REPORT

OF THE

COMMITTEE APPOINTED BY THE GOVERNMENT OF INDIA,

IN LETTER FROM THE FINANCE DEPARTMENT, No. 5843 S. R.,
DATED THE 1ST NOVEMBER 1902, TO THE GOVERNMENT OF BENGAL,

TO CONSIDER CERTAIN SUGGESTED REFORMS
IN CONNECTION WITH THE

ADMINISTRATION OF THE DEPARTMENT OF STAMPS AND STATIONERY, AND THE PUBLIC PRESSES.

I.—REPORT.

CALCUTTA :
OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.
1903.

CONTENTS.

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Preliminary Remarks.

1. Our Committee was constituted as follows:—

MR. W. S. MEYER, I.C.S., C.I.E., Editor of the Imperial Gazetteer for India, . . .	*President.*
MR. C. G. H. ALLEN, I.C.S., Superintendent, Gazetteer Operations, Bengal, . . .	*Members.*
MR. A. J. F. BLAIR, Editor of the *Englishman,*	*Members.*
MR. H. WHEELER, I.C.S., Junior Secretary to the Board of Revenue, Lower Provinces, .	*Secretary.*

Mr. Wheeler's previous knowledge of the working of the Stamps and Stationery Department was of much use to us in the course of our enquiry, but he is not in any way responsible for the drafting * of this Report: we think it right to say this, having regard to the fact that we have found ourselves obliged to traverse certain arguments of the Board of Revenue, Lower Provinces, whose Secretary Mr. Wheeler is, in respect of the Stationery Department and to submit some remarks with reference to their action in regard to paper contracts.

* He has performed the usual duties of a Secretary in regard to the verification of figures and references and seeing the Report through the Press.

2. The following were the questions referred to us:—

I. Whether the Department should (*a*) continue to be administered and controlled by the Board of Revenue, Lower Provinces, and the Government of Bengal or (*b*) be transferred to the direct administrative control of the Government of India.

II. Whether the appointment of Superintendent with the higher status and pay which all are agreed it should carry, should be filled by (*a*) an officer chosen from one of the Indian Services or (*b*) by an officer selected in England who possesses special technical knowledge of stationery and printing.

III. Whether the Superintendent of Stationery should not also be placed in charge of Government Printing with general supervising control over (*a*) all Government Presses in India, or (*b*) at least in Northern India.

IV. Whether the Stationery office and warehouse should not be removed to a more suitable site, and where in the neighbourhood of Calcutta the best site is likely to be found.

V. Whether, in order to set free some of the time of the Superintendent of Stationery to enable him to control Government Printing, the separation of the charge of Stamps from that of Stationery is not feasible without the appointment of a separate officer for the control of the Stamp Department. It is suggested that the charge of the Stamp Department might be transferred to (*a*) the Collector of Customs, (*b*) the Collector of Calcutta, (*c*) the Collector of Income Tax, or (*d*) one of the Secretaries to the Board of Revenue.

VI. Whether stamp work and the space required for the storage of stamps in Calcutta cannot be considerably reduced (1) by the establishment of Central Depôts in Rangoon to serve Burma, and in Karachi to serve Sind, Baluchistan, the North-West Frontier Province, the Punjab and Rajputana, and (2) by increasing the stock of stamps maintained at the local depôts, thus reducing the stock which requires to be stored and looked after in Calcutta.

3. In July 1901 the Government of India had addressed the Local Government in regard to the Department of Stamps and Stationery in Bengal. Paragraph 2 of that letter ran as follows :—

Finance and Commerce letter No. 4044 S.R., dated 31st July 1901.

"The appointment of Superintendent of Stamps and Stationery has now become a very heavy and responsible charge. It has been suggested that an officer of an entirely different stamp from those who have hitherto filled the office, is required, and that it is necessary that the status and pay of the appointment should be raised in order to secure the services of an officer who, in addition to the capacity for the administration of so large a branch of public business, possesses the special and technical knowledge of paper and stationery generally requisite for the efficient discharge of the more important duties of the appointment."

The Government of India then proceeded to put suggestions which involved affirmative answers to questions 1 (*b*), 2 (*b*), 3 (*b*), 5 (*a*) and 6 (1) above, and asked for the opinion of the Bengal Government thereon.

4. This letter was referred to the Board of Revenue, Lower Provinces, who held that the existing system required no alteration save in the following respects :—

Letter of 1st May 1902, No. 538B., to the Government of Bengal.

(*a*) The raising of the pay of the Superintendent who should, however, be recruited from the Indian Civil Service or one of the other Indian Services.

(*b*) The provision of a second Assistant Superintendent and the revision and probable increase of the clerical establishment.

(*c*) The provision of additional office and storage accommodation.

(*d*) The facilitation of the Superintendent's Forms work by placing the Presidency Jail Press under his direct control.

5. The Bengal Government held that the Superintendent of Stamps and Stationery might well be transferred to the direct control of the Government of India, and that his office should be moved to a more convenient site in the suburbs; otherwise it agreed with the Board.

Letter of 4th July 1902, Finance, No. 1084T.-F., to the Government of India.

The matter was then referred to us for consideration of the definite issues set forth in paragraph 2.

6. We held our first formal meeting on the 2nd March 1903, and concluded our deliberations on the 9th April, having had 15 sittings for the examination of witnesses and for discussion. We examined the witnesses noted below having previously obtained from each (except Messrs. Mitra, Heseltine and Cooper) a memorandum of his views on certain main points :—

Mr. T. Fisher, Deputy Superintendent, Government Press, Madras.
,, A. Hydari, Examiner of Government Press Accounts.
,, W. Ross, Superintendent, Government Printing, India.
Rai Surendra Nath Mitra, Bahadur, Registrar, Bengal Financial Secretariat.
Mr. F. Luker, Superintendent, Government Press, Allahabad.
,, J. M. Chalmers, Superintendent, Government Printing, Bengal.
(*a*) ,, H. Heseltine, Assistant Secretary, Finance and Commerce Department.
,, S. S. Cooper, Assistant Superintendent of Stamps and Stationery.
(*b*) ,, C. F. Manson, Superintendent of Stamps and Stationery.

(*a*) Mr. Heseltine was examined only with reference to certain questions of fact.
(*b*) Mr. Manson was naturally our most important witness and his examination occupied five sittings.

We also personally inspected the Office of the Superintendent of Stamps and Stationery in all its Branches, the Government of India Press (Calcutta) and the Bengal Jail Press, while the President had previously visited the Government and *Pioneer* Presses at Allahabad. Mr. Allen also visited the *Englishman* Press to inspect the Linotype machines used there.

7. We append to our Report—

(1) A record of the evidence given by each witness before us and of his previous written statement where submitted, as well as any important papers which he produced (Appendix A);

(2) Letters received from Local Governments, Heads of Departments, and others, in answer to certain questions that were put to them (Appendix B);

(3) An exhaustive note which had been written by our Secretary, Mr. Wheeler, in his capacity as Secretary to the Board of Revenue, Lower Provinces, on the subject of the increase of establishment in the Stationery Department (Appendix C 1) and a shorter note on the subject of the office and store accommodation (C 2);

(4) A memorandum by the President embodying the results of our inspection of the Forms Branch of the above office (Appendix D);

(5) A memorandum by our colleague, Mr. Allen, on a detailed inspection of the Stationery office proper made by him at the President's request (Appendix E);

(6) The Report of a Departmental Committee appointed by the Government of Bengal in 1900 to consider a proposal to transfer the work of despatching Forms from the Stationery to the Printing Department (Bengal) (Appendix F (*a*)), and the orders of the Bengal Government thereon (Appendix F (*b*));

(7) Certain other documents, *viz.*:

(*a*) An abstract of the principal irregularities in Government Presses brought to light by the inspections of the Examiner of Press Accounts (Appendix G);

(*b*) A note by Mr. Allen regarding the educational qualifications of the men in the Stationery office on pay of R20 and upwards (Appendix H);

(*c*) A note by Mr. Wheeler on the action taken in Bengal in different years with reference to the contracts for country paper (Appendix I);

(*d*) A specimen call for tenders for such contracts (Appendix J);

(*e*) Proceedings of the Paper Contracts Committee on the tenders for 1899-1900 (Appendix K);

(*f*) A memorandum by Mr. Bruce, Commissioner of Stamps in the United Provinces, containing certain suggestions in regard to the supply and storage of Stamps (Appendix L);

(*g*) A letter No. 2310—6685, of the 12th November 1902, from Mr. Manson to the Board of Revenue submitting large proposals for additional office and store accommodation (Appendix M);

(*h*) A memorandum on the Post Office arrangements for printing, furnished to us by the Director General of Post Office (Appendix N);

(*i*) A summary of correspondence regarding the supply of Indian made papers for the Madras Government furnished to us by Mr. Fisher (Appendix O).

8. We cannot at the outset deal separately and in order with the various issues submitted to us, since these somewhat overlap one another. We cannot, for instance, answer question II as to the future filling of the appointment of Superintendent of Stationery without having come to a conclusion on the duties he should hereafter discharge and which are involved in questions III, V and VI. We propose therefore first to discuss the present position in regard to

Government Printing and the various branches of work now discharged by the Superintendent of Stationery, Calcutta, to point out the chief defects which seem to us to mark the existing arrangements and to suggest remedies therefor. We shall then be in a position to supply specific answers to the questions put to us.

9. Accordingly our Report is divided into the following Parts :—

Part I. The Government Presses.

" II. Nature and duties of the appointment of Superintendent of Stamps and Stationery, Calcutta, and the general character of his office establishment and accommodation.

" III. The Stationery Department, subdivided into—

(a) Arrangements for the supply of stationery ;

(b) Distribution work and interior economy of the Department ;

(c) General conclusions with reference to the Department.

" IV. The Stamps Department.

" V. The Forms Department.

" VI. Accommodation and site questions.

" VII. Summary of conclusions on the issues referred to us.

PART I.—The Government Presses.

10. The Government Presses collectively form a huge spending Department the aggregate cost of which was, in 1901-02, nearly 38 lakhs, exclusive of pension charges, under Printing, and about 20 lakhs more, exhibited in the accounts of the Stationery Department, for paper and accessories required for printing purposes. This expenditure is distributed over a number of independent Presses each owned by the Government of India or a Provincial Government as the case may be, or it may be by the Head of a Department such as the Director General of Post Offices,* and each Central Press having its own Manager or Superintendent who is selected in rather a haphazard fashion† and has no specific prospects of improving his position by good work. The Superintendents appear to be left very much to their own devices, receiving very little inspection from the hard-worked Secretary or Under Secretary of the Secretariat Department under which they are placed, and certainly no such professional supervision as an Executive Engineer or a Forest Officer would get from his Departmental superiors.

* There are also some State Railway Presses, but these are entirely under the Railway authorities and figure in the Railway accounts.

† As a general rule the Superintendents of the Central Government Presses seem to be men who have had Printing experience; but in Bombay and Lahore men with no such practical knowledge, and with nothing but ministerial Secretariat experience, appear to have been selected at one time or another by the Local Governments with whom the appointments rest.

11. Recently a step *has* been made in this direction by the application to the Presses of a scientific local audit carried out by a peripatetic officer termed the Examiner of Press Accounts, whose appointment was sanctioned in 1901. But though we believe that Mr. Hydari, the present incumbent of the office, has done much good in bringing to light irregularities in the management of Presses, some of the more salient of which are exhibited in Appendix G to this Report, we recognise that he, or any other Accounts Officer occupying the same position, must be handicapped in the following respects :—

(1) He comes to the appointment without any previous knowledge of Press work and has practically to acquire efficiency during the course of his audits.

(2) He naturally looks at matters mainly from an Accounts point of view, and his criticisms can always be discounted by the plea that he is unacquainted with the difficulties inherent in the management of any large commercial business such as the principal Government Presses are.

(3) He is not in a position to criticise or advise as regards Printing methods, or adequately to appreciate the labour troubles with which Press Superintendents have every now and then to cope.

12. We may add that his reports do not appear to receive the earnest and speedy attention which they deserve. Thus, Mr. Hydari's Report on the Allahabad Press, which alleged irregularities and extravagances of a by no means trifling nature, was passed on by the Comptroller General with his remarks to the Local Government in June 1902, was referred by them to the Press Superintendent, and was still, when he appeared before us, in the hands of that officer. We think that if the Press Superintendent was, as he stated to us, able satisfactorily to rebut Mr. Hydari's main criticisms, he should have done so long ago and that the Local Government should have insisted on a prompt reply from him. Again, Mr. Hydari's Report on the Bengal Press was passed on to the Local Government by the Comptroller General in February 1902, but the main points therein dealt with are still undisposed of. We may add that the Government of India themselves have as yet taken no definite action on Mr. Hydari's criticisms with reference to their Calcutta Press, though the Report has been in their hands since July 1901.

13. There are various important Press questions, apart from matters of account, on which the advice of a competent man with actual experience of the work of a large Printing Establishment but tied to none in particular, would be very desirable.

(1) There is first the question of the introduction of improved machinery especially in regard to the casting and setting up of type. The Linotype machine, which has worked very satisfactorily in the office of the Calcutta *Englishman*,

was introduced in a small way and as a tentative experiment in the Government of India Press at Calcutta in 1902, but Mr. Ross does not regard it with favour and we think it clear from his own statements that it has not had a fair trial for various reasons, such as the inexperience of the operatives employed. Granting too that the main feature of the Linotype, its casting each line as a whole, unfits it for much Government work where constant corrections are required, the same objection would not apply to the Monotype, which, while also casting its own type, does so in single letters. We are not in a position to say whether this or any other composing machine would be a financial success to Government in this country of cheap labour, but the point is one which should receive careful consideration especially with reference to the resulting economies in connection with type foundries and the ground they occupy, and the setting free of much-needed space in the Printing offices themselves.

(2) It seems to us to demand serious consideration whether existing arrangements for the printing of Government forms, etc., with Messrs. G. W. Allen & Co. and with the Civil and Military Press at Lahore are advantageous to the State. Mr. Hydari's Reports contain some useful criticisms on this subject, and it ought, we think, to be decided whether more economical contracts could not be obtained and a larger amount of work given out in this way, or whether on the other hand it would not pay Government to establish a separate Press at some place where labour is cheap—say, in Madras or Allahabad—in which Forms, Departmental Lists, and regular non-urgent matter might be undertaken on a large scale.

(3) Assuming that type foundries on a large scale will not be rendered unnecessary by the introduction of machines of the Monotype class, it has to be considered whether a Central Foundry for all India, combined with small local outturns of vernacular types and for emergent purposes, would not be desirable. The nucleus of such a Foundry now exists at Dharamtollah in connection with the Government of India Press, but it has no connection with Bengal, which has its own separate Foundry at the Presidency Jail, or with Madras, which casts all its own type, while in Allahabad and Bombay most of the type required is also produced locally. In this connection we must note that while such a Central Foundry should certainly have a man of type-casting experience at its head, the necessity for having a special Mechanical Engineer at the Bengal Jail Press appears to us to be open to question, and this officer has, as Mr. Hydari pointed out, drawn for some years, as his predecessors did before him, an extra allowance for work which has not been performed.

(4) There is the question of the introduction of a modified form of contract work in Government Presses on the lines indicated in paragraph 22 of the Report of Mr. Crawley's Committee, under which the Superintendent would deal collectively with a gang of piece-workers instead of individually with each, and connected with this is the further question whether the piece-work system might not be extended and the pensionary list curtailed. It seems to us to be hardly necessary that a compositor who has been paid liberally at piece-work rates should get a pension in addition, unless there are special demands on his integrity with reference to confidential work and the like. In fact the whole question of Press pensions appears to us to be in an anomalous position, some Governments applying the provisions of Article 380, Civil Service Regulations, while others do not do so. Nor again does any fixed principle seem to obtain as to the relative proportions of (*a*) men paid by salaries and by results or (*b*) pensionable and non-pensionable establishments.

(5) Having regard to the large and constant extent to which overtime work prevails in the Presses it is well worth consideration whether the ordinary establishments should not be increased, thus substituting fresh for jaded labour.

(6) Overtime fees themselves seem to be paid on no general principle, and in some cases, *e.g.*, in Bengal, they go to officers of high standing in the Press (even to the Deputy Superintendent) who have themselves to order this class of work and to pass the allowances therefor. The tendency, which prevails in some Provinces, to treat every hour over a short normal working day (7 hours in the Bengal Press) as deserving special payment is, we consider, a dangerous one.

(7) The expediency of keeping up some of the existing minor Presses, *e.g.*, that attached to the Bombay High Court and the Jail Press at Amraoti, ought also to be considered. On the other hand it might possibly be desirable in large Provinces to start an efficient Branch Press in some centres such as Lucknow or Dacca.

14. We do not think that existing Press Superintendents have, generally speaking, the leisure or the breadth of mind to offer sound and authoritative advice on large questions of this description. Though most of them have had an English training it has generally been in a quite subordinate capacity and while some of them have managed private concerns out here, these have generally been on a small scale as compared with the requirements of Government. Their time too is taken up, and their views necessarily narrowed, by the constant pressure of every-day work. Each Press may be said to be literally 'working against time' from one year's end to another.

15. The Press Superintendents are necessarily at a disadvantage in dealing with the Departments for which the Press works in regard to such matters as unnecessary calls for Printing, marking of papers as urgent which are really not so to the detriment of other work, the locking up of type for long periods and the setting up of tabular matter in unduly expensive form. There ought, we think, to be general rules, which appear in most Presses to be lacking, to strengthen the Superintendents' hands in regard to these matters,* but even so, much remains to be done by representations in particular cases, and we cannot help thinking that Heads of Departments do not give these the attention which they would receive if urged by an officer of standing nearer to their own. In fact the Superintendents appear to deal largely with ministerial officers, a class of men not as a rule open to new ideas.

* See the suggestions in this respect made in paragraph 25 of the Report of Mr. Crawley's Committee.

16. We think that the Government of India require an officer of superior standing to the existing Press Superintendents, and that his functions should be as follows:—

(1) To periodically inspect the Government Presses and give personal instruction and advice to the Superintendents on minor technical points that come to his notice, reporting on more important matters to the Government to which the Press is subordinate.

(2) To consider and advise on such important general questions as those outlined above (paragraph 13).

(3) To bring to special notice any abuse of the Press by the Departments in the directions indicated in paragraph 15. We recognise of course that the Press exists for the sake of Government Departments, and that it is good business to spend money on printing in order to economise the time of highly paid officers; but there are, we believe, occasional abuses of the Press in this connection, and such an officer as we propose would bring them to notice much more authoritatively than the local Superintendents.

(4) To report whether, all things considered, the Presses are working economically and efficiently, special attention being of course paid to such matters as the piece-work and time rates, overtime charges, and the quality and rapidity of the outturn. We attach no value to such Profit and Loss accounts as are at present prepared; they are based on hypotheses which are often far from corresponding with actual facts. The evidence of Mr. Chalmers and paragraph 139 of Mr. Hydari's Report on the Allahabad Press are instructive on this point.

We would note in this connection that at present even the two Calcutta Superintendents, Messrs. Ross and Chalmers, do not appear to consult in regard to piece-work rates; that their overtime rules are different, Mr. Chalmers' being the more liberal; and that in their Presses more stringent precautions seem required against the theft of Government type.

(5) To advise Local Governments as to the procurement of machinery and the recruitment of their superior Press officers. At present when a Local Government wants a Superintendent or a Deputy Superintendent, it has practically to grope in the dark, and the India Office, which generally supplies the men from Home, may not be acquainted with what the Press to be supplied most requires. At one time for example, the most pressing need might be for a personally efficient printer; at another for one who could manage an establishment that had got out of hand. A man at the head of affairs with a general knowledge of the state of each Press could advise the Government concerned with great effect.

He could encourage merit by recommending a man who had done well in one Province for a higher appointment in another, and if a man had to be got from Home he would know the best place to go to. He would also be able to advise effectively on the question of salaries. At present there is no general principle in this respect, and we find, for example, that the Superintendent of the Bengal Press is now as well paid as the Superintendent of the Imperial Government Press in Calcutta, though the latter has far more work to do.

(6) His advice would also be most useful in regard to the reorganisation of subordinate establishments, a matter on which the Secretariats controlling the Presses now find great difficulty; and on such questions as the improvement of proofs by enlisting a superior class of readers.

17. We think therefore that there is ample scope for an officer such as we suggest. He should be a man of practical experience of printing from the business point of view, *i.e.*, he should have controlled or had an important share in the control of a large establishment; he should, in brief, have been a Manager and not a mere mechanic or foreman. We would, at the outset at any rate, make him an *Inspector* General and not a *Director* General, *i.e.*, his functions should be rather of an inspecting and advisory than of a controlling character. The appointment of a Director General would, we think, cause friction with the Local Governments who pay for their Presses and for whom the Presses do the work, and the other functions in connection with Stationery and Stamps which we propose to assign to the Inspector General render it advisable to limit his field of action as regards printing.

As stated in Part III (*c*) of our Report, we propose to combine the suggested office of Inspector General of Printing with that of Superintendent of Stationery and Stamps, subject to the latter being relieved by the transfer of the Forms Branch and in certain other directions there indicated. We propose to style the holder of the combined appointments, Controller of Stationery, Stamps and Printing.

18. Under these arrangements all Government Presses in India, and not those in Northern India only, might perfectly well be brought within the Controller's sphere of operations. For the existence of a Deputy Controller who would take temporary charge of the Calcutta office during his absences would enable such absences to be for longer periods than the very short tours contemplated in paragraph 4 of the Finance Department's letter No. 4044 S. R. of the 31st July 1901.

19. It would then be no longer necessary to have a separate Examiner of Press Accounts. The Controller of Printing should of course have at his disposal an Accounts expert to audit the accounts of the Presses inspected, but such an officer might be procured from the subordinate ranks of the Accounts Department and not from its Enrolled List.

20. The Reports of the Controller on the Presses visited by him should receive the very speedy attention of the Local Governments concerned, and any grave delay in dealing with them should be brought by him to the notice of the Government of India. Copies of his Auditor's reports on all Presses should be submitted to the Comptroller General. This would not affect the necessity of such concurrent local audit as the Comptroller General may deem necessary, for the Controller of Printing would not be able to inspect each Press once a year. The local auditor (a clerk) would in such case submit his report to the Accounts Superintendent attached to the Controller.

21. We would call attention to the desirability of simplifying the Press accounts in the directions urged by the Committee presided over by Mr. Crawley. No orders have yet been passed on the matter; and we venture to doubt the necessity, even having regard to paragraph 163 of the Report of Lord Welby's Commission,* for requiring the valuation and exhibition of the work done by every officer who uses the Press. We do not believe that the elaborate ledgers which this involves serve any really useful purpose. Unreasonable use of the Press would be much more easily brought to light by the Controller.

* "163. We think it would be an advantage if a note were added to the statement of stationery and printing expenditure in the financial accounts, showing the value of stores supplied during the year to each department. A note of the amount which each department expects to demand is appended to the estimate, but it is equally, if not more, interesting to learn what each department actually took."

PART II.—The Stationery and Stamps Department Generally.

Nature and Duties of the Appointment of Superintendent of Stamps and Stationery, Calcutta—General Character of his Office Establishment and Accommodation.

22. We cannot do better than preface this section with the following remarks of the Board of Revenue in their letter No. 538 B. of the 1st May 1902, to the Government of Bengal:—

"In its present constitution the office of the Superintendent of Stamps and Stationery dates from the year 1850. In that year the value of the stock of stamps was about ten lakhs, and the number of treasuries supplied about 30: the stationery in store was valued at about four lakhs, and the issues were confined to the Province of Bengal.

"The figures for the year 1900-1901 return the value of the stamps in stock at about fourteen crores, including postage and telegraph stamps, and the annual issues, to nearly 300 treasuries, at over five crores. Under rule the Superintendent has to maintain a stock of stamps sufficient for two years' consumption, except of postage and a few other kinds of stamps of which, under recent orders, a reserve for one year only should be kept.

"Stationery of the value of over six lakhs was in hand at the close of the year, after issues during the twelve months, to the extent of approximately 31 lakhs to some 4,200 offices in all parts of India. The stock of stationery comprises some 1,800 different classes of articles, including varieties of paper, ink and other principal materials, and numerous miscellaneous articles.

"The purchase in this country of stationery and stores at a cost of over twenty-four lakhs has added enormously to the responsibilities of the appointment since the days when the duties were practically confined to the custody and distribution of supplies received from England alone.

"The development of the use of printed forms has also greatly increased the work. These forms now consist of some 10,000 different kinds. During the year 1900-1901 some 95 millions of forms were distributed to approximately 4,600 offices, and a reserve of over 23 millions was retained.

"The disposal of the vast business of the Superintendent's office in all its branches naturally necessitates a very large amount of correspondence, and in 1900-1901 over 40,000 letters were received and over 39,000 issued.

"An establishment of 183 ministerial officers was employed, in addition to 87 lower subordinates, such as sarkars, coolies, peons, etc., and the total expenditure of the office on the local purchase of stores, establishment and contingencies, which in 1870-1871 was about eight lakhs and in 1890-1891 had risen to about sixteen, reached in 1900-1901 the aggregate of more than twenty-seven lakhs.

"As regards stamps, the Office supplies the whole of India, except the Presidencies of Bombay and Madras. The Superintendent of Stamps in Calcutta, however, compiles the requirements of these Presidencies with those for the rest of India into one consolidated indent for the Secretary of State, after regulating and equalising by transfers the surplus stocks at the three Central depôts.

"In the case of Stationery also the Presidencies of Madras and Bombay are the only areas with which the Superintendent in Calcutta is not concerned, but in the special branches of periodicals and rubber stamps supplies are despatched to officers on Imperial establishments wherever stationed.

"The despatches are not restricted to the limits of British India. Stamps have been issued to Somaliland on the one side, and Stationery to the Expeditionary Force in China on the other.

"The efficient control of business of such magnitude over so large an area and involving relation with so many offices obviously demands administrative capacity of a high order, and defects or irregularities must hamper public business, often seriously."

23. In short, while originally the appointment was one of comparatively small importance having to do mainly with the Province of Bengal and capable of being filled by any officer of probity and intelligence, the position has now entirely changed. The Stationery and Stamps Department is now a colossal store, the successful management of which involves not merely ordinary *administrative* ability as the Board state, but also high *business* capacity, on the part of its manager.

24. It has also become in its main functions an *Imperial* Department. It procures and supplies Stationery and Stamps for all parts of India outside Madras and Bombay, and out of 32·6 lakhs' worth of stationery and 630 lakhs' worth of stamps distributed by it in 1901-1902, only 7·6 and 368 lakhs respectively went to Bengal. Again, out of 4,254 offices supplied by the Stationery, and 303

offices supplied by the Stamps Branch in the same year, Bengal accounts for only 1,049 and 110 offices respectively. Only in one capacity, that of Superintendent of Forms, which we shall discuss in Part V of this Report, is the Superintendent of Stationery, etc., really a Provincial officer. The Forms work, while it absorbs little of his own time, occupies the greater part of the energies of the Assistant Superintendent.

25. Nevertheless the appointment has continued to be under the Bengal Government and the Board of Revenue, though it has occasionally been found necessary for the Superintendent to enter into direct unofficial communication with Departments of the Government of India, as happened, for example, in connection with the issue of black-edged paper on the death of Her late Majesty.

26. So far too from the *status* of the appointment having risen with the importance of its functions, the reverse has happened. The pay of the Superintendent which was originally fixed at R1,500 was reduced in 1888 with reference to the proposals of the Finance Committee to R1,000—100—1,500 at which figure it still stands.* The post too has been filled for the last thirty years by members of the Uncovenanted Services (*vide* list appended to the Board's letter of the 1st May 1902, above referred to) who necessarily came to it without any experience of its duties. A Deputy Collector or a Police Officer has nothing to do with the supply of Stamps and Stationery except to check and sign the annual indent (prepared by a clerk) for the modest consumption of those articles in his own office. While we are far from implying that a Civilian or a Military Officer would necessarily have done better, we must point out that the want of business capacity on the part of some of the men actually selected is painfully apparent in their method of dealing with contracts for the supply of country paper, now the most responsible and important part of the Superintendent's duties—*vide* Part III(*a*) of this Report.

* The Finance Committee's actual proposal was for the amalgamation of the entire appointment with that of Collector of Customs. This plan was, we think, very fortunately, set aside in view of the strong opposition offered thereto by the Bengal Government and Board of Revenue, and the reduction of pay was suggested by the then Lieutenant-Governor as an alternative.

27. We may note here that Madras and Bombay have separate Stationery and Stamps Departments (though their Stamp indents are consolidated with those for the rest of India by the Calcutta Superintendent), but that these are in charge not of full-time officers but of the Collectors of Customs in the two Presidency towns. The respective magnitude of the Stationery and Stamp transactions of the three officers in 1901-1902 is as given below:—

Value (in lakhs) of issues from—	Stationery.	Stamps.
Calcutta	22·65	630·41
Madras	5·49	90·9
Bombay	5·20	152·6

28. The Superintendent of Stationery and Stamps is under the present system not merely lacking in the special knowledge and qualifications which the appointment now requires, but he is so overburdened with routine work, owing to the lack of responsible Assistants and to the faulty system of dealing with Stationery and Forms indents [on which we shall touch more fully in Parts III(*b*) and V], that he lacks the time to get a proper grip of the various branches of his office and to systematise procedure therein. We quote in this connection the following remarks in the Board's letter of 1st May 1902:—

"It is essential that the Superintendent should be relieved of the mass of routine details which at present occupies a great portion of his time. He should be free to exercise constant and close supervision over the many branches of his office, and to devote time to the consideration of the more important questions which come up in connection with the administration of the Department, and the proper disposal of which may be of great pecuniary consequence to the Government. The branches in the office under the three main divisions of Stamps, Stationery and Forms, are shown in the annexed statement,† which furnishes figures of the establishment entertained, and particulars of the work to be done. The enormous amount of details to be attended to, in the maintenance of registers and accounts, the submission of statements, the checking of indents, the receipt and the distribution of supplies of stationery and forms, and the correspondence with indenting officers and others is apparent. Besides the purely clerical

† We have not thought it necessary to reproduce this statement.

staff there are the officers noted in the margin. The Store Examiner has the special work of examining and reporting on locally purchased stores, and the Store-keepers and their Deputies have the direct charge of articles in their custody. A high rate of pay is allowed to the Stamps Store-keeper in consideration of the great value of the stock in his custody, and of the fact that he is required to furnish a security of two lakhs of rupees. Practically, the Assistant Superintendent is the only officer available to help the Superintendent in general supervision, and he is specially in charge of the Forms and Stamping Branches. On the recommendation of the Committee which was appointed in October 1900 to report on the proposal to despatch Forms to the indenting officers direct from the Press the Assistant Superintendent has been given the position of a Gazetted officer under the sanction of the Government contained in the letter No. 1512 T.-F., dated 17th October 1901, with the object of empowering him to dispose of some of the routine duties which the Superintendent had personally to attend to. The Board are of opinion that a further step should be taken to free the Superintendent and enable him to devote more time daily to personal supervision of the work of the Department in all its sections, and they think that there should be a second gazetted Assistant, whose duties should be more especially in connection with the Stationery Branch. It has already been mentioned that the number of letters received and issued in 1900-1901 was about 80,000. This correspondence must at one stage or another come before the gazetted heads of the office, and must, after full allowance for the trivial character of a large portion, absorb so much of the time of two officers as to hamper them seriously in their duties of supervision. A third officer would bring much needed relief, and in consequence greater efficiency."

Name of appointment.	Pay. R
Assistant Superintendent	400—500
Stamps Store-keeper	400—600
Deputy "	100—150
Stationery "	175—225
Deputy "	45—65
Store Examiner	250
Form Store Supervisor	60—80

We would also draw attention to the statement of one of his ordinary days' work put in before us by Mr. Manson and which will be found appended to his evidence.

29. The result of this state of things was apparent in the course of our scrutiny of the working of the Department. We found that Mr. Manson was far from possessing a full knowledge of his Office processes in regard to the check of, and compliance with, indents, and of his accounts. We do not desire to attach any special blame to him for this—in fact, so far as we can judge, he has done considerably better than his immediate predecessors—it is the frittering away of the Superintendent's time in details that is in fault.

30. Taken as a whole the office in all its Branches (Stationery, Stamps and Forms) consists of 192 persons holding superior and 81 holding inferior appointments. The immense majority of the men holding superior appointments are absolutely wanting in educational qualifications*; they have very poor pay and prospects,† and much overtime work for which they get no extra remuneration; and we cannot accept Mr. Manson's conclusions that they are at all an efficient agency. As we shall show later on, there is no proper system of work and all the sections do is to keep as little as possible in the rear of current demands. As is usually the case in inefficient offices, all defects are put down to inadequate establishment, and the Superintendent has submitted large proposals for increase involving, with the re-grading of existing hands, an additional cost of about R27,000 per annum or 28 per cent of the existing charges under this head. These proposals are still under the consideration of the Government of Bengal, but Mr. Wheeler in a note (Appendix C1) in which he substantially recommended their acceptance observed as follows:—

* See note on educational qualifications (Appendix H).

† The highest clerical appointment in the office is on R85—100.

The store sections are in the hands of the store-keepers who practically run them on contract and fill them with their own relatives.

"105. Lastly, one point is to be mentioned of considerable importance, and which might be held, pending its settlement, to render unnecessary any further discussion of other details. From my enquiries into the working of the Superintendent's office, I am convinced that the method and organisation of the work might be greatly improved. Its present condition is the not unnatural result of the rapid expansion of work which has too often been met by temporary makeshifts in the matter of establishment and ever present difficulties in the matter of accommodation. Improvement might be looked for on two main lines:

(*a*) *Adoption of a better office procedure.*—The system in the Stores seemed notably defective, and while not prepared to condemn it absolutely, I would specially instance the divorce between the men who keep the different articles and those who keep the accounts of their consumption. Manuscript note-books abound, and the forms of what registers there are in many instances seemed susceptible of improvement.

(*b*) *Simplification and greater system in the numerous statements and accounts which the Superintendent's office is required to submit to this authority and that.*—There surely must be room for some reform in this respect, and the fact cannot be over-emphasised, that while it is easy enough to prescribe the statements, their preparation, with the numberless items and varieties with which the office has to deal, is often most laborious.

We would also draw attention to the supplementary note of the 7th April 1903 added by Mr. Wheeler at our request to Appendix C 1.

Mr. Manson has admitted that these conclusions are correct. He has in fact lacked the leisure to thoroughly examine the office processes and to consider how far simplification of these and the procurement of a better class of men would help to meet the undoubtedly growing demands on the Department.

31. Work too is seriously handicapped by the nature of the existing buildings. With the exception of two improved blocks built in 1894-96, these consist of scattered and badly arranged rooms and godowns, quite inadequate for the present demands on them. The quarters of the clerical and account establishments are badly congested and the storage and despatch premises very poor. As the Board have pointed out, unsatisfactory makeshift arrangements have become necessary, and the work of packing Forms is still done in the open. Large additions to the premises have been asked for since 1878, but these were not complied with till 1894-96,* and then only partially, while further demands, now estimated to cost about 4·65 lakhs, were submitted by Mr. Gayer in 1899 and by Mr. Manson in 1902, and are still under consideration. The fact that the Bengal Government has to find money out of its ordinary Provincial revenues seems to have had much to do with the unsatisfactory state of things under this head, and it will be noticed from paragraph 4 of that Government's letter No. 1034 T.-F. of the 4th July 1902, to the Government of India, that the average expenditure on works and repairs to these badly crowded buildings has amounted since 1897-98 to about R5,000 a year!

Paragraph 13 of letter No. 538 B. of the 1st May 1902.

* A note prepared by Mr. Wheeler for the Board in February 1902 (Appendix C 2) gives a melancholy history of the delays and vacillations that have attended the consideration of the Superintendent's requests for better accommodation.

PART III.—The Stationery Department.

(*a*)—*Arrangements for the Supply of Stationery.*

32. The principal article required is of course paper and the largest part of that consumed goes to the various Government Presses. But the transactions of the Stationery Department also include a great number of articles that may be conveniently termed "accessories"—ink, blotting paper, pens, pencils, india rubber, rubber stamps, mapping apparatus, type writers and so forth.

33. As has been previously remarked, practically the whole of the stationery supply was originally procured from Home, but since the development of country paper mills around Calcutta and in Lucknow, the position in this respect has been entirely changed, as will be shown by the following statement which gives the total value (in lakhs) of stationery procured from England and in India during the three years ending 1901-02:—

	In England.			*In India.*		
	Paper.	Other articles.	TOTAL.	Paper.	Other articles.	TOTAL.
Total of triennium	5·00	13·38	18·38	67·09	6·02	73·11
Yearly average	1·66	4·46	6·12	22·36	2·00	24·36

The extent to which the country-made paper transactions have mounted up during the last 30 years is shown by the following statement furnished to us by Mr. Manson:—

Years.	Paper.	Miscellaneous articles.	TOTAL.
		Value in lakhs.	
1871-72	No details	No details	·39
1876-77			·76
1881-82			2·71
1886-87	7·96	·85	8·81
1891-92	16·62	1·02	17·64
1896-97	17·17	1·33	18·50
1901-02	23·64	1·99	25·63

34. It is clear, therefore, that the purchase of this paper is now *the* most important business of the Superintendent. The method of procuring it is as follows. In the latter part of each official year an estimate is framed in the Superintendent's office of the amount of each class of paper required, as calculated on the actual consumption in the past three years, and tenders are called for accordingly.* Samples of the kind of paper required are not, as might be supposed, prescribed by the Department and kept for inspection by would-be tenderers as the latter submit with their

* See specimen notice inviting tenders for the year 1903-04 (Appendix J). But these notices do not always seem to have been made public.

tenders samples of the material they are prepared to furnish for the prices quoted. The parties tendering have of late years been the Bally, Imperial, Titaghar, Bengal and Lucknow Mills, of which all but the last-named are situated in the vicinity of Calcutta. On receipt of the tenders they are opened, and prices and samples are compared by a preliminary Committee consisting of the Superintendent of Stationery and the Superintendents of Printing for India and Bengal. The tenders are then submitted (or at least have been since 1895), with the Superintendent's recommendation, to a Paper Contracts Committee consisting, in addition to the three officers above named, of the Member of the Board of Revenue in charge of the Miscellaneous Revenue Department, the Financial Secretary to Government, and a Deputy or Assistant Accountant-General, and this Committee decides as to the action to be taken.

35. For a good many years prior to 1902 the Mills had been in the habit of submitting practically identical tenders with the object and result of distributing between themselves, at favourable rates, the whole of the Government demand for country paper. The following statements, elicited from Mr. Manson by the President, show how the system grew up and that it was the not unnatural result of the action of past Superintendents of Stationery and of the Board of Revenue:—

"I think it began some time in the eighties as far as regards the Calcutta Mills. I find that in 1887-88 the Bally and Titaghar Mills tendered the same rates (with one exception); the other two tendering Mills in that year—Lucknow and Scindia—tendered different rates.

"For the contracts of 1891-92 the Bengal Mills, which had just started, tendered at lower rates than the existing Calcutta Mills (Bally and Titaghar). Mr. Barnes (the Superintendent) did not recommend the acceptance of this lower tender for the full requirements, but utilised it in order to induce the other Mills to reduce their rates, and after they had done so, he proposed equal shares of one-third to Bally, Bengal, and Titaghar of the particular classes of papers for which the Bengal Mills had tendered. Next year Bengal joined in with Bally and Titaghar in tendering uniform rates.

"Again, for the contracts of 1894-95, the Imperial Mill, which was a new Mill, tendered at lower rates. Mr. Barnes declined to recommend a contract to the new Mill, as it had not submitted samples, and he considered that new machinery was more likely to get out of gear than old. He also apprehended that their paper might be defective. He also wrote as follows (letter No. 5666, dated the 5th February 1894):—

"'The sudden lowering of Government rates would also tend to disorganise the paper trade and the withdrawal of the usual contracts from the Mills that have hitherto supplied our requirements would entail upon them heavy loss. This would hardly be a fair way of treating the old Mills, as the new competitor has not yet proved its ability to make proper paper.'

"He only recommended a trial order of 300 tons to the Imperial Mill. (His recommendations were approved in Board's letter No. 42 B., dated the 14th February 1894.) The Imperial Mill from the next year joined with the others in tendering uniform rates.

"The Lucknow Mill first joined in the combination in 1891-92.

"I consider that the combination of the Mills was due to the action of the Superintendent of Stationery and the Board in dealing with tenders. In the case I have instanced of the Imperial Mills, they appealed to the Bengal Government against the decision of the Board; the Bengal Government upheld the Board. The Bengal Government Order is No. 4185, dated the 2nd August 1894."

36. It is obvious, we think, that when Government has contracts to dispose of, the only sound business method is to accept the lowest satisfactory tender. When A's tender is communicated to B in order that he may reduce his rates so as to share in the Government orders, and the authorities concern themselves with the protection of vested interests, it is clear that firms, which would otherwise have competed to the advantage of Government, will combine to its disadvantage, and this is precisely what happened in the present case. The Mills, finding that the principle was to distribute business 'all round', playing one off against the other as regards rates, naturally improved on this by fixing the rates themselves as a "ring". When they had developed this system they held Government at their mercy, for the late date at which the contract meetings were held, and the want of adequate balances in the Stationery office, prevented their being countered by ordering the supply from Home, and the Mills, it should be noted, had, at any rate in 1899, reserved the right to withdraw their tenders and reconsider their rates should any portion of the orders be placed in England (Appendix K).

37. We attach a statement prepared by Mr. Manson showing the dates on which tenders were called for and the Contracts Committee met thereon, during the last ten years, and in perusing this it should be borne in mind that the actual

amount of country paper kept in stock at the Stationery office usually amounted only to about a month's requirements.

	Year for which tenders were required.									
	1894-95.	1895-96.	1896-97.	1897-98.	1898-99.	1899 1900.	1900-01.	1901-02.	1902-03.	1903-04.
Date of call for tenders for country paper .	26 Jan. 1894	15 Jan. 1895	3 Feb. 1896	28 Jan. 1897	1 Feb. 1898	21 Feb. 1899	22 Nov. 1899	30 Nov. 1900	20 Dec. 1901	25 Aug. 1902
Date of consideration of tenders by Committee or otherwise . .	14 Feb. 1894	18 Mar. 1895	10 Mar. 1896 and 27 Mar. 1896	(a) 30 Mar. 1897 and 5 Apl. 1897	(b) 26 Mar 1898 and 15 Apl. 1898	25 Mar. 1899	2 Mar. 1900	16 Feb. 1901	10 Mar. 1902	11 Nov. 1902
Date of order accepting tenders . .	14 ,, 1894	18 ,, 1895	10 Mar. 1896 and 27 Mar. 1896	30 Mar. 1897 and 5 Apl. 1897	26 Mar. 1898 and 15 Apl. 1898	29 Mar. 1899	2 ,, 1900	22 ,, 1901	20 ,, 1902	17 ,, 1902

(a) Previous contract extended for three months awaiting English samples.
(b) Meeting of Superintendent and Mills representatives, for reduction of rates.

38. As an illustration of the situation thus brought about we would draw attention to the minutes of the Committee of March 1899 (Appendix K). It is practically a wail of impotence. 'The rates seem unduly high and the Mills refuse to reduce them; but at this late date and with our limited balance and storage accommodation we can't afford to set them aside and go Home, and so we must give in.'

We were so struck with these facts that at our request Mr. Wheeler has prepared a full note on the action taken by the Superintendent and the Board in different years with reference to contracts, which figures as Appendix I to this Report and to which we shall refer later on.

39. Obviously, however, the Government could not acquiesce for long in the situation thus brought about.

From 1889 onwards there had been correspondence with the Secretary of State, owing apparently to the fact that a statement accompanying the annual Administration Report of the Stationery Department, and which purported to show the financial results of the substitution of country for English stationery, showed a loss resulting from local purchases. That correspondence is dealt with in paragraphs 3 and 4 of the Report of Mr. O'Conor's Committee of 1902, to which we shall refer below, and its results may be shortly summarised as follows:—

(1) Between 1889 and 1895 yearly samples of his requirements were sent by the Superintendent of Stationery to the Director General of Stores at the India Office who obtained from English manufacturers specimens of corresponding English papers with their prices.

(2) These latter specimens ceased to be obtained because the English manufacturers demurred to a continual submission of samples and prices which procured them no orders.

(3) In 1896 the Secretary of State suggested that a more efficient check on the Indian market would be obtained by at least one-tenth of the Government stationery requirements being annually procured from Home.

(4) To this the Government of India objected on the grounds—

(a) That wood pulp, as a constituent of paper, is essential in English manufacture, while for climatic reasons it is inadmissible for paper used in India.

(b) That it would be inconvenient and expensive to find storage room for one-tenth of the annual supply.

(c) That the proposed annual purchase would be opposed to the policy of encouraging every effort to substitute for articles obtained from Europe goods of local manufacture, when the latter are not inferior in quality or higher in price.

They suggested, however, that tenders in Calcutta should be called for from all sources, Indian, English and Continental.

(5) The Secretary of State declined to accede to this last proposal. He noted that wood pulp was not necessarily an ingredient of English

paper; pointed out that his own proposal "was not made in the interest or for the protection of English paper makers, but in order that your officers might be in a position to decide whether papers made in England or in India gave relatively the better value for their cost;" and concluded his Despatch as follows :—

"But, I think it right to add, it still seems to me to be desirable that, with the view of testing quality and price, there should, as pointed out in my Financial (Stores) Despatch No. 2, dated the 23rd January 1896, be some comparison between Indian and English made papers of similar kinds, and that to effect this object demands might be periodically preferred on this country for not less than ten tons of any one description of paper."

The orders contained in the last paragraph of this Despatch were, however, as pointed out in paragraph 4 of the Report of Mr. O'Conor's Committee, not adequately carried out.

40. In 1900-01, as stated by Mr. O'Conor's Committee, the Board of Revenue made enquiries which produced no definite results as to placing contracts for the supply of ordinary paper in England.

41. In May 1901 the Government of Bengal addressed a letter to the Government of India in which it was held that the paper ring in India had actually raised the cost of paper to Government, and that it was essential to break up the ring. This it was proposed to do—

Letter No. 1873 F. (Financial), of the 16th May 1901.

(1) By regularly obtaining one-tenth of the total paper requirements of Government from the India Office.

(2) By inviting tenders for the remainder from the local representatives of English manufacturers as well as from the Indian Mills.

This last scheme, it may be observed, was a repetition not merely of the suggestion put to the Secretary of State in 1896, but of a previous proposal made unsuccessfully by the Board of Revenue in October 1890 and referred to in para. 32 of Appendix I.—"All that is now needed (the Board then said) is to convince Indian manufacturers that their calculation as regards the cost of English paper is unsound as tested by open competition, and this can only be effected by allowing firms which obtain their supply from England to compete on equal terms. The practical result will probably be to bring down the Indian prices."

42. In the meantime the Madras Government, which had been obtaining paper independently from the Calcutta Mills, had been so dissatisfied with the price and quality of the papers supplied that they obtained their whole demand of white printing* paper for 1900-01 direct from an English Firm, and on that course being objected to by the Secretary of State as irregular, they obtained in the following year paper of all descriptions through the India Office to the value of R4,92,488 at prices representing a saving of R1,31,491.

* 2·4 lakhs' worth.

Paragraph 10 of Madras Stationery Report for the three years ending 31st March 1902, and Appendix C.

It appears from the correspondence referred to in paragraph 53 below that the same course was adopted in 1902-03.

43. The Bengal Government's letter of 16th May 1901 led to the appointment in 1902 of a Committee, presided over by Mr. O'Conor, to consider the most economical and efficient method of obtaining the supply of paper required for the Public Service. The results of this Committee's deliberations were put before Government in a Report by Messrs O'Conor and Wheeler, and its paragraph 22 contains their final conclusions which were generally accepted by the Government of India. Of these we here reproduce the following :—

"(1) There is no sufficient reason for considering that the Indian manufacturers have charged excessive rates to the Government for the paper supplied by them under contract.

"(2) The belief that excessive rates were charged was based on comparisons made between the contract prices and the prices of imported paper; but these comparisons were based on imperfect data and are fallacious and misleading. No accurate comparison of prices has been as yet made of such a nature as to enable the inquirer to determine without uncertainty whether paper of the same quality as that made for Government by the mills, can be imported at the same or lower prices. The inquiry made in the course of the work of the Committee turned largely on this point, but with negative results.

"(3) Failing such comparison, and there being no data in quoted market prices for paper, the only way of determining whether the mills have charged excessive prices to the Government was to ascertain whether they have been selling similar paper in the market to the public at lower rates than they took from Government.

"(4) It did not appear that this was the case. The mills have, as a general rule, sold their stocks to the Government at the prices charged to the public, and if the public have continued to buy Indian paper sold in competition with imported paper, the fact may be taken to prove that the prices charged were not unreasonable."

44. It seems to us that, from a business point of view, no graver condemnation could have been passed on the existing system. It is an elementary business principle that any manufacturing or supply agency will give liberal rates of discount on large orders, and it appears from No. (7) of this Committee's conclusions that the Government purchases represented at least 25 per cent of all the transactions of the Mills. Yet all that Mr. O'Conor's Committee can say is that the Government which gives them such large orders has not to pay more than a petty purchaser! Of course it should have paid far less, and that this is so is amply proved by the results of the contracts for the year 1903-04.

45. For this year the contract proceedings were at last conducted on ordinary business principles, as will be seen from the following extract from Appendix I, as well as from Mr. Manson's evidence :—

Mr. Manson addressed the Board on the subject of contracts for 1903-04 on the 4th June 1902. He pointed out that the present system of division of orders killed competition, and that fair competition was the only satisfactory safeguard Government could have that it was being supplied at market rates. He wrote:—

"What is required and what I beg to propose is a new system of contract which will stimulate competition. Mr. O'Conor's Committee have prepared the mills for a change of some sort, and it is therefore a good time to make a change."

He proposed to fix a standard of paper and to ask the mills to quote their rates for each class.

In their letter No. 172 B., dated the 30th June 1902, the Board (Mr. Bourdillon) replied as follows :—

" . . . On the general question they would be disposed to consider the following procedure desirable.

"A standard sample of each kind of paper in use should be fixed in consultation with the Superintendents of Printing, India and Bengal, and to some extent with the mills. That is to say it should be ascertained that the standard proposed is one up to which the local mills can work. It should be of good sound working quality for the particular purpose for which the paper is required, and in this connection the suggestion of the Standing Committee should be considered, that the number of different varieties in use (notably for envelopes) should, if possible, be reduced. Tenders would then be called for, accompanied by samples of each variety, it being stated that the standard samples were on view at your office.* Each mill should be required to quote rates for the sample they file, as also the quantity of that variety which they would be prepared to supply monthly as required. It would then be open to the Committee to compare these samples and rates with one another, as also with the standard, and to distribute its contracts to the best advantage irrespective of any idea previously held that it was obligatory to give to each mill an equal share. The mills might be informed that the Committee would distribute its contract on considerations of rates and the quality of the samples, although retaining an absolute discretion as to the acceptance or rejection of any tender. The ability of each mill to supply a certain quantity only, and the destination of the paper required, are obvious considerations which must influence the Committee in deciding what in each case is most advantageous."

* On this point the Board's orders have not yet been carried out. For the current contract the tenderers as formerly submitted their own samples.

The point was discussed at a meeting of the Contract Committee on the 22nd August 1902, and Mr. Manson reported the result of the call for tenders on the 28th October 1902. His proposals were considered by the Contract Committee on the 11th November 1902, and adopted with a few minor modifications. The mills tendered in competition with one another, and the principle followed was to select the tender which was the most satisfactory in point of view of quality and price combined. The net result was that no orders were given to the Bally and Lucknow mills. Both protested, the latter appealing unsuccessfully to the Governments of Bengal and India. The Titaghar Mills obtained the largest share of the contract, followed by the Bengal and Imperial Mills. The last named has been absorbed by the Titaghar Mill since the orders distributing the contracts were passed. A large saving was effected in comparison with the results of the preceding year.

It will thus be observed—

(1) That tenders were now called for and discussed at much earlier dates than formerly.

(2) That the mills were given clearly to understand that the old idea of distribution was to be given up and that tenders would be dealt with entirely on their own merits.

(3) That free competition was thus procured and that the lowest satisfactory tenders were accepted.

46. The results were most encouraging; it will be seen from the statement attached to Mr. Manson's evidence that prices were largely reduced all round, and that the upshot as compared with the prices ruling under the 1902-03 contracts represents a saving of 3·83 lakhs, or over 20 per cent on the total Government demand.* We think that analogous savings might easily have been obtained in previous years had the same system been then adopted, and that Mr. Manson is entitled to take credit for having successfully broken the 'ring' which his predecessors had helped to construct.

* The price per ton of ordinary country paper works out as follows for the last three contracts—

	R
1901-02	390
1902-03	385
1903-04	295

These figures speak for themselves.

47. It must not, however, be supposed that the Board were indifferent or inactive in regard to the contracts of previous years. On the contrary, the note furnished by Mr. Wheeler (Appendix I) shows clearly that each contract-operation was carefully considered by the Member then in charge of the Miscellaneous Revenue Department. But we venture to think that the Board paid insufficient attention to securing the lowest prices by free competition and aimed too much at distributing the contracts with the object of securing the stability of particular Mills. The following facts taken from Appendix I will furnish sufficient proof of this:—

(1) In 1884,† contracts were allotted with the object of encouraging the Lucknow and Scindia Mills as against Bally.(a)

† This, as Mr. Wheeler points out, was the first year in which contracts on a large scale seem to have been made.

(2) In 1885 a rate offered by the Lucknow Mills was refused because it was calculated to cut out the Scindia Mills then in their infancy.

(3) In 1886 part of a contract for *badami* paper, a very important item of supply, was given at an unnecessarily high rate to keep in touch with both the Bally and Titaghar Mills; and in the tenders for the following year these Mills were found to have combined!

(4) In 1887 rates offered by the Lucknow Mills were declined as they were calculated to "stifle" the Scindia Mills, which it was manifestly to the interest of Government to support in every reasonable way.

(5) In 1888 Scindia got higher rates partly in order to bolster up their position which was then shaky.

(6) In 1890 the Scindia Mills were made to reduce their rates (which their previous treatment would naturally tend to raise) by threats of refusal of orders.

(7) In 1891 occurred the incident in regard to the Bengal Mills which we have already quoted (paragraph 35) from Mr. Manson's evidence.

(8) In 1892 an offer from Bally at lower rates for up-country was not recommended because if the order had been given to them "both the Scindia and Bengal Mills would probably collapse and the Lucknow Mills would probably have great difficulty in carrying on work."

(9) In November 1893 the Scindia Mills went bankrupt.

(a) In this connection the then Superintendent spoke of the undesirability of giving a monopoly to one Mill even at the lowest rate. We think that this fear of a monopoly, which every now and then crops up, is a mere bugbear. In the first place even if a single Mill should secure the entire monopoly of Government paper, such monopoly would only last for a year at a time and would no doubt stimulate competition on the next occasion. Secondly, tenders are invited for a number of different classes of paper and it is not likely that any single Mill would make the lowest tender in ev[illegible] class: in fact, as pointed out in paragraph 11 of the Report of Mr. O'Conor's Committee, it would [illegible]ay the Mills to do this.

(10) In 1894 occurred the incident in regard to the Imperial Mills already quoted from Mr. Manson's evidence. On this the Board's Member (Mr. D. R. Lyall) noted as follows:—

"I do not hold Government as bound to any mill, but I do think the old mills are entitled to some consideration provided they supply good paper at fair rates . . . What he (Mr. Barnes, the then Superintendent) proposes to give is equal to about a month's working in the year and that is not an unfair share for a new mill."

(11) Next year the then Superintendent (Mr. Beames) reported that there had been a combination among the Mills (the Imperial now included) to raise their rates. Mr. Lyall, however, thought the rise justified and added—

"I see that the Bengal and Imperial Mills are working at a loss and that the shares of the others are lower than they were."

(12) In 1896, however, rates of much the same character, though a little lower, tendered by the combination caused the Board (Mr. Lyall) to address the Superintendent, through their Secretary, as follows:—

"I am to request that the mills may, as proposed by you, be asked to reduce their rates further, and to say that if they do not do this, there will be no other alternative but to place the order at Home by wire."

This caused a reduction of rates which was accepted as satisfactory.

(13) In 1898 the Mills raised their rates as compared with the preceding year but were finally induced to forego the enhancement.

(14) In 1899 there was a little reduction in some items in the rates tendered, and the rates offered were accepted, but (as we have already noted) with considerable reluctance, on the part of the Contracts Committee.

48. We have cited these instances at some length because they seem to us instructive. The Scindia Mills in spite of the repeated favours shown to them collapsed. The others were very naturally led by the utter uncertainty of the contract system as thus worked to insure against this by combination to the detriment of Government. That the Board themselves had misgivings as to the working of their system is clear from the letter of October 1890, already referred to, in which, after having shrunk from a system of free competition among the Indian Mills, they propose somewhat inconsistently to bring agents of English manufacturers into the arena.

49. We have not left out of account the Resolutions in the Financial Department quoted at the outset of Mr. Wheeler's note (Appendix I), which indicate that "whenever it is possible to do so even at some *temporary* increase in cost, articles of local manufacture or of indigenous origin should be substituted for European articles" (Resolution of the 3rd November 1880, No. 3074 F.D.), and that "in no cases should articles, which the country is capable of supplying, be indented for (from England) until careful and extended enquiry has shown that the locally manufactured articles are substantially inferior to or dearer than similar articles supplied under indent from the Secretary of State" (Resolution of the 8th December 1882, No. 3091).

(The italics are ours.)

But these *dicta*, in themselves of course perfectly just and reasonable, naturally assume that in India itself the cheapest effective supply will be sought, and in the case of a Government Department which has various supply-agencies open to it this object can only be attained by free competition. The truth of this general principle has, we think, been sufficiently demonstrated in the present instance by the facts set forth in paragraphs 43 to 45.

50. Again, these Resolutions obviously involve the postulate that there shall be a full and fair comparison between the actual cost to Government of English and Indian articles. It will be seen, however, from paragraphs 5 to 7 of the Report of Mr. O'Conor's Committee that the materials for such a comparison in the case of paper, a particularly difficult article to deal with in this connection, have always been wanting. The statements attached to the Stationery Administration Reports which purported to show the pecuniary loss or gain involved by the substitution of Indian for English

articles, and which sometimes showed the one and sometimes the other, were, as there pointed out, based on inadequate and misleading *data* and have since been done away with, and the Superintendent of Stationery was entirely lacking in such knowledge of *real* current prices as would have enabled him to institute an accurate comparison after taking into account such necessary factors as freights, duty, cost of storage, etc. He was not even, Mr. Manson has told us (paragraph 25 of his evidence), in full possession of the prices current in the Calcutta bazars.* We find accordingly in the records which Mr. Wheeler has abstracted in Appendix I evidences of constant misgivings as to the assertions that the prices offered by the Mills were after all cheaper than would be obtained by recourse to England—misgivings which found an expression in the Board's letter of 29th October 1890 quoted in paragraph 41 above.

51. The conclusions of Mr. O'Conor's Committee on this point are so important that we reproduce them here—

"(9) It is evident from the questions raised by the Government of Bengal, and it became quite manifest in the course of our enquiry, that the methods in operation for the conclusion of the contracts with the paper manufacturers leave something to be desired in the essential requisite of a knowledge of prices with reference to qualities.

"(10) There are no standard qualities or market quotations for paper, and in the market business is done with reference to the prices at which importers offer paper of similar quality, or rather appearance, without reference to the constituent materials. This course is not open to the Superintendent of Stationery, and as he has no knowledge, when he is considering the tenders, of what may be the course of prices current for the qualities he requires, he is really working mainly on the basis of faith in the tenderers tempered by some very inadequate knowledge of prices obtained by him from England.†

"(11) . . . . It is obvious that the Government, when buying paper, should, to put it briefly, know what it is about and should ascertain the general run of market prices for particular descriptions and qualities. The Superintendent cannot, either by himself or his subordinates, do this satisfactorily, but it might be done efficiently through the Custom House appraisers. They have to assess the value of imported paper, which is taxed at 5 per cent *ad valorem*, and as it may be presumed that they are in a position to learn, and do learn, the prices of paper *out* in the bazar. If they can do this for imported paper, they can also do it for Indian paper, and it is useful that they should do this as an additional test of the value of the former. The information can be communicated from time to time—say once in three months—to the Stationery office, confidentially.

* * * *

"(14) As a further aid to the knowledge of the prices which should be possessed by the Stationery office, it is expedient to give a working order in England for the manufacture of not less than say 50 tons of paper of any one or more of the descriptions most largely bought by Government, such paper not to be made of wood-pulp until it is satisfactorily established that wood-pulp paper may be used without objection."

The Government of India, in June 1902, directed that these recommendations should be acted upon, but it will be seen from Mr. Manson's evidence that he did not seek information from the Custom House in regard to prices until quite recently. With reference to the last recommendation, 50 tons of white printing paper have been ordered from England, but have not yet been received.

52. The Mills dealt with by the Calcutta Stationery Department have also to a large extent supplied the paper requirements of Madras and Bombay, which, as above noted, have Stationery Superintendents of their own. It would naturally be supposed that the three Superintendents would have taken counsel together in respect of their contracts; but we find to our astonishment that this was not the case, and that the agents of each Local Government acted quite independently and in ignorance of one another's procedure. It appears from a note furnished to us by Mr. Fisher (Appendix O) that in March 1899 the Madras Government, having had before them evidence of a combination among the Calcutta Mills furnished by their Stationery Superintendent, addressed the Governments of Bengal and Bombay to ascertain whether similar difficulties had been felt by them! The Bengal Government replied in July 1899 that "a combination of mill owners to form a monopoly and keep up prices undoubtedly existed . . . . and it was the opinion of the Board of Revenue that the only means of breaking through the monopoly was to resort to England." The Bombay Government furnished a memorandum from their

† In paragraph 18 of the Report it is said, forcibly and truly, "It is not too much to say, indeed, that while one party to the contract (the mills) is perfectly aware of what he is doing, the other party (the Stationery Department) acts more or less in the dark."

* Mr. Manson adds the almost incredible statement that in dealing with tenders the rates offered were compared only with those for the year immediately preceding.

Superintendent of Stationery, from which it appeared that he also had been faced by a combination of four Calcutta Mills, which he had, however, broken by calling in the Deccan Paper Mills and the Bally Mills, who had previously made no tenders, and obtaining lower rates from them. He added that it would thus be seen that the Bombay contract with the Calcutta Mills had been settled on a different principle from that adopted in Madras. In no case had rates higher than those paid in England been accepted by his office, and in fact in certain cases contracts had been settled with the manufacturers on more favourable terms than in the case of English papers. It would also be apparent that the Calcutta combination had not succeeded so far as the Bombay supplies were concerned and was probably kept in check by the existence of the Deccan Paper Mill in Poona, the Managers of which were not likely to make common cause with the agents of the Calcutta Mills.

53. Then, as already observed, the Madras Government went Home for their paper, and we next find the Bengal Board trying to procure information about prices from Madras.

Even now Mr. Manson, when questioned by us on the subject, was in absolute ignorance of what Madras and Bombay* had actually done in regard to the 1903-04 contracts, although he states in his evidence that he has been in the habit of exchanging references as to prices with these offices!

It appears from papers that he has put before us that, in view of the observation in paragraph 19 of the Report of Mr. O'Conor's Committee that "the exchange between the Superintendents of Stationery in the different Provinces of prices and sample of papers actually purchased would appear a simple and useful expedient, which might well be adopted as a standing procedure," Mr. Manson on the 19th August 1902 sent priced samples of his country papers to the Madras and Bombay Superintendents and asked for theirs. These were sent by the Bombay office on the 7th October and 17th November, while the Madras Superintendent replied on the 2nd September that he was getting his paper from Home as during the past two years. On the 23rd October, however, the Madras Superintendent sent a list showing the different descriptions and qualities of papers of Indian manufacture required by him in 1903-04, and asked Mr. Manson for the rates he was paying for such papers and the names of the supplying Mills. Mr. Manson replied on the 1st November stating that the contracts for 1903-04 had not yet been settled, but giving the rates (and the Mills tendering them) which he had recommended for acceptance. On the 11th November the Madras Superintendent asked for samples of the papers to which these rates referred, but these were not furnished to him till the 10th March 1903.

Nothing more seems to have passed, and further comment on our part appears needless.

54. We have gone fully into all these matters because we think they show clearly that the purchase of country paper on behalf of Government has been carried on *by methods which no practical man of business would have adopted.*

55. To revert to the Calcutta Stationery office. The contracts having been entered into, orders are sent to the Mills for the supply of paper as may be deemed necessary. The Superintendent exercises his discretion as to whether such supply shall go to his office in the first instance or direct to a Press or other indenting office, the general rule being that the latter course is adopted in the case of considerable consignments to places at some distance from Calcutta.

Mr. Manson observes in regard to supplies from the Mills (paragraph 3 of his evidence; the italics are ours)—

"We order from the mills on such dates as we require throughout the year. Our contracts are for an approximate quantity of paper of a particular class to be supplied according to our orders from time to time. We arrange our orders according to our indent consumption and the state of our balances. *We have no rules as to the balances of particular articles to be kept in stock.*† The Store-keeper brings to my notice when indents are running low . . . . *Our stock accounts in the store are never up to date. I could not say without personal inspection what*

* The Bombay Government are apparently now dealing mainly with the Deccan Mills as offering better quality and cheaper rates than their Calcutta rivals (Bombay Stationery Report, 1901-02), but a letter of the 28th March 1903 addressed to us by their Superintendent of Stationery (Appendix B) still mentions the Bally and Imperial Mills as paper suppliers.

† The general rule appears to be that there ought to be about one month's supply of country paper generally in stock.

stock of paper of each kind is in stock to-day. The stock clerk has a general knowledge of what stock he has and we depend a good deal on him. *We do occasionally get into difficulties by reason of the balances running short.* Sometimes it is due to the carelessness of the Store-keeper. Sometimes there has been a sudden run on one article. It might be useful for me to have a weekly statement of the stock of the more important articles. With a proper establishment I should have such a statement. As it is, we cannot get it and have to rely more on the Store-keeper."

56. In short, so far as we can see, there is no definite system of keeping supplies on hand at the Stationery Office, and Mr. Ross in his evidence before us complained of the delays in supplying paper even to the Government of India Press. These facts are of importance in connection with the alleged difficulty in obtaining the paper now procured in India from England by reason of the extra storage space that would be required. It is alleged that several months' balance would in this case be necessary which it would be impossible to find room for, because only two indents on the India Office are generally allowed during each year. But Mr. Manson himself admitted (paragraph 39 of his evidence) that the supplies from England came out in instalments throughout the year, and there should be no difficulty in arranging for a regular supply month by month, provided always that the Stationery Department was in a position to calculate its requirements with approximate accuracy. The real fact appears to be that the Department has failed to do this and adopts a hand to mouth system which a supply from Mills close at hand, on orders as issued, can alone meet.

57. We must not however be supposed to imply that it would necessarily be advantageous to procure the paper now obtained in India from Home. On this point we are entirely in accord with the conclusion — No. (8) — of Mr. O'Conor's Committee that the local manufacturers should have the preference so long as they can supply a paper not appreciably inferior in quality and not appreciably higher in price * than imported paper. But in order that these conditions may be adequately fulfilled two things are necessary—

* Taking into account of course freight and other necessary considerations.

(1) That the Calcutta Stationery Department should be in a position, if the circumstances require it, actually to place the bulk of its paper orders in England in any particular year.

(2) That the circumstances under which it might be advantageous to do this or even to adhere for a longer period to the English market should be accurately judged.

And having regard to what has gone before we think that the second condition cannot be satisfactorily fulfilled until the Superintendent of Stationery is a business man who knows by practical experience what English prices and the proper quality are. To get information from the Custom House on this point is, we think, by no means a satisfactory makeshift.

58. Further, as Mr. O'Conor's Committee has pointed out, one of the difficulties in regard to an English supply is the now prevalent use (to the detriment of durability) of wood pulp in English paper, and the doubt whether even wood pulp sulphite would furnish a sufficiently lasting article for Indian purposes. The experiments in regard to the paper recommended by the Committee (No. (13) of its suggestions) have yet to be made, while on the other hand it ought, we think, to be borne in mind that a large part of the paper required by Government every year is for merely ephemeral purposes—routine correspondence which will shortly be destroyed, proofs, etc. We think that the soundest advice in matters of this description is again likely to be obtained from a business man who has himself had large experience of English paper.

Mr. Manson has very candidly admitted his own want of technical knowledge in such directions (paragraph 27 of his evidence), while the "expert adviser" whom the Board of Revenue claim that he possesses in the person of the Store Examiner (paragraph 4 of letter No. 538 B. of the 1st May 1902), we found to be a Eurasian of the mechanic type, innocent of chemistry, but with some empiric knowledge of paper picked up in a private Press. He is no doubt a useful subordinate, but that is all that can be claimed for him.

59. Paper sent by the Mills to the Stationery Department is dealt with by the Store Examiner (pay R250) and his Assistants. Five per cent of each con-

signment is counted and examined by way of check, and if there are noticeable defects as regards shortage or quality the matter is brought to the notice of the Superintendent who decides whether the consignment shall be rejected.

We inspected the check operations and found that they were being conducted in the first instance by sorters on R10 under the direction of the Store Examiner referred to in the last paragraph. The tests are ordinarily by hand and eye.

We cannot think that the present checking agency is adequate, having regard to the fact that the qualities supplied by the Mills are not always up to sample, as Mr. Manson himself admits (paragraph 10 of his evidence), and as has also been stated before us by Mr. Chalmers. We find too, from Appendix O, that the Madras authorities had in time past occasion to complain of the inferiority of colour in papers supplied to them by the Calcutta Mills.

60. In regard to paper sent by the Mills direct to offices which indent on the Stationery Department, these receive specimens of the approved samples, and are responsible for checking the consignments. Technically any complaints they have to make should be addressed to the Stationery Office, but we learn from Mr. Luker (Superintendent, Government Press, Allahabad) that he is in the habit of addressing the Mills direct.

61. The procedure in regard to the procurement of miscellaneous stationery articles in India does not call for special remark, for here contracts have been allotted by fair competition.

62. Nor need we dwell on the purchase of stores in England, for here all responsibility as to bargains rests with the Director General of Stores at the India Office and the functions of the Superintendent are restricted to the tabulation of his requirements, receipt of supplies and distribution to indenting offices.

(b)—*Distribution Work and Interior Economy of the Stationery Department.*

63. We have hitherto been concerned mainly with the procurement of stationery articles, and specially of country paper, by the Stationery Department; we have now to consider the working of the Department with reference to the distribution of these articles to the numerous offices to which it acts as a supply centre.

64. The working of the Department in its various sections is described in paragraphs 31-61 of Appendix C 1. The sections are as follows—

Section.	Pay of Head Clerk, etc., therein. R
Correspondence	50 - 70
Indent checking	80—100
Accounts	85—100
Store Examiner's	250
Store and Issue	175—225
Periodical *	40—60
Rubber stamps *	30—40

The total strength of the office is at present 117 men, of whom 88 hold superior appointments, and it has been proposed† by Mr. Manson to increase it to 98 'superior' and 42 'inferior'‡ men at a total additional cost including the regrading of existing employés of about R1,000 *per mensem*.

† See paragraph 30.

‡ Some men now paid from contingencies are to be brought on the regular establishment list.

65. The bulk of the supply transactions of the Department are, of course, with the Government Presses, and here we learn from Mr. Manson (paragraph 5 of his evidence) that there is practically *no check on Press indents* (other than the requirements of the Bengal Jail Press in respect to Forms), except in so far as they apply for miscellaneous articles not in what may be called the stores catalogue of the Department, a publication which, we may observe, appears to be by no means as accurate and up to date as would be the case in regard to similar publications by private stores. The Department will not as r[ule] make immediate supply of articles asked for by the Presses which are [not] in this list, but they can be included in the next Home indent.

* In these two sections the office is mainly concerned with the checking of indents and of the bil[ls of the] contractors who supply the articles.

66. The Department also supplies the paper and other articles required by other Government offices outside Madras and Bombay as well as by a certain number of Local Boards, Court of Wards and similar *quasi*-independent agencies. It is here that the bulk of its current work comes in, for it has to deal with over 4,200 separate offices which submitted in 1901-02 over 9,000 indents involving the interchange of about 35,000 letters including advices of issue.

In this work the Assistant Superintendent renders such assistance to the Superintendent as his pre-occupation in the Forms Department will permit.

67. Speaking generally, while sub-district offices draw their supplies from the district offices, all the latter, and of course the offices above them, are independent indenting offices, though in many cases the indent is submitted through a superior office for countersignature, *e.g.*, that of a Collector-Magistrate would ordinarily be countersigned by his Commissioner. There is, however, no consolidation of indents by these countersigning offices, and as the *onus* of check of each indent is thrown by the rules on the Stationery Department, the countersignature seems to us at present of very little value.*

* See note on this subject attached to Mr. Manson's evidence.

68. In the Stationery Department itself each indent is checked as follows:—

(1) In regard to paper, by the average supplies to the indenting office for the last three years as specified in the indent.

(2) In regard to miscellaneous articles (pens and pencils for instance) with reference to a fixed scale for each individual in the office as shown in the indent.

69. Nos. 8 and 9 of the rules in the Stationery Manual also require the Superintendent to compare the indents of kindred offices, but owing to the multiplicity of indents this instruction is not and cannot be observed under present circumstances. That its application would be useful is however apparent from the fact that when we compared the stationery indents of certain light and heavy Collectorates in Bengal in the year 1900-01 we found, to take only one or two examples, that Balasore (a light district) was asking for 18 reams of foolscap writing paper, while Dacca and Saran (heavy districts) were content with 11 and 15, respectively. Balasore again was said to need 200 bundles of red tape, while Saran needed 96 only. Such cases may no doubt admit of explanation, but this should, we think, be required under an adequate check system.

As it is, any office that once succeeds in getting an over-supply of paper can apparently stereotype this, while a mis-statement as to the number of clerks, etc., requiring miscellaneous articles would stand little chance of detection in the Stationery Department.

70. We need not describe in detail the various processes that take place between the receipt of an indent and its final supply, for they are dealt with in Appendix C 1. It will be evident, however, from Mr. Allen's Inspection Note (Appendix E) and from Mr. Manson's own evidence that—

(1) The check of indents and the writing up of the indent-ledgers is unduly delayed.

(2) After the indents have been passed there is further undue delay in complying with them.

(3) The Stores Section is without—

(*a*) Any proper record of balances, a matter which we have already noticed in paragraphs 55 and 56.

(*b*) Any proper system of accounts.

As Mr. Allen observes, the men who actually handle the goods keep no accounts whatever.

This last point has also been brought to notice by Mr. Wheeler (paragraph 30), and we cannot accept Mr. Manson's statement (paragraph 3 of his evidence) that there would be any real difficulty in the way of reform. What does block the way is the general inefficiency of the office, on which we have already commented, and the fact that the Store-keeper, who gives a large security, is practically allowed to run the Stores Section on contract and to fill it with his own relatives. As Mr. Manson admits, the chief protection against fraud is

(now) the personal responsibility of the Store-keeper, and we do not consider this an adequate safeguard.

In short the work of the Stationery Department as regards indents is marked by a general want of method and punctuality, and it will be noted (paragraph 7 of Mr. Manson's evidence) that instead of regularly checking the indent registers the Superintendent trusts to occasional hustling in the Stores Section.

71. In our opinion the first requisite towards reform is the relief of the Superintendent's office from the duty of acting as a *controlling* as well as a supplying agency in respect to thousands of separate indents. The proper person to check the consumption of stationery in his own office and in offices subordinate thereto is, we think, the Head of the Department, or ordinarily, as regards Revenue and Magisterial Offices, the Commissioner of the Division. We consider that Commissioners and Heads of other Departments should receive the stationery indents of their subordinate offices and tabulate them with their own, sending in to the Stationery Department—

(*a*) A consolidated indent under each article required, with explanation of any material variation from the figures of past years;

(*b*) A statement showing the various offices to be supplied from the general indent in (*a*), and the articles and quantities to be sent to each.

72. The Stationery Superintendent would thus be relieved, so far as check on consumption is concerned, of the comparatively futile criticism of a multitude of relatively petty demands which he is now called on to exercise. His attention in this direction would be concentrated on big figures in regard to which, if not satisfied, he would make immediate representation to the Local Government concerned. As regards individual offices, he would only have to follow out the supply directions given to him; the check on consumption there would be exercised in a far more efficient way by the Departmental Head who in making out his consolidated indent would naturally have had to compare the demands of various officers.

73. Our scheme is in fact but a revival of that prescribed in Finance Department Resolution No. 3675 of the 30th September 1875, and it may be urged that the orders then issued proved ineffective and were finally, and with the full concurrence of the then Stationery Superintendent, withdrawn in favour of the countersignature system in 1884 (Finance Department letter No. 4397 of the 7th November 1884, to the Government of Bengal). But we find Mr. Longhurst (then officiating Stationery Superintendent) stating in support of that change that "the submission of the consolidated indents by the Heads of the Departments . . is productive of much labour and delay both in the principal offices and in my own Department which has the trouble of *again disintegrating the several items* and checking and despatching the supplies to each individual officer." It is thus clear that the system did not have a fair trial, for the statement (*b*) proposed in our paragraph 71 is of course essential to its adequate working.

(The italics are ours.)

If the procedure we propose were insisted on, work in the Stationery Department would, we believe, be much simpler and more rapid than it now is, while we do not think that the duties we propose to assign to the Head Departmental offices are in any way foreign to their legitimate controlling functions.

74. There is, we believe, a certain amount of petty pilfering of stationery articles in individual offices which can only be checked by greater watchfulness on the part of the officers in charge of the stocks there.

75. As to the quality of the supplies from the Stationery Department, we have not found grave complaints. Knives and blotting paper seem to have been occasionally faulty, and we learn that Mr. Kisch, when Commissioner of Dacca, brought to the notice of the Board the inferior character of the demi-official paper supplied to Bengal Commissioners—a defect which has since been rectified.

76. Mr. Luker has however in his evidence made criticisms which appear to be fairly well founded as to the way in which articles are priced. Ordinarily

such price serves only to show the extent to which each Department has absorbed stationery, the practice being to charge each Department, as a book debit, with the supposed actual procurement-price of its supplies *plus* a percentage of 5 per cent on goods obtained in India, and 15 per cent on goods obtained from England, for establishment and freight charges. This is the procedure as regards ordinary Public Departments which are said to be on the "free list." There are however certain other offices which are not only required to pay for their purchases in cash either direct or at a local treasury, but are charged at 10 per cent over and above the free rates. We tried to ascertain from Mr. Manson on what general principle these cash-payments were levied, but could not trace any, for they were apparently not merely realized from Excluded Local Funds, etc., but also from regular Government officials, *e.g.*, sundry Military Officers and Chaplains.

(c)—*Our General Conclusions as to the Stationery Department.*

77. These are as follows:—

(1) As we remarked in Part II of our Report, the Stationery Department is now a colossal store which requires for its successful conduct capacity not merely of an *administrative* but of a high *business* order.

(2) As indicated in Section (*a*), the conduct of the Department with reference to its most important functions has been marked by an entire absence of business capacity.

(3) The said business capacity is not likely to be found in future Superintendents of the class now selected. Mr. Manson, it is true, succeeded in breaking up the Mills 'ring'; but he has retired and there is no guarantee that the very unsatisfactory arrangements which were resorted to by his predecessors will not again find favour. We are bound to say too that Mr. Manson himself has been unbusiness-like in several respects—notably in not keeping in proper touch with the Madras and Bombay Superintendents, in failing to get such information as to paper prices which the Custom House might have afforded to him, and as regards much of his office procedure.

(4) The business capacity required is not likely to be obtained by recruitment from the Indian Services even on the increased pay which is generally admitted to be necessary. The aptitude and experience required for this appointment are *commercial* aptitude and experience, in which an Indian Civilian is ordinarily as much lacking as an Uncovenanted officer, while the previous administrative experience on which the Board of Revenue lays so much stress is really of very little help. The methods and work of the Stationery Department are quite outside anything which such an officer would have been accustomed to, while a Civilian who had overcome the initial difficulties would probably be transferred to other functions just as he had become efficient. The Board's own past action in dealing with paper contracts shows that even the highest Civilian officers are not specially qualified to conduct operations of this sort.

(5) We have already shown in Part I of this Report that the Indian Governments require an expert adviser and Inspector in regard to their Presses, of a different *calibre* to the present Press Superintendents. Having regard to the fact that two-thirds of the Stationery supplies now go to the Presses, and that nevertheless the Press indents are those that receive the least check from the Stationery Office as now constituted, it is, we think, most desirable that the Superintendent of Stationery should be developed into a Controller of Printing and Stationery, discharging in regard to the Presses the functions already proposed in paragraph 16, and arranging his paper contracts with a full knowledge of legitimate printing requirements.

(6) We hold therefore that the Controller of Printing and Stationery should ordinarily be recruited outside the Government services. He should be a man of business who had acquired expert knowledge (but the knowledge of a manager, not merely of a foreman) both of printing and of the qualities and prices of paper in a large private Printing establishment. Such a man would be of a different and superior stamp to the present Government Press Superintendents. He would be able as a result of personal inspections to usefully advise the Superintendents and the Governments they serve, and would at the same time have the knowledge and the capacity necessary to procure Stationery articles, and especially paper, in this country, or to decide when a recourse to the Home market would be advisable.

(7) Such a man too with his past managing experience would be able to supervise the internal working of the Stationery office with much less difficulty than the perfectly untrained officials (untrained so far as the Department is concerned) who have now to conduct the Department. As we have shown, the methods of the office are capable of very great reform which a business man would after a comparatively short experience be in the best position to apply.

(8) A man of the kind we propose might occasionally be procurable from private employ in India, but as a rule it would be necessary to get him out from Home.

(9) The pay of the post might, we think, considering its importance, be fairly fixed at R1,500 rising by triennial increments of R250 to R2,250. The Controller should be engaged for three years at the outset, and if he proved satisfactory could then be permanently retained with special arrangements as to pension.

(10) The Controller must necessarily be an Imperial officer as regards Presses, and we think that for the reasons stated in paragraph 24, he must occupy the same position in regard to Stationery and Stamps. The Bengal Government has already accepted the desirability of this arrangement in regard to the Stationery and Stamps Department, and we do not think that the Board's arguments on the other side are really valid. As regards the contract work, we have already shown that past results of the Board's control have not been particularly fortunate, while though the Board no doubt have an advantage over the Government of India as regards physical proximity to the Stationery Office, the officer in charge of the latter cannot fail to gain by direct official contact with the Government of India in the Department of Finance and Commerce. Except in regard to contracts the Board have very little power save of a negative description in regard to the proposals which the Stationery Superintendents submit to them. They can reject or propose modifications, but they cannot sanction anything of importance without the orders of the Bengal Government. The question of building accommodation noticed in paragraph 31, is, we think, an apposite illustration of the drawbacks of the present position. There can be no doubt that matters would have been settled with far less delay had the Government of India been the immediate controlling authority, and we think that a Provincial Government can hardly be expected to provide liberally and promptly, out of a fixed assignment, for the growing needs of what is in effect an Imperial Department.

Paragraph 7 of Board's letter No. 538 B. of the 1st May 1902.

ly, the close tutelage which the Board claim to have exercised over the Superintendent in times past will no longer be necessary in the case of a Controller of the *status* and qualifications which we propose. Such an officer would deal on his own responsibility with many points on which the advice of the Board of Revenue has now to be sought.

(11) The Controller should deal with all contracts for country paper made with the Calcutta and Lucknow Mills, and in so far as the Madras and Bombay Governments require supplies from these sources, the procurement thereof should be left in his hands. The economy and convenience of this course needs no demonstration. His advice should also be sought by the Governments in question before they decided to get country paper elsewhere.

(12) In order to enable the Controller to discharge his duties in respect to printing, we propose—

(*a*) To entirely relieve him of the Forms work, which, as pointed out in Part V of this Report, ought not to form part of his future duties.

(*b*) As proposed in Part IV, to relieve him of part of his duties in respect of Stamps, by the establishment of Central Stamps Depôts at Karachi and Rangoon.

(13) We were at first inclined to suggest that these Stamp Depôts should also receive and distribute Stationery procured from England for the areas which they will serve, the aggregate value of such Stationery being at present, we understand, about one lakh *per annum*. We have, however, come to the conclusion that any economy in distribution charges and in storage space in the Calcutta office thus brought about would be more than counterbalanced by delay and confusion in respect to indents. Indenting offices can merely state what they want, it being for the Stationery Department to determine where the articles shall be procured, so that all indents would still have to go to the Calcutta office in the first instance. And it would of course be undesirable to make the proposed Stamp Depôts supply-centres for *country* stationery. Supply arrangements are most properly and efficiently dealt with at the procuring centre.

(14) While the Board (paragraph 4 of their letter of the 1st May 1902) appear to regard the efficient management of details as the leading portion of the duties of a Superintendent of Stationery,* we on the other hand consider that the Superintendent has in the past been so immersed in details that, as previously stated, he has been quite unable to get a thorough grip of his office and systematise procedure therein, or even to get a thorough knowledge of his numerous ledgers and accounts. We propose therefore to improve matters in this respect, and to give our Controller leisure for his more important functions, by the appointment, in lieu of the Extra-Assistant proposed by the Board of Revenue, of a Deputy Controller of Stationery and Stamps on R750—1,000, who might be recruited in this country (a man of the Deputy Collector class would do here), and who would deal with details under the Controller's general supervision, and take charge of the office when the latter was absent inspecting Presses.† This would meet the objection to Press inspections in paragraph 5 of the Board's letter and enable such inspections to last for longer than the short periods suggested by the Government of India in their letter No. 4044 S.R. of the 31st July 1901.

* On the other hand in paragraph 10 of the same letter they propose to relieve him of details.

Our proposals of course involve some expense, but looking to the great scope for saving in paper contracts as exemplified in the current

† As will be seen from Part V of this Report, we propose that the present Assistant Superintendent (pay R400—500) should also remain (as Assistant Controller) with the Stationery and Stamps Department. The scheme as there outlined is that the Assistant Controller should do the routine work of the Stamps Department, while the Deputy Controller would do the same in the Stationery Department and also hold charge when necessary of the keys of the unopened store on the Stamps side. But the ordinary functions of the Deputy and Assistant Controllers should, we think, be interchangeable at the Controller's discretion, *i.e.*, he might, if he thought fit, employ the Deputy wholly on Stamps work and the Assistant on the Stationery side.

year and to the fertile field for reform presented by the Government Presses, money laid out in this direction would, we think, be an exceedingly good investment.

(15) The condensation of indents proposed in paragraphs 71 to 73 will further reduce work in the Stationery Department.

(16) The Stationery Office is thoroughly inefficient and requires drastic reform, not in the directions suggested by Mr. Manson of continuing existing methods with larger establishments, but by a complete reorganisation of establishment and procedure so as to simplify accounts and processes and procure a better class of men.

(17) But a new Controller appointed from outside could not be expected to take up office re-organisation at once, and we would therefore suggest that, before his arrival, an experienced officer should be put on special duty to reorganise the office establishment, with special reference to the enlistment of better men, and to the cutting adrift of the Forms and the diminution of the Stamps Department, under the direct orders of the Government of India. He might also initiate the simplification of office processes which the Controller could develop later on. The diminution of work which we propose, and the substitution of a more efficient set of clerks, should, we think, obviate the necessity for any considerable numerical increase of establishments.

78. It will be seen that these conclusions are, generally speaking, in accord with the suggestions made by the Government of India in July 1901. Our developments are the elimination of the Forms work from the Controller's functions, the appointment of a Deputy to free him from unnecessary details and to give him larger scope for Press inspections, the consolidation and individual check of Stationery indents outside the Stationery Office, and the re-organisation of that office by an officer specially deputed for the purpose.

79. We also consider it essential that in making paper contracts the Department should have standard samples of its own as suggested by the Board of Revenue to the Stationery Superintendent in June 1902 (paragraph 45 *supra*). Satisfactory standards cannot however be prescribed while the Department lacks the requisite technical knowledge; their establishment must be left to the new Controller.

PART IV.—The Stamps Department.

Assam.	
Local depôts	13
Branch depôts	10
Bengal.	
Local depôts	48
Branch depôts	53
Burma.	
Local depôts	37
Central Provinces.	
Local depôts	18
Punjab.	
Local depôts	27
United Provinces.	
Local depôts	50
North-West Frontier.	
Local depôts	6
India Treasuries	9
Miscellaneous.	
Somaliland Protectorate	1
Tributary and Native States	23
Central depôts	3
Registrars of High Courts	2
	300

80. The Superintendent is in charge of the Central Depôt at Calcutta, from which stamps are supplied to 300 local and branch depôts in Northern India, Assam and Burma. Stamps for copies are also supplied to the Central Provinces, and some Native States also indent on Calcutta. An idea of the scale of the operations of this depôt may be gathered from the facts that the stock balances are valued at 13 crores, and that the annual issues in 1901-02 approached 7 crores of rupees. The number of indents dealt with in 1901-02 was 4,148. In addition to holding charge of the Central Depôt, the Calcutta Superintendent prepares the annual consolidated indent for all India which is transmitted to the Secretary of State. For this purpose the Superintendents of the Depôts at Madras and Bombay send their indents to the Calcutta Superintendent, who consolidates them with the indents of the Treasuries supplied from the Calcutta Depôt. He is also responsible for the correctness of the Provincial indents, and it is his duty to equalize the stock balances at the other depôts, as well as to consolidate the indent.

81. The establishment in this Department is divided into five sections. The number of superior appointments in each, and their aggregate pay, are shown below :—

	Number	Aggregate mean pay. R
Correspondence	7	295
Accounts	7	322
Postage and Telegraph accounts	4	145
Stamping Office	7	148
Store	36	1,779
TOTAL	61	2,689

The Store-keeper is paid R400—40—600, and he gives two lakhs cash security. He holds stamps to the value of 13 crores in his custody, of which only one crore is protected by double lock. The Store keeper is permitted to appoint his subordinates, including a Deputy Store-keeper on R100—150, and one result is that the men in the Store have for the most part even less education than in the Department generally. The books are badly kept and not written up to date, except in the case of the registers of the higher value stamps in the open store which are initialled by the Superintendent. Work could be improved in this Department if more attention were paid to the educational qualifications of the men appointed, and this could probably be done without interfering with the Store-keeper's right of nominating his subordinates.

The heads of the other Sections are men on between R40 and R80.

Paragraph 28 of his note dated the 22nd August 1902 (Appendix C 1).

82. In the matter of punctuality in the supply of stamps, there has been an improvement since Mr. Wheeler inspected the office. Mr. Allen examined the work of the Department on the 25th March 1903, a time when the stocks in local depôts are at their lowest because stock is taken on the 1st April. He found no recent instances of undue delay in the supply of stamps, though there had been great congestion and delay nine months previously. Relief had then been given by the appointment of extra establishment.

Finance and Commerce Department No. 1439 S. R., dated the 27th March 1895. Notification No. 786 S.R., dated the 17th February 1899.

83. It is the business of a Central Depôt Superintendent to keep the stock of stamps in safe custody, to check the indents of Treasuries, and to supply their requirements. His duties are defined by rules issued by the Government of India in 1895 and in 1899, and include the manufacture of high value *hundis*, the stamping of forms, the examination of cases of stamps received from other depôts, the scrutiny of monthly and half-yearly accounts of sales, receipts and balances at the several Treasuries and Sub-Treasuries, the submission of periodical reports and returns, and the destruction of stamps which are spoilt or unsaleable, or for which refunds have been made.

The Superintendent has only one such officer now at his disposal and his functions are almost entirely confined to the Forms and Stationery Departments.

84. The rules do not, however, clearly define the individual duties of the Superintendent, and in Calcutta the Superintendent has hitherto had no subordinate to whom these functions could be delegated, with the result that he spends some two hours of every day in stamp duties of a purely routine character. For example Mr. Manson passed orders personally on every stamp indent, of which there were over 5,000 in 1902-03; he issued all stamps over R10 in value, all postage stamps of two annas and upwards, as well as share transfer stamps, foreign bills, special adhesive stamps, Small Cause Court, Telegraph and High Court stamps; and he saw spoilt stamps destroyed by burning. It appears to us that these are duties which should be delegated to a subordinate Gazetted Officer, and at the other Central Depôts this is done. Thus in Madras, there is an Assistant Superintendent (a Deputy Collector) who stores stamps up to the value of 20 lakhs of rupees pending issue to local depôts. He supervises the stamping of private documents and cheque books, destroys spoilt stamps, carries on routine correspondence and generally assists the Superintendent in all matters connected with stamps. In Bombay the Superintendent has two Gazetted Officers to help him in stamp matters. The Assistant Collector of Customs issues stamps once a week from the open reserve, of which he keeps one key. There is also an Assistant Superintendent of Stamps in direct charge of the office. He supervises the stamping of skeleton forms, receives and stores imported cases of stamps and supplies stamps on indents to Treasuries. He is responsible for the management of the stamp office and the custody of the stamps.

Mr. Twigg's letter No. 218 of the 4th February 1903 (Appendix B).

Mr. Gray's letter No. 444 of the 21st February 1903 (Appendix B).

85. Assuming that the Central Depôt will remain at the Stationery Office, it is in our opinion advisable to appoint an Assistant Controller to the immediate charge of the Stamp Office and the custody of stamps; and this appointment might be substituted for that of the Assistant Superintendent, who will no longer, under the proposals in Part V of our Report, be occupied as at present in the Forms work. The Controller should be responsible for the Annual Home Indent, and for the general control of the office and of the arrangements for the custody and supply of stamps. But the Assistant Controller should conduct routine correspondence, and should be responsible for the storage and issue of the stamps. The work of a Central Depôt is largely of a routine character and, if an Assistant Controller is appointed as we suggest, we do not think that his stamp duties ought to occupy much of the Controller's time. When the latter was absent inspecting Presses, the personal functions he would ordinarily exercise in respect of stamps would be temporarily discharged by the Deputy Controller whom we propose to appoint for the Stationery Department [Part III (c).]

86. Before passing on to more general questions connected with stamps, we think it right to refer to two defects in the existing arrangements for the custody of stamps. The first relates to the annual stock-taking. Stock is taken annually by a Junior Civilian, usually an Assistant Collector, who verifies the balances of all stamps at the depôt, and the operation occupies about a fortnight. Meanwhile the depôt is not closed, and stamps are received and issued as usual. The certificate purports to show the value of stamps in store on the date on which stock-taking commences, but as a matter of fact it is impossible for the Assistant Collector to ascertain what the stock was on that date, because issues are

going on while stock is being taken. He can therefore only ascertain the balance in hand at the time of counting, and for the rest has to be contented with the entries in the registers which purport to show issues made since the date when stock-taking commenced. It is not possible for him to check each entry of issue by comparing it with the indent, and in default of such a check, it is clear that any deficiency in the stock could be corrected by a false entry showing that the deficit had been issued while stock was being taken. Moreover the process of taking stock is impeded by the constant issue of stamps from the stock under verification. This question has been raised by the officer who last took stock and is now under consideration of the Board of Revenue. We think it essential that the store should be closed while stock is being taken.

87. The check upon issues also appears to us to be defective. The huge stock of stamps in the unopened reserve store, which are valued at 9 crores, are in the personal custody of the Store-keeper, a non-gazetted officer, whose security, as already stated, amounts only to two lakhs of rupees. No gazetted officer takes any personal share in the custody of this stock during the day time, though the Assistant Superintendent keeps the Store-keeper's keys at night. The open store contains about 4 crores of stamps and is divided into two parts, the higher values of court-fee and non-judicial stamps, postage and telegraph and some other stamps to the value of one crore being kept under double lock, and the remaining 3 crores under single lock. The result is that the Superintendent only retains personal control of one crore out of the 13 crores in store. It would seem a far more reasonable arrangement that the unopened store should be kept under double lock, one key being with the Store-keeper and the other always with the Controller or his Deputy, while the Assistant Controller should keep one key of the almirahs containing the larger stock of valuable stamps in the open store. But the stock of these stamps in the Store-keeper's custody under single lock should be sufficient to preclude the necessity for such frequent visits to the store by gazetted officers as the Superintendent is now compelled to pay. We think that the Store-keeper should have at least a week's ordinary demand of all values of stamps in his hands.

88. We have been directed to consider whether the charge of Stamps should not be separated from that of Stationery with the object of setting free some of the time of the Superintendent of Stationery to enable him to control Government printing. In Part V of our Report we have advised that the Controller of Stationery and Printing should be relieved of all duties in connection with Forms, and Mr. Manson has told us (paragraph 13 of his evidence) that the relief so afforded will be twice as much as the Controller would gain by getting rid of the stamps. If the proposals in paragraph 85 are accepted, the duties which will devolve upon the Controller in connection with stamps will be slight, and will occupy but little of his time and attention, and it does not appear to be essential to relieve him of them. The transfer of the Stamps Department would probably involve the building of a new store and office, as the work could not conveniently be supervised from a distance.

89. In the view that we take of this question, we have not considered it necessary to institute particular enquiries as to the officer to whom stamp work could conveniently be transferred. The duties of the Collector of Customs, Calcutta, are likely to increase with the growth of the trade of the Port, and though with the help of the responsible Gazetted Assistant whom we propose to allot to the Stamps Department, his additional duties in connection with that Department should certainly not occupy him for the "several hours daily" apprehended in paragraph 6 of the Board's letter No. 538 B. of the 1st May 1902, we think it would be well to avoid putting this additional burden upon him. The Collector of Calcutta is fully occupied with the routine duties of his office, which under present arrangements he has to discharge himself. He is already charged with the retail sale of stamps, and as Mr. Manson has pointed out in his written memorandum of evidence (Appendix A), there are objections to allowing the same officer to sell and also manufacture stamps, or to destroy spoilt stamps on which he has already granted a refund. The duties of the Collector of Income Tax must have been appreciably lightened by the recent exemption of incomes between R500 and R1,000, and it is possible that he may have time to spare for stamp work, though it must be remembered that the assessment of income-tax in Calcutta, where some 24

lakhs have hitherto been collected, is a responsible duty and one which, considering the elastic character of the tax, seems sufficient to employ a whole-time officer. Upon the whole we are inclined to think that of the officers named in the reference to us the Junior Secretary to the Board of Revenue, whose work would be reduced by the transfer of the Stationery Department to the direct control of the Government of India, is the officer to whom the duties could be transferred with the least objection. We should recommend their transfer to him if it be found by experience that stamp work, even under the new conditions, amounts to too heavy a drag on the Controller of Stationery and Printing.

90. We have next to consider the proposal to establish Central Depôts at Rangoon and Karachi. If a depôt were opened at Rangoon to supply Burma and the Andamans, and at Karachi to serve Sind, Baluchistan, the North-West Frontier Province, the Punjab and as much of Rajputana as can be more conveniently supplied from Karachi than from Bombay, substantial relief would be afforded to the Calcutta Central Depôt, as the issues now made from Calcutta to these places aggregate 25 per cent of the total issues from the depôt. Another result would be a considerable reduction of land freights to the Provinces served from Karachi, of sea freights between Calcutta and Rangoon, and of landing and shipping charges in connection with the issues to Burma and the Andamans. It is important to reduce the requirements for storage room in Calcutta, because the accommodation in the present Stationery Office is on a very limited scale and outside warehouse room in Calcutta is extremely expensive. The question of accommodation is more particularly considered in Part VI of our Report, but it may be stated generally that the demand for stamps and stationery is constantly increasing, and that the problem of finding space in Calcutta for the storage of the increasing stock is a difficult one, while the expense involved in providing suitable warehouses is considerable. For these reasons we consider that Central Depôts should be opened at Karachi and Rangoon.

The Superintendents of Stamps at these places need not, however, be full-time officers; their functions could, as in the case of Madras and Bombay, be discharged by the Collector of Customs, or some other existing official. There would of course be some expense as regards subordinates and buildings, but the latter would be counterbalanced by a reduction of otherwise necessary building charges in Calcutta, and the former by a saving in conveyance charges.

91. The proposal to increase the stock of stamps at local depôts is one which would require detailed consideration with reference to the accommodation available at the several Treasuries and Sub-Treasuries where stamps are stored.

It has also to be observed that the stocks at the Central Depôt in Calcutta will eventually be diminished by nearly one-half, in consequence of the arrangements now in progress for the reduction of balances from a two years' to one year's supply. This reduction is being spread over five years, of which two years have elapsed, and it applies to all the bulkier parcels of stamps which form nineteen-twentieths of the entire stock. If Central Depôts are opened at Karachi and Rangoon, a further reduction of one-quarter of the stocks will be effected, and the total saving of storage room in Calcutta will be nearly five-eighths of the space required in 1900.

Secretary of State's Despatch No. 3 Financial (Stores), dated the 23rd September 1900.

92. We are struck by the diversity of practice in the different Provinces regarding the maintenance of supplies at local depôts. The Government of India rules fix a five months' supply as the minimum, but allow Local Governments to alter this period. Accordingly 12 months' supplies are stocked in the Central Provinces, while Lahore keeps from a year's to two years' supplies. In the United Provinces of Agra and Oudh an eight months' stock of General and Court-fee stamps is kept and a five months' stock of Postage and Telegraph stamps. On the other hand, Bengal, Burma and most of the India Treasuries keep a five months' stock only.

A minimum balance of five months' supplies implies as a corollary a maximum stock sufficient for nearly nine months, for under the rules stocks are replenished at local depôts by indenting for three months' supplies as soon as the balances fall below the consumption of the preceding six months.

93. In view of the substantial relief which will be afforded in Calcutta by the reduction in stamp stocks already sanctioned and by that which we now propose (paragraph 90), we do not think it necessary for the present to modify the rules on the subject in the direction of a considerable general increase in the stocks at local depôts. Such an increase could not be made until it has been ascertained that local depôts provide sufficient accommodation for larger stocks. It would imply an addition to the responsibilities of District Officers and of Treasurers, who have less facilities for the storage and guarding of large stocks than the Central Depôts, and possibly an increase in establishments and buildings.

94. The Commissioner of Stamps in the United Provinces has favoured us with some suggestions for the improvement in the arrangements for storage in the United Provinces, and for minimizing the labour of counting stamps. His note forms Appendix L to our Report. The matters discussed do not appear to fall within the scope of the reference made to us, but they furnish an example of the questions which should be decided by the Controller, whose appointment we have recommended.

95. To sum up this portion of our Report:—

(1) The Controller of Stationery and Printing should retain general charge of the Stamps Department, but an Assistant Controller should be appointed to relieve him of routine work.

(2) We do not think it will be necessary to transfer the charge of the Stamps Department to another officer. If, however, it is found that, even with the assistance proposed, the charge of the stamps still presses too heavily upon the Controller, his duties in respect to the Stamps Department could be made over to the Junior Secretary to the Board of Revenue. In that case the Stamps Department would have to be, as now, under the control of the Bengal Board of Revenue.

(3) Central Depôts should be opened at Karachi and Rangoon.

(4) We do not think that there is any present necessity for increasing the stocks at local depôts.

(5) The arrangements for custody of the stamps should be reorganized on the basis of placing the most valuable stocks under double lock, in personal charge of the Assistant Superintendent.

(6) The store should be closed while stock is being taken.

(7) The Store-keeper's staff should be men of better educational qualifications than is at present the case.

PART V.—The Forms Department.

91. In addition to his duties (practically Imperial) in connection with Stationery and Stamps for the greater part of India, the Superintendent of Stationery is also the agent for the supply of Forms throughout Bengal and Assam. We may note at starting that this arrangement is peculiar to these two Provinces.

The Government of India Forms are generally printed and supplied on contract by Messrs. Allen & Co., under check exercised by the Superintendent, Government Printing, Calcutta, certain Treasury Forms only being supplied by the Superintendent of Stationery.

In *Madras* the Collector of Madras as Superintendent of Stationery has to check the indent for Forms submitted by Collectors and Magistrates, but the supply of these, and the work in connection with the Form indents of other Departments, are discharged by the Government Press.

In *Bombay* all form indents are scrutinised and supplied in the Government Press.

In the *United Provinces* the supply is arranged for by the Press, but indents are checked and consolidated by the Heads of Departments.

In the *Punjab* the same practice prevails, the Forms being actually printed by the *Civil and Military* Press.

And in fact the Press appears to be the office ordinarily responsible for the supply of Forms on requisition.

92. The arrangements in respect to the Bengal and Assam Forms are as follows:—

(1) District and other offices throughout Bengal and Assam indent separately on the Superintendent of Stationery, and send separate indents at different periods of the year for different classes of Forms. There are nearly 1,600 separate indenting officers,* and in 1901-02 they submitted 4,627 regular and over 4,000 supplementary indents.

* Some officers, *e.g.*, District Superintendents of Police, submit their indents through the Head of the Department, but he merely passes them on with his countersignature which appears to be attached as a matter of routine.

(2) These indents on receipt are checked in the Stationery Office and all demands for Forms of the same nature consolidated there.

(3) The consolidated indent thus obtained is sent for compliance to the Jail Press, along with the estimated quantity of paper required.

(4) On receipt of the printed Forms from the Press the indenting officers are supplied by the Stationery Department.

Further details of procedure will be found in the President's memorandum which forms Appendix D to this Report, and in paragraphs 68 (*a*)—92 of Mr. Wheeler's note of August 1902, on the subject of establishments in the Stationery Office (Appendix C1).

93. The Forms Branch, which is under the immediate supervision of the Assistant Superintendent, Mr. Cooper, and with which the Superintendent has little to do, consists altogether of 64 men, of whom 43 hold superior and 21 inferior appointments. Proposals by Mr. Manson to add 10 superior and 22 inferior † appointments at a net extra cost of R824 *per mensem*, including the regrading of the existing establishment, are still under the consideration of the Government of Bengal. The Forms Branch is divided into the following sub-sections:—

† This includes coolies now actually working on hire.

Sub-section.	Pay of Head Clerk, etc., therein.
	R
Correspondence	40—60
Indent	60—80
Compilation	40—50
Accounts	30—40
Store	60—80

The issue of Forms in 1901-02 was 123·6 million as against 95·5 million in 1900-01 and 68·4 million in 1890-91.

The great increase in 1901-02 over 1900-01 is due to the making up of arrears of supply, to the fact that the use of certain Forms has been extended, and to the over-despatch of Forms by mistake to the Bogra and Shahabad districts, referred to later on. The total number of letters and memoranda received and issued in connection with the supply of Forms in 1901-02 was nearly 34,000.

94. The present system in regard to Forms appears to us to be extremely faulty.

(1) The time of the Stationery Department is occupied with the scrutiny of thousands of individual indents which appear to have been prepared with great want of care, and submitted most unpunctually, by District offices. We would refer on this point to paragraph 17 of the Report of Mr. Bolton's Committee (Appendix F (*a*)). We may note in this connection that in 1901-02 over 11 million chaukidari Forms were needlessly sent to the Bogra district (the normal demand of which is about one million) and 2·4 millions to the Sasseram sub-division of the Shahabad district (normal demand about 400,000). In each case the mistake was primarily made by the District (or sub-divisional) Officer, but the Stationery Superintendent should, we think, have referred to the Board before complying with such extraordinary demands.

(2) The multiplicity of these indents practically necessitates their examination being left in the hands of clerks. The Stationery Department has no means of knowing except from the actuals of previous years, only one of which is given in the indent,* what are the actual requirements of any office in respect of any given class of Forms, and the objections made were often of an unintelligent character.

* Others are apparently not looked up—See paragraph 7 of President's Inspection Note.

(3) Absence of any proper system of stock-taking and maintenance of balances in the District offices, and in the Stationery Office itself necessitated the huge number of supplementary indents already referred to [paragraph 92 (1)].

(4) There were further delays owing to the fact that the Stationery Department was out of paper to send to the Press!

We cannot, we may say, perceive any utility in the present practice of supplying the Jail Press with paper for Forms upon each printing requisition sent to it. This Press might surely, like other Presses, have its separate stock of paper. The convicts working there can be subjected to more stringent supervision in regard to possible thefts than free labourers. Moreover, until lately, time was wasted by the preparation of two separate estimates, one by the Press and one by the Stationery Department, of the quantity of paper required in connection with each requisition for printing.

(5) Time and money is spent in sending the Forms back from the Press to the Stationery Office and in re-counting them there.

This has in fact been so evident that, as stated by Mr. Chalmers (paragraph 13 of his evidence), the Bengal Secretariat gets its Forms direct from its Central Press, while Settlement and Survey Forms are supplied direct from the Jail Press, and a similar procedure was adopted in regard to Census Forms.

(6) There is inevitable friction between the Press and the Stationery Department in the discharge of their respective functions with regard to Forms. As observed in paragraph 12 of the Report of Mr. Bolton's Committee, "correspondence and references, complaints by the Stationery Office that the Press delays in supplying indents, and counter-complaints by the Press that the Stationery Office delays in supplying printing paper, have arisen, with the result that returns have to be prescribed to be filled up by them, so that the Board may be in a position to adjudicate"; and we learn from Mr. Cooper that in 1901-02, no less than 4,254 letters were exchanged between the Press and the Stationery Office on the subject of Forms!

(7) The time of the Assistant Superintendent is so largely taken up by Forms work that he can render very little assistance to the Superintendent in the Stationery Department proper.

(8) While the Forms work thus detracts from the efficiency of the more important Stationery Branch, it had itself got very badly into arrears as regards the supply to indenting officers.

95. On the recommendation of Mr. Bolton's Committee above referred to, the Bengal Government decided in October 1901 (Appendix F) (*b*) :—

(1) That a Gazetted Officer should invariably be placed in charge of Forms and the preparation of indents in indenting offices.

(2) That annual stock-taking in indenting offices be rigorously insisted on.

(3) That certain improvements in the form of indents and in the "mistake register" maintained in the Stationery office be carried out as suggested in paragraphs 20, 21 and 24 of the Committee's Report. The Stationery Department in the check-indent section was also held responsible for "the removal of errors and ambiguities from the forms of indents."

(4) That a more intelligent check be exercised by the check-indent section in the Stationery Office, in order to avoid harassing references to indenting officers and delay in the supply of articles indented for, and that items under objection by reason of apparently excessive demand should, nevertheless, be included in the printing order sent to the Press.

(5) That as far as possible no Form should be revised or introduced until the proper time has arrived for printing a fresh supply; and that any Head of a Department prescribing a new or revised Form should be required at the same time to pass orders for the disposal of the stock thereby rendered useless.

(6) That the reserve stock system be remodelled on the lines suggested in paragraph 33 of the Report, that is, that all Forms be classified under three heads, as noted in the margin, and that a reserve stock of 25 per cent of the annual demand be kept for class (1), 12½ per cent for class (2) and 2 per cent for class (3.)

1. Those liable to heavy supplementary demands.
2. Those liable to moderate supplementary demands.
3. Those for which the annual demand does not ordinarily vary, and can, therefore, be easily estimated.

(7) That measures be taken for the better utilisation of the space available in the Forms godowns as suggested in paragraph 34 of the Committee's Report.

(8) That more time should be allowed for the supply of paper for Forms from the Stationery Office to the Press and that only one estimate of paper required in each demand should be made in the Stationery Department.

(9) That the Assistant Superintendent of Stationery should be a Gazetted Officer so as to relieve the Superintendent of a certain amount of routine work.

It appears, however, that the Assistant Superintendent had already so much work of his own that this measure has given very little of the relief then contemplated.

96. These orders have no doubt produced some good effect, and arrears, relating to the supply of Forms, have been considerably reduced, though the improvement here appears to be mainly due to the Jail Press being no longer occupied with Census work. But the main evils of the existing system still continue. There are still thousands of separate indents, still badly prepared in

many cases, to be checked in an office without any knowledge except that supplied by the figures of the indenting officers. The orders as regards the maintenance of a balance for each class of Forms according to its importance have only so far been applied, the Assistant Superintendent states, in the case of the High Court, Civil Process and Proceedings Forms, and even now there is no statement showing what the normal balance under each of these Forms should be. The divided functions of the Press and Stationery Department still continue,* and, speaking generally, the Forms Department seems to be working without due system, and supplying demands simply as it best can.

* The majority of Mr. Bolton's Committee proposed to do away with this by making the Superintendent of Stationery responsible for all work in connection with Forms and placing the Jail Press under his control, save in respect of such technical supervision by the Government Press Superintendent as might be necessary. The Government of Bengal deferred dealing with this suggestion, which was reported in paragraph 5 of the Board's letter No. 538 B., dated the 1st May 1902, pending a decision on the issues which have now been referred to our Committee.

97. The principal remedial measures necessary appear to be these :—

(1) The Superintendent of Forms, whether he be the Superintendent of Stationery or another officer, should be relieved of the burden of dealing with the merits, of which his office can have no real knowledge, of all these individual indents. The latter should be consolidated and checked by the office in which this can be intelligently done, *i.e.*, by the Head of the Department by which the Forms are used, or by Commissioners in respect of indents from Collectors' and Magistrates' offices. By these officers the requirements of district offices, etc., can and should be properly gauged, and a general indent, in regard to which he will only be responsible for bringing to notice any *primâ facie* error, should be sent on to the Superintendent of Forms with the instruction to supply the requirements of individual officers as entered against each in a list accompanying the general indent. This is the practice which already prevails in the United Provinces (see letter from that Government of the 11th March 1903—Appendix B) and we see no reason, outside the natural reluctance of any office to undertake work which has hitherto been discharged for it by outside agency, why it should not be applied in Bengal and Assam. An office which had a large amount of check and consolidation to do under this system, might require an extra clerk, but this would be compensated by the saving in the Forms Superintendent's office.

(2) The Superintendent of Forms should have the full control and responsibility in regard to printing and distributing the Forms in accordance with the directions received from the Heads of Departments. Whether that officer should, as now, be the Superintendent of Stationery, but with control over the Jail Press, or should be the Superintendent of the Government Press as proposed by Mr. Chalmers in his minute of dissent attached to the Report of Mr. Bolton's Committee and again in his evidence before us, is the next point for consideration.

98. Were the Superintendent of Stationery to retain his present position towards the Bengal Government and Board of Revenue, the former of these two alternatives would have in its favour the fact that it would involve the least disturbance of existing arrangements, while to put the Jail Press under his control would undoubtedly expedite supply both by the elimination of friction and by allowing immediate despatch from the Jail. On the other hand the Superintendent is, as we have already shown, undoubtedly over-burdened with his multifarious duties, and the Forms work is that of which he might most easily be relieved. A yet stronger objection to the proposal now under discussion is furnished by the fact that the Superintendent ought (as the Bengal Government itself admits) to be directly under the Imperial Government in the Stationery and Stamps Offices, and that we propose to lighten him of routine work there, and to impose on him important duties in connection with the inspection of Government Presses. These functions would be quite incompatible with the supply and distribution of Forms for a Provincial Government.

99. It follows that the Government of Bengal should, hereafter, like other Local Governments, make arrangements for the supply and despatch of Forms through its Government Press. The fact that the present Jail Press may shortly be removed, does not affect this conclusion. Arrangements will doubtless be made to have the printing work now carried on at this Press done elsewhere, and till such arrangements are matured, the Form-printing work might be given out on contract, assuming that it cannot be done at the Government Press.

Temporary arrangements could also be made for storage, and we must state in this connection that we fail to follow the statement in paragraph 13 of the Report of Mr. Bolton's Committee that the removal of the Forms Branch from the Stationery Office would involve an additional expenditure of several lakhs of rupees on buildings. The collective space in which the stock of Forms is now housed would certainly not require such a large outlay to provide, and the office part of the establishment would be considerably reduced by the adoption of the proposal set forth in paragraph 97 (*i*) above and by the elimination of correspondence with an independent printing agency. It must be remembered also that the Stationery Office is at present in an absolutely congested state and that the removal of the Forms Branch will save very considerable expenditure *there*. The argument in paragraph 3 of the Report of Mr. Bolton's Committee that there is no available space in the Jail compound falls to the ground with the projected removal of the Jail.

100. The Assam Government would also, of course, have to make its own arrangements for the printing and supply of its Forms whether in its own Press or through the agency of a contractor. We may further point out that if the suggestion in paragraph 13(2) of our Report were found feasible, a general Imperial Press for Forms might be able to assist some of the Local Governments in this connection.

101. Lastly, we would suggest that the strain on the Forms Depôt in Bengal might be reduced by the maintenance of more liberal balances in districts, especially as regards Forms of not very frequent or general use. It is better to incur some wastage in those, accruing from a liberal original supply, than to run the risk of Forms running out when they may be most required. In Madras, as will be seen from Mr. Twigg's letter to us of the 18th February 1903 (Appendix B), the rules as regards local balances are liberal and elastic; in Bengal there seem to be none at all.

PART VI.—Accommodation and Site Questions.

102. The premises of the Stationery, Stamps and Forms Departments occupy a piece of Government land nearly three acres in extent, and bearing the street numbers 3, 4, and 5, Church Lane, and 11, Strand Road. Numerous buildings are comprised within this area, the general character of which we have already briefly noticed in Part II of our Report and which will now be more fully described.

103. An oblong three-storied block fronts Church Lane, the ground floor occupied by a record room, while the first floor contains the Superintendent's office and the Stamps office, and the second floor the Assistant Superintendent's quarters.

Two parallel oblong two-storied blocks run westwards from Church Lane towards the Strand Road. These contain on the ground floor storage room for Stamps and Forms, and on the first floor the open Stamp Store, as well as part of the unopen Stamp Store, and part of the Forms. Immediately north of this is a parallel one-storied building used for storing Stamps and other purposes. This is separated by a loading shed from the new Forms Block, which is a three-storied building. In the north-east corner of the premises is a one-storied building used for forms, while between this and the Forms Block is a two-storied building, the first floor of which is the Stationery Office, while on the ground floor forms are stored. The new Stationery Store, a good three-storied building, fronts the Strand Road. Two sheds, one used for loading and unloading stationery and the other for receiving country paper, separate the Stationery Store from the Stamp Store. Along the southern boundary of the premises is a long one-storied godown in which stationery and Forms are stored, while between them and the Stamp Store is a tin-roofed shed used for storing stationery. The outside godowns referred to in paragraph 13 of the Board's letter, No. 538 B. of the 1st May 1902, are still in use, with the exception of one of the Stamp godowns at the Jetties which has been relinquished by reason of the reduction already effected in storage stocks, and such outside storage is obviously very unsatisfactory.

Paragraph 29 of Mr. Manson's letter of the 12th November 1902.

104. Mr. Manson proposes to sweep away the whole mass of these heterogeneous buildings with the exception of the Forms Block and Stationery Store. He wishes to extend the Forms Block east and west, so that it will occupy the entire northern front of the premises, and to build a Stamps Office and Store facing Church Lane, and a Stationery Office and Store on the south front of the premises. The buildings would then occupy a quadrangle, of which the Stationery Store would form the western side.

The only good buildings now existing are the Forms Block and the Stationery Store. In the other buildings the office rooms are small and the clerks are unduly crowded therein, while many of the rooms are dark. The godowns used for storage are dark and damp and infested by white-ants, while most of the upper floors of the two-storied buildings are unsafe, and are supported by props. The buildings are old and inconvenient, and the Superintendent's office is a very small one and located in the extreme corner of the building, so that it is difficult for him to superintend the extensive operations of the various departments.

105. The condition of these buildings has been a constant subject of complaint and discussion since 1878, and in 1882 it was decided to erect new buildings. Nothing was done however, and in 1885 and 1890 further discussion took place until at last the Chief Engineer submitted plans in 1891 for a Stationery Store * fronting the Strand Road, and a main three-storied block for Forms and Stamps, with a wing for the office and an official residence. The whole was to cost ₨5,32,000. These plans were modified in 1893 and again in 1894. Eventually the three-storied Stationery Store was built in 1894, and a Forms Block in 1896 at a cost of ₨1,80,000 and ₨90,000 respectively. These buildings did not provide any additional accommodation for the Stamps or for the office.

* Since built.

106. In July 1899 Mr. Gayer, then Superintendent of Stationery, submitted an estimate for ₨2,80,000 to provide for the extension of the Forms Block, for anew three-storied Stamp Store, for a new block for Stationery, for the Store Examiner's and the Stamping Sections, and for various subsidiary buildings. The Bengal Government replied that there was no immediate prospect of finding funds for this purpose and raised the question of the direct despatch of Forms from the Jail Press. Mr. Bolton's Committee, already referred to in Part V, was appointed to consider this question and they were of opinion that a Stamp Store was the most urgent need of the Department. No action has yet been taken on Mr. Gayer's proposals. Mr. Wheeler, in the note which forms Appendix C 2, thus characterizes the history of this question: "To sum up the result of this correspondence since 1878 onwards, the Stationery Office have managed to get in 1894-95 all they had then asked for in respect of Stationery. For present requirements, however, this is not now even sufficient to that extent. In the matter of Forms they eventually, in 1896,* got a building that gave them 14,000 feet as against 34,288 square feet they sought. With regard to Stamps, they have got nothing, and with reference to the office, they got some relief in 1894-95 by some extra space in No. 3, Church Lane. That building, however, is unsuitable."

Paragraph 37 of their Report, Appendix F (a).

* I am speaking of new buildings, not of the old that by the construction of the new Stationery Store were made available to some extent for Stamps and Forms.

107. In November 1902, Mr. Manson submitted fresh building proposals, which he estimated would cost ₨4,65,000. He pointed out that whereas it had been held by the Board in 1891, that it was necessary to spend $5\frac{1}{2}$ lakhs on buildings, the sum since spent amounted to ₨2,88,000 only, inclusive of fittings.

His No. $\frac{2310-6885}{9591\text{ F.}}$, dated the 12th November 1902, to the Board of Revenue, Appendix M.

108. The following is the gist of his report regarding the defects of the present accommodation. The Committee have satisfied themselves by personal inspection of the general accuracy of Mr. Manson's description.

Dealing first with the Stamps Department, Mr. Manson complains that the Superintendent's office is a small room inconveniently situated in the extreme corner of the premises. The accommodation for clerks in the Stamps Office is too cramped to admit of good work: the Stamping branch work is carried on with difficulty in a room which is far too small, and is inconveniently situated. The open store is so cramped that work is seriously impeded: the rooms are dark, hot, and infested by white-ants: the building is of inflammable materials. The space for packing is inadequate, and the godowns in which the unopen Stamps store, valued at 9 crores, is kept are in a very bad condition. "The very best rooms (Mr. Manson states) are not free from white-ants, in most of the rooms the floors, walls and ceiling-beams are all infested with these destructive pests; many of the rooms are very dark, floors damp, roofs leaky and ceilings low."

The storage room for Stamps is deficient, with the result that it is necessary to hire two godowns outside at an annual charge of ₨5,445, including the payment of a police guard and Municipal taxes. Mr. Manson is of opinion that for the Assistant Superintendent's clerical establishment, stamping office and record room, 8 new rooms are required; for the open Store 8 rooms, and for the unopen Store 40 rooms, or 56 new rooms in all. If our proposal to open Central Depôts at Rangoon and Karachi is accepted, one-fourth of the storage space required for Stamps in Calcutta will be reduced. On the other hand, a room will have to be found for the Deputy Controller, whose appointment we have recommended. The revised needs will therefore be for 9 rooms for the Controller and his office, 6 rooms for the Open Store, and 30 rooms for the Unopen Store, or 45 rooms in all.

109. Mr. Manson next deals with the Stationery Department. Here the storage room is insufficient, with the result that European goods have overflowed during the past year into the Packing and Accounts Branches, where they have impeded work. It has been necessary to rent two outside godowns, and the central hall of the Board's Opium godown has also been occupied by Stationery boxes. The upper rooms in the Stationery Block have likewise been dangerously over-weighted. The rooms occupied by the clerical establishment are inconveniently crowded, and for want of a record room, almirahs full of papers and

records encroach upon the limited spaçe. The Open Store suffers for lack of furniture, which however is now being provided. Part of the storage room for the Unopen Store is wholly unsuitable. One godown is worn out and should be demolished. An iron-roofed shed used for storing stationery is unfit for the purpose, as the sides are exposed to the weather and the floor is of mud and flush with the ground. Mr. Manson considers that 28 rooms are required for additional storage, 4 rooms for the examination of paper, and 8 rooms for the clerical establishments and for the record room, or 40 new rooms in all.

110. As regards the Forms Section, Mr. Manson complains that the old godowns are very bad, being damp, dark, scattered, cramped, and infested by white-ants. Packing room is badly wanted, as cases of forms are now packed in the covered-in roadway, a very unsatisfactory arrangement during the monsoon when the forms frequently get wet in stormy weather. The new Forms Block contains 25 rooms for storage of Forms, and 32 more rooms are required for the purpose. Mr. Manson concludes that 36 more rooms are required for the Forms Branch, *viz.*, 32 for storage, 3 for the clerks and a record room and a packing room. But if our proposal to sever the Forms Branch from the Stamps and Stationery Departments is accepted, it is evident that not only will it be no longer necessary to provide the additional 36 rooms for the Forms, but the existing Forms Block with its 27 rooms (two of which are occupied by clerks) will be available for other purposes.

111. To sum up, Mr. Manson proposes to demolish all the existing buildings with the exception of the Forms Block and Stationery Store, and to erect 132 rooms to replace them. If our proposals are adopted, the new accommodation necessary under this scheme would be reduced to 45 rooms for the Stamps and 40 rooms for the Stationery, or 85 rooms in all.

Stamps	56
Stationery	40
Forms	36
TOTAL	132

But of this number 27 rooms will be available in the Forms Block, so that it would not be necessary to build more than 58 rooms. As regards estimates, the material for forming an opinion is not sufficient. Mr. Manson's estimate of R4,65,000 was based on the cost incurred in building the Stationery and Forms Blocks in 1894 and 1896, which is clearly an unsafe guide. All we can say is that the new accommodation alleged to be necessary in the Stationery Office can under our proposals be reduced from 132 to 58 rooms, or by 56 per cent. Further, in submitting his proposals, Mr. Manson had in mind the very considerable increases of office establishment which he had separately suggested, and as we have already observed [paragraph 77 (17)], a re-organization of the office would probably obviate the need of much numerical increase.

112. We do not overlook the fact that our proposals involve the creation of accommodation for Forms elsewhere. It is impossible for us, however, to suggest any plans or estimates for this purpose, as they will depend on the decision arrived at by the Bengal Government and the Assam Administration with regard to the arrangements they will make for printing their Forms.

113. In the foregoing remarks we have assumed, for the sake of argument, that Mr. Manson's proposals to demolish all the existing buildings, with the exception of the Stationery Store and Forms Block, will be accepted. We are not however in a position to express an opinion on this point, and we advise that an officer of the Public Works Department should be employed to examine the existing buildings, and to report the extent to which they are serviceable. He should also estimate the cost of constructing the buildings which may be necessary to replace so much of the existing accommodation as is unserviceable.

114. It will be observed that Mr. Manson has assumed throughout his proposals that the site now occupied by the Stationery Office suffices for his requirements which, as we have shown, are on a larger scale than our proposals contemplate. And this brings us to the suggestion "whether the Stationery Office and warehouse should not be removed to a more suitable site, and where in the neighbourhood of Calcutta the best site is to be found."

The Bengal Government in its letter No. 1034 T. F., dated the 4th July 1902, has also condemned the site as unsuitable and as giving no room for extension, and it appears to have been desired that the office should be transferred to the neighbourhood of the Presidency Jail in order that the Superintendent of Stationery might be able to supervise the Jail Press.

115. The conclusion that the *site* is cramped does not seem to be borne out by the facts, for as we have seen, the Superintendent has recently submitted proposals involving extensive demolition of the existing buildings, and the erection of new offices and store rooms on the present site which would afford all the accommodation that he considered necessary. As we have shown above, Mr. Manson's scheme will be susceptible of material reduction because, if the proposals contained in our Report are approved, it will be no longer necessary to find room at the Stationery Office for Forms, while the proposed Central Stamp Depôts at Karachi and Rangoon will set free a quarter of the space required for storing Stamps. Our inspection of the Stationery Office has moreover convinced us that the area of the premises is ample to meet the present and future requirements of the Stationery and Stamp Departments, provided that suitable buildings are erected. The fact seems to be that it is not the site but the buildings erected upon it that are cramped and unsuitable. If the present one-storied godowns and temporary huts be replaced by three-storied buildings of a modern type, the ground surface of the present premises will amply suffice for present and future requirements.

His No. $\frac{2310\text{-}6685}{959\text{ F.}}$, dated the 12th November 1902.

116. As regards the proposal to transfer the Stationery Office to the neighbourhood of the Presidency Jail, we have already stated our reasons for thinking that the Controller should be relieved of his duties in connection with the printing of Forms for Bengal and Assam at the Jail Press. If our proposal to confer upon the Controller of Stationery and Printing authority to inspect all Presses in India is adopted, it would be much more convenient that he should be in proximity, as now, to the India Central and the Bengal Secretariat Presses, than that his office should be located in the neighbourhood of the relatively unimportant Jail Press, which seems moreover likely to be shortly removed from its present locality.

117. We are unable to attach much weight therefore to the arguments which have been brought forward in favour of the transfer of the Stationery Office from its present site. On the contrary, it seems to us that the existing site is eminently suitable for the business requirements of the Stationery and Stamps Departments. The premises are in close proximity to the Jetties, where English Stationery and Stamps are landed for delivery into Store, the arrangements for landing and delivery being in the hands of the Agent for Government Consignments whose office is close by, at No. 5, Strand Road. Indian-made paper is for the most part railed from the Mills into Calcutta, and supplies from the Mills on the left bank of the river are put in trucks on the Port Commissioners' Railway which are halted immediately opposite to the Stationery Office. Paper railed to Howrah is carted by a firm of carriers to the Stationery Office. The expense of delivery would, in each case, be increased if the Stationery Office were transferred to a distance from the Jetties or the Railway. Stationery and Stamps are despatched by railway either from Howrah or Sealdah, and the Stationery Office occupies a central position between these two stations, so that a change of site would necessarily increase the expenses of despatch. For example, the site proposed in the neighbourhood of the Presidency Jail is $2\frac{1}{2}$ miles from the Jetties and $3\frac{1}{2}$ from Howrah, while it is no nearer to Sealdah than the present Stationery Office.

118. It might further be argued in favour of a change of site that the present premises are in the heart of the business quarter of Calcutta where land is extremely valuable, and that it would be possible to sell the present site and to buy another in the suburbs at a much lower cost. The Collector of the 24-Parganas has favoured us with an estimate which shows that the value of the Church Lane site may be estimated at from R2,500 to R3,000 per cottah. At this rate, the existing area of 8 bighas 18 cottahs would be worth from R4,45,000 to R5,34,000. On the other hand the site proposed facing the Circular Road, between the Tramway Work shops and the quarters of the Surgeon-Superintendent, Presidency General Hospital, is valued at R800 per cottah for a depth of 60 feet from the road, and at R450 for the back land. It may be assumed that about one-sixth of the site would cost the higher rate, and if so, the cost would be for 3 acres, or 9 bighas, R91,500 and there would thus be a very considerable saving.

As against this it is improbable that the selling price of such buildings as the Stationery Store and Forms Block, which are adapted to a special purpose, would at all approach the cost of construction of new buildings. We have already pointed out that the removal of the Stationery Office to a distance from the Jetties would impede the business of the receipt of Stamps and Stationery into Store as well as the despatch to receiving offices. It would also cause serious dislocation of the business of the Department while the transfer was taking place. We think, therefore, that any apparent pecuniary advantage in transfer is outweighed by the disadvantages, and that the Stationery Office should remain where it is. We would point out that the Stamps and Stationery Office is a large wholesale importer and supplier, and that for such a business as this, proximity to the Jetties is worth the expense involved in occupying a valuable site. No merchant doing business of the same character and on the same scale would move into the suburbs in order to obtain cheaper premises.

119. We now sum up what has been said in this part of our Report—

(1) The site occupied by the Stationery and Stamps Departments is ample for present and future requirements, but many of the buildings are extremely cramped and some are altogether unsuitable.

(2) Early action should be taken to demolish the unsuitable buildings and to replace them by modern erections.

(3) We do not recommend the transfer of the Office from its present site.

PART VII.—Summary of Conclusions on the Issues referred to the Committee.

120. Our findings on the issues, which were set forth at the commencement of our Report, are as follows :—

121. *Issue I.*—The Calcutta Stationery and Stamps Department should be transferred to the direct administrative control of the Government of India in the Finance and Commerce Department.

122. The Forms Branch (for the supply of Departmental Forms throughout Bengal and Assam) now attached to this Department should be dissociated therefrom. The printing and supply of these Forms should, as in other Provinces, be arranged for by the Local Governments through their Press Superintendents, while the check of Forms requirements should be carried out by Commissioners and Heads of Departments. [Parts III(*c*) and V of Report.]

123. *Issues II & III.*—The Superintendent of Stamps and Stationery, Calcutta, should be developed into a Controller of Printing, Stationery and Stamps.

124. As Controller of Printing he should exercise the inspecting and advisory functions recommended in Part I of our Report in respect to all Government Presses in India, and not as regards those of Northern India only; but he should not have executive supervising control over the said Presses for the reasons stated in paragraph 17.

125. As Controller of Stationery and Stamps he would exercise the same general functions as at present, but with greater independence owing to the necessary enhancement of his *status* and his direct subordination to the Government of India. These functions would also be expanded by making him responsible for the procurement of paper required from Mills in Calcutta or Northern India by *all* Provinces in India including Madras and Bombay.

126. On the other hand his routine work in the Stationery and Stamps Department should be lightened—

(*a*) By the appointment of a Deputy Controller and Assistant Controller for Stationery and Stamps as recommended in paragraphs 77 (14) and 95 (1)—the former to hold general charge of the Calcutta office while the Controller was absent on Press inspections.

(*b*) By the checking of the merits of individual Stationery indents being transferred from the Stationery Office to Commissioners and other Heads of Executive Departments.

(*c*) By the simplification of office processes and a more efficient system of accounts.

(*d*) By a more efficient office establishment, towards the organization of which an experienced officer should be placed on special duty.

127. The functions of the proposed Controller will be of an essentially commercial and technical character and cannot be adequately or satisfactorily discharged by an officer chosen from one of the Indian Services. The Controller should be a man conversant with printing work as well as with the manufacture, quality, and prices of paper, and the best person to select would be one who had had experience as a Manager or Deputy Manager in a large private printing establishment. Such a man might occasionally be found in India, but would generally have to be procured from England.

128. The pay of the post might be fixed at R1,500 rising by triennial increments of R250 to R2,250. The appointment should at first be held on a three years' engagement which, if satisfactory, would be followed by permanent retention with special arrangements as to pension. [Parts I and III(*c*) of this Report.]

129. *Issue IV.*—We consider that the existing site of the Stationery and Stamps Department is a very suitable and convenient one, and that, as stated in Part VI of this Report, it would be a great mistake to move this office out to the suburbs. What is unsatisfactory is not the site, but the congested and unsuitable character of a great part of the buildings thereon; and the removal of the Forms Branch, and the reduction of the Stamps storage space, proposed in Parts V and IV of our Report, will materially relieve this pressure. A good

deal of re-building will still be necessary to adapt the existing premises to present-day wants, but when that has been done there will be no reason to complain of lack of space.

130. *Issue V.*—We do not consider it necessary to remove the Stamps Department from the charge of the Controller of Printing and Stationery. His dissociation from Forms work will be a much more real relief, and the appointment of a Deputy and an Assistant Controller, and the lightening of his routine work, should enable him to perform his new duties in connection with Printing without any undue strain. If, however, it should eventually prove that he is overburdened, the Stamps work might best be made over to the Junior Secretary to the Board of Revenue.

131. *Issue VI.*—We think, however, that the Stamps work in Calcutta, and the demands on storage space there, should alike be lightened, as proposed in Part IV of this Report, by establishing two new Central Depôts—one in Rangoon to serve Burma and the Andamans; the other in Karachi to serve Sind, Baluchistan, the North-West Frontier Province, the Punjab, and such parts of Rajputana as cannot be more conveniently supplied from the existing Depôt at Bombay.

The new Depôts would not need full-time officers to supervise them; they could be entrusted to the Collector of Customs or to some other local official.

132. We do not think that there is much to be gained under present circumstances by any general increase in the stocks maintained at local depôts (Part IV of Report).

133. We have given our reasons for the above findings in the previous portions of our Report and need not repeat them here.

W. S. MEYER,
President.

C. G. H. ALLEN,
Member.

A. J. F. BLAIR,
Member.