

GOVERNMENT OF INDIA.

DECENTRALIZATION COMMITTEE

FOR THE

ROYAL COMMISSION

ON

DECENTRALIZATION.

NOTE ON THE INDIAN POSTAL DEPARTMENT

(WITH SUGGESTIONS)

BY

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SIMLA :
GOVERNMENT CENTRAL BRANCH PRESS.

1907.

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Note on the Indian Postal Department.

Early history of the Post Office.
Imperial Gazetteer, Volume III, page 418.

"Prior to the year 1837 India possessed no general postal system. A few lines of mail couriers connecting the principal towns with the seats of Government had been established for the conveyance of official letters and parcels; but their use by private individuals was conceded only as a privilege on payment. In 1837, under the provisions of Act XVII of that year, a public post was established, and the Government reserved to itself the exclusive right to convey letters for payment in territories of the East India Company." Then, or soon afterwards, (certainly before 1845), Postmasters-General were appointed for the three Presidencies and for the North-Western Provinces. The Presidency Postmasters-General were also Postmasters of the Presidency towns and were assisted in this branch of their work by Deputy Postmasters-General. The direct control of the Postmasters-General apparently extended only over a few main lines of communication, and the Collectors had charge of district post offices and local mail lines. The charges for the conveyance of letters were levied in cash, payable in advance, and varied according to weight and distance.

Reorganization of the Post Office in 1854.

Ibid.

2. "In 1850 a Commission was appointed to report on the working of the Post Office, and the result was the repeal of Act XVII of 1837 and the enactment of Act XVII of 1854 (the Indian Postal Act). This Act marks the commencement of the organization of the Indian Post Office on its present footing."

In accordance with the recommendations of the Commission, the whole department was placed under the control of a Director-General, who was himself immediately subordinate to the Government of India, and the Local Governments were relieved of the control which they had previously exercised over the Postmasters-General. This arrangement was sanctioned in the first instance by the Court of Directors as a temporary one, but it proved indispensable to the proper working of the Post Office, and has never been disturbed. The Deputy Postmasters-General were converted into Presidency Postmasters, leaving the Postmasters-General free to devote themselves to the development of the department and its general control. "Postage stamps were now first introduced and rates were fixed for the conveyance of letters irrespective of distance.

Imperial Gazetteer, Volume III, page 419.

"The Act of 1854 remained in force till 1866, when it was repealed by Act XIV of that year, which was, in its turn, superseded by Act VI of 1898. This last Act forms the present legal sanction for the working of the Post Office."

3. Inspectors of post offices, working under the Postmasters-General, were already in existence in 1854, and sub-inspectors of post offices were soon afterwards appointed to assist the Inspectors (probably in 1867).

Development of the Post Office Organization.

The areas which Postmasters-General had to control were very wide—particularly in the case of the North-Western Provinces and Bengal—and the assistance derived from the appointment of additional Inspectors was not always adequate. The annexation of the Punjab was followed by the appointment of a Postmaster-General for that Province. It was further necessary, however, to provide for the case of distant and isolated areas, too remote to be efficiently administered from the head-quarters of the circle, and yet not of importance enough to form a separate charge for a Postmaster-General. Such cases were met by the creation of minor circles, placed in charge of Chief Inspectors of post offices, who were given the same powers as Postmasters-General, but were rather more closely controlled by the Director-General.

4. The first minor circle to be created was Burma to which a Chief Inspector was appointed in 1861. Other minor circles were created, as time went on, in the Central Provinces (1866), Sind (1869), Oudh (1871), Rajputana (1872), Assam (1874), Bihar (1878), Eastern Bengal (1878), and Central India (1879). Of these only two still survive, *viz.*:—the Central Provinces and Rajputana, and it is probable that before long they also will be absorbed in one or other of eight major circles of control, corresponding to the eight major Provinces of India. Oudh was amalgamated with the North-Western Provinces in 1893; the Central India Circle was abolished in 1894 and the territory divided between the North-Western Provinces, the Central Provinces and Rajputana; Burma was made a major circle in charge of a Postmaster-General in 1904; Bihar was amalgamated with Bengal in 1905; Assam and Eastern Bengal were united to form a new major circle in 1907; and Sind was united to Bombay, and Baluchistan (which had formed part of the same circle as Sind since 1880) to the Punjab, in the same year.

Minor Circles.

In 1880 the designation of the head of a minor circle was changed to Deputy Postmaster-General, and at the same time the Inspectors were styled Superintendents, while the title of Inspector descended to the former sub-inspectors. The officers set free by the abolition of the minor Circles of Eastern Bengal, Assam and Sind, are now employed as Deputies to the Postmasters-General of Bengal, the Punjab and Madras.

Existing organisation of the Department.

5. The control of the Post Office, under the Government of India in the Department of Commerce and Industry*, is now vested in a Director-General, aided by two Deputy and four Assistant Directors-General. For postal purposes India is now divided into nine Circles, which generally correspond with Provincial jurisdictions. The seven most important Circles—namely, Bengal, Eastern Bengal and Assam, Bombay, Madras, the United Provinces, the Punjab and North-West Frontier Province, and Burma—are administered by Postmasters-General; while the remaining two—namely, the Central Provinces, and Rajputana—are under the control of Deputy Postmasters-General who, in postal matters affecting their own Circles, exercise the same functions and powers as Postmasters-General. "Each postal Circle is sub-divided into postal divisions comprising, generally, two or more revenue districts. The officer in charge of a division, who is immediately subordinate to the Postmaster-General or Deputy Postmaster-General is called a Superintendent of Post Offices, and is assisted by one or more Inspectors in the duty of inspecting the post offices and mail lines in the division, and in exercising supervision over postal work generally. The branch of the Post Office which deals with sorting and disposal of mails during transit by rail is called the Railway Mail Service." Until recently this service was under an officer designated the Inspector-General, Railway Mail Service, whose head-quarters were at Allahabad. But during the current year the organization has been changed. The whole of India excluding Burma is now divided for Railway Mail purposes into four circles, each in charge of a controlling officer, with the designation of Inspector General of Sorting, who is immediately subordinate to the Director General.

Imperial Gazetteer, Volume III, page 426.

*The supervision of the Postal department was transferred to the Department of Commerce and Industry on its creation in 1905. Postal matters had previously been under the Finance Department.

6. In addition to what may be called local administration, all of which practically is in their hands the Heads of Circles already relieve the Director-General of a considerable amount of general administrative work which would otherwise fall upon him. In personal matters they have considerable powers. A Postmaster-General can appoint all officials in his Circle, provided the pay of the appointment is less than Rs. 200 a month, and nominates to the Director-General for all appointments the pay of which is Rs. 200 and over. He can transfer any officer in his Circle from one appointment to another, and may place any of his subordinates on special duty, provided that no extra charge for pay or acting allowance is involved. He can grant leave to all officers whom he is competent to appoint, and may also dismiss and degrade such officers. As regards fines he has a full discretionary authority, but this punishment is ordinarily confined to low paid officers, and he can suspend any officer subordinate to him. An appeal lies from every order of punishment passed by a Postal official to the authority immediately superior to him, and in all cases the appeal can be prosecuted through each successive superior authority, up to the Director-General.

The sanction of the Director-General is ordinarily necessary to the revision of permanent establishments, but a Postmaster-General may transfer permanent establishment from one office to another, provided that no increase or decrease of expenditure is involved, and that the cost of any single appointment transferred does not exceed Rs. 20 a month. He may also sanction the opening of an experimental Post Office for a period of six months, provided that the cost (including establishment) can be met from the annual allotment made by the Director-General to the Circle for such charges. In other cases temporary establishments require the Director-General's sanction.

The powers of a Postmaster-General to sanction contingent charge are limited by the amount allotted to him by the Director-General for this purpose and by the rules which make the Director-General's sanction necessary for various classes of contingent charges and for all unusual charges. The most important of these classes are—

- (1) Recurring charges.
- (2) Construction or reconstruction of buildings.

- (3) Purchase of books and newspapers.
- (4) Local purchase of European stores when the cost exceeds Rs. 50.
- (5) Hot and cold weather charges.
- (6) Monsoon charges other than waterproof bags.
- (7) Pleader's fees and all law charges.
- (8) Purchase and hire of horses.
- (9) Construction of vehicles costing Rs. 500 or more.
- (10) Rewards.
- (11) Purchase of any article of furniture exceeding Rs. 50 in value.

Recent increases in Central office.

In spite of the exercise of these powers by Heads of Circles, the mass of work which is dealt with in the Central office is considerable, the number of letters received and issued numbering nearly 80,000 in 1906-07. The volume of work, which constantly tends to increase, has led to the addition from time to time of a number of gazetted officers to the Director-General's staff. A fourth Assistant Director-General was appointed in 1904, and a second Deputy Director-General, a fourth Personal Assistant in 1907. It is certain that, if the work of the department continues to expand at its present rate, further appointments of this nature will have to be created hereafter, unless some other means can be devised for relieving the pressure on the Direction.

Powers of the Director-General.

7. The Government of India have to a large extent delegated to the Director-General of the Post Office their powers both as to the creation of new appointments, and as to patronage. The Director-General is empowered to sanction all additions to and modifications of the establishment of the Post Office, provided that the total sanctions given in any year whether by himself or by higher authority, do not increase the expenditure in that year by more than Rs. 3,80,000, or in the following year by more than Rs. 7,60,000,* and provided that no appointment is created with a salary of more than Rs. 100 a month. He may also sanction purely temporary or experimental establishments, including monsoon charges, for a period not exceeding 12 months to the extent of Rs. 1,00,000 in each year. As regards reappropriations he has full powers to reallocate funds within the major budget-head "15—Post-Office", subject to the condition that the total grant is not exceeded. In the case of contingent expenditure of a recurring

* The sanctions are assumed to be spread evenly over the whole year.

character, he has full powers except where special restrictions have been imposed. The most important limitations are as regards the rent of offices and buildings, which, in the absence of special sanction, must be limited to Rs. 100 a month in any given case; and contract allowances for the carriage of mails which are limited to Rs. 1,000 a month in each case. He can sanction the transfer of sanctioned pay in excess of Rs. 100 a month from one place or appointment to another, without regard to the class of appointments from and to which the transfer is made, and he can abolish or reduce the pay of any appointment of which the maximum pay does not exceed Rs. 200 a month. As regards patronage, he appoints, promotes and transfers all officers of the Post Office up to and including the grade of Superintendents. Postmasters-General, Deputy Directors-General and the Postmasters of the three Presidency towns are appointed, promoted and posted by the Government of India, while Assistant Directors-General, Deputy Postmasters-General and Inspectors-General of Sorting are appointed and promoted by the Government of India, and posted by the Director-General.

8. Up till 1861 the audit of the Post Office accounts was carried on by the ordinary accounts officers. But in that year a central office of account for the Post Office was established as a portion of the office of the Director-General, under the charge of an officer styled the Compiler of Post Office Accounts. In 1881 his designation was changed to Comptroller, Post Office, which is the title still in use. In 1889 the Comptroller was removed from the office of the Director-General and placed (as he still remains) under the orders of the Comptroller-General and the Finance Department.

Postal Accounts.

"Until 1899 the whole of the work connected with the audit and control of postal accounts was concentrated in Calcutta. It became evident, however, that, owing to the large and rapid development of the money order and savings bank business of the Post Office, the audit work required to be decentralized; and in January 1900, three Circle audit offices were established—at Calcutta, Nagpur and Delhi—and were placed in charge of Deputy Comptrollers, subordinate to the Comptroller at Calcutta. The audit of money orders is now entirely carried out by these Circle offices." It is probable that a new Circle audit office will shortly be opened at Madras,

Imperial Gazetteer, Volume III, page 426.

Main functions of the Post Office.

9. The primary business of the Post Office is of course the conveyance and delivery of letters, postcards, newspapers, book and pattern packets and parcels. The total number of these articles carried in 1905-06 amounted to 734 million. The rates of postage have been successively reduced till now a letter not exceeding one tola in weight can be carried all over India for $\frac{1}{2}$ anna, and one not exceeding ten tolas in weight for one anna.

10. The Indian Post Office has other ancillary functions, referred to in paragraph 173 of Mr. Meyer's memorandum on the origin and functions of the Indian Governments, *vis.*—

(1) The delivery of articles on the value-payable or cash on delivery system.

(2) The transmission of inland and foreign money orders.

(3) Post Office Savings Banks.

(4) Life Insurance.

(5) Sale of quinine in small packets.

(6) The receipt and transmission of telegrams at places where there is not sufficient traffic to justify an independent Telegraph office, or where the telegraph work can conveniently and economically be combined with postal functions. The majority of Telegraph offices in India (other than Railway Telegraph offices) are thus combined with Post offices.

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PART II.

Proposals for the increase of the powers of the Director-General of the Post Office.

SUGGESTIONS.

A.—Permanent Establishment.

1. At present the Director-General may sanction additions to or modifications of permanent establishments to the extent of Rs. 3,80,000,* provided that the total sanctions given in any year will not increase the expenditure on account of sanctioned fixed establishment, to be included in the budget estimates for the following year, by a larger sum than Rs. 60,000 a month, or Rs. 7,60,000 a year. It is now proposed that the limit of Rs. 100 a month in the case of individual appointments should be raised to Rs. 250 a month.

This proposal is in accordance with the recommendations of the Telegraph Committee for the increase of the powers of the Director-General of Telegraphs, which, it is understood, have been generally approved in the Commerce and Industry Department. [See note on the Telegraph department, paragraph 18 III (1)]. If granted these powers, the Director-General will be able to create appointments for the lower grades of Postmasters, of whom there are 159 with a maximum salary of Rs. 250 a month, and 62 with a maximum salary above that sum.

The system by which the Director-General of the Post Office has been given, subject to a maximum limit of cost, a free hand in the case of the lower paid appointments has worked well, and has spared the Government of India the necessity for dealing with a large number of comparatively petty applications for sanction to increases of establishment. The limit proposed (Rs. 250 a month) is that which is now in force as regards Local Governments in the case of Provincial expenditure and is far above the limit of their powers to sanction Imperial expenditure. On the other hand it is to be remembered :—

- (1) That Local Governments will perhaps be given powers to create Provincial appointments on salaries not exceeding Rs. 500 a month, and to raise the salaries of existing appointments provided that they do not when so raised exceed Rs. 750 a month, and also to create Imperial appointments on Rs. 100 a month instead of Rs. 50 (*vide* Mr. Meyer's Financial Memorandum, Part II, paragraphs I and IV);

* All increases of establishment, whether sanctioned by the Government of India, the Secretary of State or the Director-General must be provided from this grant.

- (2) That the Telegraph Committee have recommended the grant of similar powers to the Director-General of Telegraphs;
- (3) That a maximum limit is fixed to the increase of establishment during the year, and
- (4) That both the Telegraph department and the Post Office are commercial departments, whose operations increase steadily from year to year, so that the growth of the establishment is to a large extent automatic, while at the same time there is a corresponding rise of revenue to meet the increased expenditure.

The powers of the Director-General of the Post Office should be subject to the same limitations as those proposed by the Telegraph Committee in the case of the Director-General of Telegraphs, *vis.* :—

- (1) He may not create or abolish any appointment on a salary exceeding Rs. 250 a month, or modify the salary of such an appointment, or raise the salary of any appointment above this amount.
- (2) He may not modify the rates of pay of any graded service when these have been fixed by the Government of India.
- (3) He may not change the proportions in the different grades of such a service except where
 - (a) the proportions have not been fixed by Government, and
 - (b) no addition is made to the number in a grade or grades on pay exceeding Rs. 250 a month.
- (4) He may not create a new grade of officers on a salary exceeding Rs. 100 a month.

II. The Director-General may at present sanction purely temporary or experimental establishments required for a period not exceeding 12 months, and may renew any sanction for a further period of 12 months, to the extent of Rs. 1,00,000 in each year. The limit of Rs. 100 a month for individual appointments, however, applies. It is now proposed that subject to the above aggregate limit, he should be given full powers to sanction temporary appointments up to Rs. 250 a month for

B.—Temporary Establishment.

a period not exceeding two years, in any one case, if the limit in the case of permanent appointments is similarly raised; but the exercise of the power should be subject to the restrictions proposed in the case of the Director-General of Telegraphs, *viz.*—

- (1) He may not create any appointment on a salary exceeding Rs. 250 a month, or raise the salary of an existing appointment above this amount.
- (2) He may not sanction establishment temporarily to avoid increasing the charges for fixed establishment, but must appoint an establishment permanently, where it is clear from the first that it will be permanently required.
- (3) He may not continue establishment sanctioned temporarily as such for more than two years, by the end of which time it must either be abolished or made permanent.

Appointments, promotions and transfers.

III. At present the Director-General appoints, promotes and transfers all officers of the Post Office up to and including the Superintendents, the maximum pay of a Superintendent being Rs. 600 a month, while as regards some of the higher officers he has the power of posting (*vide* para. 7, Part I). It is suggested that he should also be empowered—

- (a) To promote Deputy Postmasters-General and Assistant Directors-General from one grade to another, except when it is proposed to supersede an officer; and
- (b) To grant leave to both these classes of officers and to Presidency Postmasters. This is in accordance with the recommendations of the Telegraph Committee, who have proposed that the Director-General of that department should be empowered to grant leave to all officers below the rank of a Director (the officers of corresponding rank in the Post Office are Postmasters-General and Deputy Directors-General).

D.—Sanction to the writing off of losses.

IV. The Director-General may sanction the writing off of losses up to Rs. 500 in each case. It is proposed that he should be empowered to write off losses up to Rs. 1,000, *i.e.*, that he should have the

powers of a Local Government in the case of Imperial expenditure. The Director-General of Telegraphs already possesses this power.

V. The growth of the work of the Post Office, and of the head-quarters staff, has suggested the advisability of making some increase in the powers of Postmasters-General. The following suggestions are made, but it must be understood that they are in all cases to be within the budget allotment for the purpose given to the Circle by the Director-General out of his total grant.

(1) Power to create and abolish all superior (*i.e.*, non-menial) appointments on Rs. 50 or less, where justified by the standards of the department.

N.B.—This power is subject to the limitation that any post, to which a special allowance (supplementary to ordinary pay) is attached, must receive the sanction of Director-General.

(2) Power to create, revise and abolish all menial establishment, where justified by the standards of the department. But wherever such revision of establishment involves an increase or decrease of more than Rs. 50 in any one office or runners' line, the case must be referred to the Director-General for sanction.

(3) Power to transfer permanent establishment from one office to another and from one mail line to another, or from an office to a mail line or *vice versa*, provided that the pay of any single appointment so transferred does not exceed Rs. 50.

Wherever such transfer increases the cost of establishment of an office or mail line, such increase must be justified by the accepted standards of the department.

(4) Power to sanction temporary establishment charges for a period not exceeding 3 months, provided that the total of such charges made in one year does not exceed the annual grant given to the Circle for this purpose.

(5) Power to increase the rent of a Post Office building to a limit of Rs. 50, provided that the total rent is justified, and is not more than 15 per cent. of the gross earnings of the office.

(6) Power to sanction the continuance of experimental offices up to a period not exceeding two years.

(7) Power to make an experimental office permanent, provided that it fulfils the condition of self-support.

(8) Full power to create extra departmental offices (*i.e.*, offices conducted by outside agency, on subsidy, provided that the subsidy to the extra departmental

Powers to be delegated to Postmasters-General.

Creation of Establishment.

They have no power at present.

Ditto.

Existing limit. Rs. 20.

They have no power at present.

Other recurring charges.

They have no power at present.

Existing limit 6 months.

They have no power at present.

Ditto.

agent shall not exceed Rs. 10, a month, nor the total cost of the office Rs. 20. This power is to be subject to the condition that the office is self-supporting.

(9) Power to sanction all municipal taxes levied upon Post Office vehicles and buildings (including combined Post Offices) subject to rule 1054, Public Works Department Code, Volume I. In the case of combined offices concurrence of the Superintendent of Telegraphs must be obtained.

(10) Power to sanction pensions not exceeding Rs. 20 a month if the Accounts officer concerned certifies that they fall within the rules. But if there is any doubt, the matter must be referred to the Director-General.

(11) Heads of Circles should have complete control over the minor works grant of their Circles, i.e., should sanction works costing not more than Rs. 2,500.

(12) Power to purchase fittings and furniture, provided the cost does not exceed Rs. 100 in each case for any one article.

(13) Power to address the Deputy Comptrollers of Post Office Accounts, direct, about a claim for payment of any charge which has lain in abeyance for more than 2 years.

(14) Power to sanction rewards up to Rs. 20 in a single instance, and up to a total of Rs. 250 in one year from the Guarantee Fund.

सत्यमेव (15) Power to sanction other rewards.

(16) Power to write off, against Profit and Loss or against the Post Office Guarantee Fund, losses of cash and stamps due to robbery, death of a postal official, etc., up to a limit of Rs. 50.

(17) Power to purchase locally articles of European manufacture, provided that the cost of any one article does not exceed Rs. 100.

(18) Power to sanction the purchase of books and newspapers.

VI. The delegation of these increased powers to Postmasters-General will no doubt result in a substantial diminution of the correspondence of the Director-General's office. It may then be possible to make some reduction in the head-quarters staff of the department which at present includes, besides the Director-General, two Deputy Directors-General, four Assistant Directors-General, and four Personal Assistants. At any rate an increase of the head-quarters staff, which would otherwise have been inevitable, will be avoided.

G, RAINY,—1-11-07.

They have no power at present.

Ditto.

Existing limit, Rs. 500.

Existing limit, Rs. 50.

No power at present.

Ditto.

Ditto.

Ditto.

Existing limit, Rs. 50.



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