himself and then submits it to the Controller. At this stage the probationer is required to suggest orders on selected cases sent up from the office. These cases are then dealt with by the officer in charge of the section, who points out mistakes and omissions and then submits them to the Controller for information. The probationer is also required to prepare the drafts of letters to issue on the cases. Under the impending reorganisation the instruction of probationers in the Divisional Account system will be carried out in one of the Divisional Controllers' offices on precisely the same lines, as the Divisional Controllers' offices will contain the same sections and do the same work as the present Circle Controllers' offices.

The Divisional Accounts examination referred to in this paragraph, is conducted at the headquarters of the circle in which the probationer has been serving (divisional headquarters under the reorganisation), and, with the exception of audit, the examination questions are set and corrected by one of the other Controllers. The Supply Accounts examination is conducted by the Controller of Military Supply Accounts. The examination papers are sent to the Military Accountant-General with the Controller's report thereon showing the number of marks gained in each subject, the degree of efficiency or otherwise attained and the general aptitude of the probationer for the discharge of the duties of the department. The Military Accountant-General then decides whether the candidate has passed the examination.

Candidates at any departmental examination are expected to show a competent knowledge of all the prescribed subjects (information as to which will be found in Appendix II.) and to obtain half marks in the aggregate. As a rule a candidate failing in one of the subjects specified is re-examined in the whole; but in case of marked excellence in a subject, the Military Accountant-General may exempt the candidate from re-examination in that subject.

After appearing at the departmental examinations the probationer, whether he has passed or not, is employed on the regular duties of the department. An officer who fails in one or both examinations is allowed further time in which to pass, subject ordinarily to a period of six months elapsing between each occasion on which he appears for examination. Repeated failure to pass these departmental examinations

within a period considered reasonable involves loss of appointment.

As regards the study of vernaculars, a point of importance in the opinion of some of the officers of the department, it may be noted that the nature of the duties in the Military Accounts Department is not such as to render a knowledge of the language of the country necessary, and there would be no advantage therefore in making them eligible for rewards for passing in Urdu or any other vernacular.

65,146. (III a.) Conditions of Service of Military Officers.—The military officers employed in the Military Accounts Department are subject to the ordinary Army rules applicable to Indian Army Officers serving either regimentally or departmentally in India. This cadre is now a disappearing service as recruitment by civilians has taken the place of recruitment by military officers, and the number of the latter will gradually decrease till they all leave the department, when it will be officered entirely by civilians. It is not necessary therefore to enter into much detail with regard to the conditions of service of military officers.

There are at present 43 military officers in the department who are graded as follows:—

	Pay, Rs.
1 Military Accountant-General - - -	2,500
4 Controllers of Military Accounts - - -	2,200
4 Military Accountants, 1st Class - - -	1,650
5 " " 2nd " - - -	1,400
5 " " 3rd " - - -	1,200
6 " " 4th " - - -	1,000
6 Assistant Military Accountants, 1st Class -	750
7 " " " 2nd " -	600
5 " " " 3rd " -	500
43 - - Total.	

The stations at which the officers are now serving are given in the remarks under paragraph 65,147. Appointments in the administrative* grades are for a fixed tenure, viz., three years extensible to five. Officers who do not attain these grades are required to vacate their appointments in the Military Accounts Department at the age of 52 years, whilst officers in the administrative grades are compulsorily retired at the age of 57 in the case of colonels and 55 in the case of lieutenants-colonels, irrespective of whether they have completed the prescribed tenure or not.

During recent years it has been found to be necessary to grant extensions of service and reappointments to officers in the administrative grades. This has been due to the important measures of reform which have been introduced and which required continuity of employment in the higher posts in the department, and also to the fact that the officers who have been filling these administrative appointments were promoted at a comparatively early age. It is necessary to point out that this policy of granting extensions to administrative officers is by no means an innovation and has been in force for many years. The Secretary of State in 1899 proposed to the Government of India that Controllers of Military Accounts and the Military Accountant-General should be exempted from the operation of the five years' tenure rule, and this proposal would have allowed these officers to hold their appointments indefinitely subject only to the age rule. The Government of India, however, did not accept this suggestion, and it was finally decided that Controllers should, if pre-eminently fitted to hold their position, be reappointed for five years at a time until transfer to the pension list. In the case of the Military Accountant-General,

* Up to the present these grades have been:—

1 Military Accountant-General (Rs. 2,500).

4 Controllers of Military Accounts (Rs. 2,200).

A scheme has just been sanctioned under which the administrative grades will be:—

1 Military Accountant-General (Rs. 2,500).

1 Controller of Military Supply Accounts (Rs. 2,200).

2 Military Deputy Auditors-General (Rs. 2,200).

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it was agreed that a reappointment should be submitted for the sanction of the Secretary of State. None of the officers now serving, who have been reappointed or granted extensions, have completed 30 years' service for pension.

Some of the officers of the department recently memorialised the Government of India urging that they suffer from the system of giving extensions and reappointments to officers in the administrative grades and they prayed that maximum periods of service should be fixed in all the grades. The matter was thoroughly investigated with the result that it was found that the senior officers had no legitimate grievance, but that the juniors had some cause to complain of the stagnation in their promotion. The Government of India have recently submitted to the Secretary of State a scheme for the introduction of a time-scale of promotion for the junior officers of the department and the addition of some appointments in the 2nd and 3rd classes of Military Accountants on Rs. 1,400 and Rs. 1,200 respectively.

65,147. (III b.) Conditions of Service of Civilian Officers.—Civilian officers of the department are subject to the general rules governing the employment of such officers in India, but they are also liable for service with an audit or disbursing office in the field. The Government of India have reserved to themselves the right of altering the rules regarding pay and acting allowances, leave, and pension, from time to time at their discretion as may be found necessary. It has also been laid down that while the right to alter rules must be maintained, care should be taken to prevent the rules acting harshly.

In common with the military officers of the department, the civilian officers are required to serve in any Military Accounts Circle or Office. The location of the several offices, which will not be altered under the reorganisation scheme, is shown below:—

Headquarters	- - - - -	{ Simla and Delhi.
Northern Circle	- {	1st Division—Peshawar. 2nd Division—Rawalpindi. 3rd Division—Lahore.
Western Circle	- {	4th Division—Quetta. 5th Division—Mhow. 6th Division—Poona.
Eastern Circle	- {	7th Division—Meerut. 8th Division—Lucknow.
9th (Secunderabad) Division	- - - - -	Bolarum.
Burma Division	- - - - -	Maymyo.
Supply Accounts Office	- - - - -	Calcutta.

The distribution of offices and appointments is shown in the chart given in Appendix III. At present as the civilian officers are all of very junior standing, they do not hold any of the more important charges.

There has, so far as is known, been no difficulty in obtaining promising recruits for the department. The India Office furnishes each applicant with full details as to the conditions of service, pay, &c. It must, therefore, be assumed that the proposals put forward by the civilian members of the department suggesting improvements in their conditions of service, have been based on insufficient experience of the country or out of sympathy with other departments. Importance is not, therefore, attached to these representations. If, however, it is considered advisable on the proposals put forward by members of other departments, to alter the general rules, such alterations would necessarily affect the civilian officers of the Military Accounts Department.

65,148. (IV a.) Conditions of Salary of Military Officers.—Indian Army Officers employed in the Military Accounts Department draw pay at the rates shown in paragraph 1 (e), Army Regulations, India, Volume I., acting allowances when officiating in higher grade in leave or other vacancies being admissible in addition as laid down in paragraph 32, *ibid.*

Recently representations were submitted by certain junior officers of the department complaining, *inter alia*, that they are not so well paid now in comparison with officers in other military employ as was the case

in former days. Some of the officers of the department also complained that they had not participated in the concessions granted to officers of the Indian Army in regimental and staff employ, under which captains and subalterns received an increase in pay, and promotion to the rank of captain and major was accelerated. These concessions were, however, designed to redress grievances which pressed hardly on poorly paid officers in other lines of military duty, in cases in which they were paid according to their rank with staff pay in addition, and there was no reason to increase the already high rates of pay of the officers in the Military Accounts Department, such rates being consolidated and not dependent upon rank or staff salary. It has already been stated that the senior officers of the department have no legitimate grievance with regard to their pay, as it is found that notwithstanding the extensions and reappointments which have been given to incumbents of the administrative posts, these officers receive higher salaries than their contemporaries in other military employ.

In investigating matters, it was found that in the majority of cases the Military Accounts officer is better paid than his contemporaries in other military appointments—see Statement A. in Appendix IV. There are, however, a few cases in which officers in other military employ, including the Supply and Transport Corps, are drawing more pay than officers of the same service in the Military Accounts Department. As stated in paragraph 65,146, a scheme* has been submitted for the sanction of the Secretary of State which will improve the prospects of the junior military officers of the department (see Appendix V).

It might be mentioned here that on the introduction of civilian recruitment, the military officers of the department were offered the option of electing the civilian time-scale of pay starting from Rs. 500 instead of Rs. 300; but the option was not acted on as their prospects under existing conditions were, on the whole, better.

65,149. (IV b.) Conditions of Salary of Civilian Officers.—As in the case of the bulk of their confrères in the Civil Accounts Department, the pay of these officers is regulated on a time-scale basis, and rises from Rs. 300 to Rs. 1,250 a month, by annual increments of Rs. 50, and thereafter to Rs. 1,500 by biennial increments of Rs. 50. Promotions to the grade of Rs. 1,650 and to the administrative grades of Rs. 2,200 and Rs. 2,500 are regulated by vacancies in those grades, appointments being made by strict selection. Those officers who are serving in Calcutta receive the Calcutta house allowance under the same rules as other Government civilian officers generally. When serving in Burma they draw a local allowance of Rs. 100 per mensem in addition to their pay.

The opinion prevails among some of the officers that their pay in the first few years of their service is inadequate. It may be observed that in 1912 some of the civilian officers submitted representations asking that their pay during the third and fourth year of their service should be fixed at Rs. 500 per mensem instead of Rs. 400 and Rs. 450 respectively; but the Government of India saw no reason to grant their request and to treat them differently from officers in the Civil Accounts Department and others on a time-scale of pay.

Any proposals to raise the rates of pay of these officers or to alter their leave allowances or the local allowances granted at Calcutta and in Burma, would affect the whole body of civilian gazetted officers of the Government of India outside the Civil Service, and there seems no reason at present to support any proposals which may be confined to civilian officers of the Military Accounts Department alone.

65,150. (V a.) Conditions of Leave of Military Officers.—Military officers are granted leave under the furlough and leave rules applicable to officers of the Indian Army as laid down in Army Regulations, India, Volumes I. and II. During furlough they draw the sterling rates of furlough pay applicable generally to

* This scheme has been sanctioned—*vide* Appendix VI.

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officers of the Indian Army prescribed in paragraph 358, Army Regulations, India, Volume I. It has been suggested that the sterling rates of furlough pay might be increased; but considering that these are already liberal it is not considered necessary that any further change should be made on behalf of the military officers employed in the Military Accounts Department. Moreover any such change would certainly establish a precedent for introducing a similar change with regard to the officers of the Indian Army as a body.

On the transfer of the Military Accounts Department from Military to Civil control (since 1906 it has been under the Finance Department of the Government of India), it was not considered necessary or desirable to make any change in the conditions of service, leave, &c., of the military officers of the department. Consequently they were not given the option of electing the civil leave rules which would, in some instances, give them more leave pay than they would obtain under the military leave rules. This point was carefully considered by the Government of India in 1910, and there appears to be no reason to alter the decision then arrived at.

It has been urged that the grant of privilege leave to military officers has become almost an impossibility owing to the extreme difficulty experienced in arranging for their work in the smaller offices. With regard to this point a statement (Appendix VII.) is attached showing the amount of privilege leave taken by military officers of the department during the past three years. This shows that they suffer from no real hardship. On the contrary, with a view to facilitating the grant of privilege leave to military officers in the department, the Government of India have waived, the usual conditions applicable to military officers that no extra expense should be incurred by the grant of privilege leave, and have, with the approval of the Secretary of State, allowed officiating appointments to the grade of Deputy Examiner to be made from the Subordinate Account Service to provide for the duties of military officers during their privilege leave.

It may be noted that the military officers of the department are much better off with respect to privilege leave than the civilian officers, for under military rules they can obtain 60 days' privilege leave each year, whereas the civilian officer can get only 30 days under the Civil Service Regulations.

The number of officers on the cadre of the Military Accounts Department provides for 25 per cent. for leave and deputation. This, it is considered, is a very liberal allowance and admits of an officer taking furlough every four years on an average.

65,151. (V b.) Conditions of Leave of Civilian Officers.—Civilian officers of the Military Accounts Department are granted furlough and leave under the rules in the Civil Service Regulations applicable to the European services in India (Chapter XIII., Civil Service Regulations). It has been urged that the rule which debar an officer from going on furlough before completing eight years' service bears very hardly on the officers; but as this rule is of general application it applies to the whole body of Government officers in India who come under the European service leave rules. The civilian officers of the Military Accounts Department have only recently joined the service, and they accepted the conditions of leave offered them when they were recruited, and the suggestion made by them cannot, therefore, be based on mature experience. Of course, any recommendations made with regard to the European service leave rules, which may be adopted on the initiative of officers of standing and long service, would be applicable to the civilian officers employed in the Military Accounts Department.

65,152. (VI a.) Conditions of Pension of Military Officers.—Military officers of the department are granted pensions under the pension rules applicable to officers of the Indian Army as laid down in Army Regulations, India, Volume I. They are liable to be placed on the unemployed list at the age of 52 if they have not then attained to the administrative grades of the department. They are similarly liable to be transferred to the unemployed list on completion of tenure

in the administrative grades. Retirement from the Army is compulsory at the age of 57 in the case of colonels and 55 in the case of lieutenant-colonels although they may be holding administrative appointments at the time. No recommendations can be made with regard to the rates and conditions of pension of military officers of the Military Accounts Department without affecting the whole body of Indian Army officers. The proposals which some of the officers of the department are inclined to submit could not, therefore, be justifiably supported unless it was decided that officers of the Indian Army generally are entitled to some further concessions with regard to pension rates.

65,153. (VI b.) Conditions of Pension of Civilian Officers.—Civilian officers are granted pension under the rules in the Civil Service Regulations, i.e., retiring pension after 30 years' service or on attaining the age of 55 years, and pension on medical grounds after completion of 10 years' service. The maximum amount of pension is ordinarily Rs. 5,000 a year, but in common with civilian officers of other departments these officers are eligible for an additional pension of Rs. 1,000 a year under certain conditions with respect to the status of the appointment held at the time of retirement. As there are only 14 civilian officers employed in the Military Accounts Department we are not prepared to make any special recommendations with respect to pension on their behalf especially, as the conditions of pension, &c., of other services will be considered by the Public Services Commission, and any general recommendations which they may make will, presumably, be applicable to the civilian officers of the Military Accounts Department.

65,154. (VII.) Limitations in respect to the employment of non-Europeans and the working of the existing System of Division of Services into Imperial and Provincial.—As the rules stand at present, there is no absolute bar to the appointment of Indians to the superior staff of the Military Accounts Department, and the Secretary of State recently appointed an Indian gentleman named Mr. A. W. Hastings, as a probationer in the department.

The Military Accounts Department is divided into (a) superior staff, and (b) subordinate account service. There is also a clerical service. The two services under (a) and (b) were entirely distinct so long as the superior staff was recruited from officers of the Indian Army. On one occasion, in 1890, however, four deputy examiners from the Subordinate Account Service were promoted to the superior grades. Under existing rules the superior staff is filled by candidates appointed by the Secretary of State at home, but the Government of India have recently, with the approval of the Secretary of State, appointed a gazetted officer from the Opium Department as a probationer in the Military Accounts Department; the Secretary of State has also, as mentioned above, appointed an Indian gentleman to the department. The question of promoting deserving gazetted officers (deputy examiners) of the Subordinate Account Service is now under consideration and will shortly be submitted to the Government of India (see remarks in paragraph 65,144).

It may be mentioned that the deputy examiners in the Military Accounts Department correspond roughly with the chief superintendents of the Civil Accounts Department. They are senior members of the subordinate Account Service and gazetted officers, on pay ranging from Rs. 550 to Rs. 800 per mensem, and are put in charge of duties which otherwise would have to be allotted to junior officers of the superior staff. Owing to their long and varied experience while in the clerical grades, these officials render valuable service to the department.

65,155. (VIII.) Relations of the Service with the Indian Civil Service and other Services.—The Military Accounts Department is under the control of the Finance Department of the Government of India and a representative of the Finance Department—hitherto a member of the Indian Civil Service—holds the appointment of financial adviser, military finance, and deals,

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under the finance member, with questions submitted to government by the head of the Department, the Military Accountant-General.

65,156. (IX.) Any other points within the terms of reference to the Royal Commission not covered by the preceding heads.—The other points within the terms of reference to the Royal Commission which are not covered by the preceding heads are (1) consideration of the requirements of the public service generally,

and (2) recommendations for such changes as may seem expedient. The scope and nature of the work done by the department are scrutinised by the Government of India and the administrative officers of the department, and such changes as are considered necessary in the interests of the public service are introduced from time to time. The Military Accounts Department has only recently been reorganised, and changes are still in process of adoption.

Mr. MICHAEL and Colonel MARLOW called and examined.

65,157. (Chairman.) MR. MICHAEL said he had 26 years' service and had been in the Accounts Department for about 15 years, and prior to his appointment as Joint Secretary in the Finance Department (Military Finance) had served as Accountant-General at Calcutta, Lahore, and Bombay. His title had been changed from Joint Secretary to Financial Adviser from the 1st October 1913. He represented the Government of India under the financial member in regard to all matters appertaining to the Military Finance Department.

COLONEL MARLOW said he had completed 29 years' service under Government, and entered the Military Finance Department after seven years' Army service.

65,158. Referring to recent changes in the Military Finance Department COLONEL MARLOW stated that the process of reorganisation began in 1908. The department used to be divided into four circles each under a controller, and designated respectively the Northern Circle, the Eastern Circle, the Western Circle, and the Madras Circle. The Madras Circle also included Burma. In 1908 the Government decided to substitute divisions for circles, but no change was made in the position of the Controller except in Madras, where it was decided to create two independent divisions. An office was also established in Calcutta to deal with all technical accounts. The broad effect of the change was to replace the four circles by ten divisions. The divisional staff dealt with the whole of the accounts relating to pay and victualling—accounts relating to ordnance, clothing, medical supplies, remounts, &c., were dealt with in the Calcutta office. This arrangement had continued uninterruptedly from 1908 until the present year, when a fresh scheme was sanctioned by the Secretary of State. Under this scheme the circle organisation was entirely abolished and the divisions were constituted on independent lines, and this had involved the disappearance of three circle controllerships. There was, in future, to be a controller for each division instead of a controller for each circle. These controllers would be under the Military Accountant-General at Simla.

65,159. MR. MICHAEL said the intention of the new scheme was to prevent overlapping. The controller's and the deputy controller's work overlapped to a very large extent, and the desire was to make the deputy controller in the divisions more independent. Hitherto this officer had referred everything to the controller instead of expressing his own views.

65,160. COLONEL MARLOW put in a list showing the constitution of the Department in the superior grades including the revised civilian cadre under the new organisation. COLONEL MARLOW explained that the recruitment of military officers was abandoned in 1908 for the following reasons: the Government of India desired to reserve the military officers for the combatant branches of the service and thus avoid the loss of training an officer for some years who eventually entered what might be termed a civil department of the Army, the civilian accountant would, on the whole, be less expensive than the military officer.

65,161. Lord Kitchener's scheme of organisation was a divisional one. Previously the military accounts organisation had been on the same lines as the organisation of the Army, and hence the establishment of the circle system. When a divisional organisation was set up for the Army a change was found to be necessary, so that the representative of the department in each division might assume a greater measure of independence in his relations with the General of the

Division. In the old days the controller worked with the General of the Command, who had three divisions under him. So far as the experiment had gone, he saw no reason for reverting to the old system of military recruitment; the civilian recruit so far obtained had been quite satisfactory. With regard to the statement that a similar civilian system was started in England some years back and had been abandoned, he pointed out that in England the change consisted in imposing on the civilian staff of the War Office some of the work which had to be done in close contact with the troops. They did not begin, as was the case in India, by recruiting civilians at the bottom of the list, but they started straight away with senior War Office clerks, who took over the work at headquarters at Aldershot, Edinburgh, &c., and these civilians were perhaps not accustomed to the ways of the military officer. It was therefore decided to revert to the system of recruiting military officers for pay duties, *i.e.*, for duties which brought the Accounts Officer into close contact with the military authorities. That was the only change that had been made in England. The auditing of accounts was still carried out in England by civilians. The witness had no firsthand knowledge of the inner workings of the system in England, but he believed that his department followed the broad lines of the English system. They had adopted, for instance, the principles of the system of accounts in force in the British Army (*i.e.*, the "Dover" system) and they had kept disbursements and audit separate, as was the case in England. It was true that disbursing and audit duties were carried out in India by members of the same department, but in matters of audit they were subject to the test audit of the Comptroller-General, who sent round senior inspecting officers. This system had been of great benefit to the Military Accounts Department.

65,162. Asked whether the main reasons for the change made in England in 1910 might be put under heads, *viz.*, the desirability of separating audit from accounts; the need for preventing loss of efficiency in the War Office owing to constant circulation of civilian staff through the military commands; undue reliance of the military officer on the Chief Accountant of the Command; and unsuitability of a civil organisation for foreign service and for war, COLONEL MARLOW said he doubted whether similar reasons would apply in India. The present system seemed to be working in a far more efficient way than the system previously in force, and that, he thought, was reflected by the opinions given on the new system by general officers of divisions, regimental officers and staff officers.

65,163. COLONEL MARLOW said that he had no firsthand knowledge of the Civil Accounts Branch, but he thought the work of the Military Finance Department was more complex than that of the civil branch of the Finance Department. With this view MR. MICHAEL agreed.

65,164. COLONEL MARLOW said the change to a civilian organisation had been made within the last four years, and there was obviously need for caution in its development. He did not anticipate, once the Army had become acclimatised to the new conditions, that there would be any reason for maintaining a separate system of recruitment for the Finance and the Military Finance Departments. He saw advantages in having the same system of recruitment for both departments in that the young civilian officer would get an insight into civil accounts as well as military accounts, and this would broaden his views.

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MR. MICHAEL added that he saw no real objection to officers of the two branches being interchanged.

65,165. COLONEL MARLOW said that the question of promoting subordinate officers to the superior branch of the service was now engaging attention, and if the change he suggested were approved by Government, there would in future be no bar to the promotion of an Indian officer. He thought the experiment of appointing direct recruits in India ought to be proceeded with very cautiously at first, but he saw no reason why it should not ultimately take place. He had met several Indian subordinates of the department who would make first-class officers in the course of time. He thought a beginning should be made by promoting men of outstanding ability from the Subordinate Accounts Service to the upper grades. They would be more in touch with the traditions of the department and feel more at home with the British officer in India, who was unversed in the ways of the country and was at times a difficult person to deal with. He thought that Indian officers recruited direct to the department would get at loggerheads with the military officers with whom they would have to deal. That was why he suggested that a beginning should be made with the good subordinate.

65,166. In COLONEL MARLOW'S opinion, it was an exaggeration of the facts to maintain that deputy examiners had all the work and responsibility without the pay or status of the officer. A senior deputy examiner undoubtedly had a great deal of responsibility, but he was in the position of an assistant to a senior who was an officer of the superior cadre. Very often the Deputy Examiner had difficult points of detail to deal with, but he dealt with them on the responsibility of the officer in charge.

65,167. COLONEL MARLOW stated that the qualifications of candidates appointed by the Secretary of State were satisfactory. The Secretary of State tried to appoint men who showed ability in mathematics, and who had a higher education and had taken degrees. Up to the present time some extremely good men had been sent out.

65,168. Replying to a question as to whether he would be in favour of instituting an open examination in England, COLONEL MARLOW said that the Secretary of State had objected to laying down rules regarding a knowledge of bookkeeping and accounts, to which subjects no special prominence was given under the present system of recruitment. His department had recently been in correspondence on this point with the Secretary of State, who had expressed himself to be averse to holding a preliminary examination in England. Perhaps the Secretary of State thought it would hamper recruitment. For his own part he preferred the present system of selection subject to the qualifying test after the period of probation, usually one year. If the age limit were reduced, he thought less well-educated men would be obtained, but otherwise it would be an advantage, because a young man would fall into the routine work more easily and become less discontented. At the present time there was a certain amount of discontent owing to the routine character of the work which fell to the lot of the junior officers. He doubted whether men of the same standard as were obtained at present would be by means of an examination coupled with nomination, because at the present time the department secured men who had failed for the Indian Civil Service, Woolwich, and Sandhurst, and who had worked up to a very much higher standard than could be laid down for the Indian Finance Department. Perhaps it was not absolutely necessary to have that very high standard for the particular work on which they would be employed in the department, but the department got the advantage of the better education, and much preferred the present system of getting younger and less well-educated recruits.

MR. MICHAEL thought it would be inadvisable to reduce the age. The advantage of the present age of 22 to 25 was that men had received a better education and were probably able to take a broader view of the questions with which they had to deal.

65,169. COLONEL MARLOW said the work consisted in the interpretation of regulations, but a man had to use a good deal of discretion and judgment in applying the rules. He admitted that in the past too much reliance had been placed on regulations, but when the new scheme had been started the effect would be that less time would be taken up with the hard and fast application of regulations and more time would be devoted to an intelligent audit. For instance, it might be quite correct to pass expenditure on the ground that it was in accordance with the terms of a contract, but an intelligent auditor might draw attention to the fact that other divisions were getting similar work done much more cheaply, and he would bring that fact to the notice of the general. The resultant saving would be much greater than could be obtained by the application of hard and fast rules.

65,170. COLONEL MARLOW considered that for men of good ability the present training ought to be adequate. Government could not be expected to do more than keep a man learning his work for a whole year before he undertook responsible duties.

65,171. With regard to the refusal of the Government of India to carry out the Secretary of State's proposal in 1899 that a controller of military accounts and the military accountant-general should be exempted from the operation of the five years' tenure rule, COLONEL MARLOW explained that the Government of India felt they would rather have a man on a short term of duty with the option of discharging him at the end of that time, as a discretionary rule of this kind tends to keep a man more up to the mark. A similar rule applied to all staff appointments.

65,172. COLONEL MARLOW said that the scheme which had been devised for the relief of junior military officers in the department had not been referred to the individual members of the service, because each member would naturally say that he wanted something more. The time scale, which is applicable to the civilian members, as he had said in the written statement, was offered to the military officers at the time of the change, but they would not accept it on the ground that they lost exchange compensation, and also that they preferred to retain all the prospects now open to them. As a matter of fact there was at present no serious block in promotion as far as the military accountants were concerned, as there had been a very considerable flow of promotions a short time ago, but the junior military officers (the assistant military accountants) were suffering from the present check in promotion. This would be remedied if the Secretary of State agreed to the proposals put forward by the Government of India.

65,173. Referring to his contention that there was no strong reason for improving the present rates of civilian officers, he said the view he took was that the civilian officer had not had enough experience of India to form a reasoned opinion, and he preferred to go by the standard of other accountants departments. The civilian accounts officers had presented a petition in 1912 and the whole question was then gone into. It was found they were not worse paid than other civil services, such as the Customs and Forests.

65,174. As regards leave and pension, the military officer at present in the department was no better and no worse off than other officers belonging to the Indian Army. Government had refused to allow the military officers the option of coming under the civilian leave rules, because it was felt that it would be inconsistent to give them one of the concessions offered under the civil rules without bringing them under these rules altogether. He considered that the present reserve for leave and training was adequate. It was 20 per cent., and this seemed to be quite reasonable.

65,175. (Mr. Gokhale.) COLONEL MARLOW said that among the 24 deputy examiners in the Subordinate Accounts Service there were only two Indians. That was due to the fact that in past years, owing to their superior education, Europeans had been promoted in preference to Indians, but since attention had been called to this fact in 1907 Indians had been promoted more freely. He had reason to think that as time went

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Mr. W. H. MICHAEL and Colonel B. W. MARLOW.

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on a greater number of Indians would be promoted to the rank of deputy examiner. Below the deputy examiners come the superintendents, whose rates of salary rise from Rs. 400 to Rs. 500. There were 18 permanent superintendents of whom three were Indians. It was quite true that the promotion to deputy examinership would be from among these, and therefore, even if his proposal to promote men from deputy examinerships to the superior grades was accepted by the Government of India, the percentage of promotions which would fall to the lot of the Indian would be very small for some time; but the fact remained that only men of undeniable ability would be selected for advancement and an Indian of these high qualities would pass over the heads of his seniors.

65,176. Asked whether he would have any objection to the Secretary of State appointing an Indian who had been studying at an English university, COLONEL MARLOW said he would not care to express an opinion against such a procedure, but what he felt was that the Military Accounts Department was rather peculiarly situated in having to work at first hand with the British officer, who may have had no previous experience of India. He thought a scheme of promoting subordinates from the lower grades to the superior service would be much more successful. He preferred that method to begin with, and then afterwards he did not think there would be any objection to having well-educated Indian recruits entered direct from the universities. He admitted that on the civil side Indian members of the Finance Department rose to be accountants-general, but he was not in a position to say whether when they came in the course of their official life into contact with all sorts of British civil officers no friction had arisen.

65,177. (*Mr. Sly.*) MR. MICHAEL said he endorsed the opinion of Colonel Marlow that the civilian recruits to the Military Finance Department were, on the whole, satisfactory. He had not had the pleasure of meeting any of the young civilian recruits to the Military Finance Department, but from all the reports he had seen they compared very favourably with the men in the Civil Finance Department. The recruits for the Indian Finance Department were, as a general rule, satisfactory. Possibly a better stamp of men could be obtained by competitive examination; on the other hand, a worse stamp of man might be obtained.

65,178. MR. MICHAEL considered that on the whole the stations to which military financial officers were posted were less expensive than the stations of the Civil Finance Department. Bearing that fact in mind, he thought that although the pay of probationers in the Military Accounts Branch was perhaps somewhat

inadequate and should be increased, it could not possibly be raised unless the salaries of officers on the civil side were raised at the same time.

65,179. COLONEL MARLOW stated that no applications for leave which could reasonably be granted had been refused and the number of cases in which leave had been refused was very small. Where it had been refused it was usually the case that the applicant had had an excessive quantity of leave previously. The leave given to military officers in the Military Finance Department was just as liberal, on the average, as that given to the officers of the Indian Army.

65,180. With regard to the additional pensions offered to the civil branch of the Military Finance Department, COLONEL MARLOW explained that the posts which carried an additional Rs. 1,000 a year pension were the administrative appointments, consisting of the military accountant-general, and circle controllers and first-class military accountants on a pay of Rs. 1,650. These were all posts to which officers were appointed by selection.

65,181. (*Mr. Madge.*) As to the statement made by military officers that civilians recruited from England were not of the same social standing as the military officers in the department, COLONEL MARLOW said that was a very difficult question and he thought that nothing need be said about it. On the whole he had every reason to be satisfied. It was true he admitted that in the case of promotion from the subordinate ranks to the higher ranks, as regards Indian at least, and possibly others, there might be some friction owing to the touchiness of military officers, but no such difficulty had yet arisen in the case of men recruited from England. It was too early to come to an opinion as to whether the system of civilian recruitment had affected the efficiency of the department or not. It was not at all probable that a civilian recruited for the higher branch of the Finance Department would come in for the sake of the higher salary in the early years of his career and with no intention of remaining in the department.

65,182. (*Sir Valentine Chirol.*) Referring to the question of reducing the entrance age, COLONEL MARLOW said he could only express his own personal views. He thought the great value of the recruit at present obtained was that he was a man who had learnt to think for himself in England, and was more a man of the world. He agreed that there was nothing in the nature of the examinations which had to be passed by officers of the department which would require the highest form of education in England. A boy who had done well in a public school would probably make a good officer.

The witnesses withdrew.

H. F. PLAYNE, Esq., Military Finance Department.

Written Statement relating to the Military Finance Department.

65,183. (I.) **Methods of Recruitment.**—At least 75 per cent. of the civilian officers recruited for the Military Accounts Department should, in my opinion, be graduates, with honour degrees, of the principal universities of Great Britain, viz., Cambridge, Oxford, Dublin, Edinburgh, and London, appointed by selection. My reasons for this view are that these universities turn out men who are well educated and adaptable, and that an university education has a great prestige in India.

65,184. (II.) **Systems of Training and Probation.**—I do not consider that the present system of training prepares an officer adequately for his future duties, his work receives little supervision and consists principally of purely cramming of regulations without learning the correct application thereof. I would suggest the following course:—

- (1) Three months in a divisional disbursing office,
- (2) Five months in a divisional audit office,
- (3) One month in an accounts section,
- (4) Three months in the arsenal section,
- (5) Two months in the clothing and medical sections, and

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(6) Two months in the railway and recovery sections, always as assistant to the officer in charge.

65,185. (III.) **Conditions of Service.**—Present conditions are satisfactory.

65,186. (IV.) **Conditions of Salary.**—I consider that the present salary is at first insufficient for a man with no experience of Indian conditions. I would suggest that the commencing salary should be Rs. 400 a month, rising to Rs. 450 a month after the first examination, and to Rs. 500 after the second examination, thereafter as at present.

65,187. (V.) **Conditions of Leave.**—I consider that eight years is too long a period to serve before obtaining furlough, and that six months' furlough should be available after five years' service.

65,188. (VI.) **Conditions of Pension.**—The conditions for pension are satisfactory, provided that the administrative appointments in the department are not reduced.

65,189. (VII.) **Such Limitations as may exist in the employment of non-Europeans.**—Inasmuch as

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cordial social relations with officers outside the department are essential for a good understanding with such officers, and as I understand that the Government of India strongly desire this to be maintained, it would, in my opinion, be most inadvisable for any but Europeans to be appointed to the department. Further I consider that a European education is indis-

pensable for the duties which officers of this department have to perform.

65,190. (VIII.) Relations of the Service with the Indian Civil Service and other Services.—There is no official contract with the Indian Civil Service; relations with the Army are most cordial at present, judging from my experience.

Mr. H. F. PLAYNE called and examined.

65,191. (Chairman.) Mr. Playne said he had been in the service for four years. He had been a scholar at Cambridge for three years, and took an honours degree in classics. He entered for the Indian Civil Service Examination. His present age was 29. He believed that when the advertisement for candidates was issued by the India Office it was particularly stated that graduates of the universities were required.

65,192. The reason why he was so strongly in favour of an English training was that the work required a particularly good knowledge of the English language and a fairly wide education in order to interpret questions in the most intelligent manner possible.

65,193. With regard to the question of lowering the age of entry into the service, Mr. Playne was of opinion that it was not better for recruits to come out at the earlier age. The present limits were as low as they should be. He did not think it wise for men to come out at an earlier age than 25. In reply to a question as to whether the routine work would be more cheerfully undertaken by a man of 22 than by a man of 25, the witness replied that he thought the work would probably be more irksome to the younger man.

65,194. With regard to salary, Mr. Playne thought that recruitment would be improved if there was a slight rise in the initial salary from R. 300 to Rs. 400.

65,195. (Sir Valentine Chirol.) Mr. Playne expressed the view that the work he did called for the full measure of his educational qualifications. It required him to be able to put regulations as clearly as possible before officers, and before people who desired to know the reasons why things were done, and to be able to interpret the regulations as quickly as possible. His opinion was that a good education was required to develop a man's common sense to that extent.

65,196. (Mr. Madge.) In the witness's view no matter what work a man had to do in life, the better educated he was, the better chance he had of doing it well.

65,197. He had only come across a few Indian subordinates during his career, but the few men he had come across had impressed him with their intelligence and character.

65,198. (Mr. Sly.) The witness said he had never found his want of acquaintance with the organisation of the Army a very serious drawback when he started his work in the Military Finance Department. That acquaintance could be acquired gradually. He agreed that the divisional audit system which had been introduced brought the account officer into very close relations with the regimental units, and he did not find that that affected the efficiency of the civilian account officer. His relations with the military officers with whom he came into contact were perfectly satisfactory.

65,199. On the question of the rule requiring eight years' service before furlough, the witness said he did not think that the rule was taken into account by candidates entering for the Indian Civil Services. He did not think the rule was understood until the men came out to India.

65,200. (Mr. Gokhale.) In reply to a question whether a certain knowledge of mathematics was not required for the work, the witness said he had been brought very little into contact with what might be called accounting duties, from the chartered accountant's point of view.

65,201. The witness said his experience was not sufficient for enabling him to say whether it would be impossible for Indians who had been educated at English universities to maintain social relations with officers outside the department.

The witness withdrew.

At Calcutta, Friday, 23rd 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.
R. R. SCOTT, Esq. (Joint Secretary).

Colonel T. A. HARRISON, I.A., Controller of Military Supply and Marine Accounts.

Written Statement relating to the Military Finance Department.

65,202. (I) Method of Recruitment.—Up to the year 1909, the Department was recruited from officers of the Indian Army, and as far as possible no one under six or seven years' service was appointed. Since 1909, civilians selected by the Secretary of State have been sent out to fill all vacancies. The effect of this civilian recruiting has not yet been felt, and time can alone prove whether it will be a success.

(2) In my opinion for some of the work of the Department a civilian is quite as suitable as a military officer, and I would explain in some detail what I mean. Since April 1908, the accounts of the Army have been divided into two main divisions: the first consists of what I may describe as the "troop accounts," namely, those relating to the pay and

feeding of the personnel of the Army, and the other consists of the "technical accounts" of the various Departments. The first set of accounts is dealt with by local Divisional Audit Officers under Deputy Controllers, who again are under three Army Controllers (these latter, I understand, are about to be abolished, when all the army accounting will be done by the local officers). The "technical accounts" have been concentrated in Calcutta under a separate Controller, namely, the Controller of Military Supply accounts, who deals with the accounts of the ordnance stores and factories, the clothing factories, the medical store depôts, the remount department, dairy farms, and the Royal Indian Marine with its dockyards; and for all this work a civilian should be just as fitted and

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in some cases more so than a military officer. I do not think any other view can be maintained, as most of these executive Departments themselves can, I think, be equally well administered by civilians as by military officers, who have no special training in the various trades dealt with such as the manufacture of rifles and harness, the tanning of leather and forging of steel, as well as in dispensing of drugs and stores. In England, civilians as well as military officers are employed as superintendents of factories. It would, therefore, be absurd to contend that an audit controlled by military officers is necessary for these accounts.

(3) In dealing with "troop accounts," however, the same argument does not, in my opinion, hold good, and I have no hesitation in saying that for such accounts a military officer would generally be more suitable than a civilian, more especially after certain changes in organisation which are now pending have come into operation. I refer here to the abolition of controllers as such, with the consequent relative independence in which divisional officers will in future be placed, and to the extension to Indian units and the staff generally of the system now in vogue in respect of British troops by which the preparation of accounts and payment is made by the Military Accounts Department. In "troop accounts," the military accounts officer is brought into much closer relation with those whom he pays and whose accounts he audits than is the Civil accounts officer.

(4) Military pay is of necessity very complex, more so as in India the Army is of two nationalities and the audit is complicated—

(i) by varying systems of allowances dependent in many cases on military efficiency;

(ii) by varying rates of travelling allowances; and

(iii) by the rationing of troops;

and the smooth working of the Army machine depends a great deal on what I may term "sympathetic audit."

(5) The military officer in the Accounts Department has seen both sides of the picture; he has served with British as well as Indian troops and not infrequently has been attached to the Supply and Transport Department, and knows where the shoe pinches. Further, he comes to the Department with several years' military experience to his credit, and has far less to learn than a civilian. He has been familiar for some years with army accounts and in fact has fought half his battle as an auditor before joining the Department. I believe every military officer would endorse my statement when I say personally that my previous army training has been invaluable to me after becoming an accounts officer, and the relative absence of friction between the Accounts Department and the Army has been largely due to such previous experience, and no one but a military accounts officer can have an idea of the extent to which unnecessary audit objections and correspondence have been avoided by this previous experience. I believe that it would take all but an exceptional civilian years to overtake the military officer in such knowledge the want of which is due, not to any inherent defect in the civilian, but to the nature of things.

(6) It must be remembered that civilians have only been with us for some three or four years, that of necessity they have not yet been employed in any responsible work† and that they have been* or will be,

* Their own immediate superior, the deputy controller, and the controller, military accounts, of the circle to which they belong.

† The deputy controller, military accounts, only; in this connection see my remark in section (2).

for some years still under the guidance and control of senior experienced military officers.

65,203. (III) Conditions of Service, Civilian Officers.—In regard to conditions of service, a civilian now comes out to India on the minimum pay of Rs. 300 a month, which increases yearly by Rs. 50 until he reaches Rs. 1,250. He is, however, allowed his first two increments as soon as he passes his first and second examinations respectively. This pay to my mind is quite adequate, except during which period he may be stationed in Calcutta, during the period I consider a local allowance of Rs. 50 a month should be given until the officer draws Rs. 450. It must be remembered too that he has to pay nearly Rs. 40 a month on account of income tax and provident fund, and draws no exchange compensation allowance, with the result that the balance leaves him too little on which to live in an expensive place like Calcutta, and still less to put by for leave or for life insurance.

65,204. (III) Conditions of Service and (V) Conditions of Leave, Military Officers.—Prior to 1906, the Military Accounts Department was directly under the old Military Department, and service in the Military Accounts Department was military. In 1906, the Military Accounts Department was transferred to the control of the Finance Department, a Civil Department, and in my opinion the military officers in the Military Accounts Department, became then military officers employed under the Civil Department, and as such became automatically entitled to the conditions laid down for such officers in the Civil Service Regulations. The Government of India, however, have ruled that there was no intention of changing the position and status of the officers. With all due deference, I submit the question was not one of intention but of fact. The effect of this decision of the Government of India deprives many officers, like myself, of advantages which would have accrued to us by the change.

Many officers would have welcomed the change to Civil leave rules, and many more would have done so but for the fact of the juniors under a misapprehension fearing a block owing to the extension of tenure of controller's appointments. This point has been brought out by the junior officers in their representations to the Royal Commission. Many of the juniors were under the impression that the appointments of controllers were strictly limited in tenure, and hence their preference to remain under Military Rules, which would, as they thought, secure them a better flow of promotion; but although not published in regulations, it is an accepted principle that those holding the appointments of controllers might look to their tenure being extended to 32 years' service provided they remain efficient, this principle having been laid down by the Secretary of State himself and re-affirmed by him as recently as 1900 or 1901.

65,205. (VII) Such limitations as may exist in the employment of Non-Europeans, &c.—What I have said in regard to the employment of civilians in the Supply and Troop Accounts Offices applies very much to non-Europeans, as far as the superior service is concerned. The appointments of deputy examiners are on rather a different footing. In my office, they are not unsuitable, and the only two Indian deputy examiners in the Department were both promoted on my recommendation, and have done well; I have more promising Indians in my office who in due course I hope to see in similar positions, and I think that they can be usefully employed in Troop Accounts Offices as well.

Colonel T. A. HARRISON called and examined.

65,206. (Chairman.) The witness had completed 21 years' service in the Military Finance Department.

65,207. Military accounts were more complex than the accounts of other large departments of the State and the military regulations were far more elaborate and voluminous than the Civil Service Regulations.

65,208. With regard to his statement that "the smooth working of the army machine depends a good

"deal on what may be called sympathetic audit," he represented that the army was a very difficult organisation to deal with. It was rather an elaborate machine, and if sand was used instead of oil, friction resulted.

65,209. Commanding and other officers were distinctly "touchy"; they objected to badly worded statements, whereas if statements were expressed differently and made from an officer's own point of

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view, they would be accepted at once. The military element might not be absolutely necessary in the Military Accounts Department, but it was advantageous to employ military officers. There was no question that a civilian could keep accounts, but the civilian had never been behind the scenes and knew nothing of the ways of regimental officers and sergeants. The witness was doubtful whether even in course of time every civilian would be able to adapt himself to the conditions of the department.

65,210. He had one civilian officer working under him, and had found him extremely satisfactory.

65,211. It would be an advantage to many officers in his service if they were placed under civil leave rules. Although a military officer at present obtained two months' privilege leave as against the civilian's one, he would be content to give up that privilege. One of the principal reasons why officers asked to be put under civil leave rules was that under such rules, acting pay would be grantable during privilege leave. At present eight or nine officers went on combined leave every year, and the officers below them received no allowance for acting in their stead during their absence for the privileged period of their combined leave.

65,212. At present junior officers in the service were on a time scale running from Rs. 300 to Rs. 1,500. All the officers on the time scale were not employed on the same class of duties. Looking at the question

from the point of view of the service, it would be desirable to divide the time scale into at least two classes, with selection from one to the other. There should be a halt at Rs. 800 or Rs. 1,000, and promotion from this halt only given to the efficient officer.

65,213. (*Mr. Sly.*) The pay in the Military Finance Department was the same as in the Indian Finance Department. But the stations to which officers in the former service were posted were substantially more expensive than stations in the Finance Department. Calcutta, where more officers of the Military Accounts Department were posted than anywhere else, was the most expensive place in India, and Poona and Quetta were not cheap.

65,214. (*Mr. Fisher.*) He did not desire any change in the present system of recruiting the young civilian officers of the department. University men from England were the best material to draw on. They did not come out too old. The general culture and knowledge given by a University education was of distinct value to officers in the department.

65,215. (*Mr. Madge.*) The rule admitting civilians to the department was a comparatively recent one. He had no authority for saying so, but he thought Lord Morley was the originator of it. He did not think it was laid down with any deliberate intention of opening out the service to the people of India.

65,216. There were no Indian Civil Service officers in the department.

The witness withdrew.

W. J. COATES, Esq., Military Finance Department.

Written Statement relating to the Military Finance Department.

65,217. (I) **Method of Recruitment.**—I consider the present system satisfactory.

65,218. (II) **System of Training and Probation.**—I consider the present system of training satisfactory, but the time usually allowed (one year) might, with advantage, be extended on occasion.

65,219. (IV) **Conditions of Salary.**—The salary is, I submit, too low during the first few years of an officer's service. It is practically impossible to do anything but barely exist on it during the first four years, taking into consideration the excessive cost of living in the larger station at which service has to be spent. An officer who may run into debt in consequence will find that it is many years before he can get out again. It must not be overlooked that the young civilian joins the Department comparatively late in life, and after a lengthy and expensive training at a university. I consider that the salary during the first two years should be Rs. 400 per mensem at least, and Rs. 500 per mensem during the third and fourth years, and thereafter as under the present scale.

65,220. (V) **Conditions of Leave.**—The limitation under which privilege leave may not be accumulated beyond three months is, I suggest, a hardship. Such leave is fairly earned by continuous service, and, if an officer works, without interruption of duty, for a

lengthy period, I can see no reason why he should not be allowed to reap the reward of his labours. A limit of six months could be imposed at small extra expense to Government.

The limitation under which furlough may not be taken by a young officer until he has to his credit eight years' active service in civil employ is hard and one which could be removed or reduced without expense to Government and without, I think, interfering with the training of a junior officer.

Instead of an officer on furlough being entitled to a leave allowance of half of his average salary, I would suggest that he might, at his option, be allowed to take furlough on full pay for half the period. Government would, so far as I can see, gain by this, as they would secure the active service of an officer for a longer period than under present conditions, and acting allowances in his stead would, moreover, be halved.

65,221. (VI) **Conditions of Pension.**—In view of the fact that an officer joins the Department comparatively late in life I would suggest that retirement should be voluntary after 25 years. It is understood that officers of the Public Works Department, Telegraph Department, Forest Department, and Geological Survey may retire voluntary on Rs. 4,000 after 20 years' service.

Mr. W. J. COATES called and examined.

65,222. (*Chairman.*) The witness held the position of Divisional Disbursing Officer in the Military Finance Department. He had four years' service and had been educated at Cambridge University.

65,223. He considered the present system of recruitment quite satisfactory. Twenty-two years was about the right age for a man to come out. He did not think 25 was too old.

65,224. A system of competitive examination combined with nomination might be satisfactory, but there were so few officers appointed to the department that he did not think an examination was necessary.

65,225. The present starting pay was Rs. 300, but there were deductions for provident fund and income-tax. The net amount drawn was Rs. 255, and this was found to be inadequate. Officers very often ran into debt during their first years of service. He

agreed that Rs. 300 was the same amount as other services started on, and he could not point to any special expenses which officers in his service had to incur. He pointed out, however, that the last part of the first year was always spent in training in Calcutta, and Calcutta was an expensive place in which to live.

65,226. He was in favour of charge-bars, and would suggest having three grades between Rs. 300 and Rs. 1,500, with selection from grade to grade.

65,227. His suggestion that furlough should be given after four years' service was put forward simply from the point of view of the health of the officer.

65,228. Voluntary retirement should be allowed after 25 years' service instead of 30, on the ground that an officer joined the department comparatively late. The witness himself would be 54½ years' old when he earned his pension, and one or two of his colleagues

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would be a year younger. He did not think that officers were too old for work when they got to the age of 55, provided, of course, they were in perfect health.

65,229. Apart from the period of service qualifying for optional retirement he was satisfied with the general rules in regard to pension.

65,230. (*Mr. Fisher.*) He had received no technical training before coming to India but had obtained a mathematical degree. He was put in charge of an office after one year's service. It then took him a few months to get accustomed to the work.

65,231. (*Mr. Sly.*) He had no auditing duties to perform, but simply compiled the pay lists and paid British troops. Practically speaking, he was a pay officer. During his period of probation he was given every opportunity of learning everything that could be learnt about military procedure. A civilian in order

adequately to perform his duties had to be in sympathy with military officers. A military officer was sometimes "touchy" and the civilian had to exercise considerable tact in order to deal with him. That was not the only reason why he thought a man should possess a University qualification. Another reason was that the work of the department was very difficult.

65,232. (*Sir Valentine Chirol.*) He had been told that the work of his department differed materially from the accounts work of a large commercial or industrial undertaking. The systems in the two organisations were different, the military system being more complex and less modern.

65,233. A man engaged on the work of a divisional disbursing officer required high educational qualifications. He had to deal with questions which a less well-educated officer would find it impossible to handle.

The witness withdrew.

At Bombay, Wednesday, 11th February 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.

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

Lieutenant-Colonel J. C. C. PERKINS, D.S.O., Controller of Military Accounts, Bombay.

Written Statement relating to the Military Finance Department.

65,234. (I) **Methods of Recruitment.**—Up to the year 1910, the officers of the Department were recruited from the Indian Army on the nomination of the Viceroy. The one exception was when the Government of India nominated four members of the Subordinate Account Service to the Superior Account Service during the year 1890. These were allowed the same rates of pay as the military officers nominated to the Department, but were serving under the rules in the Civil Service Regulations for purposes of leave and pension. The experiment was not repeated ever after.

Since 1910, military officers have ceased to be admitted to the Department. The Superior Account Service is now recruited from civilians, by selection of candidates made by the Secretary of State. There has been one exception, that is, the appointment of Mr. Leys, who was appointed from the Opium Department. Mr. Leys shows signs of making a really first-class officer; but his appointment has caused a certain amount of discontent among the deputy examiners and the rank and file of the Department, who are at present denied equal opportunities for promotion to what I might term the "commissioned" grades of the Department. I have two of my deputy examiners who are most fitted for a similar favour being conferred on them. The two are—

(a) Mr. H. Cumber, son of Major Cumber, late Quartermaster of the Buffs.

(b) Rao Sahib Vengu Aiyar, who though a non-European has all the characteristics to hold a commissioned officer's appointment and he would do justice to the same too.

In the event of deputy examiners being promoted to commissioned grades of the Department, the question would arise as to the pay they would start on. Ordinarily a promoted deputy examiner would be placed at the bottom of the roster and allowed to draw the pay of that grade plus a personal allowance of the difference between his old and new rates of pay. The old pay would be absorbed as time went on and as the deputy examiner was promoted. But this would not suffice. The promoted official's pay should continue to rise annually at the officer's incremental rate. Example:—Deputy Examiner A is promoted to commissioned rank, his pay at time of promotion was Rs. 550, his pay should continue to rise from this rate

by the annual increments laid down for commissioned officers.

The promotion of members of the subordinate services has been tried once and four superintendents were promoted in 1890. These superintendents were merely holding ministerial appointments and had not been doing commissioned officers' work as the deputy examiners nowadays do. The deputy examiners have all the work and responsibility of an officer without the pay or the social status. This must ever remain a cause of grievance; though thus far the officials concerned have not voiced their grievances, their grievances are there nevertheless.

Under the reorganisation scheme of 1908, deputy examiners are employed as junior examiners or in charge of the Accounts Section and have proved their capacity and capability to perform the duties of gazetted officers in the commissioned grades. I would suggest that the Superior Account Service be recruited partly by special selection of men of outstanding ability and proved merit.

A question that occurs at this point is whether the recruitment of civilian officers has proved a success. The answer is yes and no. There is no doubt that there is quite a strong feeling against the civilian officers by officers of the Army. The civilian officer is at a great disadvantage in having, so to speak, to establish himself amongst those whose accounts he has to audit. They are too generally looked on as glorified subordinates.

So far—and as yet, except for a day here and there, none of my civilian officers have held the post of deputy controller. Out of these there is only one who is an unqualified success and will, I consider, make a good deputy controller of Military Accounts in time to come. Many of them, too, lack social standing. They know nothing of the organisation of the Army and so cannot follow changes or readily understand questions that may arise in their work. Without more experience of them, I can say nothing further.

The military officer, on the other hand, started without the above-mentioned disabilities. He knew the organisation of the Army, its interests and requirements, and was thus enabled to exercise an intelligent and practical disposal of his work. He, perhaps, has not been to the University but the majority are really well educated,

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[Continued.]

In conclusion, I consider that if the recruiting of the civilian element is to continue, we cannot shut out our really first-class deputy examiners from the commissioned ranks. To do so is to create a grievance. Open the doors to the deputy examiners, and natives of India also become eligible.

65,235. (II) System of Training and Probation.—I do not think we can improve on our system. It might be better if the candidates selected at home were to be made thoroughly efficient in bookkeeping and account knowledge before coming out to India.

65,236. (III) Conditions of Service.—*For the Military Officer.*—Certain officers appear to have a grievance, and are making their own representations, which are mostly personal but of great interest to the Department as a whole.

For the Civil Officer.—The present rules seem to meet requirements.

65,237. (IV) Conditions of Salary.—I understand certain military officers have a grievance and are representing their cases. With a nominal flow of promotion there can be no grievance. The raising of the pay of rank of regimental officers has operated against Departmental officers. The Departmental officers should, I think, profit proportionately and thus maintain one of the distinct advantages that existed for those taking up departmental work.

It seems to me the only solution is a time scale of pay for all officers which should rise by annual increments.

65,238. (V) Conditions of Leave.—The military officer has no complaint, though many of us would gain by an increase of furlough pay were the civil system of furlough adopted.

The civil officer has no complaint either.

Lieutenant-Colonel J. C. C. PERKINS called and examined.

65,242. (*Chairman.*) The witness had been 20 years in the Military Accounts Department.

65,243. It was a year ago since he submitted his written statement, and so far as he knew all the civilian officers who were now being recruited to the Department were performing their duties satisfactorily. It certainly was the case in his circle.

65,244. The opening of the door to the civilian distinctly gave Indians a claim for admission to the Department. He thought suitably selected Indians would be able to do the work satisfactorily. Recruitment in India should be by the promotion of deputy examiners to the commissioned ranks. There were Indians among the deputy examiners who would make satisfactory gazetted officers. He had not considered the question whether there should be any fixed proportion of Indians in the gazetted ranks.

65,245. The present block in promotion among military officers of the Department could best be surmounted by the institution of a time scale. He understood one of the grievances that the military officers had put forward was the continual granting of extensions of service to the senior officers, which had blocked promotion for the junior officers. To remedy this by the removal of the seniors would not cure the complaint, for if at the present moment the first six men in the Department were retired, six men all the way down would be benefited, but at the very bottom of the list the block would remain and the juniors would stagnate again. The senior officers who were now receiving extensions had about 26 years' service.

65,246. He had not considered the question of an efficiency bar in the time scale, but after reaching a salary of Rs. 400 civilian officers on the present time scale were all doing practically the same work.*

65,247. He did not consider that the initial pay of Rs. 300 for a civilian was too low, because he only drew Rs. 300 during the year in which he was on probation, after that he rose at once to Rs. 400.

65,248. He considered that civilian officers should receive a thorough training in book-keeping in England

65,239. (VI) Conditions of Pension.—There is only one matter which might be put right. The real necessity for officers of the Military Accounts retiring at the age of 52 years is not understood. The civil officer in the Department need not retire till 55 years of age, the same rule should be laid down for the military officer.

65,240. (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.—The Military Accounts Department is wholly Imperial. The appointment of a native of India to this Department rests entirely with the Secretary of State for India. All vacancies are filled entirely in England and not partly in India, partly in England, as is the case in the Civil Accounts Department. Without a knowledge of the intentions of and reasons for the above rules, it is not possible to say whether natives of India should or should not be appointed.

The opening of the door to civilians and the closing of it against military officers distinctly gives the native of India a claim for appointment to the Military Accounts Department. So far in my service I have only met some five or six Indian members of this Department who would have been worthy of promotion, but the same limitation would apply to our European and Eurasian employees.

65,241. (VIII) Relations of the Service with the Indian Civil Service.—The entire Department is quite distinct from the Indian Civil Service or any other Government Service. The official relations in a matter of every pay work and business with the Civil or other Services is most satisfactory, and no legislation is necessary.

before coming to India. The class of teacher there was better qualified to teach. A short course would suffice.

65,249. (*Mr. Sly.*) Civilians had proved equally successful on the military disbursing side of the work and on the audit side. His own best civilian officer was on the military disbursing side, and he did not desire to have a better man.

65,250. He considered it necessary that officers coming out to India to join the service should possess a university qualification, as this implied the possession of good general knowledge and some social status.

65,251. (*Mr. Madge.*) Recruitment from the military for the Military Accounts Department had practically ceased. Speaking after four years' experience, and from his knowledge of the civilians working under him, he would not say that the change had been a mistake. The civilian he had in his circle was as good at all matters of organisation as any military officer. There would be no objection to reverting to the old system if he was certain of getting the same stamp of officer as they used to get in account matters, but it had to be remembered that whereas officers formerly had some five years' regimental account training in units, in future under the divisional disbursing system (which was at present under extension to the Indian Army and to staff and departmental officers and establishments) they would have no such training, because the Military Accounts Department did all the accounting work, and therefore the military accounts would be getting officers as recruits to the Department who knew nothing about accounts and very little about the Pay Regulations and their five years' or so army service would be wasted. They would start in the Department, so to speak, with five years' pensionable service, where the civilian started with none.

The witness withdrew.

65,252. *Note by Lieut.-Colonel Perkins dealing with the question of an efficiency bar referred to in paragraph 65,246.* The question whether an "efficiency bar" was necessary in the case of civilian officers has opened up a new train of thought as to the promotion of, and

* See also paragraph 65,252.

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[Continued.]

efficiency bars for, both military and civilian officers. The new view will, I think, help to solve, if it will not actually do so, the agitation of the military officer against the block in his advancement.

I have stated that all civilian officers practically do the same work, *i.e.*, because the most senior has as yet only four years' service. In future, however, it will not be the case that all officers—military or civil—will be "practically" doing the same work.

In the past the four Controllers of Military Accounts were paid alike. From 1st April 1914 we shall have—

A Military Accountant General,
Two Military Deputy Auditors General (who are paid alike),
Ten Divisional Controllers,
Ten " Disbursing Officers,
Ten " Audit Officers.

Logically if it were necessary to pay the four circle controllers alike in the past, it is equally necessary to do the same for the Divisional Controllers, Disbursing Officers and Audit Officers, who each in their own grade will do the same work, and undertake the same responsibility.

Major M. E. L. BRUCE, I.A., Military Finance Department.

Written Statement relating to the Military Finance Department, being a joint Memorandum by the Military Commissioned Officers of the Department.*

65,253. (I) Method of Recruitment.—We propose to deal only with the system introduced in 1909 of recruiting civilians to serve as officers of the superior staff. We do not approve of the system on two main grounds:—

(1) Military regulations being extremely varied and involved, an acquaintance with what may be called the military point of view is extremely desirable. We understand that this was the experience of the Army Pay Department in England.

(2) We anticipate that the service conditions of civilian officers of the Military Accounts Department are not such as will make it easy to obtain recruits with the social qualifications which experience has proved most valuable in dealing with Indians of the educated classes, and officers of the Army, with whom they are brought into close personal contact. We feel that the social aspect must affect us largely as a department.

65,254. (III) and (IV) Conditions of Service and Salary.—(a) We feel that it is necessary to point out that it was in the past the policy of His Majesty's Government to provide that officers serving in the Military Accounts Department should be treated more liberally with regard to pay than officers in the Indian Army serving with their regiments and other Indian staff corps (now Indian Army) officers in military employ. We cannot but feel convinced that the Government of India is not aware that their policy has been abandoned, seeing that the system of consolidated rates of pay with acting allowances which secured these terms to officers was introduced in 1889, and since that date, nearly a quarter of a century ago, although the pay of every class of Government servant and every menial has been raised, and has in the case of all military employees of necessity, come under our notice, the pay of the Department whose duty it is to safeguard the interests of Government, and who have loyally and until now uncomplainingly carried out their onerous duties, has remained the same, and the petitions

We should then get four grades below the Military Deputy Auditor General:—

1. Divisional Controllers.
2. " Disbursing Officers.
3. " Audit Officers.
4. (Officers not in 1, 2, or 3.)

These grades should be on annual incremental rates of pay.

The scheme would, I fear, cost more in pay; but it would possibly be cheaper than increasing the pensionary charges by retiring senior officers while they are comparatively young and efficient. The Department would certainly gain in point of efficiency, and there would be an annual check and efficiency bars all along the line of promotion from the bottom grade to the top, and this check is, in my opinion, most necessary to ensure the success of the divisional system.

I have not considered the office of the Controller of Military Supply Accounts, or of the two appointments on Rs. 1,900 just above the Divisional Controllers, because the officers of the supply office might be graded in one or other of the grades already mentioned.

The Rs. 1,900 grade might remain.

respectfully put forward by those officers have either been ignored or terms have been offered which must be wholly unacceptable.

Amongst other good reasons for the favourable treatment alluded to above are in our opinion the following:—The work in the department is less congenial than work in other branches of the service and is harder, the hours are longer, and officers in the department are very frequently called upon to work overtime, the work is of a highly responsible nature, and with the exception of the Military Accountant-General and his staff, officers in the department have to serve continually in the plains and moreover at large headquarters stations where the expenses of living are very high.

After the year 1901 promotion in the Indian Army was accelerated so that a subaltern obtained his captaincy in nine years (instead of 11 years) and a captain his majority in 18 years (instead of 20 years).

In January 1909, *vide* Army Department, Notification No. 2, "Gazette of India" extraordinary of 1st January 1909, the monthly pay of subalterns and captains of the Indian Army was substantially increased with effect from the date of the notification.

Staff pay of appointments has also been increased.

These concessions affected the pay of all subalterns and captains of the Indian Army other than officers serving in the Military Accounts Department. The latter have not benefited in any way by any of these concessions, and are to this extent penalised in comparison with officers in other branches of the Indian Army.

The extent of the loss to the Military Accounts Department owing to the non-participation in the two first mentioned concessions alone has been carefully worked out, and found to be an average loss per officer of Rs. 10,191.

The concession of increase of pay to captains and subalterns was understood to be a special mark of favour on the part of His Majesty the King-Emperor towards the Indian Army, and was announced in a gazette extraordinary. We cannot believe that it was His Majesty's intention that officers of the Military Accounts Department should alone be excluded from this concession.

In addition to the above substantial improvements in the prospects of Indian Army officers, we would draw attention to the following advantages attaching to military service from which Military Accounts Department are debarred:—

(1) The holding of staff and extra regimental appointments carrying staff pay (from Rs. 56 to 700 per mensem).

* Namely, Majors Donnan, Chandler, Anderson, Pennell, Jackson, Bruce, and De Labilliere; Captains Shairp, Syczepanski, Hardinge, Richards, Wyke, Bird, Ellis, Butler, H. Murray, Prince, A. G. Murray, Morgan, Whitechurch, Ashfield, Allen, Watson, and Graham. Colonel Henderson expressed himself in favour of a time scale for the Department. Major Peacock, and Captain Ross being on the Staff of the M.A.G., were unable to express an opinion. Major Hudson was on leave in England, but expressed himself in general agreement with the views held by the majority. Major Carr-Hall was in favour of an adequate time scale. One or two other officers were unwilling to sign the written statement for fear of terms more unfavourable than the present ones being offered.

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(2) The holding of appointments in the hills during the summer months carrying with them the great advantage of free passages to the hills and back for officers and their families.

(3) The concession to regimental officers of being permitted (up to the rank of major) to travel on Form E at one half rates on all occasions.

(4) The regular grant of very liberal leave concessions which come under the notice of the Military Accounts Department in the course of audit, and from which that Department has been always debarred by paucity of officers.

Against item No 1 above we must mention that although the Military Accounts Department is debarred from drawing staff pay, they are entitled to officiating allowances at two-thirds of the difference between pay of grade and the pay of grade in which officiating. Prior to the introduction of combined leave this gave the junior officers a certain number of officiating appointments all the year round, since the introduction of this leave Government have gained to the extent of nearly six months' officiating allowances annually. The difference in grade pay is never in excess of Rs. 250, so that the officiating allowances of military accounts officers under the most favourable circumstances may be said to be limited to this figure, while they are usually far less; it will be seen that officers in this department are very unfavourably placed in this respect, especially as their allowances will be greatly reduced when civilians become eligible for furlough.

Indian army officers in regimental employ and in other military departments receive Indian Army pay of rank (which was enhanced in 1901 and 1909) and thus automatically get substantial increases of pay on promotion in rank. In departments they moreover receive further automatic increases in salary owing to there being a time scale for the grades. In consequence of the above factors, extensions and reappointments do not affect them until they have automatically arrived at a stage well on in their career, when they are drawing a high rate of pay; promotion in the Military Accounts Department (and consequently increase of pay) is not automatic, but depends upon vacancies, and while the department was a small one, this system doubtless worked out equitably; the tenure of administrative appointments was definitely fixed at five years, and extensions were not permissible (*vide* Clause 1, para. 38, A. R. I., Vol. 1, Part. 1, of 1888). Subsequently this rule was amended and the period changed to three years extendable to five (*vide* M. D. Notification No. 389, *Gazette of India*, dated 9th June, 1905).

The statement below will show some of the factors that have militated against promotion.

Date.	Executive Appointments.	Administrative Appointments.	No. of Places to rise to reach No. 3.
1903-	29	5	29
Aug. 1903-	40	5	40
1909-	50	5	50
1914-	51	4	51

From statistics worked out we find that whereas originally the average length of time for reaching the various senior grades was—

	Yrs.	Mos.
2nd grade - - -	12	2
1st grade - - -	14	9
Administrative grade	17	11

at the present time owing to the system of granting extensions and reappointments to administrative officers the service to reach these appointments has been increased so greatly as to make the prospect of reaching administrative grades entirely uncertain for at least 20 officers and impossible for at least 16, while the present incumbents of administrative appointments have, in addition to drawing pay in excess of that drawn by officers commanding regiments and considerably more than officers of their own standing

for some years prior to reaching the administrative grade (in which they officiated for some time prior to appointment), will at the conclusion of their present tenures, complete service in these appointments as under:—

Colonel Marlow	- 23.12.1904 to 12.11.14	nearly 10 years.
„ Harrison	1.4.1906 to 31.3.14	8 „
„ Scott	10.8.1907 to 9.8.15	8 „
„ Henderson	13.4.1908 to 12.4.14	6 „
„ Perkins	20.10.1909 to 19.10.14	5 „

In the face of the decision of Government given in paragraph 3 of Government of India Finance Department (Military Finance), No. 93, Accounts Camp, dated 31st January 1913, that no general revision of the policy of granting extensions and reappointments is called for, we have no reason to suppose that any of these officers, with the exception of Colonel Henderson, will become unemployed on completion of their present tenure, especially as under the impending reorganisation their appointments may be renewed automatically for three years, so we have the prospect of seeing these officers holding appointments of three to five year tenure, for periods which exceed eight years and may even reach 13 years. We think we may say this is a state of affairs without precedent in any service. The loss to the executive due to reappointments and extensions beyond the five year limit has already reached Rs. 1,54,500.

(c) In the face of the foregoing, the state of the department as recently brought to the notice of the House of Commons, and the facts that we have brought out in our memorials to Government, it is difficult to understand how our case can have failed to gain the support of the Government of India, except on the ground that a part of our complaint has of necessity been that the extensions and reappointments granted have made our position so extremely bad and uncertain. We need scarcely say that it is not our intention or desire to presume to express any opinion upon the desirability of the policy of Government. What we do desire to point out is its inevitable consequences, having regard to the system of promotion at present prevailing in this Department alone, for officers in the grades other than the administrative grades. The consequence has been an entirely altered situation and the immediate result is general and continued stagnation with regard to promotion while the consequence of such a policy must at all times be to create complete uncertainty as to prospects.

It, therefore, follows that the basis upon which the consolidated rates of pay in the department was assessed has changed to the detriment of those in the department, while the definite expectations of officers in the department with regard to promotion and consequent increase of pay have also been entirely altered.

We submit that in view of this change of circumstances, officers are fairly entitled to ask that the whole system of promotion in the Department should be revised, and placed on such a footing as to afford definite and fixed prospects of promotion. We suggest that the most satisfactory basis for such a system would be a fixed time scale for promotion, with increased grade pay to compensate for the increased cost of living, and an increase in the number of administrative appointments.

Any such system should, we suggest, logically apply to all grades in the Department; failing this the case of certain officers whose position in the Department debars them from ever reaching administrative grades, owing to the circumstances detailed above will be ignored, while only a temporary alleviation will be granted to the junior officers, followed by a further block in the future.

We add this because a suggestion was recently put forward by His Majesty's Indian Government for applying such a system to the three grades of assistant military accountants only. It is here again difficult to understand why Government can have been advised to offer terms with conditions attached to them that necessitated a future retardation of promotion and the

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actual repayment in subsequent years of money which it was proposed should be advanced to compensate for the acknowledged hardship they are now enduring such as to make them totally unacceptable to the officers in question. A reply has been sent to Government a year ago setting out their objections, but up to now no reply has been given, but a scheme for improving the prospects of the assistant military accountants of the Department only has been sent home to the Secretary of State while the case of other officers has been ignored and they are now faced with prospects of promotion so bad that they can never hope to rise to administrative appointments, and this through no fault of their own. Such officers cannot but feel that circumstances have made their lives a failure—we need hardly point out the evil consequences both to those officers and to the Government service of such a position.

The average length of service of officers of the Department on joining is $7\frac{1}{2}$ years, and assuming that under a system of fixed periods of service, officers were required to serve in the six lower grades for say 18 years, the result would be that under present conditions, officers would enter the first grade military accountants at, on an average, a little over 25 years' service. This we suggest is not an extravagant demand.

If it be urged that the introduction of any such system at the present time would have the effect of increasing immediate expenditure, we desire to urge the following points to counterbalance such considerations. Owing to the policy of extensions and reappointments to which we have referred, promotion has been, for some time past, practically at a standstill. If we are right in stating that that state of affairs was not such as was originally in the contemplation either of His Majesty's Government or of officers joining the Department, then we think it follows that a new system upon the lines we have indicated can fairly be asked for by officers in the Department. If that demand is intrinsically fair we submit that it should not be liable to be defeated by any such consideration as that of a temporary increase in expenditure, especially in view of the fact that the stagnation of which we have spoken by reason of the policy of extensions and reappointments, has existed for some years past, and to that extent officers in the Department have already been severely handicapped as regards pay.

We have pointed out above the delay that has taken place without obtaining any alleviation of our distress and at least seven of us have even now been

given no hope of betterment, in fact we have been told that Government does not consider that we have any cause for complaint. At the present time the Department is to be entirely reorganised and it has been the earnest hope of some that the opportunity would have been taken to improve matters: so far from this being the case, the net result of the new reorganisation will be that the Department will lose on the new appointments a substantial sum every month, and the number of administrative appointments has been reduced from five to four, which must further retard promotion: the responsibility which has up to now fallen only upon officers drawing over Rs. 2,200 a month is now to be placed in many cases upon officers drawing considerably less than half this sum, and while not presuming to criticise the necessity for this reorganisation, we feel that a word must be said as to the history of the past ten years of the Department, during which time the Department has undergone no less than four different reorganisations, all of which have led to an enormous amount of additional work to all concerned and has made it frequently impossible to get leave. The reorganisations referred to are the abolition of the old pay and S. and T. branches; the introduction of the Dover system of disbursements, which necessitated months of reporting; the splitting up of the Department into divisional offices instead of the circle offices, thus requiring a large increase in the number of officers—these were found by the introduction of civilians, the employment of deputy examiners and the deprivation of leave to officers; and lastly the impending abolition of controllers and the consequent transfer of their responsibilities to junior officers without extra remuneration. We think we are not exaggerating when we say that it will probably be difficult for any officer to obtain privilege leave during the next two years, while we shall all be required to again perform a great deal of extra work in bringing the new system into working order.

We have felt it necessary to deal with the case at considerable length to place the Royal Commission in a position to appreciate the real facts of the case, in the hope that the Commission may feel disposed to assist us; seeing that up to now we have failed to convince the Government of India of the extent of the feeling in the Department; and we cannot but feel that our grievances, the grievances of a Department which has worked well and loyally through ten years of disappointment, have not received that sympathetic treatment which the Government of India has never till now refused to the meanest of its employes.

Major M. E. L. BRUCE called and examined.

65,255. (*Chairman*.) The witness represented the military officers in the Military Finance Department. He had been 22 years in the army, and 10 years in the Department.

65,256. There were 43 military officers now in the service.

65,257. The main point of his written statement was that promotion was absolutely blocked, and the officers were serving for a very long time not only on small pay, but with indifferent prospects.

65,258. He had seen the proposals which had been made by the Government of India on the matter, and he had written a note on the subject which he would hand in.*

65,259. It was found that the present scheme would cost about Rs. 21,616 less than the incremental scheme which was originally offered, and refused. At the time the first scheme was refused it was not known that promotion would be absolutely stopped for so many years, and at the present time officers were advised that promotion would be blocked for a still greater number of years. The two new appointments offered in the Rs. 1,400 grade, and the two new appointments offered in the Rs. 1,200 grade would not be made until 1915 and 1916, and as there were already six officers in the post of Military Accountant, Fourth Grade, the assistant military accountants

would not get any immediate advantage. The advantage that would accrue from the partial time scale offered would amount to about Rs. 120 a month for the first five years, but during the first year some of them would lose* through not getting officiating allowances. After the five years there would be a retardation of prospects owing to the decision that a fixed number of years would have to be served in the Rs. 1,000, Rs. 1,200, and Rs. 1,400 grades. Those officers had already been blocked for promotion through causes which could not be avoided, and what was really wanted was an increase of pay or a scheme which would ensure a flow of promotion in the future. That was not insured by the new arrangement, and officers foresaw that there would be a future retardation of prospects. That was really the objection to the new scheme, but he agreed that there would be no retardation so far as the Assistant Military Accountants grades were concerned. The Rs. 1,000 grade, however, received nothing, and appointments to the four higher posts would entirely depend on there being vacancies, that was to say, upon the retirement of senior officers. In the event of those senior officers not retiring there would be no promotion, and no benefits would ensue from the new scheme. It was

* The witness afterwards wrote:—

"It has since been ascertained that there will be no loss, as any loss will be made good."

* *Vide* Appendix VIII.

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[Continued.]

not anticipated there would be any vacancy either in 1915 or 1916. The new posts were put in below the senior officers, and the fact of the senior officers remaining would make this difference, that officers who were already comparatively well off would get the new posts. The junior officers would receive no corresponding advantage because they were already blocked in the Rs. 1,000 grade, which was overstocked. They could not get out of the Rs. 1,000 grade until they had served three years. Under the new scheme two men in the Rs. 1,200 grade would go up into the Rs. 1,400 grade. These two Rs. 1,200 grade men were particularly well placed in the department, and had no grievance. Two of the Rs. 1,000 men would go up into the Rs. 1,200 grade, but that would still leave a block of something like 10 or 12 men in the Rs. 1,000 grade who would have to serve three years before they could get out of it.

65,260. The only way in which the block could be removed was by retiring the senior officers. That was the only proper remedy. It was extensions of the appointments at the top which had caused the trouble in the centre.

65,261. With reference to his statement that the amount of the present time scale was less by so many thousand rupees than the amount of the time scale offered previously, there were two points to be considered. When the first time scale was offered, a block in promotion was not anticipated. Every officer worked the matter out for himself, and found the scheme so strongly to his disadvantage that they did not accept it. It had now been calculated that officers would be worse off under the present scheme by Rs. 21,616 during the first five years; that was to say,

they were now offered a scheme which was much less to their advantage than the scheme already refused by the department. In addition, it was found that certain Majors amongst the Assistant Military Accountants were worse off than Majors in regimental employ.

65,262. (*Mr. Sly.*) He did not think that, as a rule, officers of the subordinate class of the department could suitably be selected for promotion into the superior service.

65,263. (*Mr. Madge.*) If the difficulty with regard to the senior officers could not be surmounted, the simplest way would be to raise the pay of the department, and keep to the old system. He would point out that officers had not had their salary raised for 25 years.

65,264. (*Sir Valentine Chirol.*) His chief objection to the new scheme was that its advantages were very problematical owing to the retardation that must take place later on.

65,265. Officers felt that 10 years, which was the period they had to serve at present in order to get into the Rs. 1,000 grade, was too long, and it would result in civilian officers of the department, with probably half their service, catching them up and going ahead of them.*

65,266. His colleagues would prefer a simple scheme, the benefits from which would accrue immediately, and with certainty to all concerned, and which would secure in the future an even flow of promotion. The only system which would ensure that was a system under which there would be an even flow of retirement at the top of the service.

The witness withdrew.

Note.

65,267-65,843. Attention is also invited to the evidence given by Sir Steyning Edgerley. This will be found in paragraphs 64664 *et seq.* (pages 54-5) in the section of this volume (XIV.) relating to the Indian Finance Department.

* In illustration of this point the witness subsequently cited the two following cases:—

Name.	Period.	Departmental Service.	Total Service.	Pay
Captain Allen.	1-12-18	9 years	Nearly 18 years.	Rs 750 + 45
Mr. Playne	1-12-18	9 years	9 years	750

LIST OF APPENDICES.

- I. REGULATIONS relating to APPOINTMENTS in the INDIAN FINANCE (MILITARY) DEPARTMENT.
- II. SUBJECTS for EXAMINATION in the DIVISIONAL and the MILITARY SUPPLY DEPARTMENTAL EXAMINATIONS.
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- V. DESPATCH from the GOVERNMENT of INDIA in the FINANCE DEPARTMENT, No. 310, dated 23rd October 1913, to the SECRETARY of STATE for INDIA, on the same subject.
- VI. DESPATCH from the SECRETARY OF STATE for INDIA to the GOVERNMENT OF INDIA, MILITARY No. 8, dated 9th January 1914, on the same subject (*being an answer to the Despatches given as Appendices IV. and V.*).
- VII. STATEMENT showing the LEAVE TAKEN by the MILITARY OFFICERS of the MILITARY ACCOUNTS DEPARTMENT during the five years 1908 to 1912.
- VIII. NOTE by MAJOR M. E. L. BRUCE, I.A., regarding IMPROVEMENT in SALARIES sanctioned in the DESPATCH given as APPENDIX VI.
- IX. 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 MILITARY FINANCE DEPARTMENT.
- X. OFFICERS of the MILITARY ACCOUNTS DEPARTMENT who furnished written evidence to the ROYAL COMMISSION in connection with their INQUIRY into the DEPARTMENT, but who were not orally examined.

APPENDIX I.

REGULATIONS RELATING TO APPOINTMENTS IN THE INDIAN FINANCE (MILITARY) 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 Finance (Military) 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 sufficient knowledge of elementary mathematics is essential, and preference will be given to candidates who produce evidence of proficiency in mathematics.

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 FINANCE (MILITARY) DEPARTMENT.

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

1. The establishment of the Indian Finance (Military) Department consists at present of the following appointments:—

	Rupees a month.
48 Second Class Accountants on	300, rising by annual increments of Rs. 50 to Rs. 1,250 and thereafter by biennial increments of Rs. 50 to Rs. 1,500 (subject to certain regulations as regards passing departmental examinations).
4 First Class Accountants on	
4 Controllers of Military Accounts on	1,650.
1 Accountant-General on	2,200.
	2,500.

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

2. Vacancies in the Indian Finance (Military) Department are filled in England.

APPENDIX I.—(continued).

4. The Members of the Indian Finance (Military) Department appointed before the autumn of 1909 are all officers of the Indian Army. From the autumn of 1909 all vacancies have been or are to be filled by the appointment of civil officers under the conditions above stated.

5. Appointments to the Indian Finance (Military) Department are in the first instance on probation, and are subject to confirmation by the Government of India.

6. Probationers will be required to pass certain departmental examinations, particulars of which can be obtained on application to the Military Secretary, India Office. The rules are liable to alteration by the Government of India. Failure to pass these departmental examinations within a period considered reasonable will involve loss of appointment.

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

APPENDIX II.

(Referred to in paragraph 65,145—Evidence of Mr. Michael and Colonel Marlow.)

SUBJECTS for EXAMINATION in the DIVISIONAL and the MILITARY SUPPLY DEPARTMENTAL EXAMINATIONS.

Divisional Departmental Examination.

	Marks.
(a) Composition, a précis of papers not seen before	100
(b) Bookkeeping, text books — Ball and Hamilton, and W. Inglis	100
(c) Arithmetic and Algebra up to Quadratic Equations	100
(d) General Procedure	300
(Fifty questions will be given with a view to proving that the candidate is familiar with, and has a good knowledge of the accounts dealt with in audit, account, and disbursing offices.)	
(e) Army and Civil Regulations, India	300
(Fifty questions on Army and Civil Regulations, so far as those Regulations affect the work of the Supply and Transport Pay, and Accounts Sections of Circular Account offices. The questions to be framed with a view to testing the candidate's capabilities for practically applying his knowledge of Military Account procedure to the rules laid down in the regulations for the submission of Military Accounts, and to the conditions under which the different allowances laid down therein are admissible.)	
[The questions in subjects (d) and (e) will be set in three papers of suitable length in each case.]	
(f) The candidate will also be required to audit—	
(i) Twenty to twenty-five selected Supply and Transport disbursement vouchers	100
(ii) The pay list of a regiment or battery, British or Native, as may be determined upon without the knowledge of the candidate	100
(iii) Twenty to thirty selected Pay Section vouchers	100
Total	1,200

Probationers who are graduates need not be examined in subjects (a) and (c).

For (e) and (f) the candidate will be allowed at the time of examination to refer to any books of regulations and his own notes made during his tour of probation. With this exception no books are permitted in any of the papers.

Three hours will be allowed for each paper in subjects (a) to (e), in the case of audit (f) the time may be fixed by the examiner, but it should not exceed one day for each portion of the examination.

Supply Departmental Examination.

	Marks.
(a) Fifty questions will be given with a view to proving that the candidate is familiar with, and has a good knowledge of the store and remount accounts dealt with in the Military Supply Accounts Office	300
(b) Army and Civil Regulations, India	200
(Fifty questions on Army and Civil Regulations so far as those Regulations affect the store and remount branches of the office of the Military Supply Accounts. The questions to be framed with a view of testing the candidates capabilities for practically applying his knowledge of Military Account procedure to the rules laid down in the regulations for the submission of Military Accounts, and to the conditions under which the different allowances laid down therein are admissible.)	
[The questions in (a) and (b) will be set in papers of suitable length so that the time assigned to each paper need not exceed three hours.]	
(c) Portions of the accounts included in subject (a) will be given to the candidates for them to audit	200
(This paper will be divided into two parts and about three or four hours will be allowed for each part.)	
Total	700

For (b) and (c) the candidate will be allowed at the time of examination to refer to any books of regulations and his own notes made during his tour of probation. With this exception no books are permitted in any of the papers.

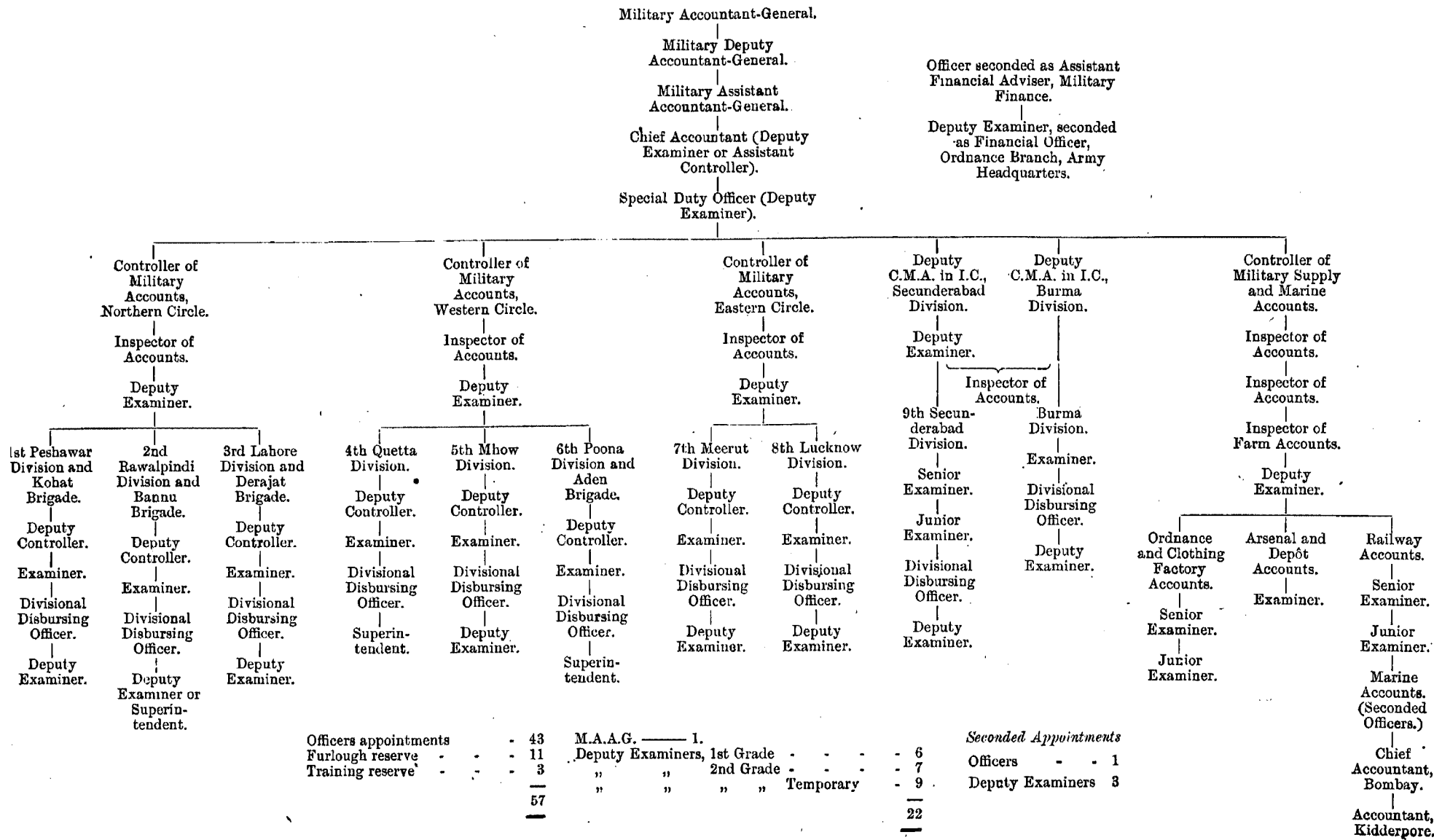
At the conclusion of the Supply Departmental Examination, officers will be attached to the office of the Controller of Military Supply Accounts for a period of three or four months for duty with a view to gaining an insight into the work of an examiner.

APPENDIX III.

(Referred to in paragraph 65,147—Evidence of Mr. Michael and Colonel Marlow.)

TABLES SHOWING THE PRESENT AND FUTURE CONSTITUTION OF THE MILITARY ACCOUNTS DEPARTMENT IN INDIA.

A. Present Constitution.



Officer seconded
for Duty as
Assistant
Financial
Adviser, Military
Finance.

Deputy
Examiner
seconded for
Duty as
Financial Officer,
Ordnance Branch,
Army
Headquarters.

Controller of Military
Supply
Accounts.

Inspector
of
Accounts.

Inspector
of
Accounts.

Inspector
of
Accounts.

Deputy
Examiner,
Accounts
Section.

Controller of Military
Accounts,
1st
Division.

Superin-
tendent,
Accounts
and
Central
Section.

Controller of Military
Accounts,
2nd
Division.

Superin-
tendent,
Accounts
and
Central
Section.

Controller of Military
Accounts,
Burma
Division.

Superin-
tendent,
Accounts
and
Central
Section.

Assistant
Divisional
Audit
Officer.

Divisional
Disbursing
Officer.

Deputy
Examiner.

Assistant
Divisional
Audit
Officer

Deputy
Examiner.

Divisional
Disbursing
Officer.

Assistant
Divisional
Disbursing
Officer.

Deputy
Examiner.

Assistant
Divisional
Audit
Officer.

Divisional
Disbursing
Officer.

Superin-
tendent.

Deputy
Controller
of Military
Supply
Accounts.

Superin-
tendent.

Audit
Officer,
Military
Supply
Accounts.

Superin-
tendent.

Audit
Officer,
Military
Supply
Accounts.

Superin-
tendent.

Deputy
Examiner,
Military
Supply
Accounts.

Superin-
tendent.

Deputy
Examiner
Military
Supply
Accounts.

Marine
Accounts.
(Secoded
Officers.)

Chief
Account-
ant,
Bombay.
(Deputy
Examiner.)

Account-
ant,
Kidder-
pore.
(Deputy
Examiner.)

APPENDIX IV.

(Referred to in paragraph 65,148 — Evidence of Mr. Michael and Col. Marlow.)

DESPATCH from the GOVERNMENT of INDIA
TO THE MOST HONOURABLE THE SECRETARY OF
STATE FOR INDIA (FINANCE DEPARTMENT),
No. 21—M.F. of 1913, dated SIMLA,
the 19th June 1913.

MY LORD MARQUESS,

WITH reference to Captain Clive's question dated the 27th March 1913* received with paragraph 18 of Military (General) Despatch No. 47, dated the 18th April 1913, inquiring whether the Under Secretary of State for India is aware that discontent on account of their salaries and prospects exists among the Indian Army officers of the Military Accounts Department in India, we have the honour to report for Your Lordship's information that we recently received memorials from 14 of the 43 officers regarding their pay and prospects. One of these 14 officers is in the grade of Military Accountant, 2nd Class (Rs. 1,400 per mensem), 2 in the grade of Military Accountant, 4th Class (Rs. 1,000 per mensem), and 11 in the grades of Assistant Military Accountant (Rs. 500, 600, and 750 per mensem).

2. The grounds on which these officers memorialised us are as follows:—

- (i) While formerly officers in the Military Accounts Department were better paid than officers in other military employ, e.g., the Supply and Transport Corps, Regiments, &c., they are now, in many cases, drawing less pay in comparison with other Indian Army officers of the same length of service, owing to improved conditions of service in other Military Departments, and in some cases are in receipt of less than if they had remained in regimental employ.
- (ii) After the year 1901, a Subaltern in the Indian Army obtained his captaincy in 9 years, and a captain his majority in 18 years, instead of after 11 and 20 years respectively, and were thus benefited by the higher rate of pay of rank, but the Subalterns and Captains in the Military Accounts Department, being in receipt of consolidated rates of pay, have not derived any increase in salary. They have thus suffered in comparison with officers of the Indian Army in regimental and other military departmental employ and have received no *quid pro quo* for the above concessions.
- (iii) The monthly rates of pay of rank of Subalterns and Captains of the Indian Army were increased from Rs. 255.12.0 and Rs. 374.1.6 to Rs. 280 and Rs. 400 respectively, thus benefiting every Subaltern and Captain in the Indian Army, but the Subaltern and Captains in the Military Accounts Department have not been granted any increase to their consolidated rates of pay.
- (iv) In spite of abnormal occurrences, the rate of promotion has been slow and the prospects of the officers in the Department are bad owing chiefly to the fact that the present incumbents of the administrative appointments, e.g., the Military Accountant-General and the Controllers, who had already received comparatively rapid promotion, have held these positions in almost every instance much longer than the prescribed period through the grant of extensions and reappointments.

The effect of this policy on the other officers of the Department has apparently been overlooked. Each officer on joining the Department understood that, although his salary was dependent on the rate at which he might obtain departmental promotion, he had one important safeguard against stagnation, viz., that the tenure of administrative appointments was three years extensible to five. The actual effect of the policy adopted has been that, for a number of years, the administrative officers have drawn salaries vastly in excess of their legitimate

expectations at the expense of all other officers of the Department whose legitimate aspirations have thus not been realised.

- (v) As the existing state of affairs has been brought about by a change in policy, the whole system of promotion should be reconsidered, and that—

(a) With effect from 1st April 1912, the pay of the four lowest grades in the Department may be raised to Rs. 700, Rs. 800, Rs. 900, and Rs. 1,050 per mensem respectively, plus Exchange Compensation Allowance;

(b) In order to guard against stagnation, promotion from one grade to another may be subject to the proviso that the maximum number of years service in each grade shall be follows:—

	Years.
Assistant Military Accountants—	
3rd to 2nd class - - - -	2
2nd to 1st " - - - -	2
1st class to Military Accountant, 4th class - - - -	3
Military Accountants—	
4th to 3rd class - - - -	3
3rd to 2nd " - - - -	4
2nd to 1st " - - - -	5

An additional, and we might mention a quite untenable, reason mentioned by Major Payne, the 14th and most senior officer, in his memorial, is that he has not received promotion to some of the grades in the Military Accounts Department in the same number of years as officers who were in those grades in 1897, the year in which he joined the Department. He accordingly asked to be compensated for the loss he has sustained by having to serve longer in the grades than he expected to, on joining the Department.

3. The points mentioned above were subjected to careful consideration by us, with the result that we found that the first grievance submitted by the memorialists was unfounded, inasmuch as a comparison of the emoluments drawn by all the Indian Army officers in the Military Accounts Department with their contemporaries in active employ, who are immediately senior to them in the gradation list of the Indian Army, showed that, in nearly every instance, the Military Accounts officer is better paid than his contemporaries. The exceptions are a few officers who are in political or other civil employment, and in some cases officers in the Supply and Transport Corps are drawing more pay than their contemporaries in the Military Accounts Department. We attach a statement, marked A, which brings the above facts out in a clear manner.

4. With regard to the second and third points mentioned in paragraph 2 above, we would observe that the rates of pay of officers in the Military Accounts Department are consolidated and are drawn irrespective of Army rank and we did not consider that any change in these rates was called for in consequence of the increased salaries allowed to Captains and Subalterns of the Indian Army in regimental and other staff employ.

We desire to point out here that it was open to six of the memorialists, who had not been struck off the strength off their regiments, to revert to regimental employ if they considered the consolidated rates of pay in the Military Accounts Department were inadequate as compared with the revised rates introduced for Subalterns and Captains in regimental employ from 1st January 1909. The fact that these officers preferred to remain in the Military Accounts Department appears to us to be fairly strong evidence that an increase was not necessary in the rates of consolidated salary laid down for the Military Accounts Department.

With regard to the concession given to the Indian Army of accelerated promotion to the rank of Captain and Major in 1901, we desire to say that 13 of the memorialists joined the Military Accounts Department after this concession had been sanctioned. In this case, too, the memorialists were aware that the concession in question would not benefit them in consequence of their being in receipt of consolidated rates

* Not printed.

APPENDIX IV.—(continued).

of pay in the Military Accounts Department, and, notwithstanding this, they elected to remain in the Military Accounts Department.

5. With reference to the fourth point mentioned in paragraph 2 above, which represents the main grievance of the memorialists, we would explain that the tenure of appointments in the administrative grades of Military Accountant-General and Controller of Military Accounts is for three years extensible to five, but owing to the reorganisation of the Military Accounts Department which was then in process of being carried into effect and the importance of retaining the services of the holders of these administrative posts, who were in close touch with the details of the scheme, it was found necessary to reappoint them on public grounds for a fresh period of service after their extended tenure had expired.

A reference also to the dates of first commission of these administrative officers will show that they had or would have rendered between 24 and 29 years' Army service at the most on the completion of five years' tenure of appointment. Extensions of tenure of two years, *i.e.*, from three to five years, were granted to them in the first instance, and on the expiry of the extended tenure two Controllers, *viz.*, Colonels Harrison and Scott, who had then completed only 26 and 24 years' Army service respectively, were reappointed for a fresh period of three years, whilst Colonel Henderson was reappointed for a fresh period of one year from 13th April 1913 so as to admit of his completing 30 years' service for pension. In the case of the Military Accountant-General, with your Lordships' concurrence, we have recently appointed him for a fresh period of service of one year and seven months on administrative grounds.

6. Our action in reappointing these officers, only one of whom will have served for a period of two months and seven days in excess of 30 years when their fresh period of tenure will have expired has, it is stated by the memorialists, prejudiced their prospects of promotion and, further, is not in accordance with the policy in force at the time they joined the Military Accounts Department, under which no reappointment was permissible of officers to the administrative grades of the Department.

We attach a statement, marked B, for Your Lordship's information, showing the periods which the officers in the four grades of Military Accountant will serve in each of those grades and in the grade of Controller (*a*) in consequence of the extensions granted and (*b*) had no extensions been granted. Your Lordship will observe that although the periods under (*a*) are in some cases a little longer than under (*b*) no real hardship has been caused to the greater number of these officers when the facts, that all of them have received extremely rapid promotion to their present grades and that several of them will serve on the effective list for a longer period, are borne in mind.

We attach another statement, marked C, showing the appointment held and the salary drawn by the 14th and most senior officer who memorialised us, as compared with the salary drawn by five officers in active employ who were and at present are immediately senior to him in the gradation list of the Indian Army since 1897, the year in which he joined the Military Accounts Department. From this statement it will be observed that this officer has drawn more pay throughout his career in the Military Accounts Department than his contemporaries in other military employ, and this is a typical illustration of the fact that officers of the Military Accounts Department in the grades of Military Accountant are better paid than their confrères and that there are no grounds of complaint on their part.

7. With regard to the officers in the three grades of Assistant Military Accountant, a careful investigation of the causes which have affected their rate of promotion shows that our action in reappointing the officers mentioned in paragraph 5 above has contributed in a minor degree only to the stagnation which exists in the junior grades of the Department. The real causes of the present slow rate of promotion are the addition in 1903 of 11 officers to the Department which then consisted of 34 officers, and the allotment of seven of these officers to the three lowest grades coupled with the fact that very few vacancies have been caused in recent

years by the compulsory transfer to the unemployed list of officers on attaining the age of 52 years owing to comparatively young officers serving in the higher grades of Military Accountant. That these are the real causes will be seen on a reference to the statement marked D attached, which shows the average period spent in the grades of Assistant Military Accountant formerly, and that which would have been spent in those grades had no extensions been granted.

8. The policy of reappointing officers for a fresh period of service in the administrative grades of the Military Accounts Department is not an innovation, and was in force as far back as 1892 when Colonel Cowper was reappointed as Controller of Military Accounts for a fresh period of 2½ years. In 1894 Colonel Thomas was reappointed as Controller for a fresh period of two years and Colonel Miley was reappointed in 1898 as Military Accountant-General for a fresh period of four years, whilst Colonels Anderson and Bird were each reappointed as Controllers for a fresh period of five years in 1900 and 1901 respectively. During the past 15 years there have been only two cases in which an administrative officer of the Military Accounts Department has retired with less than 32 years' service, the reason being that the incumbents of these posts are specially selected for their ability and experience, and it is to the interests of Government to retain their services in preference to the next senior but less suitable officers.

9. As explained in the foregoing remarks we did not consider that any change in the system of paying the military officers in the grades of Military Accountant as proposed by the memorialists in clause (v), paragraph 2 above, was necessary, but as we found that the present slow rate of promotion in the grades of Assistant Military Accountant was due, in a measure, to comparatively young officers being employed in the higher grades of the Department and to the large number of appointments added to the lower grades in 1904, we considered that a time scale of pay up to the grade of Military Accountant, 4th class, would be helpful to them. It, however, appeared to us that even excluding unforeseen vacancies these officers would in the future serve for shorter periods in the higher grades of the Department than is usually the case (please see statement E attached), and we were therefore of opinion that, should a time scale of pay be introduced for them in the lower grades, their promotion in the higher grades should be correspondingly retarded. This matter is now receiving our attention and we may alter the proposed terms of service, so as to make them acceptable to all those officers who have just cause to be dissatisfied with their prospects, and we hope to address Your Lordship at an early date on the conclusions which we arrive at.

10. From the foregoing remarks we trust Your Lordship will see that there are no serious grounds for discontent on account of their salaries and prospects among the officers in the grades of Military Accountant; that we are aware that some ground for dissatisfaction exists among the Assistant Military Accountants on account of their present rate of promotion to the grade of Military Accountant, 4th class; and that we propose to remedy these causes of discontent by the introduction of a time scale of pay the precise terms of which will require some further consideration before we are in a position to submit a definite scheme.

11. In concluding we would mention that several of the Indian Army officers of the Military Accounts Department have submitted memoranda with reference to their conditions of service and salary for the consideration of the Royal Commission on the Public Services in India.

We have the honour to be,
MY LORD MARQUESS,
Your Lordship's most obedient,
humble Servants,

(Signed) HARDINGE OF PENSHURST.
" O'M. CREAGH.
" G. FLEETWOOD WILSON.
" HARCOURT BUTLER.
" SYED ALI IMAM.
" W. H. CLARK.
" R. H. CRADDOCK.
" E. D. MACLAGAN.

APPENDIX IV.—(continued).

ENCLOSURE No. 1.

STATEMENT A.—SHOWING THE APPOINTMENT HELD AND THE SALARY DRAWN BY THE FIVE OFFICERS IN ACTIVE EMPLOY WHO ARE IMMEDIATELY SENIOR TO OFFICERS OF THE MILITARY ACCOUNTS DEPARTMENT IN THE GRADATION LIST FOR THE INDIAN ARMY.—
[*Indian Army List*, October 1912.]

[Names of Officers of the Military Accounts Department are printed in bold type.]

Names.	Appointment held.	Maximum Pay drawn.		
		Rs.	A.	P.
Colonel L. Herbert, C.B., C.V.O.	Colonel on Staff, Rangoon Brigade	1,800	0	0
" H. N. Taylor, D.S.O.	Deputy Inspector-General of Police, Burma	1,575	0	0
" C. W. Jacob	General Staff Officer, first grade, 7th (Meerut) Division	1,527	14	0
" W. Malleon, C.I.E.	General Staff Officer, first grade, 1st (Peshawar) Division	1,527	14	0
" J. G. Turner	Colonel on Staff, Risalpur Cavalry Brigade	1,800	0	0
" B. W. Marlow, C.I.E.	Military Accountant-General	2,500	0	0
" E. B. Burton, C.B.	Colonel on Staff, Meerut Cavalry Brigade	1,800	0	0
" A. L. Phillips	Supply and Transport Officer, first class	1,627	14	0
" M. Cowper, C.I.E.	Assistant Quartermaster-General, Meerut Division	1,527	14	0
" A. H. Bingley, C.I.E.	General Staff Officer, first grade, General Staff Branch, Army Headquarters.	1,527	14	0
" W. A. Watson, G.I.E.	Commandant, Cavalry School, Saugor	1,800	0	0
" T. A. Harrison	Controller of Military Supply Accounts	2,200	0	0
Lieut.-Col. C. L. Hamilton	First Squadron Commander and Second in Command, 3rd Skinner's Horse.	1,127	14	0
" H. Kennedy	Commandant, 23rd Cavalry	1,527	14	0
" F. H. B. Commeline	2nd Lancers, Commandant	1,527	14	0
" E. B. Lang	5th Cavalry, Commandant	1,527	14	0
" W. F. Shakespear	6th King Edward's Own Cavalry, Commandant	1,527	14	0
" B. Scott	Controller of Military Accounts	2,200	0	0
" H. Kennedy	Commandant, 23rd Cavalry	1,527	14	0
" F. H. B. Commeline	2nd Lancers, Commandant	1,527	14	0
" E. B. Lang	5th Cavalry, Commandant	1,527	14	0
" W. F. Shakespear	6th King Edward's Own Cavalry, Commandant	1,527	14	0
" R. E. Sullivan	Supply and Transport Officer, first class	1,627	14	0
" T. H. Henderson	Controller of Military Accounts	2,200	0	0
" W. C. M. Woodcock	35th Sikhs, Commandant	1,427	14	0
" P. J. Miles	51st Sikhs, Commandant	1,427	14	0
" S. M. Edwards, D.S.O.	102nd King Edward's Own Grenadiers, Commandant	1,427	14	0
" C. G. Prendergast	28th Punjabis, Commandant	1,427	14	0
" R. C. Lye, D.S.O.	34th Sikh Pioneers, Commandant	1,427	14	0
" J. C. C. Perkins	Controller of Military Accounts	2,200	0	0
Major W. E. G. Lillingston	29th Lancers, Second Squadron Commander	890	14	0
" G. A. Strahan	89th Punjabis, Second Double Company Commander	to 840	14	0
" G. L. Carter	106th Hazara Pioneers, First Double Company Commander, Second in Command.	to 890	14	0
" W. C. Anderson	6th Gurkha Rifles, Double Company Commander, Second in Command.	to 890	14	0
" R. A. Firth	10th Gurkha Rifles, Fourth Double Company Commander	840	14	0
" G. S. Sheppard	Military Accountant, first class	1,650	0	0
" E. G. Vaughan, D.S.O.	Supply and Transport Officer, second class	1,240	14	0
" G. R. Vanrenen	16th Rajputs, First Double Company Commander, Second in Command.	to 890	14	0
" N. M. C. Stevens	121st Pioneers, First Double Company Commander, Second in Command.	to 890	14	0
" A. S. R. Annesley	Supply and Transport Officer, second class, Transport Regis- tration Officer.	1,240	14	0
" H. W. Heffernan	86th Carnatic Infantry, First Double Company Commander, Second in Command.	890	14	0
" W. Donnan	Military Accountant, first class	1,650	0	0
" A. R. Nethersole	83rd Light Infantry, Second Double Company Commander	840	14	0
" A. F. Ferguson-Daire, C.I.E., D.S.O.	53rd Sikhs, Third Double Company Commander	to 840	14	0
" W. H. F. Basèvi	91st Punjabis, First Double Company Commander, seconded; General Staff Officer, second grade, Aden Brigade.	1,040	14	0
" F. J. Fraser	33rd Punjabis, Second Double Company Commander	840	14	0
" R. G. Macpherson	37th Dogras, Double Company Commander, Second in Command.	to 890	14	0
" C. N. Baker	Military Accountant, first class	1,650	0	0
" D. B. Adye	87th Punjabis; First Double Commander, Second in Com- mand.	to 890	14	0
		to 1,065	14	0

APPENDIX IV.—(continued).

STATEMENT A.—continued.

Names.	Appointment held.	Maximum Pay drawn.		
		Rs.	A.	P.
Major H. M. Allen	25th Cavalry; Second Squadron Commander	890	14	0
„ E. Sanlez	108th Infantry; First Double Company Commander, Second in Command.	890	14	0
„ R. W. C. Keays	75th Infantry; First Double Company Commander, Second in Command.	890	14	0
„ T. X. Britten	110th Light Infantry; First Double Company Commander, Second in Command.	890	14	0
„ W. A. M. Bruce	Military accountant, first class	1,650	0	0
„ L. H. Marriott	Supply and Transport Corps; Supply and Transport Officer, second class, Peshawar.	1,240	14	0
„ J. L. Orr	20th Horse; Second Squadron Commander	890	14	0
„ F. B. Hill	46th Punjabis; First Double Company Commander, Second in Command.	890	14	0
„ A. P. How	114th Mahrattas; Second Double Company Commander	840	14	0
„ H. H. Cobbe, D.S.O.	13th Lancers; Second Squadron Commander, seconded; Deputy Assistant Adjutant-General, First Division.	1,040	14	0
„ F. W. Bagshawe	Military Accountant, second class	1,400	0	0
„ C. A. Rossmale-Cocq	10th Gurkha Rifles; Third Double Company Commander	840	14	0
„ J. R. Darby	19th Infantry; First Double Company Commander, Second in Command.	890	14	0
„ J. W. H. Lyon	Cantonment Magistrate's Department; Cantonment Magistrate, Rawal Pindi.	1,040	14	0
„ R. S. Pottinger	Supernumerary List; Political, Bombay; Political Agent, third grade.	1,200	0	0
„ J. R. Carden	15th Sikhs; Second Double Company Commander	840	14	0
„ E. H. Payne	Military Accountant, second class	1,400	0	0
„ J. H. Lloyd	6th Gurkha Rifles; Third Double Company Commander, seconded; Brigade-Major, Ahmednagar Brigade.	1,040	14	0
„ C. R. Johnson	5th Gurkha Rifles; Third Double Company Commander	840	14	0
„ L. T. Hay	5th Cavalry; Third Squadron Commander	890	14	0
„ J. R. Kennedy	96th Infantry; Second Double Company Commander	840	14	0
„ T. G. P. Lawrenson	Cantonment Magistrate's Department	1,040	14	0
„ H. G. W. Chandler	Military Accountant, second class	1,400	0	0
„ D. H. McNeile	19th Lancers; Second Squadron Commander	890	14	0
„ A. L. Jacob	Supernumerary List; Political, Baluchistan; Political Agent, Zhob.	1,750	0	0
„ H. W. F. Cooke	24th Punjabis; First Double Company Commander, Second in Command.	890	14	0
„ F. DeB. Hancock	Supernumerary List; Political, Bombay; Political Agent, third grade.	1,200	0	0
„ J. W. Milne	82nd Punjabis; Third Double Company Commander	840	14	0
„ J. H. Hudson	Military Accountant, second class	1,400	0	0
„ R. C. Harbottle	7th Lancers; Third Squadron Commander	890	14	0
„ C. L. S. Seton Brown	55th Rifles; First Double Company Commander, Second in Command.	890	14	0
„ J. H. Casserly	120th Infantry; Second Double Company Commander	840	14	0
„ W. M. P. Wood	Supernumerary List; Political employ, Bombay; Assistant Political Agent, Jhalawad Prant, Kathiawar.	1,100	0	0
„ R. L. Benwell	35th Horse; Third Squadron Commander	890	14	0
„ R. H. B. Anderson	Military Accountant, second class	1,400	0	0
Captain J. G. Griffith	32nd Lancers; First Squadron Officer, seconded; on deputation, Australia.	550	0	0
„ Mark Syngge	Supply and Transport Corps; Supply and Transport Officer, third class.	900	0	0
„ W. Heaketh	12th Cavalry; First Squadron Officer	550	0	0
„ H. W. R. Potter	129th Baluchis; Second Double Company Commander	600	0	0
„ E. H. S. James	Supernumerary List; Civil employ, Baluchistan; Assistant Political Agent, Kalat.	625	0	0
„ R. E. Carr-Hall	Military Accountant, third class	950	0	0
Major R. B. Graham	33rd Punjabis; Third Double Company Commander; Officiating Assistant Secretary, Army Department.	1,200	0	0
		1,333	0	0
		840	0	0
		920	7	0

APPENDIX IV.—(continued).

STATEMENT A.—(continued).

Names.	Appointment held.	Maximum Pay drawn.		
		Rs.	A.	P.
Major E. F. Orton - - -	37th Lancers ; Third Squadron Commander, seconded ; General Staff Officer, second grade, Army Headquarters.	1,040	14	0
„ R. J. Cuming - - -	12th Pioneers ; Second Double Company Commander - - -	840	14	0
„ B. C. Kauntze - - -	86th Infantry ; Third Double Company Commander - - -	840	14	0
„ B. U. Nicolay - - -	4th Gurkha Rifles ; Third Double Company Commander - - -	840	14	0
„ D. A. E. Will - - -	Military Accountant, third class - - - - -	1,200	0	0
„ C. A. R. Hutchinson (Brevet Lieut.-Col.)	41st Dogras ; Second Double Company Commander - - -	840	14	0
„ A. D. Macpherson - - -	Supernumerary List ; civil employ, Government of India, Political Agent, Gilgit.	1,450	0	0
„ C. B. Loring - - -	37th Lancers, Third Squadron Commander, seconded ; General Staff Officer, second grade, Army Head Quarters.	1,500	0	0
„ W. Scott - - -	14th Rifles ; Third Double Company Commander - - -	1,040	14	0
„ F. A. Maxwell, C.S.I., D.S.O.	18th Lancers ; First Squadron Commander, seconded ; Military Secretary to the Viceroy.	840	14	0
„ R. H. E. Pennell - - -	Military Accountant, third class - - - - -	1,500	0	0
„ E. C. Corbyn - - -	Military Accountant, third class - - - - -	1,200	0	0
„ E. C. Corbyn - - -	18th Lancers ; Second Squadron Commander - - -	1,333	0	0
„ C. R. Harbord - - -	30th Lancers ; First Squadron Officer ; Staff Officer to Inspector of Cavalry.	890	14	0
„ E. G. W. Pratt - - -	95th Infantry ; Third Double Company Commander - - -	to 915	14	0
„ R. M. Hall - - -	13th Lancers ; Third Squadron Commander - - -	790	14	0
„ S. K. B. Rice - - -	35th Sikhs ; Third Double Company Commander - - -	to 840	14	0
„ R. de S. Dudgeon - - -	Military Accountant, third class - - - - -	840	14	0
„ R. W. E. Knollys - - -	Supernumerary List ; Civil employ, Punjab ; Assistant Commissioner, second grade (officiating first grade) ; Officiating District Judge, Attock.	1,200	0	0
„ E. M. Taylor - - -	22nd Cavalry ; Second Squadron Commander, seconded ; General Staff Officer, second grade, Burma Division.	to 1,333	0	0
„ W. A. Light - - -	114th Mahrattas, Third Double Company Commander - - -	700	0	0
„ C. L. Perrin - - -	76th Punjabis, Second Double Company Commander - - -	to 1,233	5	4
„ C. R. Scott-Elliot - - -	81st Pioneers, Third Double Company Commander ; - - -	1,040	14	0
„ E. B. Peacock - - -	Military Accountant, third class ; Officiating Deputy Secretary to the Government of India, Finance Department (Military Finance).	840	14	0
Captain W. A. Fetherstonhaugh	8th Cavalry ; Second Squadron Officer, seconded ; Staff College, Quetta.	840	14	0
„ W. D. Reid - - -	81st Pioneers ; First Double Company Officer, seconded ; Cantonment Magistrate's Department ; Cantonment Magistrate, Sialkot.	to 865	14	0
„ J. Bruce - - -	Army Remount Department ; Superintendent, Remount Depôt, Hapur.	500	0	0
„ E. J. Dunsford - - -	33rd Punjabis ; First Double Company Officer - - -	900	0	0
„ J. A. Bald - - -	61st Pioneers, Second Double Company Commander - - -	to 500	0	0
„ A. W. Daldy - - -	Military Accountant, fourth class - - - - -	600	0	0
Major R. W. C. Blair - - -	123rd Rifles ; Second Double Company Commander - - -	to 625	0	0
„ E. A. Fagan - - -	36th Horse ; Third Squadron Commander, seconded ; Mandat State.	1,000	0	0
„ W. N. Lushington - - -	Supply and Transport Corps ; Supply and Transport Officer, third class.	to 1,267	0	0
„ V. F. W. Tregear - - -	98th Infantry ; Third Double Company Commander - - -	840	14	0
„ A. A. Irvine - - -	Supernumerary List ; Civil employ, Punjab ; Divisional Judge, fourth grade, sub. <i>pro tem.</i> (officiating third grade), Lahore.	840	14	0
„ K. H. Jackson - - -	Military Accountant, fourth class - - - - -	1,500	0	0
„ R. T. C. Calvert - - -	120th Infantry ; Third Double Company Commander, seconded ; Brigade-Major, Jhelum Brigade	to 2,000	0	0
„ F. D. Davidson - - -	99th Infantry ; Second Double Company Commander - - -	1,000	0	0
„ G. G. P. Humphreys - - -	127th Light Infantry ; Third Double Company Commander	to 1,133	0	0
„ J. S. M. Harcourt - - -	2nd Gurkha Rifles ; Fourth Double Company Commander - - -	1,040	14	0
„ J. Frizelle - - -	Supernumerary List ; Civil employ, Punjab ; Assistant Commissioner, first grade.	840	14	0
„ M. E. L. Bruce - - -	Military Accountant, fourth class - - - - -	840	14	0
„ W. J. Keen - - -	Supernumerary List ; Political employ, North-West Frontier Province ; Divisional and Sessions Judge Peshawar.	1,000	0	0
		to 1,333	0	0
		1,700	0	0

APPENDIX IV.—(continued).

STATEMENT A.—(continued).

Names.	Appointment held.	Maximum Pay drawn.		
		Rs.	A.	P.
Major H. T. Marshall	1st Brahmans, Second Double Company Commander	840	14	0
„ L. S. Browne	38th Dogras, Second Double Company Commander	840	14	0
„ E. W. Costallo, V.C.	22nd Punjabis, Second Double Company Commander	840	14	0
„ J. S. Bagle	Guides; First Double Company Officer	790	14	0
„ E. G. D. de Labilliere	Military Accountant, fourth class	1,000	0	0
Captain C. S. D. Wildes	Supply and Transport Corps; Supply and Transport Officer, fourth class, Rawal Pindi; Supply and Transport School.	800	0	0
„ A. F. C. Williams	31st Lancers, Third Squadron Commander, seconded; Brigade Major, Secunderabad Cavalry Brigade.	800	0	0
„ N. M. Geoghegan	89th Punjabis; Third Double Company Commander, seconded; Assistant Commandant, Military Police, Burma.	650	0	0
„ D. L. R. Lorimer	Political employ, Government of India; Political Agent, Bahrein.	1,000	0	0
„ L. F. Arthur	26th Light Cavalry, Third Squadron Commander	600	0	0
„ H. F. Shairp	Military Accountant, fourth class	1,000	0	0
„ G. B. Brown	58th Rifles; Second Double Company Commander	600	0	0
„ R. F. Finlay	58th Rifles; Third Double Company Commander, seconded; General Staff Officer, third grade, Army headquarters.	625	0	0
„ A. U. Gledstanes	30th Lancers; 5th Squadron Officer	550	0	0
„ E. E. Woodcock	4th Rajputs; First Double Company Officer	500	0	0
„ H. P. Watts	Supply and Transport Corps; Supply and Transport Officer, fourth class; Commandant, 15th Mule Corps.	800	0	0
„ P. S. J. Anderson	Military Accountant, fourth class	1,000	0	0
„ E. E. Woodcock	4th Prince Albert Victor's Rajputs, First Double Company Officer.	500	0	0
„ H. P. Watts	Supply and Transport Officer, fourth class; Commandant, 15th Mule Corps.	800	0	0
„ A. G. Lind	58th Vaughan Rifles; Sixth Double Company Commander	600	0	0
„ A. A. Smith	58th Vaughan Rifles; Seventh Double Company Commander	600	0	0
„ C. H. B. Wright	62nd Punjabis; Fourth Double Company Commander	600	0	0
„ H. C. Szczepanski	Assistant Military Accountant, first class	750	0	0
„ M. G. D. Rowlandson	38th Dogras; First Double Company Officer	500	0	0
„ L. D. Watling	Supply and Transport Officer, fourth class; Deputy Assistant Director of Transport, Army headquarters.	550	0	0
„ R. J. Malet	64th Pioneers; First Double Company Officer	500	0	0
„ A. B. Merriman	127th Queen Mary's Own Baluch Light Infantry; Sixth Double Company Commander.	600	0	0
„ D. C. Crombie	23rd Cavalry; Third Squadron Officer	550	0	0
„ G. W. Ross	Assistant Military Accountant, first class, Assistant Secretary to the Government of India, Finance Department (Military Finance).	600	0	0
„ A. W. H. M. Moens	52nd Sikhs; Third Double Company Officer	1,100	0	0
„ B. C. H. Drew	23rd Pioneers, First Double Company Officer, seconded; Staff College, Quetta.	500	0	0
„ C. Kirkpatrick	Guides Infantry; Fourth Double Company Officer, seconded; Staff College, Quetta.	500	0	0
„ N. G. B. Goodfellow	128th Pioneers; Third Double Company Commander	550	0	0
„ L. R. Hogge	47th Sikhs; Second Double Company Officer	600	0	0
„ H. N. F. Macdonnell	Assistant Military Accountant, first class	750	0	0
„ C. F. M. Wolsley	21st Cavalry; First Squadron Officer	1,050	0	0
„ J. R. Bruncker	Supply and Transport Corps; Supply and Transport Officer, fourth class.	550	0	0
„ O. M. Dyke	21st Cavalry; Second Squadron Officer	600	0	0
„ J. K. Knowles	Cantonment Magistrates Department	800	0	0
„ A. C. B. Mackinnon	9th Gurkha Rifles; First Double Company Officer	500	0	0
„ H. R. Von D. Hardinge	Assistant Military Accountant, first class	550	0	0
„ R. W. H. Middlemass	Supply and Transport Corps; Supply and Transport Officer, fourth class.	750	0	0
		917	0	0
		800	0	0

APPENDIX IV.—(continued).

STATEMENT A.—continued.

Names.	Appointment held.	Maximum Pay drawn.		
		Rs.	A.	P.
Captain C. P. Nicolas	94th Infantry, First Double Company Officer	500	0	0
" A. S. Marriott	Military Farms Department	550	0	0
" C. E. B. Steele	Supply and Transport Corps; Supply and Transport Officer, third class; Commandant, 53rd Camel Corps.	800	0	0
" J. S. McEuen	20th Horse, First Squadron Officer	900	0	0
" W. V. Richards	Assistant Military Accountant, first class	550	0	0
" R. Scott	54th Sikhs (Fourth Double Company Commander, <i>pro tem.</i> , seconded); Cantonment Magistrate's Department.	600	0	0
" J. P. Benn	37th Lancers, First Squadron Officer	750	0	0
" G. F. Gretton	7th Lancers, Second Squadron Officer	917	0	0
" C. G. Buchanan	35th Sikhs, Third Double Company Officer, seconded; Staff College, Quetta.	700	0	0
" A. H. Watts	Supply and Transport Corps; Supply and Transport Officer, fourth class; Commandant, 34th Mule Corps.	550	0	0
" L. F. G. S. Wylde	Assistant Military Accountant, first class	600	0	0
" G. E. M. Hogg	Supply and Transport Officer, fourth class	550	0	0
" R. L. Birdwood	Political Officer; First Assistant to the Political Resident, Persian Gulf, Bushire.	600	0	0
" A. W. H. Moens	52nd Sikhs, Third Double Company Officer	1,600	0	0
" B. C. H. Drew	23rd Sikh Pioneers, First Double Company Officer	500	0	0
" C. Kirkpatrick	Queen Victoria's Own Corps of Guides, Double Company Officer.	500	0	0
" C. J. G. Bird	Assistant Military Accountant, second class	550	0	0
" A. Boxwell	119th Infantry, First Double Company Officer	575	0	0
" L. J. Jones	9th Infantry, Fourth Double Company Commander, <i>pro tem.</i> ; Officiating Brigade Major, Lucknow Infantry Brigade	600	0	0
" A. Vickers	48th Pioneers, Fourth Double Company Commander <i>pro tem.</i>	700	0	0
" R. W. W. Grimshaw	34th Horse, Third Squadron Commander, <i>pro tem.</i> , seconded; Instructor, Cavalry School, Saugor.	600	0	0
" H. T. Walker	30th Lancers, Fifth Squadron Officer, Burma Military Police; Assistant Commandant, Bhamo Battalion.	800	0	0
" S. G. V. Ellis	Assistant Military Accountant, second class	650	0	0
" E. V. Jones	18th Infantry, First Double Company Officer	600	0	0
" D. A. Blair	39th Garhwal Rifles, Fourth Double Company Officer	867	0	0
" L. G. B. Harrison	125th Rifles, Fourth Double Company Commander, <i>pro tem.</i>	500	0	0
" S. Hutchison	3rd Brahmans, Fourth Double Company Commander, <i>pro tem.</i>	550	0	0
" F. A. Don	Supply and Transport Corps; Supply and Transport Officer, fifth class, seconded, Tientsin.	600	0	0
" C. W. Butler	Assistant Military Accountant, second class	867	0	0
" E. L. Croslegh	23rd Sikh Pioneers, Double Company Officer	500	0	0
" C. W. Hext	Supply and Transport Officer, fifth class	500	0	0
" J. Matson	Assistant Director, Dairy Farms	700	0	0
" G. S. Douglas	18th Infantry, Second Double Company Officer	800 + 200 personal allowance.		
" H. S. Mitchell	32nd Sikh Pioneers, Sixth Double Company Commander	500	0	0
" H. Murray	Assistant Military Accountant, second class	550	0	0
" J. Gourlie	38th Central India Horse, Second Squadron Officer	600	0	0
" J. Peters	10th Lancers; Fourth Squadron. Commander, <i>pro tem.</i> seconded; Personal Assistant to Chief Commissioner, Central Provinces.	867	0	0
" R. L. C. Sweeny	Supply and Transport Corps; Supply and Transport Officer, fourth class; Commandant, 13th Mule Corps.	550	0	0
" H. W. D. Hill	16th Cavalry, Third Squadron Officer	600	0	0
" F. B. Lane	8th Cavalry, Third Squadron Officer; Officiating Adjutant (full vacancy).	650	0	0
" R. Prince	Assistant Military Accountant, second class	600	0	0
" E. St. C. Gray	34th Horse, Fourth Squadron Commander, <i>pro tem.</i>	867	0	0
		650	0	0

APPENDIX IV.—(continued).

STATEMENT A.—continued.

Names.	Appointment held.	Maximum Pay drawn.		
		Rs.	A.	P.
Captain D. D. Wilson	17th Cavalry, First Squadron Officer	550	0	0
„ W. Greatwood	123rd Rifles, Second Double Company Officer	to 600	0	0
„ L. A. Bethell	10th Gurkha Rifles, First Double Company Officer, (seconded); Assam Military Police; Assistant Commandant, Dibrugarh.	500	0	0
„ B. W. Shuttleworth	45th Sikhs, Fourth Double Company Officer, seconded; Staff College, Quetta.	to 550	0	0
„ A. G. Murray	Assistant Military Accountant, second class	600	0	0
„ B. O. Duff	1st King George's Own Gurkha Rifles, Second Double Company Officer	to 867	0	0
„ T. B. Traill	13th Lancers, Fourth Squadron Officer	500	0	0
„ G. D. S. Le Messurier	34th Sikh Pioneers, Fourth Double Company Officer	to 550	0	0
„ D. M. Patrickson	86th Carnatic Infantry, First Double Company Officer	500	0	0
„ B. Turnbull	23rd Sikh Pioneers, Fifth Double Company Officer; Adjutant, 2nd Battalion, Bombay, Baroda and Central India Railway Volunteer Rifles.	to 550	0	0
„ G. H. Morgan	Assistant Military Accountant, second class	552	0	0
„ G. L. Farran	4th Cavalry, Fourth Double Company Commander, <i>pro tem.</i>	600	0	0
„ E. M. Steward	Supply and Transport Corps; Supply and Transport Officer, fifth class; Commandant, 4th Mule Cadre.	to 700	0	0
„ R. T. G. Salusbury	26th Punjabis, Second Double Company Officer	700	0	0
„ J. H. G. Marriott	12th Pioneers, First Double Company Officer	500	0	0
„ F. E. W. Baldwin	121st Pioneers, Fourth Double Company Commander, <i>pro tem.</i>	to 550	0	0
„ R. H. S. Whitchurch	Assistant Military Accountant, third class	600	0	0
„ C. H. Tyrrell	25th Punjabis, Third Double Company Officer	to 667	0	0
„ G. Airy	Assistant Director, Grass Farms	500	0	0
„ B. O. Duff	1st King George's Own Gurkhas, Second Double Company Officer.	to 550	0	0
„ T. B. Traill	13th Lancers, Fourth Squadron Officer	500	0	0
„ G. D. S. Le Messurier	34th Sikh Pioneers, Fourth Double Company Officer	to 550	0	0
„ P. Ashfield	Assistant Military Accountant, third class	500	0	0
„ A. W. McRae	14th Sikhs, Fourth Double Company Commander, <i>pro tem.</i>	to 667	0	0
„ A. O. Sutherland	22nd Panjabis, Third Double Company Officer	600	0	0
„ E. H. Lancaster	Supply and Transport Corps; Supply and Transport Officer, fifth class.	to 550	0	0
„ E. P. Grant	25th Cavalry, Sixth Squadron Officer (Adjutant)	700	0	0
„ A. H. W. Elias	1st Gurkha Rifles; Fourth Double Company Commander, seconded; <i>pro tem.</i> Station Staff Officer, first class, Rangoon.	500	0	0
„ J. F. Allen	Assistant Military Accountant, third class	to 667	0	0
„ T. L. Ovens	11th Rajputs, First Double Company Officer	500	0	0
„ R. S. Scott	Army Remount Department, Twelfth Superintendent	to 550	0	0
„ O. A. Chaldecott	124th Infantry, Fifth Double Company Officer (Adjutant)	700	0	0
„ P. St. J. R. Woodhouse	Supply and Transport Corps; Supply and Transport Officer, fifth class; Commandant, First Mule Corps.	600	0	0
„ A. N. Kerr	38th Dogras (Fifth Double Company Officer, seconded); Officiating Assistant Inspecting Officer, Kashmir Infantry, Imperial Service Troops.	700	0	0
„ H. D. Watson	Assistant Military Accountant, third class	500	0	0
„ E. Edwards	Fourth Double Company Officer, 29th Punjabis	to 667	0	0
„ J. E. B. Scafton	District Superintendent of Police, fifth class; Civil employ, Central Provinces.	500	0	0
„ C. Newington	Fourth Double Company Officer, 10th Gurkha Rifles, and Station Staff Officer, Takdah.	700	0	0
„ A. C. A. Thackwell	Fourth Double Company Officer, 81st Pioneers	530	0	0
„ E. de Burgh	Third Squadron Officer, 9th Horse	500	0	0
„ J. S. Graham	Assistant Military Accountant, third class	to 600	0	0
		500	0	0
		to 667	0	0

ENCLOSURE No. 2.

STATEMENT B SHOWING THE NUMBER OF YEARS THAT WILL BE SPENT BY THE INDIAN ARMY OFFICERS OF THE MILITARY ACCOUNTS DEPARTMENT IN THE SEVERAL GRADES OF MILITARY ACCOUNTANTS.

[The column in which figures first appear bracketted together shows the present grade of the officer, and A denotes his period of service in the grade if extensions and reappointments in the administrative grades are made up to 30 years' service, and B if extensions are not sanctioned.]

Names.	Assistant Military Accountant, 3rd Class.	Assistant Military Accountant, 2nd Class.	Assistant Military Accountant, 1st Class.	Military Accountant, 4th Class.	Military Accountant, 3rd Class.	Military Accountant, 2nd Class.	Military Accountant, 1st Class.	Controller of Military Accounts.	Military Accountant-General.	Remarks.
<i>Military Accountants, 1st Class (Pay Rs. 1,650).</i>										
Major G. S. Sheppard - -	1 7 21	1 9 6	3 8 25	0 5 18	1 9 27	1 4 8	A 8 0 12 B 5 0 0	5 0 0 5 0 0	—	Vacates on completing 5 years' tenure as Controller.
„ W. Donan - - -	2 0 7	2 3 6	3 4 9	0 6 22	1 7 22	2 7 18	A 12 1 11 B 12 1 11	—	—	Vacates at 52 years of age.
„ C. N. Baker - - -	1 9 20	1 4 26	3 1 24	1 11 7	1 6 16	2 0 12	A 9 7 3 B 4 3 28	5 0 0 5 0 0	—	Vacates on completing 5 years' tenure as Controller.
„ W. A. M. Bruce - -	1 4 20	2 1 5	2 6 23	1 10 16	2 1 14	2 10 19	A 5 0 24 B 3 5 24	5 0 0 5 0 0	3 7 27 5 0 0	Vacates at 57 years of age. Vacates on completing 5 years' tenure as Military Accountant-General.
<i>Military Accountants, 2nd Class (Pay Rs. 1,400).</i>										
Major F. W. Bagshawe - -	1 9 6	2 0 15	2 1 27	1 8 22	2 9 21	A 6 8 3 B 3 7 22	4 0 26 3 6 19	5 0 0 5 0 0	—	Vacates on completing 5 years' tenure as Controller.
„ E. H. Payne - - -	2 3 6	3 2 11	0 8 21	1 6 23	3 4 20	A 6 7 0 B 4 3 28	4 5 0 3 7 22	4 2 27 5 0 0	2 5 14	Vacates at 57 years of age. Vacates on completing 5 years' tenure as Controller.
„ H. G. W. Chandler - -	2 0 15	1 10 8	1 0 6	2 5 17	3 0 21	A 8 6 25 B 3 11 22	1 11 28 4 3 28	5 0 0 5 0 0	—	Vacates on completing 5 years' tenure as Controller.
„ J. H. Hudson - - -	1 9 25	1 8 5	1 9 15	2 2 15	2 10 19	A 8 6 19 B 5 0 0	4 1 17 3 5 24	— 5 0 0	—	Vacates at 52 years of age. Vacates at 57 years of age.
„ R. H. B. Anderson - -	2 9 18	0 5 18	1 8 19	2 9 24	3 1 6	A 8 6 28 B 5 6 16	3 7 3 3 6 19	3 1 8 5 0 0	2 8 4	Vacates at 57 years of age. Vacates on completing 5 years' tenure as Controller.
<i>Military Accountants, 3rd Class (Pay Rs. 1,200).</i>										
Major R. E. Carr-Hall - -	2 5 1	0 6 22	1 5 19	3 5 24	A 6 0 0 B 2 11 19	5 5 8 6 4 9	3 7 18 3 7 22	5 0 0 5 0 0	—	Vacates on completing 5 years' tenure as Controller.
„ D. A. E. Will - - -	1 8 5	0 6 22	1 6 23	4 4 18	A 5 7 2 B 3 4 0	5 0 0 5 8 3	3 7 27 4 3 28	5 0 0	—	Vacates on completing 5 years' tenure as Controller.
„ R. H. E. Pennell - -	0 5 18	0 8 17	2 5 17	3 0 21	A 8 6 25 B 3 11 22	4 7 10 6 5 8	1 9 22 3 6 23	— 5 0 0	2 1 28	Vacates at 57 years of age. Vacates at 52 years of age. Vacates on completing 5 years' tenure as Controller.

APPENDIX IV.—(continued).

„ R. de S. Dudgeon	0 6 22	1 4 15	1 11 28	3 2 7	{ A 8 6 19 B 5 0 0	4 6 7	1 2 17	—	—	Vacates at 52 years of age.
„ E. B. Peacock	0 7 19	1 3 0	2 9 21	3 1 6	{ A 8 6 28 B 5 6 16	4 0 26 5 0 0	1 6 4 3 6 19	3 9 15 4 10 3	1 11 0 0 11 5	Vacates at 57 years of age.
<i>Military Accountants, 4th class (Pay Rs. 1,000).</i>										
Captain A. W. Daldy	0 6 4	1 3 23	3 4 20	{ A 6 0 0 B 2 11 19	5 5 8 6 4 9	3 9 19 5 0 0	2 5 14 3 7 22	4 7 4 4 3 27	2 11 5 2 11 5	Vacates at 57 years of age.
Major K. H. Jackson	—	1 4 6	4 3 19	{ A 5 7 2 B 3 4 0	5 0 0 5 8 3	3 0 20 4 7 20	—	—	—	Vacates at 52 years of age.
„ M. E. L. Bruce	0 0 19	2 7 12	3 0 21	{ A 8 6 25 B 3 11 22	4 7 10 6 5 8	1 7 7 3 6 23	0 0 10 0 10 0	—	—	Vacates at 52 years of age.
„ E. G. D. de Labilliere	0 1 25	2 9 29	3 2 7	{ A 8 6 19 B 5 0 0	4 6 7 5 0 0	1 2 27 4 3 13	0 4 28 0 5 8	—	—	Vacates at 52 years of age.
Captain H. F. Shairp	1 4 7	2 2 15	3 5 2	{ A 8 11 10 B 5 10 29	3 7 20 5 0 0	1 4 14 2 10 11	3 10 25 3 4 14	— 5 0 0	—	Vacates at 52 years of age. Vacates on completing 5 years' tenure as Controller.
„ E. S. J. Anderson	1 4 6	2 9 24	3 1 6	{ A 9 0 5 B 6 10 25	3 7 18 5 0 0	1 2 1 1 11 0	3 9 29 3 9 3	5 0 0 5 0 0	—	Vacates on completing 5 years' tenure as Controller.

APPENDIX IV.—(continued).

ENCLOSURE No. 3.

STATEMENT C.

SHOWING THE APPOINTMENT HELD AND THE SALARY DRAWN BY THE FIVE OFFICERS IN ACTIVE EMPLOY WHO WERE, AND AT PRESENT ARE, IMMEDIATELY SENIOR TO MAJOR E. H. PAYNE, MILITARY ACCOUNTS DEPARTMENT, IN THE GRADATION LIST OF THE INDIAN ARMY, SINCE THE 1ST APRIL 1897.

Names.	Appointment held.	Maximum Pay drawn with reference to Permanent Appointment only.
(1897.)		
Lieutenant F. G. C. Humfrey	4th Squadron Officer, 12th Regiment of Bengal Cavalry (and Assistant Commandant, Chin Hills Battalion, Burma Military Police).	Rs. A. P. 475 12 0
„ I. F. R. Thompson	4th Wing Officer, 26th Punjab Regiment of Bengal Infantry	325 12 0
„ W. C. Anderson	5th Wing Officer, 1st Gurkha Regiment, and Officiating Adjutant, 2-1st Gurkhas.	325 12 0
„ C. Kaye	4th Wing Officer, 21st Regiment of Bengal Infantry; on famine duty, Bengal.	325 12 0
„ R. G. Munn	5th Wing Officer, 36th Regiment of Bengal Infantry	325 12 0
„ E. H. Payne	Assistant Military Accountant, third class, (on probation)	500 0 0
(1898.)		
Lieutenant F. G. C. Humfrey	Assistant Commandant, Chin Hills Battalion, Burma Military Police.	475 12 0*
„ I. F. R. Thompson	5th Wing Officer, Officiating Quartermaster, 26th Bengal Infantry.	325 12 0
„ W. C. Anderson	5th Wing Officer, and Quartermaster, 1-1st Gurkhas, attached to 2nd Battalion.	375 12 0
„ C. Kaye	4th Wing Officer, 21st Bengal Infantry	325 12 0
„ R. G. Munn	3rd Wing Officer, and Adjutant, 36th Bengal Infantry	425 12 0
„ E. H. Payne	Officiating Assisting Military Accountant, second class (permanent third class).	500 0 0†
(1899.)		
Lieutenant F. G. C. Humfrey	Assistant Commandant, Chin Hills Battalion, Military Police, Fort White.	475 12 0‡
„ I. F. R. Thompson	5th Wing Officer, Quartermaster and Officiating Adjutant, 26th Bengal Infantry.	375 12 0
„ W. C. Anderson	5th Wing Officer, and Adjutant, 2-1st Gurkha Rifles	425 12 0
„ C. Kaye	4th Wing Officer, 21st Bengal Infantry	325 12 0
„ R. G. Munn	3rd Wing Officer, and Adjutant, 36th Bengal Infantry	425 12 0
„ E. H. Payne	Assistant Military Accountant, third class	500 0 0
(1900.)		
Lieutenant A. Moore	Third Wing Officer, 6th Madras Infantry, and Assistant Commandant, Lushai Hills Military Police Battalion, Assam.	425 12 0§
„ J. C. D. Pinney	Fourth Squadron Officer, 1st Central India Horse, employed in Meywar State.	375 12 0
„ W. A. Hill	Third Wing Officer, and Quartermaster, 11th Bengal Infantry	375 12 0
„ F. Copeland	Third Wing Officer, and Adjutant, 30th Madras Infantry	425 12 0
„ W. P. Bannerman	First Squadron Officer, 1st Bombay Lancers, and Provost-Marshal, Malakand Force.	375 12 0
„ E. H. Payne	Assistant Military Accountant, second class	600 0 0
(1901.)		
Captain G. A. C. Tailor	First Double Company Officer, 3rd Madras Infantry	474 1 6
„ W. E. Young	Fourth Squadron Commander, 10th Bengal Lancers	534 1 6
„ F. W. Hawks	Deputy Assistant Commissary General, first class, and Brigade Commissary and Transport Officer, China Expeditionary Force.	674 1 6
„ A. S. Cobbe	Second Double Company Officer, 32nd Pioneers (employed in British Central Africa).	474 1 6
„ R. E. Cheyne	Fourth Squadron Officer, 8th Bengal Lancers	524 1 6
„ E. H. Payne	Assistant Military Accountant, second class (officiating first class).	600 0 0

* Local allowance Rs. 150.

† + acting allowance Rs. 66.10.8.

‡ Local allowance Rs. 150.

§ Local allowance Rs. 100.

|| + acting allowance Rs. 100.

APPENDIX IV.—(continued).

STATEMENT C.—continued.

Names.	Appointment held.	Maximum pay drawn with reference to Permanent Appointment only.
(1902.)		
Captain R. S. Pottinger	Political employ, Bombay	Rs. A. P. 866 10 8
" E. M. Lang	First Double Company Officer, and Adjutant 1-1st Gurkhas	574 1 6
" J. R. Carden	Second Double Company Officer, 15th Sikhs	474 1 6
" A. G. Maxwell	First Squadron Officer, 6th Bengal Cavalry (with Imperial Service Troops).	524 1 6
" T. S. Tancred	First Squadron Officer, 1st Central India Horse	524 1 6
" E. H. Payne	Assistant Military Accountant, second class (officiating first class).	600 0 0*
(1903.)		
Captain R. S. Pottinger	Assistant Political Agent, second grade, and Cantonment Magistrate, Aden.	—†
" E. M. Lang	First Double Company Officer, and Adjutant 1-1st Gurkhas	574 1 6
" J. R. Carden	Fourth Double Company Commander, 15th Sikh Infantry	499 1 6
" A. G. Maxwell	First Squadron Officer, 6th Bengal Cavalry	524 1 6
" T. S. Tancred	Second Squadron Officer, 1st Central India Horse	524 1 6
" E. H. Payne	Assistant Military Accountant, first class, and Military Accountant, fourth class (temporary).	750 0 0‡
(1904.)		
Captain J. W. H. Lyon	Fourth Double Company Commander, 78th Moplah Rifles, and Adjutant, Madras Volunteer Guards.	526 1 6
" E. M. Lang	Fourth Double Company Commander, 1-1st Gurkha Rifles, and Unpaid Attaché, Headquarters, Punjab Command.	499 1 6
" J. R. Carden	Third Double Company Commander, 15th Sikhs	499 1 6
" A. G. Maxwell	Second Squadron Officer, 6th Cavalry (with Somaliland Field Force).	524 1 6
" T. S. Tancred	Fourth Squadron Commander, 38th Central India Horse	554 1 6
" E. H. Payne	Military Accountant, fourth class	1,000 0 0
(1905.)		
Captain S. G. W. Hume	First Double Company Officer, 7th Rajputs	474 1 6
" E. M. Lang	Fourth Double Company Commander, 1-1st Gurkha Rifles [and Assistant Transport Registration Officer (V. Circle), Bareilly].	499 1 6
" J. R. Carden	Third Double Company Commander, 15th Sikhs	499 1 6
" A. G. Maxwell	Second Squadron Officer, 6th Cavalry	524 1 6
" T. S. Tancred	Fourth Squadron Commander, 38th Central India Horse	554 1 6
" E. H. Payne	Military Accountant, third class	1,200 0 0
(1906.)		
Captain S. G. W. Hume	Third Double Company Commander, 7th Rajputs	499 1 6
" E. M. Lang	Third Double Company Commander, 1-1st Gurkha Rifles [and Registration Officer (V. Circle), Bareilly].	499 1 6
" J. R. Carden	Third Double Company Commander, 15th Sikhs	499 1 6
" A. G. Maxwell	Second Squadron Officer, 6th Cavalry	524 1 6
" T. S. Tancred	First Squadron Officer, 38th Central India Horse	524 1 6
" E. H. Payne	Military Accountant, third class	1,200 0 0
(1907.)		
Captain S. G. W. Hume	Fourth Double Company Commander, 7th Rajputs	499 1 6
" E. M. Lang	Fourth Double Company Commander, 1-1st Gurkha Rifles [and Registration Officer (V. Circle), Bareilly].	499 1 6
" J. R. Carden	Third Double Company Commander, 15th Sikhs	499 1 6
" A. G. Maxwell	Fourth Squadron Commander, 6th Cavalry, and Adjutant, Calcutta Light Horse.	554 1 6
" T. S. Tancred	First Squadron Officer, 38th Central India Horse	524 1 6
" E. H. Payne	Military Accountant, third class	1,200 0 0
(1908.)		
Major J. W. H. Lyon	Assistant Cantonment Magistrate, Neemuch	890 14 0
" J. R. Carden	Fourth Double Company Commander, 15th Sikhs	765 14 0
" A. G. Maxwell	Fourth Squadron Commander, 6th Cavalry, and Adjutant, Calcutta Light Horse.	820 14 0
" T. S. Tancred	First Squadron Officer, 38th Central India Horse	790 14 0
" H. E. Cotterill	Fourth Double Company Commander, 28th Punjabis	765 14 0
" E. H. Payne	Military Accountant, third class	1,200 0 0

* + acting allowance Rs. 100.

† On leave for one year from 23rd March 1903.

‡ + acting allowance Rs. 250.

APPENDIX IV.—(continued).

STATEMENT C.—continued.

Names.	Appointment held.	Maximum Pay drawn with reference to Permanent Appointment only.
(1909.)		
Major J. W. H. Lyon - -	Cantonment Magistrate (Provisional), Dinapore - - -	Rs. A. P. 940 14 0
" J. R. Carden - -	Fourth Double Company Commander, 15th Sikhs - - -	840 14 0
" A. G. Maxwell - -	Fourth Squadron Commander, 6th Cavalry - - -	890 14 0
" T. S. Tancred - -	First Squadron Officer, 38th Central India Horse - - -	790 14 0
" H. E. Cotterill - -	Fourth Double Company Commander, 28th Punjabis - - -	840 14 0
" E. H. Payne - -	Military Accountant, second class - - -	1,400 0 0
(1910.)		
Major C. A. Roosmale-Cocq	Fourth Double Company Commander, 10th Gurkha Rifles - -	840 14 0
" J. R. Darley - -	Second Double Company Commander, 119th Infantry - -	840 14 0
" J. W. H. Lyon - -	Cantonment Magistrate, Rawalpindi - - -	940 14 0
" J. R. Carden - -	Third Double Company Commander, 15th Sikhs - - -	840 14 0
" T. S. Tancred - -	First Squadron Officer, 38th Central India Horse - - -	790 14 0
" E. H. Payne - -	Military Accountant, second class - - -	1,400 0 0
(1911.)		
Major C. A. Roosmale-Cocq	Fourth Double Company Commander, 10th Gurkha Rifles - -	840 14 0
" J. R. Darley - -	Second Double Company Commander, 119th Infantry - -	840 14 0
" J. W. H. Lyon - -	Cantonment Magistrate, Rawalpindi - - -	940 14 0
" J. R. Carden - -	Third Double Company Commander, 15th Sikhs - - -	840 14 0
" T. S. Tancred - -	Fourth Squadron Commander, 38th Central India Horse - -	890 14 0
" E. H. Payne - -	Military Accountant, second class - - -	1,400 0 0
(1912.)		
Major A. Moore - - -	Second Double Company Commander, 66th Punjabis - - -	840 14 0
" C. A. Roosmale-Cocq	Fourth Double Company Commander, 10th Gurkha Rifles - -	840 14 0
" J. A. Darley - -	First Double Company Commander (Second in Command), 119th Infantry.	890 14 0
" J. W. H. Lyon - -	Cantonment Magistrate, Rawalpindi - - -	1,040 14 0
" J. R. Carden - -	Third Double Company Commander, 15th Sikhs - - -	840 14 0
" E. H. Payne - -	Military Accountant, second class - - -	1,400 0 0
(1913.)		
Major A. Moore - - -	Second Double Company Commander, 66th Punjabis - - -	840 14 0
" C. A. Roosmale-Cocq	Fourth Double Company Commander, 10th Gurkha Rifles - -	840 14 0
" J. R. Darley - -	First Double Company Commander (Second in Command), 119th Infantry.	890 14 0
" J. W. H. Lyon - -	Cantonment Magistrate, Rawalpindi - - -	1,040 0 0
" J. R. Carden - -	Third Double Company Commander, 15th Sikhs - - -	840 0 0
" E. H. Payne - -	Military Accountant, second class - - -	1,400 0 0

APPENDIX IV.—(continued).

ENCLOSURE No. 4.

STATEMENT D—SHOWING—

- (A) THE PERIOD EACH ASSISTANT MILITARY ACCOUNTANT WILL SERVE IN EACH GRADE IN CONSEQUENCE OF THE REAPPOINTMENT OF ADMINISTRATIVE OFFICERS;
 (B) THE PERIOD EACH OFFICER WOULD HAVE SERVED IN EACH GRADE HAD NO REAPPOINTMENT BEEN MADE IN THE ADMINISTRATIVE GRADES; AND
 (C) THE AVERAGE PERIOD SPENT IN EACH GRADE IN PREVIOUS YEARS.

Names.	Assistant Military Accountant, 3rd Class.*	Assistant Military Accountant, 2nd Class.*	Assistant Military Accountant, 1st Class.*	Names.	Assistant Military Accountant, 3rd Class.*	Assistant Military Accountant, 2nd Class.*	Assistant Military Accountant, 1st Class.*
<i>Assistant Military Accountants, 1st Class (Pay Rs. 750).</i>				<i>Assistant Military Accountants, 3rd Class (Pay Rs. 500).</i>			
	Y. M. D.	Y. M. D.	Y. M. D.		Y. M. D.	Y. M. D.	Y. M. D.
Captain H. C. Szczepanski.	1 3 0	3 5 24	A 6 0 0 B 2 11 19	Captain C. W. Butler.	2 8 9	A 8 6 25 B 3 11 22	A 5 0 0 B 6 6 7
Captain G. W. Ross.	1 4 4	4 4 18	A 5 7 2 B 3 4 0	Captain H. Murray	2 10 19	A 8 6 19 B 5 0 0	A 4 6 24 B 6 5 12
Captain H. N. F. MacDonnell.	2 9 29	3 2 7	A 8 0 27 B 3 5 24	„ R. Prince	3 2 14	A 1 11 10 B 5 10 29	A 4 0 26 B 6 4 9
Captain H. R. Von D. Hardinge.	2 4 2	3 2 14	A 8 0 6 B 4 5 17	„ A. G. Murray.	3 1 6	A 9 0 5 B 6 10 25	A 3 9 19 B 5 3 23
Captain W. V. Richards.	2 3 27	3 1 6	A 8 6 28 B 5 6 16	Captain G. H. Morgan.	2 6 17	A 9 0 14 B 7 5 14	A 4 2 20 B 5 0 6
Captain L. F. G. S. Wyld.	3 0 8	2 6 17	A 8 10 22 B 6 9 11				
<i>Assistant Military Accountants, 2nd Class (Pay Rs. 600).</i>				<i>Assistant Military Accountants, 3rd Class (Pay Rs. 500).</i>			
	Y. M. D.	Y. M. D.	Y. M. D.		Y. M. D.	Y. M. D.	Y. M. D.
Captain C. J. G. Bird.	3 1 21	A 5 11 12 B 2 11 0	A 5 7 0 B 7 0 12	Captain R. H. S. Whitchurch.	A 5 11 12 B 2 11 0	A 8 2 13 B 8 5 20	A 1 7 17 B 4 4 12
Captain S. G. V. Ellis.	3 0 10	A 5 7 2 B 3 4 0	A 7 7 13 B 7 1 11	Captain P. Ashfield.	A 5 7 2 B 3 4 0	A 8 0 3 B 7 2 10	A 1 5 1 B 4 3 23
				Captain J. F. Allen	A 8 3 12 B 3 8 9	A 5 0 17 B 7 11 19	A 1 7 7 B 3 3 9
				Captain H. D. Watson.	A 8 0 6 B 4 5 17	A 5 0 0 B 7 9 21	A 1 6 4 B 2 2 10
				Captain J. S. Graham.	A 7 5 0 B 4 4 19	A 4 2 27 B 6 8 2	A 2 5 14 B 3 3 29

NOTE—It may be explained that the promotion of these junior officers depends largely on the vacation of officers in the senior grades on attaining 52 years of age under the rule in paragraph 163, Army Regulations, India, Volume III., and it has been found that this factor is more observable if no extensions are given to officers in the administrative grades.

- * (C).—The average period spent in each grade in previous years is, in the grade of—
 Assistant Military Accountant 3rd Class, 1 year 11 months.
 „ „ „ 2nd Class, 2 years 1 month.
 „ „ „ 1st Class, 2 years 6 months.

ENCLOSURE No. 5.

STATEMENT E—SHOWING—

- (A) THE PAST AVERAGE SERVICE, IN EACH GRADE, OF INDIAN ARMY OFFICERS OF THE MILITARY ACCOUNTS DEPARTMENT FROM 1893 TO 1912; AND
 (B) THEIR FUTURE AVERAGE SERVICE IN EACH GRADE, IF ADMINISTRATIVE APPOINTMENTS ARE VACATED AFTER FIVE YEARS' TENURE OR MORE IN CASES WHERE 30 YEARS' SERVICE HAS NOT BEEN COMPLETED.

Appointment.	Past average Service in each Grade from 1893 to 1912.	Future average Service in each Grade if Administrative Appointments are vacated after Five Years' Tenure or more in cases where 30 Years' Service has not been completed.
	Yrs. Mths.	Yrs. Mths.
Military Accountant-General -	9 7*	6 10*
Controller of Military Accounts	5 7†	5 0†
Military Accountant, 1st Class	3 5	2 4
„ „ 2nd Class	3 6	2 9
„ „ 3rd Class	2 7	2 10
„ „ 4th Class	2 8	3 8
Assistant Military Accountant, 1st Class	2 6	3 8
„ „ 2nd Class	2 1	6 1
„ „ 3rd Class	1 11	7 0

* Including period passed as Controller.

† Excluding those who are promoted to Military Accountant-General.

APPENDIX V.

APPENDIX V.

(Referred to in paragraph 65,148—Evidence of Mr. Michael and Colonel Marlow.)

DESPATCH from the GOVERNMENT OF INDIA
to the SECRETARY OF STATE FOR INDIA (FINANCE
DEPARTMENT), No. 310 of 1913, dated SIMLA,
the 23rd OCTOBER 1913.

MY LORD MARQUESS,

We have the honour to refer to our despatch in the Finance Department, No. 21-M. F., dated the 19th June 1913, in which we discussed the question of the discontent among the military officers of the Military Accounts Department in connection with their salaries and prospects. In paragraph 9 of that despatch we communicated our general conclusions on the matter and we showed that the senior officers had no legitimate grievance, but that the juniors in the Assistant Military Accountants' grades had some cause of complaint; and we expressed our intention to investigate the matter and communicate with your Lordship further on the subject. This investigation having been completed, we are now able to place before you our proposals for the removal of the disabilities under which the junior officers of the department are admittedly labouring.

2. As your Lordship is aware, the recruitment of military officers for the department has ceased, and all vacancies are now filled by civilians recruited in England. There are at present 43 military officers on the strength, their classification being as below:—

	* Pay per mensem.
	Rs.
1 Military accountant-general - - -	2,500
4 Controllers of military accounts - - -	2,200
4 Military accountants, first class - - -	1,650
5 " " second class - - -	1,400
5 " " third class - - -	1,200
6 " " fourth class - - -	1,000
6 Assistant military accountants, first class -	750
7 " " " second class -	600
†5 " " " third class -	500

* Exchange compensation allowance is drawn in addition in all cases.

† Formerly seven appointments; now reduced to five owing to non-recruitment of military candidates.

A statement (A) is attached showing the position of the officers on the cadre, the pay they receive, the dates of their appointment to the department and of their promotion, to the several grades in which they now stand.

3. The military accountant-general and the four controllers have, up the present, comprised the administrative grades. Under the recently sanctioned reorganisation of the department, the administrative appointments will be held by the military accountant-general, the controller of military supply accounts, and the two military deputy auditors-general. These officers will hold their appointments for a period of three years, extensible to five, and extensions or re-appointments will continue to be given in some instances in the interests of the State to enable the incumbents to continue in the service in preference to other officers who have not the requisite qualifications. Officers who do not attain to the administrative grades are required to vacate their appointments on reaching the age of 52 years, as laid down in Army Regulations, India, Volume II., paragraph 306.

4. Promotions on the military list have hitherto been made according to vacancies resulting from completion of tenure, attainment of prescribed age, voluntary retirement, &c., and the statements sent with our previous despatch explained the position and prospects of the officers; but it was not possible at that time to forecast casualties due to causes other than completion of tenure and attainment of the age limit. The figures in these statements and the facts brought out by them clearly indicate that the junior officers in the department have just reason to complain of the stagnation in their promotion. The general causes of this stagnation have already been explained in paragraph 7 of our despatch referred to above, and we need only now point to one or two of the most important facts which the statements furnish and which will throw further light on the position of the junior officers. The average period passed in the lower grades, i.e., assistant military accountants, first, second, and third classes, by officers now in those grades, is greater than the average period passed in the same grades by the officers who have been promoted into the upper grades of military accountants, as will be seen from the following statement:—

Ranks.	Average period passed in the grade of Assistant Military Accountant.			Total service before reaching the grade of Military Accountant, Fourth Class, on Rs. 1,000.
	Third Class.	Second Class.	First Class.	
MILITARY ACCOUNTANTS.				
First class, Rs. 1,650 - - -	Y. M. D. 1 8 17	Y. M. D. 1 10 18	Y. M. D. 3 2 13	Y. M. D. 6 9 18
Second class, Rs. 1,400 - - -	2 1 20	1 10 5	1 5 24	5 5 19
Third class, Rs. 1,200 - - -	1 1 25	0 10 23	2 0 22	4 1 10
Fourth class, Rs. 1,000 - - -	0 8 6	2 2 8	3 4 27	6 3 11
ASSISTANT MILITARY ACCOUNTANTS.				
First class, Rs. 750 - - -	2 2 7	3 3 24	3 10 15*	—
Second class, Rs. 600 - - -	2 1 11	3 11 12*	—	—
Third class, Rs. 500 - - -	3 10 13*	—	—	—

* Reckoned up to 30th September 1913.

The difference between the pay and prospects of the junior officers, and those previously enjoyed by the senior officers while in the lower grades, is also brought out prominently by the fact that the most junior third class military accountant has received an increase of Rs. 700 in his monthly grade pay during a departmental service of 10½ years, while the most senior assistant military accountants in the first and second

classes have received an increase of Rs. 250 in 10½ years and Rs. 100 in 8½ years respectively. The most senior officer in the third class has remained on the same grade pay for nearly six years. These facts afford sufficient confirmation of the conclusion previously arrived at, that the conditions of pay and promotion in the case of the junior officers should be improved.

APPENDIX V.—(continued).

5. Some difficulty has been experienced in formulating a scheme which would better the position and prospects of these officers, and which at the same time would not be unduly expensive to the State. We think, however, that the most effective method of dealing with the matter is by the adoption of a time scale of pay in the lower grades, somewhat on the lines which have been followed in the Ordnance Department and the Supply and Transport Corps. We consider that the existing grades and rates of pay might be

retained, but that instead of promotions being dependent, as hitherto, on vacancies, which has been one of the causes of the present block in promotion, there should be a fixed period of service in each grade up to that of military accountant, fourth class, on Rs. 1,000 a month, promotions thereafter being made according to vacancies in the higher grade. We propose that the periods of satisfactory service in each grade should be as given below, which would ensure a fair rate of promotion :

Period of Departmental Service.	Grade.	Pay.
From beginning of first to end of second year.	Assistant military accountant, third class	Rs. 500 a month.
Do. third to end of fifth year -	Assistant military accountant, second class.	600 „
Do. sixth to end of tenth year -	Assistant military accountant, first class -	750 „
Do. eleventh year - - - -	Military accountant, fourth class - -	1,000 „

This scale would admit of the officers being promoted into the grade of military accountant, fourth class, on Rs. 1,000 a month, on completion of 10 years' departmental service. But it is found that, by itself, the arrangement would cause a serious stagnation in the Rs. 1,000 grade soon after its introduction, inasmuch as four officers who are now in the grade of assistant military accountant, first class, would at once be promoted to the fourth class of military accountants on Rs. 1,000, as they will then have completed 10 years' departmental service. Therefore, to give a reasonable flow of promotion by vacancies as at present, we propose to add two appointments in the grade of military accountant, third class on Rs. 1,200, and two more in the grade of military accountant, second class, on Rs. 1,400, in the years 1915 and 1916 as follows:—

One appointment in the grade of military accountant, second class, on Rs. 1,400, on 1st April 1915.

One appointment in the grade of military accountant, second class, on Rs. 1,400, on 1st October 1915.

One appointment in the grade of military accountant, third class, on Rs. 1,200, on 1st April 1916.

One appointment in the grade of military accountant, third class, on Rs. 1,200, on 1st October 1915.

The numbers in the two grades concerned would stand as below:—

Date.	Military Accountants.	
	Third Class, Rs. 1,200. (Existing authorised Number is 6.)	Second Class, Rs. 1,400. (Existing authorised Number is 5.)
1st April 1914 - -	5	5
1st April 1915 - -	5	6
1st October 1915 - -	5	7
1st April 1916 - -	6	7
1st October 1916 - -	7	7

Under the proposed time scale no acting allowances would be drawn until an officer in the fourth class of military accountants on Rs. 1,000, is appointed to act in the third class on Rs. 1,200. Exchange compensation allowance would be drawn in all cases as at present. To provide against the possibility of promotion through the higher grades being unduly accelerated later on, we propose that there shall be a minimum period of service in the second, third, and fourth classes of military accountants as follows:—

Fourth class on Rs. 1,000	-	Three years.
Third „ Rs. 1,200	-	„
Second „ Rs. 1,400	-	„

6. It was at first considered that a time scale preceding the limit of Rs. 1,400, by fixed periods in each grade, without the addition of any appointments to the present number, would give the officers the desired benefit; but it was found on examining the details of this project that it would not on the whole meet the requirements of the case as fully as the scale given above with the expedient of adding four appointments in the higher grades. We may here point out that, on the introduction of the system of recruitment by civilian officers, the military officers of the department were given the option of electing the time scale of pay and promotion fixed for civilians rising up to Rs. 1,500 a month, but starting at the stage of Rs. 500 instead of Rs. 300. This option was practically unanimously rejected as the prospects of the officers of the department as a body would not have been improved.

7. From statistics which has been collected it has been found that during the past 20 years there have been 14 casualties from death and voluntary retirement among the 35 officers who were in the department at the beginning of that period. Applying the same proportion of casualties to the 43 officers who are now in the department, and reckoning up to the time the last officer would, in the ordinary course, become non-effective, i.e., in 26 years, and allowing also for the discrepancy in the average age of the two sets of officers, it is found that there would probably be 20 casualties by death and voluntary retirement among the existing number of officers during the next 26 years, and this has formed the basis of our calculations as to the cost of our proposals.

8. As the prospects and conditions of service of the officers in the grade of military accountant, first class, on Rs. 1,650 a month, would be the same under the existing and proposed arrangements, the investigation as to the extra cost entailed have to be confined to the grades below, viz., from military accountant, second on Rs. 1,400 downwards. It is found that if no alterations in the present rates of pay and conditions of promotion are made, the amount of pay (including acting allowances and leave pay) which the officers in the grades of Rs. 1,400, and below would draw during the whole of their remaining service below the grade of Rs. 1,650, would amount in all to Rs. 43,89,888; whereas by adopting the proposed time limit in the grades up to Rs. 1,000 and allowing promotion by vacancies thereafter, two appointments being added in each of the next two grades as proposed, the amount of pay (including leave pay but no acting allowances up to the grade of Rs. 1,000) which they would draw till their promotion to the Rs. 1,650 grade, would be Rs. 45,58,308, i.e., an increased cost of Rs. 1,68,420. As it is assumed that the last officer now on the list would enter the Rs. 1,650 grade under the new scheme 18 years hence, the extra expenditure reduced to an average annual basis, would amount approximately to Rs. 9,360 a year, or a monthly average of Rs. 780. Our calculations were prepared on a supposition that

APPENDIX V.—(continued).

the scheme would have effect from the first April 1913, but we do not recommend that retrospective effect should be given to our proposals, and if the new scheme is introduced on same date before the 1st April 1914, the financial effect would be less but not materially different.

9. It is important to notice that the difference between the cost of the present and proposed scales of pay and promotion does not mean that the introduction of the latter will involve extra expenditure to the full extent of that difference; for the fact must be taken into account that by granting extensions of tenure to administrative officers, their transfer to the unemployed list is postponed, and their pay on that list for the period of retention in their extended tenures is saved. At the same time we must allow for the fact that on every occasion of the removal of a military officer from the establishment, a civilian is brought on to the cadre on less pay than a military officer, and that therefore by keeping a military officer on the list, instead of recruiting a civilian, extra expenditure is incurred. It is difficult to estimate the extent of the saving and extra expenditure here alluded to during the period covered by the calculations described above, but it is found that in connection with the three officers at the head of the list, the extensions of tenure beyond five years will result in net savings to the extent of Rs. 67,616.

10. Since these proposals were framed we have received your Lordship's approval* to the reorganisa-

tion of the Military Accounts Department, which provides *inter alia* for the substitution of two appointments on Rs. 1900 a month for one appointment of controller on Rs. 2,200 and one appointment of military accountant, 1st class, on Rs. 1,650. This change will not, however, materially affect the calculations made, and we therefore consider it unnecessary to revise them.

11. We believe that if the measures we have proposed, and which are particularised in paragraph 5 *ante*, are accepted, the legitimate disabilities under which the junior officers of the department now labour will be removed, and they will have no adequate reason to complain of their pay and prospects in future. We, therefore, commend them to your Lordship and trust that they will receive your early approval. We would add that the grievances of the junior officers of the department were held to call for early redress, and we considered it to be undesirable to postpone the submission of these proposals until the facts could be submitted for the consideration of the Royal Commission on the Public Services.

We have, &c.,

(Signed) R. W. CARLYLE.
 SYED ALI IMAN.
 W. H. CLARK.
 R. H. CRADDOCK.
 W. S. MEYER.

* Telegram dated 18th September 1913.

ENCLOSURE in above.

STATEMENT-A.—SHOWING THE NAMES OF MILITARY OFFICERS SERVING IN THE MILITARY ACCOUNTS DEPARTMENT, THEIR POSITION ON THE CADRE, THE PAY THEY RECEIVE, THE DATES OF THEIR APPOINTMENT TO THE DEPARTMENT AND OF THEIR PROMOTION TO THE SEVERAL GRADES IN WHICH THEY NOW STAND.

No.	Names and Substantive Grades of Officers.	Date of First Commission.	Date of admittance to Department.	Date of admittance to Present Grade.
Military Accountant General—One—Pay, Rs. 2,500.				
1	Colonel B. W. Marlow, C.I.E. -	12th November 1884	16th August 1891	13th April 1908*
Controllers of Military Accounts—Four—Pay, Rs. 2,200.				
2	Colonel T. A. Harrison - -	7th February 1885	18th December 1892	1st April 1906†
3	Lieut.-Col. B. Scott - - -	9th May 1888	8th August 1893	10th August 1907‡
4	Lieut.-Col. T. H. Henderson -	6th February 1884	11th September 1894	13th April 1908§
5	Lieut.-Col. J. C. C. Perkins, D.S.O.	16th November 1887	5th February 1894	20th October 1909
Military Accountants, 1st Class—Four—Pay, Rs. 1,650.				
6	Major G. S. Sheppard - - -	29th December 1888	20th June 1895	1st April 1906
7	Major W. Donnan - - - -	11th February 1888	17th February 1896	10th August 1907
8	Major C. N. Baker - - - -	19th September 1888	28th May 1896	13th April 1908
9	Lieut.-Col W. A. M. Bruce -	14th September 1887	14th November 1896	20th October 1909
Military Accountants, 2nd Class—Five—Pay, Rs. 1,400.				
10	Major E. H. Bagshawe - - -	22nd August 1888	10th February 1897	10th August 1907
11	Major E. H. Payne - - - -	21st September 1889	24th February 1897	13th April 1908
12	Major H. G. W. Chandler - -	4th December 1889	16th November 1898	22nd April 1909
13	Major J. H. Hudson - - - -	4th March 1891	30th May 1899	20th October 1909
14	Major R. H. B. Anderson - -	10th October 1891	23rd October 1899	16th September 1910

* Tenure extended to 12th November 1914.

† Tenure extended to 31st March 1911, and reappointed for a fresh period of 3 years from 1st April 1911.

‡ Tenure extended to 9th August 1912, and reappointed for a fresh period of 3 years from 10th August 1912.

§ Tenure extended to 12th April 1913, and reappointed for a fresh period of 1 year from 13th April 1913.

|| Tenure extended to 19th October 1914.

APPENDIX V.—(continued).

STATEMENT A.—continued.

No.	Names and Substantive Grades of Officers.	Date of First Commission.	Date of admittance to Department.	Date of admittance to Present Grade.
Military Accountants, 3rd Class—Five—Pay, Rs. 1,200.				
15	Major R. E. Carr-Hall - -	12th December 1894	8th May 1900	13th April 1908
16	Major D. A. E. Will - -	7th March 1894	4th February 1901	11th April 1909
17	Major R. H. E. Pennell - -	7th November 1891	10th August 1902	22nd April 1909
18	Major R. de S. Dudgeon - -	3rd September 1892	9th October 1902	20th October 1909
19	Major E. B. Peacock* - -	28th January 1893	1st December 1902	16th September 1910
Military Accountants, 4th Class—Six—Pay, Rs. 1,000.				
20	Captain A. W. Daldy - -	5th August 1896	28th January 1903	13th April 1908
21	Major K. H. Jackson - -	17th June 1891	17th August 1903	11th April 1909
22	Major M. E. L. Bruce - -	13th August 1892	1st August 1903	22nd April 1909
23	Major E. G. D. de Labilliere - -	23rd November 1892	20th August 1903	20th October 1909
24	Captain H. F. Shairp - -	5th August 1896	9th May 1903	3rd May 1910
25	Captain E. S. J. Anderson - -	1st December 1897	11th June 1903	16th September 1910
Assistant Military Accountants, 1st Class—Six—Pay, Rs. 750.				
26	Captain H. C. Szczepanski - -	8th January 1898	20th July 1903	13th April 1908
27	Captain G. W. Ross† - -	22nd January 1898	20th July 1903	11th April 1909
28	Captain H. N. F. MacDonnell - -	27th July 1898	3rd September 1903	20th October 1909
29	Captain H. R. von D. Hardinge - -	7th May 1898	18th December 1903	3rd May 1910
30	Captain W. V. Richards - -	20th February 1897	14th April 1905	16th September 1910
31	Captain L. F. G. S. Wyld - -	20th July 1898	5th April 1905	30th October 1910
Assistant Military Accountants, 2nd Class—Seven—Pay, Rs. 600.				
32	Captain C. J. G. Bird - -	27th July 1898	10th March 1905	1st May 1908
33	Captain S. G. V. Ellis - -	20th May 1899	1st February 1905	11th April 1909
34	Captain C. W. Butler - -	15th November 1899	28th March 1905	22nd April 1909
35	Captain H. Murray - -	19th May 1900	5th October 1906	20th October 1909
36	Captain R. Prince - -	12th August 1899	3rd January 1907	3rd May 1910
37	Captain A. G. Murray - -	6th December 1899	15th April 1907	16th September 1910
38	Captain G. H. Morgan - -	1st September 1899	28th November 1907	30th October 1910
Assistant Military Accountants, 3rd Class—Five—Pay Rs. 500.				
39	Captain R. H. S. Whitechurch - -	17th February 1900	15th January 1908	1st May 1908
40	Captain P. Ashfield - -	28th July 1900	14th September 1908	11th April 1909
41	Captain J. F. Allen - -	20th January 1900	4th August 1909	4th August 1909
42	Captain H. D. Watson - -	18th January 1902	2nd August 1909	3rd May 1910
43	Captain J. S. Graham - -	30th April 1902	2nd August 1909	13th November 1911

* Draws a local allowance of Rs. 250 per mensem as Military Deputy Accountant-General.

† Assistant Financial Adviser, Military Finance.

APPENDIX VI.

DESPATCH from the SECRETARY OF STATE FOR
THE GOVERNMENT OF INDIA,
MILITARY, No. 8, dated INDIA OFFICE,
LONDON, 19th JANUARY 1914.

Proposals for the improvement of the Salaries and Prospects of Military Officers in the Lower Grades of the Military Accounts Department.

MY LORD,

I HAVE considered in Council the despatches from Your Excellency's Government in the Finance Department, No. 21 M.F., dated 19th June 1913,* and No. 310, dated 23rd October 1913,† on the subjects of the salaries and prospects of the Indian Army officers

servicing in the Military Accounts Department, and of the measures you propose for improving the position of these officers in the lower grades.

2. After a careful consideration of the facts I accept your view that the senior officers have no legitimate grievance. As regards the junior officers in the grades of Assistant Military Accountants, I agree that they have some cause of complaint in that their normal expectations of promotion, based on the previous experience of officers in the Department, have not been fulfilled. Moreover, the existing stagnation of promotion is likely to continue for some time unless a remedy is provided.

3. The remedy which you suggest appears to afford the most satisfactory solution of the difficulty. I accordingly approve the proposal set forth in paragraph 5 of your despatch of 23rd October for the

* Vide Appendix IV. † Vide Appendix V.

APPENDIX VI.—(continued).

introduction from 1st April 1914 of a time-scale of pay and promotion for the lower grades of the Military Accounts Department, as also your supplementary proposal for the addition of two appointments in the grades of Military Accountant, 3rd class, and Military Accountant, 2nd class, respectively, from the dates

named, at a total estimated extra cost not exceeding Rs. 9,360 (=624*l.*) per annum.

I have the honour to be,

My Lord,

Your Lordship's most obedient, humble Servant,
(Signed) CREWE.

APPENDIX VII.

(Referred to in paragraph 65,150—Evidence of Mr. Michael and Colonel Marlow.)

STATEMENT showing the LEAVE taken by the MILITARY OFFICERS of the MILITARY ACCOUNTS DEPARTMENT during the Five Years from 1908 to 1912.

Names of Officers.	Privilege Leave.					Leave other than Privilege Leave.					Remarks.
	1908.	1909.	1910.	1911.	1912.	1908.	1909.	1910.	1911.	1912.	
	Days.	Days.	Days.	Days.	Days.	M. D.	M. D.	M. D.	M. D.	M. D.	
Colonel B. W. Marlow, C.I.E.	—	—	—	90	—	—	—	—	—	—	
" T. A. Harrison - - -	57	—	—	—	—	—	—	—	—	—	*Granted eight months' combined leave, including 90 days' privilege leave, from 9th January 1913.
Lieut.-Col. B. Scott - - -	—	86	—	—	90	—	—	—	—	4 9	
" T. H. Henderson - - -	—	90	60	60	—	—	5 1	—	—	11 24	
" J. C. C. Perkins, D.S.O.	—	—	—	90	60	—	—	—	4 26	—	
Major G. S. Sheppard - - -	60	—	—	—	—	4 27	—	—	3 0	3 22	
" W. Donnan - - - - -	—	30	60	—	—	—	—	—	4 20	12 0	Granted two years' leave in or out of India, from 12th August 1911.
" C. N. Baker - - - - -	60	60	60	60	—	5 26	—	4 0	—	(a)	(a) Granted one year's leave from 19th December 1912.
" W. A. M. Bruce - - - -	—	—	—	—	—	—	3 8	12 0	8 14	—	(b) Granted one year's leave, from 8th November 1912.
" F. W. Bagshawe - - - -	90	60	—	—	—	—	5 28	—	—	(b)	(c) Granted 14 months' leave, from 1st August 1912.
" E. H. Payne - - - - -	—	—	87	—	60	—	—	—	—	—	(d) Granted one year's leave, from 18th December 1912.
" H. G. W. Chandler - - -	—	—	—	—	90	—	2 0	12 0	4 0	—	(e) Granted one year's leave out of India, from 7th December 1912.
" J. H. Hudson - - - - -	—	—	—	90	—	—	—	—	5 1	(c)	(d) Granted one year's leave, from 18th December 1912.
" R. H. B. Anderson - - -	60	57	—	60	—	5 27	—	—	—	(d)	(e) Granted one year's leave from 3rd February 1913.
" R. E. Carr-Hall - - - -	—	—	60	60	—	12 0	3 0	—	—	(e)	
" D. A. E. Will - - - - -	—	—	—	90	—	—	—	—	—	—	
" R. H. E. Penne - - - - -	60	60	—	—	90	—	—	—	—	—	
" R. de S. Dudgeon - - -	60	—	60	60	—	—	—	—	—	6 0	
" E. B. Peacock - - - - -	—	—	90	—	—	—	—	—	—	—	
Captain A. W. Daldy - - - -	—	—	—	90	—	3 22	8 18	—	—	—	Granted one year's leave from 3rd February 1913.
Major K. H. Jackson - - -	33	—	90	90	—	—	—	—	2 24	2 9	
" M. E. L. Bruce - - - - -	44	60	60	60	60	—	2 6	—	—	5 28	
" E. G. D. De Labilliere -	60	—	90	—	—	3 0	—	—	—	11 13	
Captain H. F. Shaip - - - -	60	—	—	—	90	5 13	—	—	—	—	
" E. S. J. Anderson - - -	—	90	—	60	—	—	1 28	—	6 0	—	
" H. C. Szczepanski - - -	—	60	—	13	—	4 21	4 21	0 3	—	—	
" G. W. Ross - - - - -	—	—	—	—	—	—	—	—	—	—	Seconded. Employed as Assistant Secretary, F.D. (M.F.).
" H. N. F. MacDonnell - -	90	—	—	—	—	—	—	2 15	10 16	—	
" H. R. Von. D. Hardinge -	60	60	—	—	—	—	3 0	12 0	6 23	—	
" W. V. Richards - - - - -	82	60	60	—	—	—	—	6 0	0 22	0 2	
" L. F. G. S. Wylde - - -	—	—	—	90	—	0 29	10 24	—	—	5 15	
" C. J. G. Bird - - - - -	41	42	60	—	—	—	—	5 28	—	—	
" S. G. V. Ellis - - - - -	90	—	30	60	—	5 18	—	—	2 0	9 25	
" C. W. Butler - - - - -	—	90	—	60	—	0 19	—	—	5 27	—	
" H. Murray - - - - -	90	—	—	—	60	—	—	3 8	8 21	—	
" E. Prince - - - - -	—	—	90	—	—	1 6	9 17	—	—	—	
" A. G. Murray - - - - -	—	90	—	—	—	—	0 22	11 8	—	—	
" G. H. Morgan - - - - -	—	90	—	30	60	—	—	—	—	—	
" R. H. S. Whitechurch - -	—	—	90	—	—	—	—	1 28	10 0	—	
" P. Ashfield - - - - -	—	—	90	—	—	—	—	—	2 9	9 2	
" J. F. Allen (joined August 1909).	—	—	—	—	—	—	—	—	—	8 3	
" H. D. Watson (joined August 1909).	—	—	21	60	—	—	—	—	2 13	3 19	
" J. S. Graham (joined August 1909).	—	—	—	—	90	—	—	10 0	2 0	—	

APPENDIX VIII.

APPENDIX VIII.

(Referred to in paragraph 65,258—Major Bruce's evidence.)

NOTE by Major M. E. L. BRUCE, I.A., regarding improvement in Salaries sanctioned in the Despatch given as Appendix VI.

Since the preparation of our evidence the scheme for the betterment of Assistant Military Accountants has been received.

It will be noted that there is no increase in pay, in spite of our representations, and no charge allowance for performing the duties of Controller of Military Accounts.

In examining the time scale it must be mentioned that every officer will have more than five years Departmental service this year—officers will be deprived of officiating allowances and two systems of promotion will be introduced into the Department.

The creation of two new appointments in the 1,400 grade and 1,200 grade are not to take place till 1915 and 1916, respectively, so that the officers who are already favourably placed as compared with others must gain before the others, and the gain to the latter becomes very questionable when we examine the probable vacancies.

We anticipate that Colonel Harrison's extension as Controller of Military Accounts beyond eight years has already been recommended and will be published shortly, permitting him to serve on for a further seven years—although he has close on 29 years' service now.

Colonel Marlow will probably be granted an extension beyond 10 years to mature the scheme now to be started.

Colonels Scott and Perkins on completion of their present tenure will probably take up further three years' appointments carrying them on for 11 and 8 years.

If this is done where will be the value of any number of new appointments—they appear to be a fictitious improvement.

There is a strong feeling that if the present scheme—however unsatisfactory—is refused, the delay in improving the prospects of the juniors will be increased and the junior officers are so hard hit at present that any relief must be welcomed and that we must hope that detrimental clauses may eventually be eliminated—the three years' minimum will probably destroy all future benefit and will in effect make officers pay for temporary alleviation of an acknowledged hardship.

Officers feel that ten years is too long to serve in the three lowest grades—it should be nine years, otherwise civilians will draw more than they do with less than half the service, this would be the cause of considerable bad feeling.

Fixed periods of service if introduced from the beginning would have been fair enough, but to introduce them when every officer has over 12 years' service might lead to an officer serving five years in one grade and still being compelled to serve six more in the other two instead of getting the benefit of any acceleration. We have asked for a time scale not because we believe that this is the best remedy for removing our grievances, but because Government has decided that re-appointments and extensions shall continue. The best remedy would be a policy that would secure an even flow of promotion, which the present policy of granting extensions and reappointments has stopped, and which, in effect, sacrifices the interest of the majority to the

interests of a few individuals who have already enjoyed exceptional advantages.

If those officers who have already held administrative appointments for ten and eight years or on completing these periods were permitted to retire on full pension, the loss to the Government would be slight and the gain to the department enormous. (Ample provision at present exists for safeguarding the interests of officers who retire early.) We make this suggestion with reluctance and only because the terms offered to us up to now and those which will shortly be offered to us serve to prove that our case has so far failed from want of support on the part of the Military Accountant General.

Outline of New Scheme.

The existing grades and rates of pay will be retained, but instead of promotion being dependent as heretofore on vacancies, which has been one of the causes of the present block in promotion, there is to be a fixed period of service in each grade up to that of Military Accountant 4th Class on Rs. 1,000 a month, promotion thereafter being made according to vacancies in the higher grades. The period of service in each of the lower grades is as follows:—

1st to end of 2nd year	3rd Class A.M.A.	Rs.	500
3rd " 5th "	2nd " "	"	600
6th " 10th "	1st " "	"	750
11th	4th " M.A.	"	1,000

One additional appointment in grade of M.A.

2nd Class on Rs. 1,400 to be added on 1-4-15 and

1-10-15

3rd Class on Rs. 1,200 to be added on 1-4-16 and

1-10-16

Under the proposed time scale no acting allowances will be drawn till an officer of the 4th Class is appointed to act in the 3rd Class on Rs. 1,200, and to provide against the possibility of promotion through the higher grades being unduly accelerated later on, there is to be a minimum period of service in the 2nd, 3rd, and 4th Classes of three years in each case.

New Scheme.

As far as it has been possible to work out the results of the new scheme, it has been found that some officers will actually lose during their first year* but that during the first five years there will be a gain of approximately Rs. 120 a month—by this scheme, however, officers will be worse off by Rs. 21,616 (for a period of five years) than under the incremental scheme originally offered—so that we are offered a scheme worse than one already refused—with prospects of future retardation which will probably practically eliminate the present advantage, and certain officers as majors will actually find themselves worse off than majors in regimental employ.

This has been calculated on the basis that officers will be assumed to have served the fixed periods laid down for Assistant Military Accountants grade—this has not been made clear.

* The witness subsequently wrote that this had been compensated by means of allowances.

APPENDICES IX. and X.

APPENDIX IX.

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 MILITARY FINANCE DEPARTMENT.

Pay.	Number of Employés in each Grade or Class.															
	Total.	Europeans.	Anglo-Indians.	Hindus (including Sikhs and Parsis).										Indian Christians.	Buddhists.	
				Brahmans (including Shenvis).	Kahatryas.	Kaiyasthas (including Prabhus).	Baniyas and Vaisiyas.	Sudras.	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).			Muhammadians.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
Rs.																
300—400	5	4	—	—	—	—	—	—	—	—	—	—	—	1	—	—
400—500	9	9	—	—	—	—	—	—	—	—	—	—	—	—	—	—
500—600	20	11	7	2	—	—	—	—	—	2	—	—	2	—	—	—
600—700	7	7	—	—	—	—	—	—	—	—	—	—	—	—	—	—
700—800	8	7	1	—	—	—	—	—	—	—	—	—	—	—	—	—
800—900	4	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
900—1,000	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1,000—1,200	6	6	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1,200—1,400	5	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1,400—1,600	5	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1,600—1,800	4	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2,000—2,500	4	4	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2,500—3,000	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	79	68	8	2	—	—	—	—	—	2	—	—	2	1	—	—

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OFFICERS of the MILITARY ACCOUNTS DEPARTMENT who furnished WRITTEN EVIDENCE to the ROYAL COMMISSION in connection with their INQUIRY into the DEPARTMENT, but who were not orally examined.

- | | |
|---|---|
| 1. H. L. Livingstone, Esq. | 7. Captain H. N. F. MacDonnell, I.A. |
| 2. W. J. Coates, Esq. | 8. Captain A. G. Murray, I.A. |
| 3. Messrs. A. Slater, and J. R. S. Scott. | 9. Major D. A. E. Will. |
| 4. Major W. A. M. Bruce, officiating Controller,
Military Supply Accounts. | 10. A. C. Tyndale, Esq. |
| 5. Major R. de S. Dudgeon, I.A. | 11. Major E. H. Payne and 21 other officers of the
Department. |
| 6. Captain E. S. J. Anderson, I.A. | |

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ROYAL COMMISSION ON THE PUBLIC SERVICES IN INDIA.

APPENDIX TO THE REPORT
OF
THE COMMISSIONERS.

VOLUME XIV.

MINUTES OF EVIDENCE

RELATING TO THE

MINT AND ASSAY DEPARTMENTS

Taken at Bombay and London,

WITH

APPENDICES.

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ROYAL COMMISSION ON THE PUBLIC SERVICES IN INDIA.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

ROYAL COMMISSION

ON THE

PUBLIC SERVICES IN INDIA

RELATING TO THE

MINT AND ASSAY DEPARTMENTS

At Bombay, Monday, 9th February 1914

PRESENT:

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

SIR VALETINE CHIBOL.

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.

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

Major A. L. C. McCORMICK, R.E., Second Mint Master, Bombay.

Written Statement relating to the Mint Department.*

65,844. I submit for the consideration of His Imperial Majesty's Royal Commission on the Public Services in India the following memoranda relating to the conditions under the various heads laid down in the notice accompanying letter No. 28 C., dated 8th February 1913, from Joint Secretary, Royal Commission on the Public Services in India, to the Secretary to the Government of India, Home Department, of the gazetted and non-gazetted officers employed in His Majesty's Mints in India. There are two Mints in India—one in Calcutta, the other in Bombay. The first named is engaged in minting of silver and bronze for the Government of India and, occasionally, of silver and copper for other Governments with the sanction of the Government of India. In this Mint also a very large number of Orders and medals are struck and there is a continually increasing amount of work done in the preparation of signature stamps, stamps for revenue purposes, stamping, cancelling and cutting machines for currency notes, coin cutting machines, tea garden and other tokens and scales, weights and measures, not only for Government Departments but also for the general public. It may be mentioned that the Mints are looked on as arbiters regarding weights and measures in India and the only final check of their accuracy. The Mint has also taken from the Army Department, without increase of establishment and without reimbursement of costs incurred other than actual outgoings, the distribution of medals to replace losses, and, further, has lately undertaken the supply of correctly cut miniatures of medals originally struck in the Mint to outfitters for sale to the recipients of the original medals. In the Bombay Mint, in addition to the minting of silver and nickel for the Government of India and occasionally for other Governments, there is a very large amount of work in the minting of silver into British dollars for various Banks. In addition there is a small amount of medal and miscellaneous work, but this is insignificant compared with the Calcutta Mint. When in full work the Calcutta Mint employs about 1,500 men in all and the Bombay Mint about 1,000.

* This Statement was prepared by Captain G. H. Willis, M.V.O., R.E., M.I.M.E., Officiating Senior Master of the Mint, but Major McCormick on return from leave expressed his concurrence with it.

The establishment of Gazetted officers is as follows:—

- (i) Master of the Mint one Rs. 3,000 per mensem.
- (ii) Master of the Mint one Rs. 2,000 per mensem.
- (iii) Deputy Master of the Mint (available for duty in either Mint) Rs. 1,250-50-1,500.

GAZETTED OFFICERS.

65,845. (I.) *Methods of recruitment.*—The three posts are recruited solely from officers of the corps of Royal Engineers employed in India.

65,846. (II.) *Systems of training and probation.*—Up till the present time no special notice has been taken of the previous training of the officers selected for appointment to the Mint. In my opinion it would be advisable that in all future selections some regard should be paid to the qualifications of candidates in mechanical and electrical engineering, as these branches cover the greater portion of the technical work of the Mint Master. The Mint Master exercises the powers of a Superintending Engineer of the Public Works Department, and consequently it is advisable that he should have had a fair amount of experience of constructional engineering as, more especially in Calcutta, he carries out considerable structural alterations and additions by means of the staff at his disposal. Most Royal Engineer officers who have been employed in the Military Works Service in India have this necessary experience. The training and probation in my case consisted of six months' training in the Bombay Mint, during which I worked right through the various departments of the Mint and was reported on by the Master of the Mint at the end of the period. These conditions will presumably apply to all future appointments.

65,847. (III.) to (VI.) *Conditions of service, salary, leave and pension.*—These are as laid down in Civil Service Regulations for Military Officers in civil employ, the pension being as laid down in Army Regulations, Volume I. The conditions of service differ, however, from those under which an officer of the Indian Army similarly employed would serve, inasmuch as it has been held that the Royal Engineer officer has to pass the promotion examinations from rank to rank in order that he may be promoted; should he not do so, he is retired at the limit of age of his rank. The Indian Army officer is, on the other hand,

9 February 1914.]

Major A. L. C. McCORMICK.

[Continued.]

transferred to the supernumerary list and promoted on that list without examination and finally retired compulsorily at 55 years of age. I submit that in the case of the Royal Engineer officers employed under the Finance Department it would be well if some similar arrangement could be made as it is most improbable that these officers will return to military employ since the Finance Department is unlikely to be willing to dispense with the services of experienced officers, even were they desirous of leaving an employment which is of the nature of a prize. Some satisfactory arrangement might easily be arrived at, in my opinion, under clause 8 of the Royal Warrant, dated 20th February 1886; in my case at least, but this would not hold good in the case of officers serving on the non-continuous service list so that it would be preferable if some other solution were found. My reasons for objecting to the examination are that the establishment of officers being so small and the work consequently very considerable, there is practically no opportunity for an officer to keep in touch with military matters, in which such frequent and radical changes take place. It is therefore necessary for an officer to start again at the beginning for each examination, and this entails a very large amount of work for which it is in my own experience impossible to find time. I raise this point in passing as my only objection to the existing conditions under which I serve, but do not press for its consideration by the Commission as I am confident of a sympathetic and satisfactory hearing from the Government of India in the Finance Department if it becomes necessary for me to raise the question again.

65,848. (VII.) Such limitations as may exist in the employment of non-Europeans.—As before stated, the Corps of Royal Engineers exclusively supplies all these gazetted posts. So long as this rule is in force, non-Europeans will not be eligible for the posts. The training which an officer of the Royal Engineers gets in the Corps, in addition, to giving him an all-round engineering education and experience, qualifies him by reason of his work to control both the clerical and operative staff of a Mint. In addition *esprit de corps* and corps traditions are strong guarantees for the absolute rectitude necessary in one holding the very responsible post of Master of the Mint. When non-Europeans of undoubted absolute honesty, combined with engineering training and a faculty for controlling a staff consisting of European Engineers, European and non-European clerks, and a large number of non-European operatives of various races, religions and castes, are obtainable, there can be no objection to the posts being thrown open to them. There is no division of the Mint service into Imperial and Provincial. The Mints are directly under the Government of India.

65,849. Relation of the service with the Indian Civil Service and other services.—The relations with the Indian Civil Service, the Judicial, the Military, the Police, and the Public Works Departments are excellent. These are the only departments with which the Mint has much to do.

65,850. The above represents my personal views only as to the result of service in the Mint since June 1907. Since that date I have officiated as Mint Master at one or the other Mint for a little over three years.

NON-GAZETTED OFFICERS.

65,851. (I.) Methods of recruitment.—Both the clerical and the engineering staffs are recruited locally from applicants for appointment, permanent appointment being made after a period of probation. The engineering staff is recruited from those who have had considerable engineering experience not necessarily connected with Mint work, as this is easily picked up by those who have had the requisite preliminary training in mechanical engineering.

65,852. (II.) System of training and probation.—All training by actual experience of the routine work of the Mint. There is no special system.

65,853. (III.) Conditions of service.—Service after final appointment is permanent and pensionable except

in the case of those appointed under agreement by the Secretary of State when service is governed by the terms of the agreement. The conditions of service are those laid down in Civil Service Regulations and are satisfactory.

65,854. (IV.) Conditions of salary.—The salaries of the various posts have been fixed from time to time by the Government of India. They are in my opinion capable of being altered for the better. In 1893 when the Mints were first closed to free coinage the salaries prior to 1889 in many instances stood at a much higher level than they do now. In anticipation of the closing of the Mints to free coinage Government in January 1889 reduced the salaries in some instances and cut down posts in other instances on the ground that less work was to be done in the Mints. When coinage began on Government account in 1900, the salaries were not raised to the old level, though some increases have been sanctioned from time to time. The work of the Mints has increased enormously in the meantime and the nett result is best shown by comparing the output of the Calcutta Mint for the 15 years ending 1894-95 with that for the 15 years ending 1909-10 and the permanent establishment charges for these two periods. The figures are as follows:—

	No. of pieces struck.	Permanent establishment, including Assay office.
Fifteen years ending 1894-95.	1,52,12,22,421	Rs. 30,08,375
Fifteen years ending 1909-10.	2,45,11,00,903	26,10,298
	92,98,78,482	3,98,077
Over - -	60 per cent. Increase.	13 per cent. Decrease.

These figures show that for an increase of work over 60 per cent. the permanent establishment charges have been decreased by over 13 per cent. The detailed coinage figures are given in Annexure A. I venture to say that no other department in India can show such a record. In addition to this increase of coinage the outside work detailed in my preface has increased enormously. The decrease in the cost of establishment has synchronised with a period of rapid increase in house rent, the cost of foodstuffs and servants' wages. This rise may be safely put at not less than 50 per cent. If the permanent establishment were paid at a rate proportional to this rise on the old scale, the present cost would be approximately Rs. 3,00,000 per annum as against an average of the past 10 years of Rs. 1,87,000 per annum.

I give the pay drawn by the incumbents of certain appointments as they obtained before 1889 and at the present date for comparison:—

Designation.	Scale of pay prior to 1889.	Scale of pay as at present.
	Rs.	Rs.
Head Engineer	Calcutta - 500-600	500-600
	Bombay - 500-700	
1st Assistant to Mint Master.	Calcutta - 450-600	450-600
	Bombay - 600-800	
Accountant -	Calcutta - 450	350-450
	Bombay - 400-600	
Bullion Keeper	Calcutta - 500	400
	Bombay - 300	
Head Engraver	Calcutta - 500-600	400-500

9 February 1914.]

Major A. L. C. McCORMICK.

[Continued.]

The lower posts also suffered to approximately the same degree on the reduction. The publication of a resolution in the Home Department, No. 817—825, dated 6th July 1910, reorganising the scales of pay in Government of India Secretariats and the very cogent fact to which I have drawn attention above embolden me to propose a scheme for the complete revision of the scales of pay throughout the Mint excepting only that of the present gazetted officers. The revised scale proposed (*vide* Annexure B)* is in line so far as possible with that sanctioned in the Resolution quoted. Briefly it is throughout a time scale with eight classes, increments being earned by good work and length of service, promotion from class to class being by promotion at the discretion of the Master of the Mint. It will be noticed that three of the posts will become gazetted under the new scale. The officers whom it is proposed to bring on the gazetted list are all in positions of great responsibility, and with the exception of the Engraver, must necessarily be men of long service in the Mint. The Engraver, in addition to the responsibility he bears, is of necessity a man of high artistic attainments and should rightly be classed among the gazetted appointments now proposed, as suitable pay brings him within this range, and this grading will greatly widen the available field of choice for recruits. The increased cost of Government of approximately Rs. 50,000 per annum for Calcutta will not really amount to as much as this if it be accepted, as I think it should, that in view of the increased pay now proposed, none of the clerical establishment should receive overtime pay under any circumstances, and that the Engineering, Bullion, Melting Establishments, the Engraver, and Warder should not receive overtime pay for overtime up to 10½ hours work a day (or half overtime) and should only receive overtime pay when more than 10½ hours are worked in any one day at the rate of ¼th of their pay extra per hour for every complete hour over 10 hours. This, if accepted, means the practical abolition of overtime pay for the permanent establishment as it is only on the rarest occasions that the working hours exceed 10½. The electrical establishment should not be eligible for overtime pay except under very exceptional circumstances where serious accidents may entail longer continuous working hours than 10½ on the part of individuals engaged in repairing damage, at the discretion of the Mint Master. The ordinary working day of the Mints should remain as at present at seven hours. The operatives would continue to receive overtime pay for work in excess of seven hours under the existing rules. If this proposal as regards the abolition and diminution of overtime pay be accepted, the resulting cost of the permanent establishment of the Mint will be Rs. 2,33,000 per annum as against the average of Rs. 1,87,000 for the last ten years, an increase of under 25 per cent. This, in view of the increased work and more especially of the greatly increased cost of living, is in my opinion eminently reasonable. I propose the same scale as suitable also for the Bombay Mint.

65,855. (V.) Conditions of leave.—The conditions of leave of the non-gazetted staff of the Mint are those for the Indian services in the Civil Service Regulations. It seems that regulations which practically preclude an officer from taking any leave other than privilege leave must be inherently defective. It is on the rarest occasions that officers avail themselves of long leave, other than sick leave, under these rules, and the reason put forward by all whom I have consulted is, that the leave allowances are so small as to make it impossible for a family man to take long leave. It is important that officers working in the trying climates of Bombay and Calcutta should get a complete change for a reasonably long period in order to recruit their health. It is suggested that if privilege leave were allowed to be accumulated up to six months, instead of three as at present, it would be an advantageous arrangement both for Government and for the staff. In the case of officers taking their six months' leave to Europe, I suggest that as a useful and inexpensive

* Proposition statement for division of establishment of H.M.'s Mint, Calcutta (*not reprinted*).

concession to Government, an advance of three months' pay would enable them to arrange easily for steamship fares, etc. This concession has already been granted in the case of Army Officers as regards privilege leave when combined with furlough. It would be a further inducement to officers to obtain that complete climatic change coupled with a sea voyage which is best calculated to keep them in that state of health which will enable them to give their best work to Government. To officers not proceeding to Europe an advance of one month's pay might be given.

I realise that in the case of non-Europeans the six months' leave would be likely to result in the man remaining in Calcutta or in Bombay (perhaps in a minor degree) and idling his time away without any benefit to himself. I would therefore confine the proposals above to officers drawing not less than Rs. 100. The rules for leave on medical certificate are quite satisfactory.

65,856. (VI.) Conditions of pension.—As laid down in Civil Service Regulations. No remarks.

65,857. (VII.) Limitations in the employment of the non-Europeans.—There are no limitations laid down. It is, however, most necessary in an establishment such as the Mint for the Master of the Mint, who is responsible for such large amounts of such easily realisable valuables to have a thorough check on all transactions. For this reason it is essential that there should be a certain number of Europeans among the staff. Out of a total of 61 non-gazetted officers in the Calcutta Mint there are now 21 Europeans and Anglo-Indians. Excluding the Mechanical, Melting, and Electrical Departments and the Engraver, as these cannot at present be recruited from non-Europeans, in Calcutta at any rate, as there are no qualified candidates for the posts, out of a total of 48 there are 8 Europeans and Anglo-Indians, and of this number there are but a very small percentage of European born and bred officers. These 8 hold the higher posts, the main reason for this being that the clerical and Bullion establishments having such small initial pay, those recruited are with very few exceptions quite unfitted to take on themselves the responsibility attaching to the higher posts. If my proposed scale be brought into force, this would be remedied by enlisting Indians of a distinctly better class as regards both intellectual and family qualifications in the higher classes as vacancies occur, reserving promotion from class to class for men of very exceptional claims in the class below.

So long, however, as in Bengal nepotism is looked on not as a vice but as a laudable virtue, with the result that large numbers of the Indian staff of any establishment are related to one another, it is necessary for the efficiency of the Mint that there should be a modicum of Europeans or Anglo-Indians in the higher departments, and I consider that two out of three, of whom one should be the First Assistant to the Mint Master in the Bullion Department, and the other the Accountant, or the Deputy Accountant, and two other clerks must be Europeans or Anglo-Indians. The Warder, at present a European pensioned non-commissioned officer of Royal Engineers, might possibly in future be replaced by a pensioned commissioned officer of the Native Army, but it is highly desirable that whether European or Indian he should have had military training to fit him for the control of his civil guard and the maintenance of order among the large number of workmen on entering and leaving the Mint. If pensioned men are employed, Government has excellent security for their honesty in the pension. As regards the engineering staff, it has not been my good fortune to meet with an Indian possessing the necessary technical qualifications to take up a post in the Mint. I realise that it will probably be but a short time before this is remedied, but there then remains the further difficulty that, in Calcutta at least, men of sufficient education to qualify technically for these posts are most unlikely to possess the gift of controlling large numbers of heterogeneous workmen. The operatives are of various races, religions, and castes, some, and often the best workmen among them, being of a turbulent disposition, and it is, in

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[Continued.]

my opinion, for the present at any rate, not to be expected that they will be adequately controlled by an Indian. I believe that in Bombay some among the Parsis are qualified in both respects, but they are not Indians.

65,858. NOTES ON THE MEMORANDA BY THE STAFF OF HIS MAJESTY'S MINT, BOMBAY.

Gazetted Officers—Captain H. J. K. Wallis, I.A., Officiating Master of the Mint in Bombay, being himself ineligible under existing rules for appointment to the posts of Deputy Mint Master and Mint Master, is of the opinion that there should be two posts of Deputy Mint Master, one at each Mint, and further a probationer in training for the post. He further proposes that the posts of First Assistant to the Mint Master at both Mints should be abolished, the Deputy Mint Masters doing the work. I am not in favour of this, though in Bombay there would ordinarily be but little work for a Deputy unless this latter proposal were accepted. In Calcutta there is always whole-time employment for another gazetted officer owing to the

large amount of miscellaneous work and the great number of transactions with treasuries. The three existing appointments provide really only one gazetted officer for each Mint as there is practically always one officer on leave. I personally think that appointment of a second Deputy would provide ample security against the existing danger of shortage owing to illness and at the same time enable the Mint Master, Calcutta, to employ more usefully some of his working time, so large a part of which is now monopolised by routine work. Captain Wallis further refers to the fact that the Mints being fortified posts it is of advantage that the gazetted officers should have had military training. He considers that any commissioned Military Officer having the suitable qualifications should be eligible. He also points out the hardship of the rule under the house allowance schemes which prevents a married officer from drawing his house allowance for the periods during which his family is not resident with him. He justly remarks that when the family is absent the officer has two establishments to maintain, as if he lives in a hotel or club, as is apparently contemplated by the framers of the rules, he must sell his furniture and suffer the inevitable loss.

ANNEXURE A.

COMPARATIVE STATEMENTS OF THE COINAGE EXECUTED IN THE CALCUTTA MINT

Before the closing of the Mints.

Years.	Gold.	Silver.	Copper.	Total.
1880-81	8,903	12,821,493	11,578,400	24,408,796
1881-82	22,647	15,205,703	2,556,800	17,785,150
1882-83	11,663	32,133,674	58,153,200	90,298,537
1883-84	—	17,724,421	77,473,200	95,197,621
1884-85	8,643	21,368,064	55,108,441	66,485,118
Total	51,856	99,253,355	194,870,011	294,175,222
1885-86	15,057	37,338,060	55,101,118	92,454,235
1886-87	—	26,436,539	76,929,767	103,366,306
1887-88	—	65,296,719	85,536,894	150,833,613
1888-89	15,073	22,928,561	55,983,828	78,927,462
1889-90	15,367	18,297,701	117,410,957	135,724,025
Total	45,497	170,297,580	390,962,564	561,305,641
1890-91	—	47,153,080	125,091,350	172,244,430
1891-92	16,524	28,857,229	119,066,266	147,940,019
1892-93	—	41,823,473	95,098,114	136,921,587
1893-94	—	20,038,428	93,077,276	113,115,704
1894-95	—	3,737,468	91,782,350	95,519,818
Total	16,524	141,609,678	524,115,356	665,741,558
<i>After the closing of the Mints.</i>				
1895-96	—	14,431,875	65,969,579	80,401,454
1896-97	—	15,541,470	116,887,774	132,429,244
1897-98	—	19,708,724	129,633,915	149,342,639
1898-99	—	7,399,829	44,700,403	52,100,232
1899-1900	—	1,911,125	59,374,000	79,285,125
Total	—	76,993,023	416,565,671	493,558,694
		Silver.	Bronze and Copper.	
1900-01	—	63,696,757	41,668,140	—
1901-02	—	28,395,491	97,831,130	—
1902-03	—	59,503,617	96,175,350	—
1903-04	—	87,104,338	129,319,300	—
1904-05	—	70,051,134	138,641,802	—
Total	—	308,751,337	503,635,722	812,387,059

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[Continued.]

ANNEXURE A.—continued.

COMPARATIVE STATEMENTS OF THE COINAGE EXECUTED IN THE CALCUTTA MINT—continued.

Years.	Gold.	Silver.	Copper.	Total.
1905-06	—	95,241,111	157,062,608	—
1906-07	—	129,024,714	197,251,227	—
1907-08	—	101,191,607	267,729,431	—
1908-09	—	30,239,222	97,977,156	—
1909-10	—	14,172,394	55,275,630	—
Total	—	369,859,048	775,296,102	1,145,155,150

Coinage for 15 years ending 1894-95 1,52,12,22,421
 Do. do. 1909-10 2,45,11,00,903

Increase in coinage 92,98,78,482 pieces.

Permanent Establishment charges for 15 years ending 1894-95 Rs. 30,08,375
 Do. do. do. 1909-10 26,10,298

Decrease in Establishment expenditure Rs. 3,98 077

Major A. L. C. McCORMICK called and examined.

65,859. (*Chairman.*) The witness had been in the Mint Department on and off for 13 years.

65,860. A Mint Master, besides having to keep in touch with improvements in metallurgical processes when on leave at home, was sometimes consulted by the India Office in matters concerning the Mint. He was referred to by the Treasuries in cases of disputes, mostly as regards questions arising from losses or deficits in remittances. He had on occasions to arbitrate between his own bullion department and the treasury. He had to look after the interest of the banks. From the bankers' point of view, he should be of sufficient standing to settle off-hand any immediate and pressing question relating to any urgent deal or payment. He regulated the pay of his department, and the silver alligations. He periodically ordered verification of balances, and wrote off all losses of precious metals. In the case of losses he could order the bullion keeper to make good the amount.

65,861. With regard to the advantage which accrued to the department from the employment of Royal Engineer officers, there was a despatch submitted by the Government of India, dated 7th February 1907, which said: "We are desirous, if possible, to continue the practice of appointing our Mint Masters from the Corps of Royal Engineers. Without definitely committing ourselves to reserving appointments for officers of that Corps, we consider they are specially suitable for the work and responsibilities of the appointments." A Royal Engineer officer was always on the spot, and as he had to be employed in some way or another, it was more economical to employ a Royal Engineer officer in the department than a man from England.

65,862. From his experience of the department he considered it would not be possible to obtain expert Civilians from England on smaller salaries than those paid to Royal Engineer officers. When in England a short time ago he had tried to obtain an Artist engraver for the Mint, but he found he could not obtain a good man under 800*l.* a year. He did not think lower salaries than those now in force could be paid.

65,863. He would not make any increase in the present number of gazetted officers, as it was quite sufficient for present requirements.

65,864. Although some complained of having to pass their military examinations, he agreed that as

long as he was a Royal Engineer officer liable to be called back to military duty, at any moment, he had to keep in touch with military matters.

65,865. (*Mr. Madge.*) No advantage would accrue to recruitment for the service, or to the management of Mints if a third Mint was established in India. There would not be sufficient work for a third Mint. It was only for a matter of about four months a year that there was any great pressure of work in the department, and that was met by working overtime.

65,866. He knew of no real reason why the appointment of Assay Master should be allotted to the Indian Medical Service, except convenience. There had always been a great deal of friendship between the Indian Medical Service and the Royal Engineers, and he himself thought that Government obtained a more suitable class of men from the Indian Medical Service, apart from questions of technical attainments, than by going to the open market. Men of higher technical qualifications for the post could doubtless be obtained from England. The Indian Medical Service men were not, generally speaking, trained chemists.

65,867. (*Mr. Fisher.*) He first of all started work with a six months' course in the School of Mines, and one month in the Royal Mint. He then came out to India, and was attached to the Assay Office, Calcutta, and underwent a course of training there. He was in the Assay Department for some two years, and was then given a course of training in the Mint, and later on was appointed Mint Master. That was not a course of training which he would altogether recommend for future officers. He agreed with Captain Willis's note in regard to training Royal Engineer officers for the Mints.

65,868. (*Mr. Sly.*) Royal Engineer officers could not now elect for continuous service. They did not have to give any guarantee as to the period of time they would serve in India.

65,869. The salary in the Mint Department was a fixed one; it was about the same as that paid in the Survey Department. A man of witness's own service in the Survey Department would receive about the same pay. He would not prefer a system under which the Royal Engineer would draw his military pay, plus civil allowances; he was satisfied with the present system.

The witness withdrew.

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Lieutenant-Colonel J. LLOYD JONES.

[Continued.]

Lieutenant-Colonel J. LLOYD JONES, I.M.S., Assay Master, Bombay.

Written Statement relating to the Assay Department.

65,870. There are two Assay Officers (an Assay Master and a Deputy Assay Master) in the Assay Department, Calcutta; and a similar number in the Assay Department, Bombay.

65,871. (I.) *Methods of recruitment.*—These are laid down in Government of India (Finance Department) Resolution No. 7226-Ex., dated 2nd December 1907 (Annexure No. I.).

65,872. (II.) *System of training and probation.*—This is also laid down in the above-mentioned Resolution.

65,873. (III.) *Conditions of service.*—Once having obtained an appointment in the Department, the officer can remain in it permanently.

65,874. (IV.) *Conditions of salary.*—These are laid down in Government of India (Finance Department) Resolution No. 2040—E. O., dated 7th April 1908. (Annexure No. II.)

65,875. (V.) *Conditions of leave.*—Officers of the Assay Department come under the Civil Service Regulations as regards leave.

65,876. (VI.) *Conditions of pension.*—Officers, who serve in the Assay Department, belong either to the Indian Medical Service, the Royal Engineers or the Indian Staff Corps. Their pensions are determined by the Rules in force in each of these three services.

65,877. (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.*—*Vide* paragraph 1 of Government of India Resolution, No. 7226-Ex., dated 2nd December 1907. From this it will be seen that as officers of the Indian Medical Service are eligible for appointments in the Assay Department, and as the Indian Medical Service is freely open to non-Europeans, it means that there is no limitation as regards the admission of non-Europeans into the Department from this Service.

65,878. (VIII.) *Relations of the Service with the Indian Civil Service and other services.*—The relations existing between the Assay Department and all other services are excellent.

65,879. (IX.) *Any other points within the terms of reference to the Royal Commission not covered by the preceding heads.*—The Government of India have ruled that the Assay Department will no longer be open to officers of the Indian Medical Service.

ANNEXURE No. I.

Government of India (Finance Department), Resolution No. 7226-Ex. dated Calcutta, 2nd December 1907.

In supersession of the Resolution by the Government of India in this Department, No. 3570, dated the 19th September 1884, as modified by Resolution No. 6045-P., dated the 5th December 1900, the Governor General in Council is, with the approval of the Secretary of State for India, pleased to prescribe the following rules for the selection of officers for employment in the Assay Department:—

I.—As directed in Resolution No. 124, dated 12th May 1876, commissioned officers only shall, as a general rule, be appointed substantially to the Assay Department.

II.—An officer who is a candidate for the Assay Department must undergo the following course of training in England:—(1) Inorganic Chemistry, 4½ months, at the Royal College of Science, London, to include lectures and a practical course of qualitative and quantitative analysis, especially of metals and alloys; and (2) Metallurgy, 4 months, at the Royal College of Science, London, to include the assay of ores of the common metals, and the assay of gold and silver bullion, bronze and nickel.

NOTE.—Instruction in electrolysis will form part of the course, but may be taken in either the Chemical Laboratory or the Metallurgical Laboratory, whichever of the two is the better equipped for the study.

(3) One month's course at the Royal Mint.

After each course an examination will be held, to determine whether a candidate is entitled to a certificate of qualification.

III.—An officer who has obtained certificates of qualification under Rule II. should submit them to His Majesty's Secretary of State for India, who will forward them to the Government of India, intimating whether the officer is *pro tanto* qualified for the Assay Department. The officer will then be required to complete his qualification by attendance at the Assay Office Laboratory at Calcutta or Bombay for a certain probationary period not exceeding six months, in order to prepare himself for a prescribed examination.

IV. During this period of probation, the full salary of the office which the officer may happen to hold at the time, subject to a minimum of Rs. 450 a month, and in addition the Presidency* house-rent of his rank will be granted to him. At the expiry of the term of probation, the probationer will be examined by the Assay Master of the Mint to which he is attached, the examination being framed so as to test the practical familiarity of the probationer with the ordinary work of an Indian Assay Laboratory and with the duties expected of an Assay Officer attached to a Mint, and his knowledge generally of the methods of assaying gold, silver and other metals, and particularly of the method of assaying silver which is peculiar to the Indian Mints. Certain alloys should be given to the probationer, and a report on their fineness required according to such methods of assay as may be stipulated at the discretion of the Assay Master; and it must be a condition that the whole of the manipulating details shall be conducted by the probationer with his own hands. The ability of the probationer to prepare pure gold and silver for assay check purposes, as also his practical acquaintance with the procedure known as the verification of weight pieces should be carefully tested.

V.—When there is a scarcity of candidates eligible for admission to the Assay Department, the Government may permit a selected officer to attend at the Laboratory of the Assay Master at Calcutta or Bombay, in order to prepare himself for the examination indicated above. If he passes the prescribed local examination he may, at the discretion of the Government of India, be employed temporarily in the Assay Department. The period of such employment, however, is not to exceed twelve months at one time, except with the sanction of the Secretary of State.

VI.—The Assay Master under whom a probationer is employed, whether under Rule III. or under Rule V, shall report confidentially to Government his opinion as to the aptitude and general (apart from mere technical) fitness of the probationer for the position of an Assay Officer. Success in the prescribed examinations will not in itself entitle a candidate to an appointment.

2. Rule II above will not affect any officers who may be undergoing the training during the current year.

ANNEXURE No. II.

Government of India (Finance Department), Resolution No. 2040-E.O. (Accounts and Finance. Mint), dated Simla, the 7th April 1908.

The Government of India have had under their consideration the question of the improvement of the emoluments of the commissioned officers employed in the Assay Department. On appointment as Deputy Assay Masters these officers are, under the orders prescribed in the Resolution of the Government of

* Subject to any orders which may subsequently be issued regarding the inclusion of such appointments in any other scheme for the grant of house-rent allowance.

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[Continued.]

India, No. 124, dated the 12th May 1876, paid on the following scale:—

Standing on first Appointment.	Minimum Pay.	Yearly Increment.	Maximum Pay.
	Rs.	Rs.	Rs.
Under 6 years -	600	100	1,200
Six years -	650		
Seven years -	750		

and so on, according to their seniority on entering the department; the initial pay being raised by Rs. 100 for each additional year's standing on first appointment. Officers officiating as Deputy Assay Masters draw pay and allowances according to the ordinary rules. Assay Masters draw pay at the rate of Rs. 1,750 rising by five equal annual increments to Rs. 2,250.

2. The present emoluments are no longer adequate in the case of officers of the Indian Medical Service holding an officiating appointment in the Department, or in the case of senior Deputy Assay Masters who have reached the maximum pay of the post. The Governor-General in Council, with the sanction of the Secretary of State for India, is accordingly pleased to rule:—

(i) that an officer officiating as a Deputy Assay Master shall draw the pay to which he would be entitled if he held the appointment permanently;

(ii) that after two years, four years, and six years from the date of attaining to pay at Rs. 1,200 a month, a Deputy Assay Master shall receive Rs. 1,300, Rs. 1,400, and Rs. 1,500 a month, respectively;

(iii) that, with effect from the 1st of November 1907, the Assay Master and Deputy Assay Master, Calcutta (if they are personally eligible) shall be admitted to the benefits of the Calcutta House Allowance Scheme.

Additional Notes by Lieutenant-Colonel J. Lloyd Jones on the Assay Department.

65,880. (I.) **Methods of recruitment.**—With regard to the methods of recruiting, I consider that the rules laid down in Government of India (Finance Department) Resolution No. 7226 E., dated 2nd December 1907, are eminently suitable. By employing their own officers, the Government of India make use of men, who are used to discipline, and whose probity is unquestioned. I believe the Government of India do not intend to recruit any more officers from the Indian Medical Service. They have for many years occupied posts in the Assay Department, and I do not know of any Assay Master drafted from the Indian Medical Service who has not been a success. I disapprove of stopping recruiting from this Service. The Assay Department is, at present, seriously undermanned: and unless action be taken in the very near future, to obtain a reserve which is at present non-existent, the Government of India will find themselves placed in considerable difficulty. There should be 5 officers permanently on the roster.

65,881. (II.) **System of training and probation.**—Presumably there will be no probation possible if the Government of India recruit from the open market at Home; for the men enlisted will come out for a definite number of years. There is an element of

danger here. The men enlisted in this way may not be found suitable. These same men may find that they cannot stand the climate of Bombay and Calcutta for permanent residence. So there are two safeguards in retaining a period of probation; which should be, as now, 6 months.

65,882. (IV.) **Conditions of salary.**—The Assay Masters, as regards pay, should not be treated differently to the Mint Masters. A Mint Master, on appointment, whatever his rank, draws the maximum pay of his post. It takes an Assay Master 6 years to reach the maximum pay of his appointment.

65,883. (V.) **Conditions of leave.**—Unless a proper reserve of officers is kept, the Government of India will find it difficult to grant leave when it is asked for.

65,884. (VII.) **Such limitations as may exist in the employment of Non-Europeans.**—*Vide* my remarks on this head in the Statement already submitted (paragraph 65,877). In paragraph 1 of Government of India Resolution No. 7226 E., dated 2nd December 1907, above-mentioned, it states that "commissioned officers only shall, as a general rule, be appointed substantively to the Assay Department." These commissioned officers would belong to the Indian Medical Service, the Royal Engineers, or the Indian Army. My remarks in the written statement apply to the Indian Medical Service only. I do not think the time has yet arrived when the post of Assay Master can be opened without reserve to natives of India; and I say this on account of the opinions I have heard openly expressed in Banking and Commercial circles, that they would not have the same confidence in reports issued by the Assay Officer should the Assay Master be a native of India. I might here remark that the Mint of H.H. the Nizam of Hyderabad sends all assays to us to be done. Assaying is not a difficult matter, but the Hyderabad Mint evidently prefer to have their assays done by English Assay Officers. The present system is entirely Imperial and must remain so, while the Mints and Assay Offices are under the Finance Department of the Government of India.

65,885. (IX.) **Other points.**—The pay, not only of the European Assistants, but also of the whole of the staff of the Assay Office, requires revision. The Department is at present underpaid.

With regard to the Assistants, I would suggest the following scale:—

Present pay of 1st Assistant.	Suggested pay of 1st Assistant.
Rs. 300–10–Rs. 400 (maximum in 10 years). House Rent Rs. 60 per mensem.	Rs. 350–25–Rs. 600 (maximum in 10 years). House Rent Rs. 100 per mensem.
Present pay of 2nd Assistant.	Suggested pay of 2nd Assistant.
Rs. 150–10–Rs. 250 (maximum in 10 years). House Rent Rs. 50 per mensem.	Rs. 150–25–Rs. 350 (maximum in 8 years). House Rent Rs. 60 per mensem.

Lieutenant-Colonel J. LLOYD JONES called and examined.

65,886. (Chairman). The Assay Department consisted of four officers, two of whom were in Bombay, and two in Calcutta. Such officers were interchangeable.

65,887. He was in favour of maintaining the system of recruitment which had hitherto been in force. It had been of great convenience to Government, because in the case of an officiating appointment, a man, whether he belonged to the Staff Corps or to

the Indian Medical Service could revert to his substantive post as soon as his officiating appointment terminated.

65,888. He maintained that there should be five officers constantly in the Assay Department, two in Bombay and two in Calcutta, and one acting as a reserve. If the additional man was appointed from the Indian Medical Service or Staff Corps, he could always revert to his regiment or substantive appoint-

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[Continued.]

ment when his services were not required. Under the new system this would not be possible and therefore the new system would be more expensive than the present system. The Assay Department was at present undermanned.

65,889. Looking at it broadly, and apart from natural sentiment, it was undoubtedly correct that more highly-trained men could be recruited from England, but for the conditions which had been prescribed by the Government of India for carrying on the work, the Staff Corps men and the Indian Medical Service men had proved absolutely efficient, and thoroughly successful.

65,890. Probation would be impossible in the case of men brought out from England unless the man brought out from England was sent back again if found unsuitable. The method of assaying in India was absolutely different from what it was in English Mints, on account of climatic and other conditions; and the objection to appointing an officer on condition that he might be discharged if (during the first year or so) he were found unsuitable, was that men would not come out on such speculative terms.

65,891. Both his present subordinates were qualified *technically* for holding the position of Assay Master or Deputy Assay Master. They were both domiciled Europeans.

65,892. He desired to bring before the Commission the fact that the pay of the subordinate officers was inadequate.

65,893. (*Mr. Sly.*) The subordinate establishment was recruited by the Assay Master. A recruit ordinarily started on pay of Rs. 150, and rose by promotion to a maximum of Rs. 400.

65,894. (*Mr. Madge.*) The way he entered the department was as follows: He went home on long leave many years ago, went through the Assay course of the School of Mines, hoping eventually to obtain employment in the Assay Department. After waiting for some years he obtained an appointment. His colleagues had come into the department in the same way.

65,895. He would not object to a subordinate being promoted to the higher posts, if he were an all-round suitable man.

The witness withdrew.

Note.

Attention is also invited to the evidence given by Sir A. Pedler, C.I.E., F.R.S. This will be found generally in paragraphs 58546-58577, and in particular in paragraphs 58547, 58565-67, and 58569, of the evidence relating to the Medical Department (Volume XII).

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- I. 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 MINT and ASSAY DEPARTMENT.
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- III. CORRESPONDENCE regarding the MODÈ of RECRUITMENT of OFFICERS to the ASSAY DEPARTMENT of the INDIAN MINTS.

APPENDIX I.

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 MINT and ASSAY DEPARTMENT.

Pay.	Number of Employés in each Grade or Class.															
	Total.	Europeans.	Anglo-Indians.	Hindus (including Sikhs and Parsis).										Mubammadars.	Indian Christians.	Buddhists.
				Brahmans (including Shenvis).	Kshatryas.	Kalyasthas (including Prabhus).	Baniyas and Vaisyas.	Sudras.	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.																
900—1,000	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1,400—1,600	2	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2,000—2,500	3	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3,000—3,500	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	7	7	—	—	—	—	—	—	—	—	—	—	—	—	—	—

APPENDIX II.

OFFICIALS and NON-OFFICIALS who furnished WRITTEN EVIDENCE to the ROYAL COMMISSION in connection with their inquiry into the MINT and ASSAY DEPARTMENT but who were not ORALLY EXAMINED.

1. Lieut.-Col. F. Cunynghame Hughes, I.A., Officiating Assay Master, Calcutta.

APPENDIX III.

CORRESPONDENCE regarding the MODE of RECRUITMENT of OFFICERS to the ASSAY DEPARTMENT of the INDIAN MINTS, viz. :—

- (i) Letter from R. W. Gillan, Esq., C.S.I., I.C.S., Secretary to the Government of India in the Finance Department, to the Financial Secretary, India Office, No. 298 F.E., dated Delhi, 14th March 1913.
- (ii) Despatch from the Secretary of State for India to the Government of India, No. 52, Financial, dated 1st May 1914.
- (iii) Despatch from the Government of India to the Secretary of State for India, No. 217, Finance Department, dated Simla, 2nd July 1914.

- (i) Letter from R. W. Gillan, Esq., C.S.I., I.C.S., to the Financial Secretary, India Office, dated 14th March 1913.

SIR,

I AM directed to address you regarding the future recruitment of Assay Officers for the Indian Mints. In the past such officers were recruited from the Indian Medical Service, but the Government of India

have decided that it will not be possible to depend upon this method of recruitment in future, and that reliance must be placed either upon direct recruitment in England or upon appointment of private persons in India.

2. The four sanctioned posts for Assay Officers are two Assay Masters and two Deputy Assay Masters,

APPENDIX III.—(continued).

All four posts are at present filled with competent officers, and there is no immediate necessity for obtaining a recruit. But the margin for leave is very small, and in the event of such a contingency as a physical breakdown of one of the officers while another is on leave, it might be necessary to obtain a recruit at a moment's notice. For this reason the Government of India desire to have the ground cleared, in order that, should such necessity arise, and should it be necessary for them to cable to the Secretary of State for a recruit from England, time would not be wasted in discussing preliminaries.

3. The Government of India would prefer, if possible, to recruit an Indian, but they are inclined to doubt whether there would be in this country suitable candidates with sufficient technical qualifications, though they would of course satisfy themselves on this point before actually asking for a recruit from England. On the other hand, they think that there would probably be no dearth of suitable candidates in England. They understand that the needs of the great metallurgical industries have given rise to special laboratories at Sheffield, Manchester, and Birmingham Universities, and at the Imperial School of Science, South Kensington, and that it would be comparatively easy to obtain men of the same standing as Associates of the School of Mines, which would imply a course of at least three years in one of the above-mentioned institutions. They consider, however, that, in view of the great trust which has to be reposed in Assay Officers, and the magnitude of the sums involved, absolute trustworthiness should be regarded as a qualification of far higher importance than the possession of technical knowledge and manual dexterity. They would be glad if these considerations are borne in mind when and if a request for a recruit is made by them.

4. As regards emoluments, they suggest that the following rates of pay may be found suitable for officers recruited in England:—

Deputy Assay Masters	-	Rs. 500-50-1,250.
		400L.-40L.-1,000L.
Assay Masters	-	Rs. 1,500-100-2,000.
		1,200L.-80L.-1,600L.

The appointments would not carry exchange compensation allowance, but the officers would be eligible for the Calcutta and Bombay house allowance. They would also be admitted to the benefits of the European Service Leave Rules (*vide* Article 297, Civil Service Regulations), and to the ordinary pension rules, while Assay Masters would also be held eligible for a special additional pension of Rs. 1,000 a year (*vide* Article 475, Civil Service Regulations). The rates of pay suggested are, however, of necessity tentative, and the Government of India would be prepared to agree to a higher initial pay for Deputy Assay Masters should the Secretary of State consider this to be necessary in order to obtain men with the necessary qualifications. They consider that a suitable age for recruitment would be about 25, in view of the fact that a recruit would have to undertake responsible work immediately. They also consider that a three years' probation is desirable. It might be advisable for a selected candidate to undergo a few months' training at the Royal Mint, which period would form part of the period of three years' probation.

5. Should these suggestions commend themselves to the Most Honourable the Secretary of State, the Government of India would be glad if they were adopted for the purpose of acquainting candidates with the prospects of the Assay Department. Should any further information be required regarding the nature of the work performed by Assay Officers, I am to suggest a reference to Major Bourke, Assay Master, Calcutta, who is now in England on long leave.

(ii) *Despatch from the Secretary of State for India to the Government of India,*

No. 52, *Financial*, dated 1st May 1914.

WITH reference to your Financial Secretary's letter of the 14th March 1913, No. 298 F.E., regarding the mode of recruitment of officers for the Assay Depart-

ments of your Mints, I forward for your information a copy of correspondence* on the subject with the Royal Mint, and with Lieutenant-Colonel J. J. Bourke, I.M.S., Assay Master, Calcutta, now on leave in this country.

2. In Mr. Gillan's letter reference is made to the decision of the Government of India that it will no longer be possible to depend upon the Indian Medical Service for recruits for the appointments in question, and that reliance must be placed either upon direct recruitment in England or upon appointment of private persons in India. Your Government, I understand, would prefer if possible to recruit Indians for these appointments, but are inclined to doubt whether there would be in India suitable candidates with sufficient technical qualifications, though you would of course satisfy yourselves on this point on each occasion before actually asking for a recruit from England.

3. In the event of a recruit being required from this country the best course, I consider, will be to offer the appointment in the first instance to an Assistant Assayer of the Royal Mint if a suitable candidate is forthcoming. Failing this mode of recruitment, I see no objection to the suggestion that the appointment should be made by selection from among candidates who have obtained the Associateship in Metallurgy of the Imperial School of Science and Technology, South Kensington, or a suitable corresponding qualification at one of the universities. It will be seen that in the case of such candidates the Royal Mint recommend a competitive examination, but I am not, as at present advised, disposed to adopt this suggestion.

4. Candidates should, as a rule, I think, be not less than 23 nor more than 27 years of age, but exceptions as regards the maximum limit would, of course, be made, if desirable, in the case of officers appointed by transfer from the Royal Mint.

5. As regards remuneration, I am inclined to think that the following rates of pay would be sufficient:—

Deputy Assay Master.—During three years' period of probation, Rs. 500-30-560; thereafter, Rs. 600-50-1,200;

Assay Masters.—Rs. 1,400-80-1,800;

without exchange compensation allowance. In the case of an officer appointed from the Royal Mint, or of a candidate from other sources possessed of exceptional qualifications, it might of course be found desirable to grant somewhat improved conditions in the earlier years. If you still wish to recommend the scale set forth in Mr. Gillan's letter, I am willing to consider any arguments in its favour which you may wish to lay before me.

6. I am prepared, in the case of officers recruited in this country, to sanction the conditions stated in Mr. Gillan's letter as to leave rules, pension, and admission to the Calcutta or Bombay house allowance schemes.

ENCLOSURES IN ABOVE.

No. 1.

INDIA OFFICE TO ROYAL MINT.

F. 1657. India Office,
2nd May 1913.

SIR, I AM directed to forward a copy of a letter received from the Secretary to the Government of India in the Finance Department, dated 14th March 1913, on the subject of the future recruitment of Assay officers for the Indian Mints, for any observations which you may be good enough to favour this office with regarding the kind of man required, the best method of obtaining him, and the scale of pay likely to prove sufficiently attractive. As regards the last point you will observe from paragraph 4 of the enclosed

* To Royal Mint, dated 2nd May 1913. From ditto, dated 23rd May 1913. To Lieutenant-Colonel J. J. Bourke, I.M.S., dated 3rd June 1913. From ditto, dated 9th June 1913.

APPENDIX III.—(continued).

letter that the Government of India tentatively suggest the following scale of pay:—

Deputy Assay Masters: 400*l.* rising by annual increments of 40*l.* to 1,000*l.*

Assay Masters: 1,200*l.* rising by annual increments of 80*l.* to 1,600*l.*

(Taking the rupee as equivalent to 1*s.* 4*d.*)

It has been suggested here that the proposed rates (other than the initial rate) are unnecessarily high.

I also enclose copy of a resolution of the Government of India, dated 2nd December 1907, as some indication of the degree of technical knowledge which has hitherto been required.

The Deputy Master of
the Royal Mint.

I am, &c.,
F. W. NEWMARCH.

No. 2.

ROYAL MINT TO INDIA OFFICE.

Royal Mint, London, E.
23rd May 1913.

SIR,

I AM directed by the Deputy Master of the Royal Mint to advert to your letter of the 2nd instant (F. 1657), and to say that he has no doubt that the services of men possessing the requisite technical qualifications for the discharge of the duties of assay officers at the Indian Mints could be obtained either after competition, or by direct appointment on the lines suggested in Mr. Gillan's letter of the 14th March last.

The enclosed memorandum will afford information as to the scheme of examination prescribed for the situation of Assistant Assayer here, and as the Royal Mints in Canada and Australia, which has been found to be well suited for the purpose for which it was prepared. The Deputy Master agrees with Mr. Gillan that it might be desirable for a selected candidate to undergo a few months' training at the Royal Mint, and he would endeavour to make arrangements for the purpose from time to time if the Secretary of State so desired.

As regards the limits of age to be prescribed, the Deputy Master is disposed to think that if 21–25 were fixed, some of the more capable men who had completed their studies but who had not entered upon any definite career would present themselves at the examination who would not be likely to compete at a later age when they had obtained situations, and that on this account the standard of capacity would probably be somewhat higher than if a minimum of 25 were adopted.

The salaries proposed appear to be ample to attract the class of men required, and indeed the maximum salary of the Assay Master might be lowered, say to 1,440*l.* per annum (1,800 rupees per mensem) without increasing the difficulties of recruitment. On the other hand, if the minimum limit of age were fixed at 25, the initial salary should be raised to 480*l.* per annum (600 rupees per mensem).

As regards the best method of appointment, the Deputy-Master is of opinion that the competitive examination of candidates nominated after inquiry as to their personal character and antecedents would be the most suitable. It might easily be, however, that Assistant Assayers either here or in the Royal Mints in Canada and Australia who had entered the service by means of competitive examinations and who had acquired special experience of a Mint Assay Office would be attracted to work in India by the substantial prospects held out, and in such cases the direct appointment of such an officer, on such terms as regards initial salary and pension as might be arranged, might be of advantage to the Government of India and not undesirable from the point of view of this Office.

I enclose for your information a statement showing the salaries assigned to the Assay Officers here and at the Royal Mints in Canada and Australia.

I am, &c.,
The Under Secretary of State
for India. T. H. ELLIOT.

ANNEX 1.

ASSISTANT ASSAYER IN THE ROYAL MINT.

Subjects of Examination.

	Maximum marks.
1. English Composition	100
2. Mathematics (<i>see Syllabus printed below</i>)	100
3. Elementary Physics, chiefly Heat and Electricity	100
4. Chemistry, chiefly Inorganic	200
5. Metallurgy	300
6. Practical Analysis and Assaying of Metals, Alloys, Ores, and Metallurgical Products	300

Candidates must pass in subject 1, and must obtain such an aggregate number of marks in the examination as a whole as may indicate in the judgment of the Civil Service Commissioners a competent amount of general proficiency.

Limits of Age, 21 and 28.

Examinations for this situation do not take place at fixed intervals, but are held from time to time as candidates are nominated to fill the vacancies which occur. The Commissioners can give no information as to the means by which nominations may be obtained, but information may be had by applying to the Deputy Master of the Mint, Tower Hill, London, E.C.

Civil Service Commission,
London, W.
April 1907.

Syllabus showing the extent of the Examination in Mathematics:—

Triangle, the number and nature of the conditions that determine it, simple relations among its parts.

Parellels.

Areas and volumes; expression for the area of a parallelogram or triangle in terms of base and height; to make a triangle or square equal to a given figure.

Arithmetical definition of ratio; number and nature of conditions that determine the shape of a triangle or polygon; sine, cosine, and tangent of angles less than 180°.

Circle, simple relations, angle properties, tangents, and rectangle properties.

Algebraic formulas, graphs, equations, indices, logarithms, in connection with the above and other problems.

Theorem of Pythagoras and its extension to any triangle; the formulas $a^2 = b^2 + c^2 - 2bc \cos A$ and $a/\sin A = b/\sin B = c/\sin C$, and their application to the solution of triangles.

Grasp of elementary principles and readiness in practical applications will be looked for. Simple problems in three dimensions are not excluded. Numerical notes should be worked out to a few significant figures. Candidates should be accustomed to checking the accuracy of their results. No great skill in the use of drawing instruments will be expected.

APPENDIX III.—(continued).

ANNEX 2.

ROYAL MINT AND BRANCHES.

Assaying Staffs—Salaries.

Title.	Royal Mint, London.	Sydney.	Melbourne.	Perth.	Ottawa.
	£	£	£	£	£
Chemist and Assayer - -	700-25-900*	—	—	—	—
Assayer - - - -	—	550-20-750†	600-15-750‡	600-20-750	600-20-800
Second Assayer - - -	—	—	450-10-600§	—	—
Assistant Assayer* - -	—	350-15-550	200-15-400	—	—
Do. - - - -	—	300-15-400	—	—	—
First Assistant Assayer -	300-10-400 15-550.	—	—	250-15-400	350-15-500
Second Assistant Assayer -	—	—	—	200-15-350	300-15-400
Third Assistant Assayer -	—	—	—	200-15-300	300-15-375

* With residence.

† Present Assayer rises by 25*l.* to 700*l.*, and thence by 20*l.* to 750*l.*‡ Present holder—Future scale 550*l.*-20*l.*-750*l.*§ Do. do. 350*l.*-15*l.*-550*l.*|| First Assistant Assayer receives in addition an allowance of 50*l.* per annum for acting as Deputy in absence of Chief Assayer, and 50*l.* per annum for work in connection with coinage prosecutions.

No. 3.

INDIA OFFICE to MAJOR BOURKE.

F. 2689.

India Office,

SIR,

3rd June 1913.

I AM directed to forward copies of correspondence,* on the subject of the future recruitment of Assay officers for the Indian Mints, and to inquire whether you have any observations to offer on the letter from the Deputy Master of the Royal Mint, dated 23rd May 1913, or on the subject in general.

I have, &c.,

Major Bourke, I.M.S.

F. W. NEWMARCH.

No. 4.

LIEUTENANT-COLONEL BOURKE to INDIA OFFICE.

54, Parliament Street, S.W.

SIR,

9th June 1913.

WITH reference to your letter, F. 2689, of the 3rd instant, I wish to state that I consider the scheme, outlined in the letter of the Secretary to the Government of India, Finance Department, more likely to procure candidates suitable to the special conditions of Indian service, than the suggestion of the Deputy Master of the Royal Mint to rest the final decision amongst a number of selected candidates on a competitive examination. Such an examination can only disclose which of the candidates can utilise his knowledge and skill, under very special circumstances, to the best advantage, and can attach no weight to those moral qualities which are of paramount importance in all positions of trust and responsibility. The standard of education suggested in the letter of the Honourable Mr. Gillan amply insures that the candidates will possess a sufficient general and technical education; the courses mentioned imply at least a three years' training in technical subjects, with an examination at the end of each year. The task of selection would, I believe, be best entrusted to men who are used to form rapid estimates of the character of others, and of their fitness for special-responsibilities; men who have shown the possession of these powers by their success in high administrative positions are always available to the Government of India.

2. I would suggest that the limits of age be fixed at 23 and 27 years, with three years of probation; this would imply that a candidate would have attained at least 26 years before the final decision regarding his acceptance had to be made. At 26 years a man's character may be regarded as finally fixed, and a fair estimate can be formed of him. The supply of men within those limits of age at universities and such institutions would, I believe, be always ample for the needs of the Assay Department.

3. I agree with the Deputy-Master of the Royal Mint that, if the initial salary were raised to Rs. 600 per mensem, there would be greater certainty of attracting men of the stamp required. The suggestion to reduce the maximum salary of the Assay Master to Rs. 1,800 per mensem does not appear so advisable. It is true that you would probably obtain recruits just as easily as with the offer of the higher maximum of 2,000, but in the latter years of his service a man might have to serve many years without any increase, and unless the salary were good discontent might arise.

4. I do not think it would be advisable to recruit from the Assistant Assayers of the Royal Mint. Indian subjects would consider it a hardship to have to qualify by competitive examination in London for the Royal Mint, and to have to reside out of their own country whilst waiting for a vacancy in the Indian Assay Department.

5. In the event of the adoption of the scheme outlined in the letter of the Secretary to the Government of India, Finance Department, I would suggest that a notice be sent to institutions affording approved courses, and also to the Secretary of the Institute of Chemistry. The latter institution publishes yearly a list of all appointments open to chemists and assayers, and this list is constantly consulted by those seeking appointments. I append a rough draft of points that would probably require to be referred to in such notice. I do so in order to draw attention to the necessity of their discussion, and because they are outside my competence to pronounce upon.

I am, &c.

J. J. BOURKE, Lieut.-Col., I.M.S.,

The Under Secretary of Assay Master, Calcutta.
State for India.

ANNEX.

Appointments in the Indian Assay Departments.

1. The Government of India is prepared to open certain appointments in the Indian Assay Depart-

* Mr. Gillan's letter of 14th March 1913. Letter to Royal Mint of 2nd May 1913, with copy of resolution. Letter from Jitto of 23rd May 1913.

APPENDIX III.—(continued).

ment, hitherto reserved for commissioned officers of the Indian Services, to all persons of British or Indian origin who possess the necessary qualifications.

2. The following grades and emoluments are offered under this scheme:—

(a) Assay Master: Pay, rupees per mensem, rising by annual increments of rupees per mensem to a maximum of rupees per mensem.

Taking the rupee as equivalent to *ls. 4d.*, this may be stated as *l.* per annum, rising by annual increments of *l.* to a maximum of *l.* per annum.

(b) Deputy Assay Master: Pay, *l.*

3. The number of such appointments at present existing is two Assaymasterships, two Deputy Assaymasterships. One Indian Mint is situated at Calcutta, one at Bombay.

4. Candidates will be required to present evidence that they have undergone a course of scientific training sufficient to fit them for employment in the Indian Assay Department.

For the present the Government of India will accept as sufficient evidence certificates that the candidate has obtained any of the following qualifications:—

(1) The Associateship in Metallurgy of the Imperial School of Science and Technology, South Kensington.

(2) B.Sc. Metallurgy, Birmingham University.

(3) B.Sc. Metallurgy, Leeds University,

(4) Bach. of Metallurgy, Sheffield University, or the three years' course for the Associateship in Metallurgy, Sheffield University.

(Manchester University gives a degree in Mining and Metallurgy, but its course does not appear so well suited as the above.)

The Government of India will always be prepared to consider the claims of other British or Indian Institutions, and, when satisfied that the courses given therein afford sufficient training for the Indian Assay Department, will add their names to the above list.

5. British candidates will undergo in London a previous examination as to physical fitness; Indian candidates presenting themselves in India will be examined at Calcutta or Bombay. Candidates must provide evidence that their age is not less than (23) nor more than (27) years.

6. Candidates declared physically fit will appear on an appointed date before a Board of Selection, bringing with them evidence of the courses of study they have pursued, and sufficient references to enable adequate inquiries to be made regarding their character and antecedents.

7. Candidates selected in England will be required to attend at the Royal Mint, London, for two months before proceeding to India; such attendance will count as part of the total period of service. Candidates selected in India will proceed direct to an Indian Mint.

8. The three years from the date of the beginning of service will be regarded as a period of probation; if retained at the end of that period, the officer will be regarded as permanently engaged, and all previous service will count towards pension, leave, and promotion.

The Government of India reserve the right to make promotions to the Superior Grade of Assay Master by selection from the Deputy Assay Masters.

9. Conditions of leave and pension. (See Civil Service Regulations.)

10. Assay Masters eligible for special pension. (See Civil Service Regulations.)

11. House allowance and exchange compensation allowance:—

Exchange compensation allowance not allowed.

At present unmarried officers do not receive house allowance.

(iii) *Despatch from the Government of India to the Secretary of State for India, No. 217, dated 2nd July 1914.*

WE have the honour to invite a reference to your Financial despatch No. 52, dated the 1st of May 1914, regarding the mode of recruitment of officers for the Assay Departments of the Indian Mints.

2. Should we be unable, on the occurrence of a vacancy, to obtain the services of a qualified Indian recruit, we will ask your Lordship to institute inquiries as to whether a suitable candidate is forthcoming from the staff of the Royal Mint, or, failing that mode of recruitment, to make a selection from among candidates who possess suitable metallurgical qualifications. We agree with your Lordship that a system of selection will be preferable to that of competitive examination.

3. As regards remuneration, the rates of pay suggested in our Financial Secretary's letter, No. 298 F.E. of the 14th March 1913, were necessarily tentative, and we see no objection to those mentioned in paragraph 5 of your despatch. We note, however, your Lordship's opinion that it may be found desirable to grant somewhat improved conditions in the earlier years in the case of an officer appointed from the Royal Mint.

4. We may note for your Lordship's information, with reference to the recruitment of Indians, that prolonged inquiries were made last year with a view to ascertaining whether, in the event of an appointment becoming necessary at short notice, it was likely that any suitable Indian candidate would be forthcoming. We were only able to learn of some three or four men whose training and qualifications approached our requirements, and of these, the only one whom there seemed to be any prospect of obtaining was a "statutory native of India" employed at the time on the Gold Coast.

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 Recruitment, &c., particulars, *Lloyd Jones* - 65,893
- T.**
- Training.** (See Probation and Training.)