

Monday, 13th February, 1928

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**FOURTH SESSION**  
OF THE  
**SECOND COUNCIL OF STATE, 1928**



CALCUTTA : GOVERNMENT OF INDIA  
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# CONTENTS.

	Pages.
<b>Wednesday, 1st February, 1928—</b>	
Members Sworn	1
Message from His Excellency the Governor-General	2
Committee on Petitions	2
Governor-General's Assent to Bills	2
Deaths of Lala Sukhbir Sinha, Syed Alay Nabi and Diwan Tek Chand	2-6
Indian Territorial Force (Amendment) Bill—Introduced	6-7
Auxiliary Force (Amendment) Bill—Introduced	7
Burma Salt (Amendment) Bill—Introduced	7
Congratulations to the Honourable Rai Bahadur Pandit Shyam Bihari Misra	7-8
Statement of Business	8
<b>Thursday, 2nd February, 1928—</b>	
Address by His Excellency the Viceroy to the Members of the Council of State and the Legislative Assembly	9-14
<b>Monday, 6th February, 1928—</b>	
Member Sworn	15
Questions and Answers	15-20
Message from His Excellency the Governor-General	30
Chittagong Port (Amendment) Bill—Introduced	31
Indian Limitation (Amendment) Bill—Re-committed to Select Committee	31
Hindu Family Transactions Bill—Passed	31-40
<b>Wednesday, 8th February, 1928—</b>	
Questions and Answers	41-47
Resolution <i>re</i> Imposition of a prohibitive import duty on artificial ghee—Negatived	47-64
Resolution <i>re</i> Publication of the Correspondence on the subject of the Statutory Commission	64-71
<b>Thursday, 9th February, 1928—</b>	
Indian Territorial Force (Amendment) Bill—Passed	73-76
Auxiliary Force (Amendment) Bill—Passed	76-77
Bodies Corporate (Joint Ownership) Bill—Withdrawn	77
Statement of Business	78
<b>Monday, 13th February, 1928—</b>	
Member Sworn	79
Questions and Answers	79-83
Statement regarding the Liquor Bill in South Africa	83
Resolution <i>re</i> Appointment of Trade Commissioners or Commercial Attachés in the Colonies and in Europe and America—Adopted	83-102

# COUNCIL OF STATE.

*Monday, 13th February, 1928.*

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the President in the Chair.

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## MEMBER SWORN.

Sir George Cockrane Godfrey, Kt. (Bengal Chamber of Commerce).

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## QUESTIONS AND ANSWERS.

THE HONOURABLE SIR MANMOHANDAS RAMJI : I do not propose to ask question No. 40, Sir.

### POLICY OF PURCHASING STORES IN INDIA ON A SYSTEM OF TENDERS IN RUPEES.

41. THE HONOURABLE SIR PHIROZE SETHNA : Will Government please inform the Council what progress, if any, has been made with regard to the adoption of the policy of Rupee Tenders in this country ?

THE HONOURABLE MR. A. C. McWATTERS : In reply to his question No. 83 I informed the Honourable Member on the 30th August last that the revision of the Stores Rules to give effect to the policy of purchasing stores in India on a system of tenders in rupees was engaging the attention of a Committee formed for the purpose. The Committee have since submitted the draft of a revised set of rules. These are at present under the consideration of the Government, and I hope that it will be possible to make a further announcement on the subject at an early date.

### REPRESENTATION OF THE GOVERNMENT OF INDIA AT INTERNATIONAL AND IMPERIAL CONFERENCES IN 1927.

42. THE HONOURABLE SIR PHIROZE SETHNA : Will Government give the names of the International and Imperial Conferences at which the Government of India was represented during the course of the year 1927 and the names of the representatives on each one of them ?

THE HONOURABLE MR. H. G. HAIG : A statement giving the information desired by the Honourable Member has been placed in the Library of the House.

### EMPLOYMENT OF SUITABLE INDIANS IN THE SECRETARIATS OF THE LEAGUE OF NATIONS AND OF THE INTERNATIONAL LABOUR OFFICE.

43. THE HONOURABLE SIR PHIROZE SETHNA : Will Government please state if they have sent any representations to the League of Nations and to the International Labour Conferences urging the claims of suitable Indians for employment in their Secretariats ? If so, will a copy of such representation or copies of such representations be placed on the table ?

**THE HONOURABLE MR. S. R. DAS :** The Government of India have from time to time instructed their delegates to press India's claims in respect of the appointment of Indians both in the General Secretariat of the League and in the Secretariat of the International Labour Office. The Honourable Member's attention is requested to paragraph 70 of the interim report and to paragraph 43 of the final report of the Delegation to the Seventh Session of the Assembly.

#### ESTABLISHMENT OF THE ROYAL NAVY IN INDIA.

**44. THE HONOURABLE SIR PHIROZE SETHNA :** (a) Will Government please state what has been the progress made, if any, with regard to the establishment of the Royal Navy in India ?

(b) Is it a fact that the cadets of the Training Ship S.S. "Dufferin" will be eligible for being taken up for the Royal Navy in India ?

**THE HONOURABLE MR. H. G. HAIG :** With your permission, Sir, I will answer this question on behalf of His Excellency the Commander-in-Chief.

(a) The Royal Indian Marine ships "Clive", "Cornwallis" and "Lawrence" have been reconditioned as sloops of war, and the patrol craft boats and five trawlers have also been reconditioned. The Royal Indian Marine ship "Dalhousie" has also been converted into a depot ship. To complete the squadron to its full strength, a new sloop will be built in England and negotiations for this are in progress. The requirements of the Indian Navy in respect of guns, mountings, ammunition, mine sweeping equipment, ordnance stores, etc., have been settled as far as it is possible to do so at present and orders have been placed for the supply of these articles. Details of organization, administration and finance have been settled, and next year's Budget has been framed as on the basis required for the Indian Navy. With very few and minor exceptions all questions relating to pay, pensions and conditions of service generally, of the personnel of the Indian Navy have been settled ; and also the cadre of the different ranks. Final decisions have not yet been reached on all matters connected with the recruitment and training of cadets for the Indian Navy, both Europeans and Indians, and the Government of India are still in communication with the Secretary of State for India on certain points. The first entry of candidates under the new system of recruitment will, however, take place during this year. Candidates for the executive branch will be trained at naval establishments in England like similar recruits for the Royal Navy, and the Government of India will grant financial assistance during the period of training. I may mention that one Indian has already been recruited to the Engineer branch of the Service. The training of ratings in combatant duties is already in progress. The services of two specialist officers in gunnery and minesweeping have been obtained on loan from the Admiralty to supervise training in gunnery and minesweeping duties. The Government of India (Indian Navy) Act, 1927, has been passed in England to facilitate the provision of the Indian Navy. The Indian Navy (Discipline) Bill will be introduced in the Indian Legislature during the current Session.

(b) The question is under consideration.

#### INDIA'S CONTRIBUTION TO THE INTERNATIONAL INSTITUTE OF AGRICULTURE AT ROME.

**45. THE HONOURABLE SIR PHIROZE SETHNA :** (a) Will Government please state what is the amount of contributions made by different Governments to the upkeep of the International Institute of Agriculture at Rome, and what is the share of India in the same ?

(b) What are the nationalities of the members of the staff employed in this Institute, and how many Indians are there on the staff of this Institute ?

THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH :  
 (a) Governments contribute to the Institute in accordance with the group or class of membership to which they belong. India's contribution, on the basis of India's belonging to the II group, is at present Rs. 11,000.

(b) Government have no information.

APPOINTMENT OF AN ACCOUNTANT UNDER THE PORT COMMISSIONERS,  
 CALCUTTA.

46. THE HONOURABLE SIR PHIROZE SETHNA : (a) Has the attention of Government been drawn to the advertisements by the Calcutta Port Trust for an Accountant in newspapers both in India and in England ?

(b) In view of Government's acceptance of a Resolution gradually to Indianise the Port Trust services, do Government propose to ask these bodies to select Indians for the position of Accountants ?

THE HONOURABLE SIR GEOFFREY CORBETT :

(a) Yes.

(b) Under the various Port Acts the Boards of Trustees exercise statutory power to appoint their own officers, except in the case of the highest appointments. The Government, when accepting the Resolution to which the Honourable Member refers, stated that the Port Commissioners must be trusted to manage their own affairs and to make their own appointments, and that the adoption of the policy of appointing Indians must come from within the Port Trusts themselves. They concluded, therefore, that the most practical way of giving effect to the Resolution would be the amendment of the Port Acts, so as to increase the number of Indians on the Boards in which the power of appointment has been vested ; and the Port Acts of all the principal Ports have now been amended accordingly.

THE HONOURABLE SIR PHIROZE SETHNA : Do Government propose to amend the Acts whereby there will be a larger number of Indians on the Indian Port Trusts than at present ?

THE HONOURABLE SIR GEOFFREY CORBETT : The Acts have been amended.

THE HONOURABLE SIR PHIROZE SETHNA : Supplementary to (a), Sir. Has the appointment been made ?

THE HONOURABLE SIR GEOFFREY CORBETT : Not that I am aware of.

GRANT OF FURTHER PROTECTION TO THE COTTON TEXTILE INDUSTRY.

47. THE HONOURABLE SIR PHIROZE SETHNA : (a) Are Government aware of the continued depression in the state of the cotton textile industry in Bombay ; and

(b) do they propose to take any steps for referring the matter to a new Tariff Board or to a special Committee to suggest what further help might be extended to the industry ?

**THE HONOURABLE SIR GEOFFREY CORBETT :** (a) The Government are aware that the position of the cotton textile industry in Bombay continues to be unsatisfactory.

(b) The Government have no such present intention.

**PAY OF TOWN INSPECTORS OF POST OFFICES IN CALCUTTA.**

**48. THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** Is it a fact that—

(a) Before the introduction of the time scale of pay, the starting pay in the case of a clerk in Calcutta post offices was on the Rs. 20 grade and that of a Town Inspector was on the Rs. 80 grade, and that of an Inspector in the Moffusil was on the Rs. 60 grade ;

(b) with the introduction of the time scale in 1920, the pay of clerks was revised to the scale of Rs. 45—140 and that of Moffusil Inspectors to the scale of Rs. 100—5—2—170 ;

(c) no revision was made in the pay of the Town Inspectors of Calcutta ; and

(d) the Government recognised the necessity of improving the pay of Town Inspectors and at last issued orders No. 11-P. T. E., dated the 5th August, 1927 ?

**THE HONOURABLE MR. A. C. McWATTERS :** (a) No. The minimum pay of a postal clerk in Calcutta was Rs. 40, that of a Town Inspector in Calcutta Rs. 80, and that of an Inspector in the Moffusil Rs. 60.

(b) Yes, in respect of postal clerks in Calcutta ; the scale of pay for Moffusil Inspectors was fixed at Rs. 100—5—175.

(c) The fact is not as stated by the Honourable Member. Town Inspectors in Calcutta belonged to the clerical cadre and were automatically placed in the time-scale of pay fixed for that cadre.

(d) Government recognised the necessity of improving the pay of the posts of Town Inspectors attached to first class head offices. The orders of the 5th August 1927 referred to in effect abolished the old posts of Town Inspectorships and substituted others bearing the same designation but carrying all the duties and the scale of pay attaching to sub-divisional Inspectorships.

**NUMBER OF POSTAL INSPECTORS IN BENGAL, DISTRICT BY DISTRICT.**

**49. THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** Will the Government of India be pleased to state the number of Postal Inspectors in Bengal, district by district ? How many of them are Muslims ?

**THE HONOURABLE MR. A. C. McWATTERS :** A statement showing the number of Postal Inspectors in Bengal, district by district, will be given to the Honourable Member.

There are two Muslims.

**NUMBER OF REGISTERED CANDIDATES FOR THE APPOINTMENTS OF SUPERINTENDENTS OF POST OFFICES.**

**50. THE HONOURABLE MR. MAHMOOD SUHRAWARDY :** Will the Government of India be pleased to state the number of registered candidates

for the post of the Superintendent of Post Offices enlisted up to 31st of December, 1927 last? How many of them have been taken as probationers province by province? How many of them are Muslims?

**THE HONOURABLE MR. A. C. MCWATTERS:** As the Honourable Member has not specified the date from which he wants the information, Government is not in a position to give a reply.

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**STATEMENT REGARDING THE LIQUOR BILL IN SOUTH AFRICA.**

**THE HONOURABLE KHAN BAHADUR SIR MUHAMMAD HABIBULLAH** (Education, Health and Lands Member): With your permission, Sir, I should like to make a brief statement to the House on a matter of public importance. As this Honourable Council is no doubt aware a Bill, known as the Liquor Bill, was recently introduced in the Legislative Assembly of the Union of South Africa. Clause 104 of this Bill purported to prohibit, subject to certain mitigating conditions, the employment of Indians on premises on which liquor is sold. It was estimated that, if this provision were enacted, approximately 3,000 Indians now employed in hotels, restaurants, etc., in the Union would lose their employment, and, for the future, an avenue of profitable occupation would be closed to the community. The Government of India made suitable representations on the subject to the Government of the Union of South Africa, and it is my privilege to announce to-day to the Council that the Union Government have decided to withdraw clause 104 of the Liquor Bill. The decision, I feel sure, will be received with great satisfaction. I should like to avail myself of this opportunity to express the appreciation of the Government of India of this fresh manifestation of the friendliness of the Union Government, and my personal gratitude to the members of the Union Government for the generous manner in which they have dealt with our representations. Their decision is a sure guarantee of the continuance between India and South Africa of the friendly understanding which was established on a firm basis by the Cape Town Conference. Before I finish my statement, Sir, I should also like to acknowledge the important part played in these negotiations by our Agent in South Africa, the Right Honourable Srinivasa Sastri, whose tact and persuasiveness have proved of the utmost value.

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**THE HONOURABLE THE PRESIDENT:** The Honourable Mr. Desika Chari has informed me that he does not wish to be called upon to move the Resolution\* which stands in his name on the paper. I think he would like me to explain to the House that the circumstances which led to this decision of his have arisen so recently that he was not in a position to give much longer notice of his intention not to move.

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**RESOLUTION RE APPOINTMENT OF TRADE COMMISSIONERS OR COMMERCIAL ATTACHÉS IN THE COLONIES AND IN EUROPE AND AMERICA.**

**THE HONOURABLE SIR PHIROZE SETHNA** (Bombay: Non-Muhamadan): Sir, I ask for permission to amend slightly the wording of my Resolution. In the first line, in place of the words "to appoint" I would, Sir, with your permission, like to substitute the words "to consider the appointment of".

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\* "This Council recommends to the Governor General in Council to convene a Conference of representative non-officials to consider and suggest ways and means for giving effect to the Report of the Indian Mercantile Marine Committee."

**THE HONOURABLE THE PRESIDENT :** The Honourable Member may move it in that form.

**THE HONOURABLE SIR PHIROZE SETHNA :** There is another slight change. After the word "Colonies" in the second line, add the words "and other parts of".

**THE HONOURABLE THE PRESIDENT :** Yes.

**THE HONOURABLE SIR PHIROZE SETHNA :** I move, Sir :

"That this Council recommends to the Governor General in Council to consider the appointment of Trade Commissioners or Commercial Attachés in the Colonies and other parts of the British Empire and in the countries of Europe and America in order to develop Indian trade and commerce with those colonies and countries, and that these new posts should be thrown open to Indians in the first instance."

Sir, the underlying principle of the first part of my Resolution is the necessity and desirability of promoting and extending the trade and commerce of this country with other parts of the British Empire, with the continental countries of Europe and with America. The development of the trade and commerce of every country is bound up with its general prosperity. It helps to increase the revenues of the State, to raise the average income of its people, to diminish unemployment and to open up to promising and energetic young men fresh fields and pastures new for initiative and enterprise and for adding to the wealth of the country. These manifold advantages of trade and commerce are recognised by most countries, and consequently they devote very great attention to them. A Chinese Philosopher centuries ago uttered the profound truth that the well-being of a people is like that of a tree. Agriculture is its root, manufacture and commerce its branches and its life. If the root is injured the leaves fall off, the branches break away and the tree dies. We are gratified that Government recognise the force of this truth and have given evidence of taking care of the root by the appointment of the Royal Agricultural Commission. And we hope its report, when ready, will make recommendations of a kind which should prove most useful and help to improve and increase the agricultural conditions very greatly in this agricultural country. Government's next duty must be to take care of the leaves and branches which are the trade and commerce of the country, and the best way of doing that would be by some such means as I have recommended in my Resolution. Embassies, Legations and Consulates are opened by independent Governments in foreign lands mainly for the purpose of maintaining political relations but, as a side issue, also to explore the avenues of trade relations and commercial intercourse, which they seek to establish, develop and to promote. It is time now for the Government of India to see that our trade and commerce with the countries that I have named, in fact with the world at large, go on gradually improving. And we cannot do better than profit by the example of other countries by the appointment of a regular service of Trade Commissioners.

This question has not come up before Government for the first time. It has been before them very prominently for now nearly 15 years. Bodies like the Indian Merchants Chamber, like the Bombay Mill-owners' Association, the Indian Industrial Conference, the Indian Industrial and Commercial Congress and others have passed resolutions that have been duly conveyed to Government. I do not say for one moment that Government are unsympathetic to this request, and I take it that if Government have not made much progress, or any progress worth mentioning in this direction so far, it is because of want of funds. But I hope they will recognise that the time has arrived for



us, if we want to keep pace with other countries, not to shelve the question any longer. If we do so, India will lag still further behind. We have a Trade Commissioner in England, and the present incumbent of this office Mr. H. A. F. Lindsay, I know, is rendering excellent service. Mr. Lindsay in a recent lecture observed :

“ It is not usually realised that India holds so important a place in the world's trade, having advanced from the sixth place in the list of the principal countries in 1913 to the fifth place in 1924.”

There is, however, room for considerable expansion for India to rise from the fifth place to a still higher place. During the last three years, according to the Review of the Trade of India published by Dr. D. B. Meek, Director-General of Commercial Intelligence and Statistics, the volume of export trade has regained its pre-war level, but so far as the import trade is concerned, the recovery is still very far from complete.

Now, Sir, we are as much concerned with the import as with the export trade, and there will be development in both directions if we have Trade Commissioners at different centres carrying on propaganda work for the Government of India and its trade in the person of Trade Commissioners. Mr. Lindsay, and now that he is about to go on leave, his successor, cannot do much single-handed. I understand he is to be given a Deputy before long, but even the two between them can do but very little. We want our men right on the spot.

Our manufactured articles are not exported in large quantities from India because we have not yet reached that position. Notwithstanding this, it is a well-known fact that our Hessians go all the world over and our piece-goods and our yarns go to some countries not far remote from India. Our exports consist mostly of our raw materials, and also what is known as Indian art work and curios. In regard to the latter I am reminded of what I was told as far back as a quarter of a century ago by one of the largest dealers in this line of business in New York, that if our turn-over in Indian arts and curios is not large it is because the Indian artisans simply copy designs or patterns which were first introduced not by their fathers or their grandfathers but perhaps centuries ago, whereas in Japan, because they move with the times and introduce new things, their sales of their art work and curios have increased very considerably. This is a matter in regard to which I must blame the Government to some extent, for Government know that the class of people who attend to this kind of work require help and advice, and if these men were told what exactly was wanted, perhaps by now our trade in this particular line would have increased very considerably. It is not yet too late, for if we have Trade Commissioners, they will explain to the dealers here what exactly is wanted and we will do better in the future than what we have done till now.

As regards the export of our raw materials to distant lands, I regard that this work has been done in three stages. In the first place, all our exports to the Continent of Europe or to America were exclusively through the intervention of British merchants. During the second stage and particularly since a few years before the War, countries like Germany, America and others, sent out their representatives to India with the result that they have been able to establish a direct trade, but that direct trade is not as large as it might well be. Therefore, I contend that we have now entered on the third stage, namely, when our representatives should be sent out to different parts of the world to point out to the buyers there what we can sell, to point out to sellers here what the buyers want, to point out how sales can be increased and other details

[Sir Phiroze Sethna.]

which would tend to promote the trade and commerce of this country. In doing so we shall be following what is done by other progressive countries. Take for example Great Britain herself. She is doing her best to consolidate the trade of the Empire by holding Empire Exhibitions, by forming an Empire Marketing Board, an Empire Fellowship League and other things of the same kind. Of course in all this, India comes in for a share, but so far that share is very limited and we want it to be greatly extended. Thus Indian merchants who went to Wembley in 1924 and in 1925 and others who in the following year 1926 went to the American International Exposition in Philadelphia were all able to sell their wares to great advantage and several of them introduced new lines. Unfortunately, after they returned and because there were no Trade Commissioners to bring together the buyers and the sellers, those lines which might have been greatly cultivated have perhaps been neglected and the trade in them is still very restricted.

Great Britain has a Department known as the Department of Overseas Trade, and in Mr. T. M. Ainscough they have an excellent Senior Trade Commissioner for India and Ceylon. His report was published only 5 weeks ago in which he points out that the United Kingdom's share has fallen by 10 per cent. in three years and is not nearly 48 per cent. of the total imports made by India compared with 63 per cent. before the War, while there is a corresponding increase in the trade from America, Germany, Japan, Belgium and Italy. In his report he suggests that British methods require most drastic overhauling, and urges that British manufacturers go to India to see the altered conditions for themselves and adapt themselves to the same. I am sure this advice of Mr. Ainscough will not be lost on the British manufacturer and that if they have lost 10 per cent. within the last three years, they will have gained 10 per cent. and more of this lost trade in the next three years. We also therefore want Trade Commissioners and we want them to help us in the same way by making suggestions from time to time from different countries which will enable us to go on increasing our exports as also our imports. In this connection I may mention what France is doing at the present moment. France is pushing the products of its African Colonies, particularly cotton, wool, hides and skins, by endeavouring to sell them in competition with us in European markets. Then again, in another component part of the British Empire we have another rival, namely, West and East Africa. They are beginning to sell their raw products particularly in the Continent of Europe. The position will get still worse unless we have qualified men to point out to us our defects and to see that we keep alive and progress in the lines that we are just now sending out of this country and also introduce new lines.

The suggestion I am making is by no means out of the common. The House knows fully well what the other parts of the Empire are doing. Canada, Australia and South Africa have trade agencies with beneficent results to themselves. Canada is foremost in this line. They established what is known as their Commercial Intelligence Service in the year 1906, and by now they have spread their ramifications so far that Canadian Trade Commissioners are helping their Government in the following countries: the Argentine Republic, Australia, Belgium, Brazil, the British West Indies, Cuba, China, France, Germany, Holland, India and Ceylon, the Irish Free State, Italy, Japan, Mexico, the Netherlands East Indies, New Zealand, South Africa, the United Kingdom, and the United States of America. I have given the names in their alphabetical order. Since the establishment of this Commercial Intelligence service, Canada recognises that its trade has increased and increased very considerably, and they admit that this is due in a large measure to the good

work done by their Trade Commissioners. The duties of the Trade Commissioners in the countries in which they are posted are to acquaint the people of those countries as to what they can profitably import from Canada and also to tell the people at Home what they can profitably import from the countries they have been sent to. Manufacturers in Canada have worked themselves into a profitable export trade due largely to the stimulation of the Commercial Intelligence Service and without which they would have had to remain satisfied with a purely domestic trade. The Canadian Manufacturers' Association is a very powerful body of merchants in that Dominion. They emphasise on their Government year after year to make no diminution in the grant they make for this Service, because they realise that every dollar they spend on it is well spent and brings back a very handsome return. To quote a few figures, in 1906 the foreign export trade of Canada was only 235½ million dollars which in 1927, after 21 years, increased to 1,252 million dollars, an increase of 540 per cent. Their imports in 1906 were only 283½ million dollars which by 1927 rose to 1,031 million dollars, an increase of 360 per cent. I quite admit that in a country like Canada which is fast growing there is bound to be a substantial increase in these figures, but much of this phenomenal increase is due to the efforts of their Commercial Intelligence Service and their Trade Commissioners. I observed a little while ago that Canada was the first to establish a Commercial Intelligence Service in 1906. It was followed by Great Britain, and later by the United States of America. I am not quite sure about the date with regard to Great Britain—I believe it was in 1908—but I know that the United States copied the example of Canada as late as 1914. Its Trade Commissioner came out to India for the first time in 1922, and since his arrival, within only 5 years, they notice a very considerable expansion both of the export and of the import trade. America is now represented by Trade Commissioners in as many as 30 countries. As in Canada, the commercial community in the States full well recognise the benefit that this Service has rendered to them. While the Canadian Service is called the Canadian Intelligence Service, the Service in the United States is called the Bureau of Foreign and Domestic Service. Now, Mr. President, in America, as in India and anywhere else, every year there is an attempt to cut down expenditure under different headings when the budget is discussed, and this House will be surprised, and agreeably surprised, to know that so far as this particular Department is concerned there has never been a setback. Government have acknowledged its value and they have always gone on adding to the grant for this Bureau. But Government do not do so haphazardly. Government require the Bureau to furnish them with facts and figures to show that in the year just ended their Trade Commissioners have been able to increase the volume of trade of the country over the previous year by a substantial amount. This the Bureau has been able to show year by year, and that is the reason why America does not grudge spending what it does, and I believe it allots at present more than Rs. 50 lakhs to the Bureau. Here, therefore, is a guide to us as to what we may do, and I feel confident that every rupee we may spend in this way will bring back to the country a very adequate return.

The total trade to-day between India and the United States approximates Rs. 60 crores a year. The exports to America exceed Rs. 40 crores a year and imports approximate Rs. 20 crores. This is particularly true if we add to our direct trade figures the re-exports from the United Kingdom. The present trade between India and America has reached such proportions as to fully justify the appointment of an Indian Trade Commissioner. There is danger in assuming that India's present market in America is secure. America is a very important buyer of jute products, shellac, goatskins, mica, myrabolams,

[Sir Phiroze Sethna.]

castor seed, drugs, manganese, cotton, wool, coir, tea, pepper, carpets, furs and bone meal. It is evident that India's trade is not confined to any one monopoly product but is dependent on America's purchases of many Indian products which must compete in a highly competitive international market. Considering the fact that America has been experiencing the greatest industrial activity and prosperity in her history, it is to be questioned whether India has secured as large a share of America's import requirements as could reasonably be expected. In fact, a comparison of the tonnage exports to America in 1914 with the tonnage exports in 1926 and 1927 would indicate that there has been some decline in our shipments to that country.

I referred a minute ago to re-exports of Indian goods from the United Kingdom to America. I have in mind the exports of wool. America takes about 12 million dollars worth of Indian wool, of which she buys about a fourth direct and the remaining three quarters through the Wool Brokers' Association of Liverpool. If we had a larger percentage of direct trade not merely would there be a direct gain to the country, but there would also be indirect gain in the shape of help to Indian banking, Indian shipping and Indian marine insurance companies, and otherwise. And here again, I am not suggesting anything which is new. Australia before the War like ourselves did its wool trade with America through Liverpool. Since the War it is doing it direct with greater gain to itself in the several directions to which I have just now referred.

Now, Sir, I have in my hand the August 13th, 1927, number of the Canadian Commercial Intelligence Journal issued by the Canadian Government. It gives under five headings what that Government expects its Trade Commissioners to do and what it expects the merchants of Canada to attend to when they have to deal with their Trade Commissioners. It is only a page of this journal, and because it contains very valuable information under five headings, with your permission, I propose to read the same. The first heading is Commercial Information. It says:—

*Commercial Information.*

Manufacturers and exporters can receive up-to-date information through the Commercial Intelligence Journal or by direct correspondence with the Department or any of the Canadian Trade Commissioners as to—

- (a) The present and prospective demand for their goods.
- (b) Foreign and local competition.
- (c) Details of best selling methods.
- (d) Reports on foreign buyers.
- (e) Specifications of articles in particular demand.
- (f) Inquiries for goods, and by means of an efficient system for collecting such inquiries the names can be obtained from time to time from the Commercial Intelligence Branch of the Department at Ottawa.

*Agents, Buyers and Distributors.*

Trade Commissioners will also—

- (a) Recommend to intending exporters the names of responsible parties in a position to act as agents or buyers and distributors.
- (b) Give every possible assistance to such agents, etc., and will introduce them to influential individuals or associations who may be in a position to buy goods from Canada.

- (c) Give confidential information, when so requested, as to the activities of agents approached by Canadian exporters, or firms to whom sales have been, or are being made.

Trade Commissioners can assist in advising Canadian exporters and manufacturers :

- (a) As to the best media in which to place advertisements and the form which such advertisements should take.
- (b) In the display of catalogues, price lists and samples where they can be seen by potential buyers.
- (c) As to the distribution of trade literature and its probable cost.

*General.*

(a) Trade Commissioners will always be glad to receive visitors from Canada and introduce them to possible buyers or agents or put them in touch with such experts as legal advisers, interpreters, and shipping and banking representatives.

(b) The good offices of Trade Commissioners can always be invoked with a view to settling difficulties which may arise between Canadian exporters and buyers abroad.

(c) Trade Commissioners will, at any time, provide such information as may be available as to freight, rates, customs, port dues, etc., so as to enable Canadian firms to quote prices for delivery overseas.

*Final arrangements.*

Particulars can be obtained with regard to :

- (a) Terms of credit which may be given to foreign buyers.
- (b) Financial houses and banks who will discount bills or give credit.
- (c) Regulations governing the recovery of debts in foreign countries.
- (d) Disposal of goods abroad contracted for but not accepted by foreign buyers.
- (e) Infringement of trade marks or patent rights, and advice on registration.

*Information necessary to the Trade Commissioner.*

When a Canadian exporter desires the assistance of a Trade Commissioner in marketing his goods abroad, he should in the first letter give that officer the very fullest information in regard to the commodity which he desires to sell as follows :

- (a) Catalogues and best export prices, c. i. f. port of entry or failing that, f. o. b. Canadian port.
- (b) Details regarding process of manufacture if convenient.
- (c) If not bulky, samples of what the firms have to offer should be forwarded.
- (d) Bankers' references.
- (e) The proportion of output which is available for export, time required to ship from receipt or order, and the quantity for which orders will be accepted.

The Trade Commissioner will thus be in a position to make a survey of his territory, report the opportunities for the lines to be exported and can then either place the exporter in communication with reliable importers or recommend suitable agents."

Now, Mr. President, this gives an outline of the work that is being done by the Canadian Trade Commissioners. Our men can do likewise with equally good results. We do not expect the Government of India to establish Trade Commissioners all at once in twenty countries as Canada has done or in thirty countries as the United States of America have done, but we want Government to make a beginning and do that as quickly as possible. A few months ago, Diwan Bahadur Rangachariar, who was sent as a delegate by the Government of India to Australia at the opening of the new capital there, made speeches in that Continent, as well as on his return to India urging the necessity of promoting trade relations between Australia and this country. Speaking for my colleagues and for myself who 15 months ago formed the Delegation from the Government of India to South Africa, I have no hesitation in saying that

[Sir Phiroze Sethna.]

we found that there are possibilities of a far larger trade than exists at the moment between South Africa and India, and that could be taken in hand if, in addition to the Agent whom we have now in that country in the person of the Right Honourable Srinivasa Sastri and to whom such deservedly complimentary reference was made this morning by the Honourable the Leader of this House, we also have an efficient Trade Commissioner.

Finally, Sir, our Trade Commissioners must be efficient men; not only must they be well educated and energetic, but they must be inspired by boundless enthusiasm for the welfare of their country. All I recommend is that a fair start be made and that proper officers be selected for the purpose. It is very necessary that such officers are Indians and men with business experience before they are appointed. It is not necessary to dilate on this point. One advantage would be that a new career would be opened to Indians and a stimulus given to the employment of our young men in trade and commerce. I do not wish to make my Resolution a peg to hang a political discourse on. But our very inferior political status carries with it numerous disadvantages, one of which is that certain careers which are open to the citizens of an independent or a self-governing country are closed against us. These disadvantages must be minimised as far as possible. The appointment of Indians as Trade Commissioners or as Commercial Attachés will be a step in the right direction, and it will be highly appreciated by the Indian people. The presence of proper Indians in such capacities in foreign lands will not only be valuable for the main purpose we have in view, but will also serve to raise India in the estimation of other countries.

THE HONOURABLE SIR GEOFFREY CORBETT (Commerce Secretary): Sir, I am very glad that the Honourable Sir Phiroze Sethna has moved this Resolution. He has given the support of his informed advocacy to a matter which we in the Commerce Department have very much at heart,—and that is, the extension of the import and export trade of India, which may be said to be to a large extent the very reason for our Department's existence. I thank him particularly for his eloquent vindication of the value of foreign trade to a country. It might seem almost absurd that I should have to say this; but it is a fact that there is a school of economic thought in India which seems to be definitely hostile to foreign trade, and to regard export trade as a drain and import trade as exploitation. I am glad to take this opportunity for stating what our policy is, what we have done in the past, what we are doing now, and what, if we get sufficient support, we should like to do in the future. For a great many years now,—I think it is now 20 or more years,—there has been the Department of Commercial Intelligence in Calcutta, and it has been administered by very efficient officers who have done a great deal, I feel sure, to develop the export trade of India and, particularly, the export trade of Indian goods by Indian firms, and to bring them into direct contact with markets abroad. But it must be recognised that a Department of Commercial Intelligence in India is not sufficient for our purpose. As the Honourable Mover has very convincingly shown, the head of this Department must have his opposite number in the countries with which he is trying to create trade connections. That is, he requires Trade Commissioners overseas in the countries where we have important markets or markets which are capable of being made important.

I should, however, like to take this opportunity of paying a tribute to the work that has been done for India by His Majesty's Trade Commissioners in other parts of the Empire who have watched our interests as if they were their own, and also by the Commercial Attachés attached to the Embassies in foreign

countries. In our recent inquiries in regard to the position of the cotton industry, I think it is no exaggeration to say that no Indian Trade Commissioner, however keen, however able, however enthusiastic, could have done more for us than His Majesty's Commercial Attaché at the Embassy at Tokio.

Well, Sir, the first move in the direction of establishing Trade Commissioners overseas was the appointment of an Indian Trade Commissioner in London during the latter years of the war. At that time conditions in other countries of the world were really too disturbed for appointments elsewhere, but at the same time the first Indian Trade Commissioner, Sir David Chadwick, made some important investigations in various countries on the Continent of Europe before taking up his appointment as Indian Trade Commissioner in London. After the war proposals for appointments in various countries were considered. An Indian Trade Commissioner was actually appointed at Mombasa in the year 1922, I think, or at the end of 1921. And the Government of India prepared a large scheme for the organisation of a commercial service which would include recruitment for Trade Commissioners abroad. Then, however, came the Inchcape Committee,—the Retrenchment Committee,—and this not only stopped us from giving effect to our scheme for a commercial service, but as a result of its Report, the existing Indian Trade Commissioner at Mombasa was abolished, and the activities of our Trade Commissioner in London were seriously curtailed and maimed, not only by a reduction of the staff, but still worse perhaps, by the closing of his office in the City and the removal of it to the High Commissioner's office in Grosvenor Gardens which, to any one who knows London, is of course an absurd locality for a Trade Commissioner's office to be established in. I should like to note here that this was no bureaucratic shortsightedness, but the Inchcape Committee was a committee of business men, and from that time onwards we were always up against the fact that it suggested that even the modest sum that we were spending might be retrenched; and I have no doubt that this decision has discouraged to some extent the revival of our schemes.

In 1926, however, a Publicity Officer was appointed to assist Mr. Lindsay in London, particularly in participating in exhibitions and fairs abroad as well as in England. As an instance of the manner in which the extension of these activities were still regarded, I may say that the total expenditure which only amounted to £1,100 in that year, including the Publicity Officer's salary and all provision for office staff, exhibits and travelling allowance, and for the purpose of hiring space and so on, was only agreed to by the Standing Finance Committee as an experimental measure for one year only, subject to a report being made at the end of that period. Now, this House will appreciate how very hampering such a condition was. The business men in this House will realise that it is extremely difficult to plan a campaign of advertisement or publicity when you are limited to one year, and it is equally difficult to get a suitable man to undertake the task on a very modest salary for one year only. We were, however, extremely fortunate in securing the services of Mr. Asli, who had previous experience at Wembley, and he did very well and his post has been continued by the Standing Finance Committee and the Assembly, and recently, a week or two ago, the Standing Finance Committee agreed to make it permanent. I think indeed that we may say that in recent years, in the last year or two, the value of trade agents overseas has become better appreciated, and that there are more people now in India who share the enlightened views of the Honourable Member in this matter. This is due partly to Wembley, I think, and the obvious need which arose from Wembley of the existence of some sort of an organisation to carry on the connections that were then created, and expand them, and it is still more perhaps due to the energy and enthusiasm

[Sir Geoffrey Corbett.]

of our present High Commissioner, Sir Atul Chatterjee, and his very capable Trade Commissioner, Mr. Lindsay, to whom the Honourable Mover has paid a well deserved tribute.

The first stage in this new programme, as we may call it, was the plan which Sir Atul put forward for the construction of an India House in Aldwych, in which also the Honourable Mover was much interested and to which he gave much valued support. The advantages of the new India House from the trade point of view are firstly that it gives accommodation for exhibits, not only for inquiries from London, but also as a nucleus for exhibitions and fairs in other parts of the United Kingdom and on the Continent and America, and also, still more important, that it is near the city and it again restores the connection between the Indian Trade Commissioner and the city which was severed so rudely by the Incheape axe.

From this stage we go on naturally to the participation in exhibitions and fairs, which is only one branch, of course, of the Trade Commissioner's activities, but is perhaps the most spectacular branch and is a matter of particular importance, especially on the Continent where, as the Honourable Mover has pointed out, not only are our manufactures not receiving due attention, but there is even a serious risk of severe competition against our raw materials, particularly in those Continental countries which have Colonies overseas and, as the Honourable Mover pointed out, are trying to push, quite naturally, the products of their own Colonies in their own countries in competition with raw materials exported from India.

In order that this House may not think we have been entirely idle in this matter, even with the small staff at our disposal, I should like just to give them an abstract of Mr. Asli's report on his work for 8 months only, that is between the 1st April and the 30th November last year, which was prepared to place before the Standing Finance Committee in accordance with their requirement that he must justify his appointment before it was continued. The exhibitions and fairs in which India participated in Europe fall into two classes. The first are those that are organised and conducted entirely at the expense of the Indian Trade Commissioner's Office, and the second those in which the Empire Marketing Board, to which the Honourable Mover has referred, provides space and stores at their own expense, and our Trade Commissioner's Office has only to do with the rest, that is with the supply of exhibits and the staff. In the first class, the following exhibitions were undertaken. We participated in the Leipzig International Fair, which ran from the 6th to the 12th of March 1927. I should like to explain that our funds are so small that we can only afford to participate in the Trade fairs which run for a very short period, for about a week or so, and not in the more important exhibitions which run for months on end and are more costly. Our resources are only a few hundred pounds. Well, Sir, we participated in the Leipzig International Fair at a cost of £146.16.9d. We put up our show for that. In the Milan International Fair we participated from the 12th to the 27th April at a cost of £356. Again in the International Tobacco Trades Exhibition, from the 30th April to the 7th May, at which the cost of our exhibits was only £86-7-10d. But it was such a good one that the Indian stall was awarded a silver medal. At the Railway Employers' Exhibition, at Manchester, from the 24th to the 30th September, at a cost of £26-4-6d. And, again, at the Prague International Fair, from the 18th to the 25th September, at a cost of £250.

So I think from the extent of our activities it will be seen that we have not at any rate thrown money away. In addition, we have the exhibitions of



the second class, in which space has been provided by the Empire Marketing Board. I need not detail them. Most of them are in the United Kingdom. There were 7 exhibitions, of which the most important were the British Industries Fair and the Ideal Home Exhibition; and, thanks to the assistance and co-operation of the Empire Marketing Board, the cost to us varied from one pound only for one exhibition to a maximum of only £14. In addition to this, we have provided exhibits for Indian stalls at 21 different exhibitions in different parts of the United Kingdom and also for one in Canada.

To give the House some idea of what we do when we participate in these trade exhibitions and fairs, I should like just to give you some extracts from the report on our stall at the Prague International Fair last September, which lasted from the 18th to the 25th September. Its importance is indicated by the fact that no less than 37 different countries participated in it, including America, France, Brazil and Switzerland. And India's first appearance at this exhibition was given a special welcome. We were given a very good position in the exhibition grounds and our stall was nicely decorated. I have seen a photograph of it; it looked very nice indeed. The scope of our exhibits

12 NOON. was as follows. There were 11 different groups. One of them was foodstuffs. We showed 14 different kinds of foodstuffs, and several of spices and condiments. The second group was oils and oilseeds. We exhibited 15 different kinds of them. The third group was essential oils. The fourth group was drugs and medicines, the fifth group dyeing and tanning substances, the sixth group gums and resins, the seventh group minerals, the eighth group textiles, the ninth group leather and skins, the tenth group timber and the eleventh group art ware and fancy textiles in which branch, as the Honourable Mover has pointed out, there is great scope for expansion, particularly in North America. It was also arranged to draw special attention to India's participation on the fair, and that His Excellency the British Ambassador at Prague should formally open the Indian Pavillion. There was a very good attendance at the formal opening including the Foreign Minister of Czechoslovakia, the Minister for Commerce, the Burgomaster of Prague and the President and Directors of the Fair. An account of the ceremonial opening appeared in all the local papers in Czeck, German and French, and the Ambassador's opening speech was also broadcasted all over Europe. Our Publicity Officer reports that the Indian Pavillion became a centre of attraction and was crowded with visitors all through the period of the Exhibition. Over 100,000 people visited our exhibits on the first day, and the total number of visitors on all the eight days was 375,000. That, I think, Sir, was a very good show for £250. It only illustrates what can be done if we can get money. We do not waste our money. The Publicity Officer at the same time pointed out that, owing to lack of funds and the failure of export traders in India to provide him with exhibits free, some of the exhibits were not as good as they should be.

Now, Sir, that takes us on quite naturally to the third stage, which is the strengthening of the Indian Trade Commissioner's Office in London in order to organise and control this wider work on the Continent and in America, and secondly,—the point on which the Honourable Mover has laid stress,—the appointment of Trade Commissioners in countries in Europe and America where these exhibitions and fairs are held and in which we participate, in order to follow the inquiries and the trade connections which they may establish. At Prague, for instance, there were some 100 inquiries made relating to various Indian products entirely from the trade. These were not from private individuals or retail dealers but from wholesale dealers, and our camp office at the fair gave such information as it could. But when they went back to London, there was no one left on the spot to follow things up and nobody to establish personal contact,

[Sir Geoffrey Corbett.]

which as businessmen know is so important in these matters : correspondence is far less effective. Well, Sir, in order to provide for our needs, the High Commissioner is framing proposals. He has recently put before the Standing Committee a proposal, which has been accepted by them, to make the Indian Trade Commissioner's Office in London permanent : up to now it has only been on a temporary basis. And he has also made proposals for strengthening it, including the appointment of a Deputy Trade Commissioner in London, with two objects, first, to give Mr. Lindsay the assistance he needs in his wider activities and, secondly, to train a man for appointment as Trade Commissioner elsewhere on the Continent or in America. The detailed proposals on which Sir Atul Chatterjee is now engaged were foreshadowed in a recent memorandum which was placed before the Standing Finance Committee, including the possibility of appointments in Europe and America.

So far as the West is concerned we are awaiting those proposals which will be dealt with as sympathetically as possible. At the same time it is necessary to make provision for countries in the East, and particularly in countries bordering on the Indian Ocean, for which India provides a natural trade centre. I have already mentioned that we once had a Trade Agent at Mombasa, but this was unfortunately abolished in 1923. The matter, however, has been given a fresh stimulus by the recommendation of the Tariff Board which inquired into the cotton industry, and which recommended that inquiry should be made for suitable places to appoint Trade Agents in the Near East and in East Africa. In accordance with that recommendation a mission has recently, only a week or two ago, left India, consisting of Dr. Meek, our Director-General of Commercial Intelligence, and the Secretary of the Bombay Millowners' Association and Mr. Dutia, an expert in textiles, in order to inquire into the possibilities of expanding the export trade in cotton textiles, and of appointing Trade Commissioners in the Near East and in North and East Africa, and also to report to us in which countries the appointment of Trade Commissioners would be most paying. It may be explained that our provisional idea of organisation is that the Trade Commissioners on the Indian Ocean and in the East would be based on the office of the Director General of Commercial Intelligence in Calcutta, while the Commissionerships in the Continent of Europe and in America would be based on the office of the High Commissioner and the Indian Trade Commissioner in London.

That, Sir, is briefly the plan we have in view, which, subject to the financial position of the Government of India and the vote of the Assembly, we hope to be able to pursue as soon as we have received more concrete proposals from Sir Atul Chatterjee and from Dr. Meek's mission. I should, however, like to point out that full value will not be obtained from any move of this kind unless a corresponding effort is made by the trades in India to provide for a marketing organisation which will take full advantage of the markets opened up to them by Trade Commissioners. Trade Commissioners cannot develop trade. They can only point out opportunities for development, and the necessity for marketing organisations of the trade themselves will become more and more insistent every year. I may mention that when we had a Trade Commissioner at Mombasa he made considerable complaints that he did not get very much response from Trade Associations and others in India to whom he sent information. It may also be recalled by those who have studied the report of the Tariff Board on the cotton textile inquiry, that the Tariff Board in recommending the appointment of Trade Commissioners made this proviso :

" We are strongly of opinion that the appointment of Trade Commissioners should be made conditional on the acceptance by the Millowners' Associations of our recommend-

ation that strong sub-committees of the Associations should be constituted whose sole function it would be to deal with matters connected with the export trade and with which the Trade Commissioners would be in close touch."

I am very glad to say that I understand that the Bombay Millowners' Association has already formed an export sub-committee and I know that they are taking a very lively interest in this mission in which they are co-operating.

But one must go a good deal further than that. I had rather an interesting letter from Mr. Lindsay on this subject which, with your permission, Sir, I should like to read to the House, because it puts the matter very clearly from the point of view of an expert. He was speaking generally of the difficulties which Indian products, particularly our raw materials, met in foreign countries owing to the bad condition in which they were exported, and also the inability of the Indian seller to combine against the foreign buyer. Mr. Lindsay wrote as follows :

"To my mind, the remedy, and the only real and lasting remedy, for the existing state of affairs lies in efficient organisation—organisation aimed at maintaining quality and therefore also value and price. I am firmly convinced that by means of organisation we can do much to improve the standard of Indian produce, the quality of which is at present so widely and justly condemned in foreign markets. I am equally convinced that India would benefit enormously by the higher prices which her goods would command abroad. This applies certainly to hides and skins. It applies to hemp and tobacco. It applied to wheat until a year or two ago when the London wheat importers insisted on a clean basis. It applies to oil-seeds and vegetable oils and oil-cakes. It applies to cotton pending further reforms by the Indian Central Cotton Committee. It applies to some extent to jute.

The form of organisation must naturally vary with the particular commodity concerned. The underlying principles should in all cases be the same :

- (i) The development of some corporate body in India capable of negotiating on equal terms with foreign associations of importers of the particular class of goods ;
- (ii) The provision of funds to enable that body to effect the necessary improvements, removal of adulteration and so forth.

The existence of the corporate body is a necessary preliminary to progress in foreign markets. In the first place, it is necessary to maintain Indian interests in the terms of contracts for the sale of Indian goods abroad. Secondly, it will be able to bring corporate influence to bear on local methods of production. Thirdly, it will extend its influence abroad and will capture markets more effectively than individual traders can."

One of the difficulties in the organisation of a marketing association is usually lack of funds which are earmarked for this purpose. But this difficulty has been met very effectively in several instances by the imposition of cesses which are imposed by an Act of the Legislature at the request of the trade concerned and are then collected by the Collectors of Customs and handed over to the Association or Committee for expenditure on marketing. One of these cesses is the tea cess to which Mr. Lindsay in the same letter refers as the ideal system. Speaking of organisations in other countries, he says :

"Not one of them can even begin to compare in efficiency with the organisation of the Indian Tea Association. Here you have the ideal system. Production is in individual hands and yet central pressure is constantly exerted in regard to quality. The chain of middlemen is reduced to a minimum ; in fact, the tea, in most instances, remains the property of the producing company until finally auctioned to a wholesale dealer in London under conditions which ensure both the fullest information as to quality and the freest competition between purchasers. The success of the Association is due largely to the fact that for the last 25 years it has been able to count on regular funds, raised by itself with Government help and applied to scientific investigation and to propaganda."

Another cess of the same kind is the lac cess which is very well administered, and finally we have the Indian Central Cotton Committee which was formed

[ Sir Geoffrey Corbett. ]

a few years ago and has already effected very great improvements in the growing and marketing of cotton. Our policy in the Commerce Department is to extend these methods as far as possible. Recently, a few months ago, in connection with the abolition of the export duty on raw hides we issued a circular asking whether a cess might be substituted for it, which might be utilised in improving and extending our market for leather goods as well as raw hides and skins. Again, in the matter of coal it may be remembered that a few years ago we appointed an Indian Coal Committee to go into the question of the loss of our export trade, and since its report there has been a great recovery in the export trade in coal partly due to other circumstances in other countries, but largely due to the establishment, on the recommendation of the Committee, of the Coal Grading Board which gives a certificate of the quality of the exported coal. More recently we have had before us a proposal to put on a cess for the organisation and marketing of soft coke, and we have had discussions as to whether this cannot be extended in a wider manner to coal generally and not confined to soft coke. I mention all this to show what we have always in mind. Whenever any trade is willing to come to us, we respond at once, and we are indeed ready to exercise a good deal of pressure on a trade to organise itself and to raise funds in this way for improving its marketing and the condition of its goods.

There is only one point left and that is the last sentence of the Honourable Mover's Resolution ; that is, that these new posts should be thrown open to Indians in the first instance. Well, Sir, I think the Honourable Mover will agree with me that India has been well served by Sir David Chadwick and Mr. Lindsay as Trade Commissioners in London, and I do not think she could have been better served. But we agree that it is right and proper that Indians should undertake the task of increasing the sale of Indian goods overseas, and our policy, our desire is to appoint Indians to these posts. The difficulty is in finding suitable Indian candidates on the pay that we can offer.

THE HONOURABLE SIR PHIROZE SETHNA : What is the pay ?

THE HONOURABLE SIR GEOFFREY CORBETT : The pay of Mr. Lindsay at present is £1,350 a year *plus* a steadily diminishing cost of living allowance, and the Publicity Officer, Mr. Asli, who is an Indian, gets only £600 a year. The Honourable Mover laid great stress on the importance of having very efficient officers for this task, in which I entirely agree with him, and also of having men who have had previous business experience. The difficulty is in finding an Indian who has been successful in business,—and we do not want a man who has been a failure in business—it is rather difficult to get him to go on the salary for which we can get sanction. We have already told the Standing Finance Committee that we hope to be able to appoint an Indian officer to the new post of Deputy Indian Commissioner who is to assist Mr. Lindsay for the present and get the necessary training for a foreign appointment in the future when the Continental appointments are made. Our intention is to appoint to this post in all probability a service member, probably an Indian Member of the Indian Civil Service—I see the Honourable Mover is smiling—because that may assist us in overcoming the difficulty of the question of his salary. But we hope to be able to get Indians for these posts, and if the Honourable Mover would assist us in the matter, we should be very grateful to him.

Well, Sir, that is our general scheme which we have in mind. I am afraid I have kept the House for a very long time, but it was an opportunity to explain what we are doing and what we hope to do.

I will now conclude by referring to a point which I think the Honourable Mover has fully recognised, and that is, that we ought not to rush ahead with any very large scheme which might seem very spectacular and which might end in nothing. We ought to proceed steadily and satisfy ourselves that we are getting full value before we go on to make a fresh appointment; and that is also necessary from the point of view of training men for these posts. If we are unduly precipitate, there is a real danger that it may lead to failure somewhere and that the value of the whole organisation may be doubted and progress may be retarded.

The Honourable Mover has referred to the Department of Overseas Trade in England, and I think the House will remember that a few years ago that was very much boomed, perhaps over-boomed, and the effect has been that its value afterwards came to be somewhat doubted, to such an extent that last year the Chancellor of the Exchequer proposed to abolish it altogether.

Well, Sir, the Honourable Mover has in consultation with me made a slight verbal alteration in his Resolution, and with that verbal alteration I am prepared to accept it on behalf of Government.

THE HONOURABLE SIR MANMOHANDAS RAMJI (Bombay: Non-Muhammadian): Sir, I have great pleasure in supporting the Resolution that has been so ably moved by my Honourable friend Sir Phiroze Sethna, and I should like to supplement his remarks by a few observations in support of what he has just said. Sir, we all know what the value of Trade Commissioners is to the trade of a country. The Americans and other nations have fully appreciated the value of these organisations and they have developed these departments to such a remarkable extent that they are helping and fostering the trade of their countries very considerably. I may cite one instance here. An Indian merchant imported some goods from America on certain samples, but the goods supplied were so different and consisted of such rubbish that the importer was about to lose the value of the whole consignment. Fortunately, however, he referred the matter to their Trade Commissioner here. This gentleman took so much interest in this matter that he suggested a survey of the goods. I happened to survey the goods, and the Trade Commissioner was also present and assisted me considerably in surveying the goods. He obtained a full report and succeeded in getting the full value to the importer of the goods. Not only did he succeed in getting the full value to the importer, but he took strong steps in his country to see that similar treatment was not accorded to foreign merchants in future. Sir, these organisations go to improve the trade of a country very considerably.

Sir, it was said that everything depends on the grant that we get. Quite right. But the Honourable Member who spoke on behalf of Government did not say what grant he was good enough to ask from Government and how much of it was refused. Of course, the Inchcape Committee came here at a time when retrenchments were bound to be made everywhere. But I should have liked the Honourable the Commerce Secretary to tell this House for what grant he asked year after year and how much of it was refused by the Standing Finance Committee. What we heard him say was that Government asked for a few hundred pounds here and there and they were spent on exhibitions, but when a country wishes to develop its trade and commerce in foreign countries, not hundreds but even thousands of pounds should not be grudged, and if the Commerce Department were to ask for more and point out the utility of spending more money in this direction, I am sure the Legislature would be prepared to help them. With these few remarks I strongly support the Resolution moved by my Honourable friend Sir Phiroze Sethna,

**THE HONOURABLE SARDAR SHIVDEV SINGH OBEROI** (Punjab : Sikh) : Sir, as the Honourable Member for Government has given a very satisfactory reply that the Resolution so ably moved by my Honourable friend Sir Phiroze Sethna will be accepted by Government, there is nothing much to be said about it, and all that I wish to say is that the Honourable the Mover deserves the thanks of all those who have the interest and prosperity of India at heart. The long statement made by the Honourable Member on behalf of Government as to what Government has done in the past and what they propose to do to foster and promote Indian industry and to establish business relations with foreign countries is really very gratifying. Let us hope that by the acceptance of this Resolution, His Excellency the Governor General in Council will take steps to make appointments of Trade Commissioners in foreign countries.

**THE HONOURABLE MR. P. C. DESIKA CHARI** (Burma : General) : Sir, though I am not a businessman, I have been closely following the very illuminating observations made by my Honourable friend Sir Phiroze Sethna in the course of his interesting speech. I am glad, Sir, that the Honourable Sir Geoffrey Corbett with his usual sympathetic attitude has thought fit to accept the Resolution, at least in a somewhat modified form. I have listened with some interest to the speech the Honourable the Commerce Secretary made, and though the work so far done by the Commerce Department and by His Majesty's Trade Commissioners abroad appears to be quite satisfactory, and though we should all feel grateful to them for keeping the interests of India at heart to the same extent as Indians themselves would have kept them, I think that these Trade Commissioners have got multifarious duties to perform and that they cannot devote as much attention to India's cause as special Trade Commissioners appointed for the specific purpose can do in the interests of India. I think, Sir, that we must make a beginning in having the Commercial Intelligence Service soon recruited and in having an efficient Service, and we should not be dependent always on the non-Indian element. Sir, I observe that towards the close of his remarks Sir Geoffrey Corbett was somewhat damping our hopes which we began to entertain by the first portion of his speech. In making a beginning there is always a difficulty, but if a beginning is made in right earnest and if you exploit the possibilities of getting hold of the proper men available at present, it may be possible to fill some of these posts of Trade Commissioners to be appointed in various places by Indians. And the Inchoape axe has been brought in as an excuse. I find in several departments of the Government, the blows intended to be dealt by the Inchoape axe have been warded off successfully, and I believe if the Government wants it, they can do it effectively in promoting the interests of Indian trade by giving effect to this Resolution if they are willing to provide funds. I do not think the Standing Finance Committee would refuse any grants for it, nor would the Legislature object to spending more on these departments if an earnest effort is made to train Indians in this sphere, to begin the scheme of having this Commercial Intelligence Service, provided it is Indianised from the start and attempts are made to make use of the available material for the purpose of making the first appointments.

With these words, Sir, I heartily support the Resolution which has been so ably moved by my friend, Sir Phiroze Sethna.

**THE HONOURABLE SIR PHIROZE SETHNA** : Sir, my Honourable friend, Sir Geoffrey Corbett, need hardly have apologised to the House for the length at which he addressed us on this very important question. I am sure that,

if he had spoken for twice the length of time that he took the House would have listened to him with as rapt attention as they did during the course of the remarks that he made. He has told us what the Government of India have been doing in this connection, not to-day, not yesterday, but for some years past. We are glad to note that Government are alive to their responsibilities. This is as it should be. I think in my opening remarks I have satisfied the House that the appointment of Trade Commissioners by other countries has very amply repaid them, and there is no reason to believe that the same would not be the case if India followed in the wake of, say, Canada or the United States. I thank the Commerce Secretary very cordially for having accepted my Resolution. It is not often that a Resolution moved by a non-official Member is accepted as heartily in this House, or perhaps in another place, as Sir Geoffrey has done in the case of the Resolution that I have had the honour to move. I believe Government have done so because they must recognise that it is in their own interest and in the interests of the country that our trade and commerce should expand to a far greater extent than it is to-day. There are many details in Sir Geoffrey Corbett's speech upon which I do not propose to enlarge in the course of my reply, but, if the Honourable Member will permit me, I shall take up those points with him later on, such as for example the placing of the Trade Commissioners in countries near India under Calcutta, and the others under London, and various other similar points. The Honourable Sir Geoffrey Corbett read out a letter from Mr. Lindsay in which Mr. Lindsay points out, and rightly points out, that the Indian merchants are not alive to the fact that they should pay very close attention to their marks and various other details and endeavour to keep up to their standards. In regard to cotton, I may say that there are many Indian merchants who have marks which are as well known in Liverpool and on the Continent as the marks of some of the best known European firms. This may not be so in regard to other raw materials, and if that is so, it is because Indian merchants in other lines are perhaps not as far advanced as British and Indian Cotton merchants are on the Bombay side or as the British jute merchants in Calcutta. All this will come in time, but if there are Trade Commissioners in different places as I have suggested and as Government now want to appoint, it will be their business to point out to sellers here their defects and how best to remedy them. Mr. Lindsay says, and rightly, that there ought to be associations in the different lines of business in this country so that they would guide merchants along proper lines. That also, I repeat, will follow as a matter of course. If the Trade Commissioners will report what is wanted and how goods are to be sent, how packed, and all such details, individual merchants and associations will profit by such advice and the result will be larger exports.

My Honourable friend referred to the good work done by the two Trade Commissioners in London since this post was created. I am sorry in my opening speech I did not refer to Mr., now Sir David, Chadwick. Both he and Mr. Lindsay have rendered excellent service, but I contend it is not possible for them to do much from where they are in London. They must be given assistants at all important centres in the person of more Trade Commissioners in different parts of the Continent, in different parts of the Empire, and particularly in America. I say particularly in America because our volume of trade with that country is fast growing. Sir Geoffrey Corbett referred to our Trade Commissioner's office in London having been removed from the City where it was to 42 Grosvenor Gardens. That certainly was a mistake. It was a short-sighted policy, but I am very glad that the Trade Commissioner's office will now be located along with that of the High Commissioner in India House

[Sir Phiroze Sethna.]

in Aldwych which is near the City. That will undoubtedly prove of very great help.

Sir, my Honourable friend in answer to my last point said that Government have the desire and will appoint Indians as Trade Commissioners in different parts of the world. I am very glad to have this assurance from him and consequently there is no necessity for me to elaborate on that point. I certainly hold for very good reasons that the appointment of Indians to these positions will be of greater help to the country.

I now come to the point on which the Honourable Member laid great stress, namely, that he might not get suitable men for the pay that Government would be prepared to give. Sir, in answer to my query, Sir Geoffrey said that the salary they would offer would be something like £1,300 a year and £600 a year.

THE HONOURABLE SIR GEOFFREY CORBETT : £1,350 is Mr. Lindsay's pay, Sir. He has the same service that I have got.

THE HONOURABLE SIR PHIROZE SETHNA : May I know, Sir, from the Honourable Member what will be the Trade Commissioners' pay supposing they are. . . .

THE HONOURABLE SIR GEOFFREY CORBETT : We have yet to see the High Commissioner's recommendations.

THE HONOURABLE SIR PHIROZE SETHNA : I see. In this connection, the Honourable Member also said that his idea is to send Indian Members of the Indian Civil Service of 8 or 10 years' standing. I do not agree with him in that view. It is not the business of the Indian Civil Servants to be Trade Commissioners. It is different if the early Trade Commissioner in London, as Sir David Chadwick was, or as Mr. Lindsay is, and as his successor will be within a few weeks, are Civil Servants, but even there, as years go on, it will be to the advantage of the country to have an Indian as the Trade Commissioner in London. For the other Trade Commissioners elsewhere, I would have them all Indians and drawn from the commercial community, not Indians from the Civil Service. The Honourable Member said, "You will not get suitable Indians on the pay that we will give." May I point out to the Honourable Member that if we adopt the practice they follow in the United States of America, there will be, as there are in America, 200 to 300 people on the waiting list to be appointed as Trade Commissioners? The manner in which they manage this is as follows. They ask different commercial associations or firms to make recommendations from their establishment in regard to the filling up of positions of Trade Commissioners. The American Government pay salaries which vary from 3,500 dollars to 10,000 dollars a year, which in our money equals Rs. 10,000 to Rs. 30,000 a year. It may be that for some Trade Commissioners even the higher scale, namely, Rs. 30,000 a year is not sufficient. In that case, in America when Government approaches Associations or firms, such associations or firms in the interests of their trade are prepared to supplement the pay which Government give by subsidies from themselves. For example, there may be a man interested in promoting the motor trade. Supposing a Motor Association recommended a particular man



and supposing Government offered only 10,000 dollars as salary and the man was already getting a pay of 15,000 dollars, the Association will only be too willing to add 5,000 dollars out of its own coffers. Many young men engaged in commerce jump at the opportunity of becoming Trade Commissioners. These appointments are made for the limited period of three years and some may be given an extension of three years. The young men who want these positions go out for the purpose of learning the trade and commerce of the country to which they are deputed with the idea of themselves starting in such lines of business later on or because of the experience they gain they are taken up in more responsible positions and on higher pay later after they cease to be Trade Commissioners. From my personal acquaintance with some Trade Commissioners I am able to inform the House that the Canadian Trade Commissioner Major Chisholm who worked at Calcutta for some years, was taken up by one of the largest concerns in Canada for a very responsible position and perhaps he gets to-day far more than what he earned as Trade Commissioner. I also know of another Canadian Trade Commissioner Mr. P. W. Ward who was in South Africa and later in Singapore. He too was taken up by the same concern, *viz.*, the Sun Life Assurance Company of Canada, one of the leading Life Offices in the world, and he now fills an important position at their Head Office in Montreal. Not only do the Trade Commissioners themselves profit, but by this system you get the pick of the men from Commercial Circles. You only put them there for 3 years, or if they choose, and if Government choose, for a further period of 3 years. You get very good men and because they want to work and because they want to train themselves and as they have the interests of their country at heart, they make most excellent Trade Commissioners, with the result that with their help trade and commerce are on the increase.

I explained in my opening speech that this was the only Department in the United States in which Government spent more year after year. Government allot more money every year because this is the only Department of Government which as they say, pays 'dividend on taxation'. Every dollar spent comes back to you, and comes back to you multiplied several times. My Honourable friend Sir Geoffrey has advised that we had better go slow. Go as slow as you like but make an effort to see that you get the right men, not from the Indian Civil Service with all deference to them, but from the trading classes. Send the right sort of men and go on expanding with the result that the country will benefit much faster than it has been doing in the past. It is not Trade Commissioners who benefit their country, but they must be good salesmen in their different lines. I will give you one instance. Before the American Trade Commissioner came to India we imported no canvas footwear from America. Since then however, thanks also to good salesmanship, these imports now run into 500,000 dollars or Rs. 15 lakhs a year. Again, Sir, another instance I would like to quote is . . . . .

**THE HONOURABLE THE PRESIDENT:** The Honourable Member seems to be supplementing his original speech. I would suggest to him that that is somewhat unnecessary in view of the fact that the Resolution has been accepted by the Government.

**THE HONOURABLE SIR PHIROZE SETHNA:** I thought these particulars would interest the House. However, I will accept your advice, Sir, and not enlarge further. I would like to repeat that I am thankful to the Government for having accepted my Resolution and I sincerely hope that the Department concerned will not go at a snail's pace but will progress as best

[Sir Phiroze Sethna.]

they can so that the trade and commerce of the country is developed greatly not only with the other parts of the Empire, but also with the Continent of Europe, with America, Japan and other parts of the world.

**THE HONOURABLE THE PRESIDENT:** The question is :

“ That the following Resolution be adopted :

‘ This Council recommends to the Governor General in Council to consider the appointment of Trade Commissioners or Commercial Attachés in the Colonies and other parts of the British Empire and in the countries of Europe and America in order to develop Indian Trade and Commerce with those colonies and countries, and that these new posts should be thrown open to Indians in the first instance ’.”

The motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday, the 14th February, 1928.