

ESTIMATES COMMITTEE

THIRD REPORT
1950-51

MINISTRY OF COMMERCE



PARLIAMENT SECRETARIAT
NEW DELHI
March, 1951

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SECRETARIAT

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* Resigned on 22nd February, 1951.

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INTRODUCTION

I, THE Chairman of the Estimates Committee, having been authorised by the Committee to submit the report on their behalf, present this third report to Parliament on the Ministry of Commerce. This report does not cover the entire field of activities under the control of the Ministry of Commerce but contains recommendations on such of the organisations as the Committee could examine in the time at their disposal.

M. ANANTHASAYANAM AYYANGAR.

NEW DELHI;

The 5th March, 1951.

SECRETARIAT OF THE MINISTRY OF COMMERCE

THE main Secretariat of the Commerce Ministry has at present 1 Secretary, 2 Joint Secretaries, 4 Deputy Secretaries, 10 Assistant/Under Secretaries, 1 Editor and 3 Sub-Editors of Commercial Publications, 1 Director and 1 Assistant Director of Exhibitions, Private Secretaries to the Honourable Minister, the Deputy Minister and the Secretary, 18 Superintendents and other Ministerial and Class IV Staff. The total budget provision on account of the main Secretariat for the current year is Rs. 19,15,900. We find that while two important sections, viz., "Industries" and "Stores", were taken away from this Ministry during the war to form a separate Ministry, the annual expenditure of the Ministry is now three times that for the year 1939. We were given to understand by the representatives of the Commerce Ministry that budget estimates for the year 1950-51 were framed after effecting the 10 per cent emergency cut proposed by the Finance Minister last year and also after making reductions recommended by the Economy Committee. We consider that the war-inflated staff of the Commerce Ministry is still very large and there is considerable scope for economy, for the achievement of which effective measures should be taken urgently.

Decentralisation of duties

2. We have carefully considered the question of scales of work of the Ministerial Staff as well as Officers, as also the system of work in the Secretariat. We consider that the existing system of files passing through the hierarchy of officials tier after tier leads to unnecessary duplication of effort and causes enormous delay. We suggest that all the incoming 'dak' should be received by a senior Officer, say a Deputy Secretary, who should distribute the receipts to the various Officers and Branches concerned for disposal. Efforts should be made by Officers to dispose of themselves as many of the receipts as is possible instead of their sending them down for again being rolled through the various channels. We were informed by a representative of the Commerce Ministry that such a system is prevalent in the U.K. and that he himself was following it with great advantage while he was working in the Office of the High Commissioner for India in London. We also suggest that there should be proper allocation of duties and responsibilities so as to decentralise the final disposal of questions at different levels. Cases intended for particular Officers according to the allocation of responsibilities at different levels should be sent to them direct instead of their being pushed up through various channels. Similarly, cases requiring the orders of Secretary or the Ministry should be

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submitted by the Branch Officers direct to the Secretary instead of their going through a chain of officials.

Scale of work

As regards the scale of work we were told that taking the actual number of working days into account each Assistant has to dispose of on an average six to seven files per day. We understand that about 40 to 50 per cent of these receipts are of routine nature, such as acknowledgements, reminders, interim replies, etc. We feel that this scale is very liberal and does not provide for a full day's work. It is suggested that the scale should be on the basis of 5 important and 10 ordinary receipts, i.e., on an average of 15 receipts a day for an Assistant. We have made a similar recommendation in our report on the Ministry of Industry and Supply. We feel that as recommendations made in this paragraph are of general applicability to other Ministries and Departments of the Government of India urgent steps should be taken to reorganize the working of the Government as a whole on these lines.

Superintendents

3. Superintendents in the Secretariat are Gazetted Officers and a large measure of responsibility for disposing of routine matters should be placed on them. They are highly paid officials and should not merely be required to check the work of their subordinates. As suggested in the preceding paragraph for decentralisation of functions, the Superintendents should also be vested with powers for taking final responsibility in some matters. This will not only relieve congestion of routine work at higher levels but will also develop initiative at lower levels and will help in training Superintendents for higher posts.

It is observed from the material furnished by the Commerce Ministry that there is a Superintendent for every 6 or 7 Assistants. We consider that a least 10 Assistants should be put under a Superintendent.

Joint Secretary

4. We understand that the Honourable Shri N. Gopalaswami Ayyangar has stated in his report on Reorganisation of the Machinery of Government that the interposition of an Officer between a Secretary and a Deputy Secretary is an unsatisfactory arrangement. We fully agree with this view and suggest that a beginning should be made in this direction progressively. Out of the two posts of Joint Secretary in the Commerce Ministry one post should be abolished immediately and the second post also done away with in course of time. So long as one post of Joint Secretary is retained, the work under his charge should be localised in a distinct wing within a department. In the other wing the Deputy Secretaries, acting as heads of their divisions, should deal directly with Secretary.

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Work relating to Attached and Subordinate offices

5. We understand there are separate sections in the main Secretariat of the Commerce Ministry required to deal with cases coming from the Attached and Subordinate offices under the control of the Ministry. We were, however, told that the Chief Controller of Imports, who has been given the *ex-officio* status of Joint Secretary to the Government of India, submits his cases direct to Secretary. In our opinion this duplication of work results in unnecessary waste of man-power and expenditure and we accordingly suggest that the other offices under the control of the Ministry should also be made self-contained units and their heads vested with *ex-officio* Secretariat status, if considered necessary, so as to enable them to deal directly with Secretary or the Minister, as the case may be. The staff employed in the main Secretariat for dealing with cases coming from those offices should be dispensed with immediately.

Secretary's staff

6. We find that in addition to a Private Secretary, a Superintendent and two Assistants are provided for Secretary's staff. As cases come up to Secretary through regular Secretariat Branches, we do not find any justification for these posts which should be abolished.

Library

7. There is a small library attached to the Commerce Ministry with only a few hundred books, with a staff of one Librarian and 4 Clerks. As there is a Central Library to cater to the needs of all the Ministries, we do not consider it necessary for various Ministries to have small libraries with big establishment attached to them. We recommend that this Section should be closed down and the books transferred to Central Secretariat Library.

Directorate of Exhibitions

8. We do not consider there is any special need for a separate Directorate of Exhibitions in the Commerce Ministry. The Cottage Industries Board, wherefrom the articles come, can easily take over the functions of the Director of Exhibitions. The Trade Commissioners abroad can receive the exhibits from the Cottage Industries Board and arrange for their exhibition in foreign countries. The posts of Director and Assistant Director of Exhibitions and the clerical staff attached to them should be abolished.

Stenographers and Class IV staff

9. There are 23 Stenographers against 23 Officers and 132 Class IV servants against 339 Officers and other staff. We feel that there is considerable scope for economising in these two categories of staff. Allowing for a Stenographer each for the Secretary, Joint Secretary and Deputy Secretary, there should be a pool of Stenographers

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formed on the basis of one Stenographer for every two or three junior Officers. The number of Class IV servants should be reduced to at least 50 per cent of the present number. It is understood that the Prime Minister has issued several directives to the Ministries of the Government of India for devising ways and means for improved methods of work in order to reduce the number of Class IV servants to a sizeable strength. We hope that effective steps will be taken to implement these directives.

Travelling Allowances

10. In the estimates for 1950-51 of the Ministry of Commerce under "Allowances, Honoraria, etc." there is a provision of Rs. 1,18,000 out of which travelling allowances alone account for Rs. 75,000. This is in addition to the expenditure required for the travels of the Minister which is debited to the grant under "Cabinet". This huge expenditure is disproportionate to the responsibilities assigned to the Secretariat of the Ministry which is primarily concerned with the framing of policy. The tours of the Secretariat Officers and staff should be reduced to the minimum and the expenditure under this head should in our opinion be cut down to at least half of the above figure. We further suggest that air travel should be restricted to very exceptional cases where the exigency of service so requires it and the mode of air travel is found cheaper than any other mode of travelling. In no case should an official be permitted to charter a plane. In cases where air travel is found necessary, the travelling allowance of officials should be restricted to the actual air fare plus appropriate road mileage from the aerodrome to the place of halt, if Government transport is not provided. The extra quarter air fare allowed under the existing rules is, in our opinion, not justified since the Air Companies provide teas, lunches, dinners, etc. during the travel, the air fares being all inclusive and the officer is not put to any additional expense in the course of air travel.

Other charges: Postage and Telegram charges

11. Under the head "Other charges", the main items of expenditure are:

	Rs.
(a) Service postages and telegram charges	1,00,000
(b) Rent of telephones	21,000
(c) Miscellaneous office expenses	80,000

As regards postage and telegram charges, we feel, that the expenditure could be reduced considerably if cheaper means of communication are employed. The use of telegrams and cables should be restricted to the minimum. For inland communications we suggest that the night air mail should with advantage be used instead of sending telegrams. The number of letters sent by regis-

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tered post should also be kept to the minimum. A periodical percentage check of the service postage stamps account should be conducted by some senior officer to ensure that the instructions are being followed properly.

Telephones

Residential telephones for officers should be restricted to the minimum necessary. We also consider that officers at whose residences telephones have been installed at Government expense should be required to bear 50 per cent of the charges on such telephones, as it is thought that they are partly used for transacting private business by the officials concerned. We understand that such a practice is in force in Madras. We understand that charges on trunk-calls made for transacting official business are borne by Government. There is, to our knowledge, no suitable procedure whereby it could be ensured that the calls made were actually required for official business. We feel that in order to have a proper check on all trunk-calls made from Government installed telephones each official making a trunk-call should note down in a register maintained for the purpose the date and time of the call, purport of the talk and the name of the person who was called. This register should be inspected at regular intervals by a senior Officer designated for this purpose to see that the trunk-calls made on official business only were paid for by Government. All calls which are not made strictly in connection with official business should be paid for by the individual concerned. A similar recommendation has been included in our report on the Ministry of Industry and Supply also.

The expenditure under the head "Miscellaneous Office Expenses" should be restricted to the minimum possible by enforcing all kinds of economy measures.

Amalgamation of Commerce and Industry and Supply Ministries

*12. We suggest that the possibility of transferring work relating to "Shipping" to the Ministry of Transport and that relating to "Insurance" to the Ministry of Finance and then amalgamating the reduced Commerce Ministry with the Industry and Supply Ministry may be considered by Government. We consider that the combined Ministries of Commerce and Industry and Supply, with their allied subjects, will be able to discharge their functions in a better co-ordinated manner.

Reorganisation of the Commerce Ministry Secretariat

13. Until our recommendation in the preceding paragraph is considered, we suggest that the Secretariat of the Commerce Ministry should be reorganised immediately and necessary reduc-

*The recommendations contained in this paragraph have since been implemented by Government.

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tion in expenditure secured. In the light of the suggestions made in the preceding paragraphs we think that the functions assigned to the Ministry should be divided between the Secretary and one of the Joint Secretaries, the second post of Joint Secretary being abolished. We consider tentatively that the Joint Secretary may look to the work relating to Trade and Commerce, Foreign Trade and Tariffs, and work relating to Treaties and International Agreements, Shipping. Import and Export Controls and Establishment, may be taken up direct by Secretary. The Secretary may be assisted by 2 Deputy Secretaries and 5 Under Secretaries and the Joint Secretary may be assisted by 2 Deputy Secretaries and 4 Under Secretaries. With the revision in the scales of work suggested by us, the number of Branches should also be reduced suitably, by amalgamating a large number of identical duties in one Branch, making the Attached Offices as self-contained units and by decentralisation of responsibility at different levels. This we feel, will result in better coordination of work, better planning and unified policy in important matters and the much needed saving in manpower and expenditure.

IMPORT CONTROL ORGANIZATION

IMPORT Trade Control was introduced in May, 1940 when in the interests of the British Empire as a whole the Government of India decided to cooperate with other countries by imposing quantitative control over imports. During the pendency of the war the control system sought to conserve foreign exchange resources, economise shipping space and canalise and procure articles which were in short supply in exporting countries. The Government decided to continue this control on the termination of the war in order to conserve foreign exchange, economise shipping space, safeguard the interests of the Indian industry and facilitate the disposal of surplus stores. The need for the conservation of foreign exchange was particularly great in view of Government's policy to industrialise the country necessitating the import of capital goods in a larger measure and supplies from the dollar areas and the hard currency countries were drastically cut down to essential requirements only for the maintenance of the economy of the country. In June 1946 the matter was considered by the Co-ordination Committee of Council and it was decided that in the interests of consumers and as an anti-inflationary measure imports should be permitted, consistent with the pressing need for avoiding undue injury to the Indian industry.

Need for import control

14. The main object of Import Trade Control at present is to bridge the gulf of balance of payments between imports and exports. As the exports on the present scale are not sufficient to pay for the country's requirements of imports, including the heavy imports on Government account, a check on imports is necessary. Consequent on devaluation of the Rupee in relation to the Dollar further rigorous enforcement of control and the regulation of imports from the dollar areas became necessary.

System of licensing

15. The machinery for enforcing the Control consists of an elaborate system of licensing all articles notified by the Commerce Ministry. The articles mentioned in the Notification are subject to import licensing unless it is covered by an Open General Licence issued by the Central Government or are covered by an exception to the same Notification. The principal exceptions made are in respect of goods required by the Central Government for Defence Services or indented through the Director-General, India Store

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Department, or goods imported by a person by post for his own use. For purposes of licensing, articles have been divided into six parts, namely:

Part I: Ferrous and non-ferrous metal items (uncontrolled). Controlled categories of iron and steel items are under the jurisdiction of the Iron and Steel Controller (Imports). Licensing is done by the Chief Controller of Imports.

Part II: Machinery and allied items required for the jute, iron and steel, electrical, road rolling and transport items, etc. These are licenced by the Deputy Chief Controller of Imports, Calcutta.

Part III: Items required for the textile industry (other than jute and hemp) including raw cotton. These items are licenced by the Deputy Chief Controller of Imports, Bombay.

Part IV: Consumer goods. These are licenced by the Import Trade Controllers at the ports. But some of the items, e.g. medicines, drugs, motor car parts are licenced by the Chief Controller of Imports.

Part V: Essential raw materials and machinery, etc. which are licenced by the Chief Controller of Imports.

Part VI: Machine Tools, the licensing authority for which is the Director-General, Industry and Supply.

The organisation for the issue of licences in respect of the above categories of goods and dealing with all other allied work comprises:

- (1) Office of the Chief Controller of Imports, New Delhi.
- (2) Office of the Deputy Chief Controller of Imports, Bombay.
- (3) Office of the Deputy Chief Controller of Imports, Calcutta.
- (4) Office of the Import Trade Controller, Madras.

The staff and budget estimates for 1950-51 for each of the Offices is given below:

	Gazetted	Non-gazetted	Estimates
Office of the C.C.I., New Delhi	27	426	14,34,100
Office of the D.C.C.I., Calcutta	9	189	3,93,500
Office of the D.C.C.I. Bombay	6	127	3,35,400
Office of the Import Trade Controller, Madras	2	44	99,300
	Total	Rs.	22,62,300

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Categories of Importers

16. So far as the issue of import licences is concerned applications are divided into three categories, *e.g.* (i) Manufacturers requiring raw materials or semi-finished goods in their industries, (ii) Established importers and (iii) New-comers. In the case of manufacturers import licences are issued for materials required by them for manufacturing purposes on the basis of their estimated requirements. The applicants are required to produce a certificate from the Provincial Director of Industries or the Director-General of Industry and Supply furnishing the actual or estimated consumption of these raw materials. Those who imported a particular commodity during the basic periods fixed from time to time are treated as established importers. The applicants under this category are required to furnish evidence of their imports and quotas are fixed for them in proportion to their past imports. The system of issuing licences to new-comers, was first started in 1947. During January-June 1950 new-comers' quota was 10 per cent. of the total ceiling where the ceiling was over Rs. 10 lakhs. In the case of ceiling below Rs. 10 lakhs no new-comers' applications were invited. For July-December 1950 new-comers' applications have been invited only where the ceiling is large enough to cover the total requirements of the actual users and cent per cent. imports of established importers. In such cases the amount reserved for new-comers is 15 per cent. of the total ceiling or the balance left over after giving 100 per cent. of past imports to established importers and 100 per cent. of annual requirements to actual users, whichever is less.

Every applicant for a license must satisfy the authorities that he has been paying promptly and regularly his income-tax demands, if any. Every applicant for a new-comer's license must also produce a certificate from a bank showing the basis of trade in which he has been dealing and his business turnover. In assessing the financial standing of an applicant the income-tax paid by the applicant is taken into account. Where no income-tax has been paid but the income-tax authorities are satisfied with the position, financial standing is assessed by means of the turnover.

Open General Licence

17. Even though the Import Control Notification prohibited the import of goods mentioned in the schedule, there were various classes of goods the import of which from particular countries was not restricted and the necessity for issuing individual licences for such goods was avoided by the device known as OGL. OGL literally means that anybody can import the goods specified in the OGL up to any amount from the countries specified in the license itself. Usually in most cases no period is fixed. When an OGL is cancelled a certain range of goods covered by the OGL is allowed to be imported in cases where firm commitments have been entered into before the cancellation takes place. People who had entered into

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firm commitments and had opened letters of credit before cancellation of the OGL are generally given a special licence to fulfil their contracts.

Quota for new comers

18. We feel that while there is no limit fixed in the case of the established importers the position regarding new comers is unsatisfactory. The continuance of the practice of limiting quotas for new comers in the manner indicated in paragraph 16 above is, in our opinion, likely to create vested interests in favour of established importers. The representatives of the Commerce Ministry explained in this connection that even if the conditions were relaxed and the new comers were given greater facilities that would not create better condition that there must be a business turnover of at least Rs. 50,000 quotas or licences and make *benami* transactions. This seems to us hardly convincing an argument for the continuance of the existing practice. We think the same thing could be said with equal force about the established importers. We strongly urge that the new comers should be treated more generously and their quota raised to at least 25 per cent. of the total ceilings without any restriction whatsoever. The system of demanding income-tax or bank-turnover certificates from new comers should also be dispensed with as it causes unnecessary harassment to them.

Quotas for established traders and actual users

So far as the allocation of quotas between the established traders and actual users is concerned, we consider that preference should be given to users, *i.e.* persons who want to import articles for manufacturing purposes. After giving first preference to users, the balance may be allocated to the established traders. In the course of examination it came to our notice that the word 'user' had in some cases been misused to denote other than *bona fide* manufacturers, as it happened in the case of tea-chest imports. We recommend that care should be taken to ensure that the concession under the term 'users' is allowed to *bona fide* manufacturers only. Similarly we consider that the definition of the term 'new comer' should be revised to mean any individual or firm which applies for an import licence for a particular article for the first time, and should not be hedged in by various restrictions which go counter to this straightforward dictionary meaning of the term.

Facilities to cooperative societies

19. We consider that in the matter of imports adequate facilities should be given to cooperative societies so as to encourage cooperative movement in general in the country. Under the existing law cooperative societies are not liable to pay income-tax. As regards the condition that there must be a business turnover of at least Rs. 50,000 per annum, we recommend that Government may in suitable cases

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consider the desirability of relaxing this limit with a view to encouraging enterprise on the part of cooperative societies in the matter of import trade.

Annual issue of licences

20. We were informed that quotas for six monthly periods are issued and applications for licences are called for from the three classes of importers by different dates. The dates for the current half year, we were told, are for the new comers 20th September, for established importers 31st October, and for actual users 30th November. We were informed that the rationale behind this splitting up of the dates is to give as long a time as possible to the importers to apply and also to ensure that applications do not start coming in at once. We do not think there is any particular advantage in fixing different dates for different classes of importers. This system is defective inasmuch as there is no guarantee that the man who files his application first will be served first and allows scope for nepotism. We recommend that import licences should be issued annually and there should be only one date for the receipt of applications from all the three categories of importers.

Disposal of applications

All applications should be received and disposed of round about the end of the year and the beginning of the next year, that is to say, applications may be invited so as to reach the Office of the Chief Controller of Imports by the 31st December every year and they should be disposed of by the end of January next.

Tabulation of the applications should commence only when the dead-line date is over, and distribution of quotas for the three categories should be done simultaneously. It was pointed out to us by the representatives of the Commerce Ministry that simultaneous disposal of applications will cause a sudden rush for imports in the markets and disturb the price levels. We do not think it is a valid objection because traders cannot all at once get their goods from the other end. In case there is such a contingency, we suggest that the execution of the licences may be spread over longer periods.

Use of distinctive colours

We also suggest that distinctive colours should be used for the three categories of application forms for import licences. A register should be maintained in each office showing in a chronological order the date of receipt of application for an import licence the commodity for which a licence is applied for, the date on which the application is returned to the applicant, the reason for which it is returned, the date for its resubmission, and the date on which a licence is given or refused.

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Publication of licences in the Gazette

21. It was brought to our notice that in some cases the established traders and new comers applied under various titles and got more than one licence. We were informed in this connection that there is no machinery to detect if the same party masquerades under different names. We suggest that in order to keep a check on this malpractice, the names of the licencees, as and when the licences are issued, be published in the Gazette and objections, if any, invited from the concerned parties. This will enable the public to know the names of applicants for various trades so that objection against anyone applying under a *pseudo*-name could be filed. In cases where persons or firms are found to be masquerading under *pseudo*-names, action should be taken against them by way of cancellation of licence or black-listing them as may be deemed proper. The names of all such firms as are associated with the individual or firm obtaining a licence under *pseudo*-name should also be black-listed.

Black-listed firms

22. We were told that the firms black-listed are in many cases restored to their usual class. We have not been able to find any basis on which such restoration is made. We recommend that the names of the firms black-listed should be published in the Government Gazette and such names should not be removed from the black-list as a matter of routine, but should be removed only after the *bona fides* of the party are established as a result of a properly instituted enquiry.

Setting up of a Complaints Committee

23. In regard to the steps taken to deal with the complaints made against the working and administration of the Import Trade Control, we were informed that a Complaints Officer was appointed to look into specific complaints and to report the results of enquiry direct to the Honourable the Commerce Minister. It was, however, added that most of the complaints proved to be not only frivolous but that applications in many cases did not conform to the rules and regulations prescribed for making applications for licences and the post of the Complaints Officer was therefore abolished. The present practice, we were told, is that the complaints are received by the Commerce Secretary and sent to the Chief Controller of Imports for action. We do not think that this rough-and-ready method of disposal of complaints will infuse confidence in the minds of the public and rid the department of charges of nepotism and corruption. We recommend that immediate steps should be taken to set up a Committee consisting of a person not below the rank of a District Judge and two other non-officials, which should receive all complaints relating to grant of import licences. It is not our intention that this Commit-

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tee should act as a judicial body in a judicial manner but the inclusion of a District Judge has been suggested for the purpose of infusing confidence in the public mind that there is a person on the Committee who does not belong to the Ministry and has a judicial temperament.

Regional requirements

24. In the matter of granting licences some consideration should be paid to regional requirements. People of some regions might have entered the business field earlier, and those of the other regions might have been late in this respect. It is therefore necessary that licences are so distributed that people of one region do not run away with the bulk of licences and quotas may be so fixed that they are proportionate to the consumption in each region.

Decentralisation of functions

25. In regard to the question of decentralisation we were informed by the representatives of the Ministry of Commerce that a proposal authorising the Import Trade Controllers at the ports to issue licences for items falling under Part V of the Import Trade Control Schedule is under consideration of Government. In respect of certain other items, it was stated that applications of established importers would be dealt with on a quota basis at the ports. We suggest that a permanent list of established importers may be prepared and published with quotas instead of preparing fresh lists each year. According to the yearly variations of exchange available the quotas may be increased or decreased by a percentage. This procedure will avoid delay, ensure fair treatment and enable considerable reduction in establishment. Furthermore we suggest that the income-tax authorities may be furnished with the list of importers and required to report to the Controllers of Imports at Ports, cases of defaulters, etc. in every year. We, therefore, recommend that the applications of both the new comers and actual users excepting for capital goods should be disposed of at the ports, subject of course, to the usual conditions laid down by the Chief Controller of Imports in regard to policy or fixation of quotas.

The OGL tangle

26. We consider that frequent changes in the import policy, especially in relation to OGL, not only create confusion in the minds of the public, but also have adverse effect on our sterling balances. There is at present a gap of Rs. 150 crores and odd between exports and imports which is being met mainly by releases from sterling balances. It is of the utmost importance that in order to bridge this wide gulf exports are stepped up and imports curtailed to the minimum. Without resorting to such measures, however, Government adopted OGL as a device firstly to combat inflation, secondly to use up the releases of sterling balances from time to time and thirdly to augment the customs revenues. It is true that customs revenue had increased to some extent, but we had to pay a heavy

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price by using up the sterling balances for which better use might have been thought of by purchasing necessary capital goods. If we could not get the necessary capital goods, the sterling balances should, in our opinion, have been conserved for future instead of frittering them away in purchasing non-essential articles.

Need for austerity measures

27. We consider that in order to maintain and improve our balance of trade, austerity measures should be enforced and except for essential requirements of machinery and raw materials for industries, imports should be curtailed to the minimum. OGL policy was adopted by the Government on more than one occasion for the ostensible purpose of combating inflation, but the articles that were allowed to come in were not of such character as to reduce the internal prices of essential commodities, or the basic goods on which the prices of all other commodities in the country depend. We find that the desired purpose has not been achieved, but on the other hand, large quantities of sterling balances have been spent without a corresponding advantage. In the course of examination we were also informed that OGL was resorted to for the purpose of augmenting our customs revenue and the same device seems to have been adopted this year also. The representatives of the Ministry of Commerce have deposed before us that wines and other liquors of the value of Rs. 50 lakhs were allowed to be imported in the extended OGL so that having regard to the heavy import duties on luxury articles large amounts were earned to augment our customs revenues. We consider that this method of augmenting the revenues at the cost of our sterling balances and by taxing our own countrymen is highly detrimental to the best interest of our country.

It was stated before us that OGL was resorted to in order to utilise the quota of sterling releases to the full. The real and effective manner in which sterling assets could have been utilised was by purchase of more and more capital goods and if that was not possible, it would have been better to conserve the sterling balances rather than use them up in the manner implied in the Government policy.

Import of luxury goods and wines to be restricted

Having regard to the facts before us, we recommend that the OGL list should be very carefully scrutinised to ensure that there are no items likely to increase our adverse balance of trade. In particular, luxury goods, toilet and other articles and wines and liquors should be taken out of the OGL, even though it may have an immediate adverse effect on our customs revenues.

Long-term policy needed

Another effect of the changes in import policy is the accumulation and dislocation of work in the Controller's office. It is important that Government should enunciate a long-term policy and issue

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licences on an annual basis so that businessmen and industrialists may know the general policy of the Government and frame their requirements for the year as a whole. We also consider that as far as practicable the import policy should be determined sufficiently in advance so as to give adequate time to intending importers to make their applications.

Banning import of goods available in Disposals

28. In the course of our examination of the estimates of the Ministry of Industry and Supply we were informed that articles of a large value are lying undisposed of in the various disposal depots in the country. For effective disposal of these surplus stores it is essential to restrict import licences for such of the goods as are available in the disposal depots. We suggest that list of such stores should be obtained immediately and steps taken to ban their imports until the surplus stores are exhausted.

Reorganisation of Import Control Organization

29. So far as the establishment for the administration of the Import Control is concerned, we understand the following additional staff was recruited to cope with the arrears that had accumulated.

Deputy Chief Controller of Imports	1
Controllers	5
Assistant Controllers	14
Assistant-in-Charge	17
Steno-typists	11
Peons	10

From the evidence tendered before us we gathered that 1,27,000 applications for licences were received during the period January-June 1950, out of which 80,000 were received in the Delhi Office. It was stated that only 4,000 applications were now remaining to be disposed of and we were assured that once the arrears were cleared off the additional staff that had been recruited will not be necessary.

From the material placed before us we are not satisfied that the volume of work in the Import Control Office is so much as to require all the present establishment. On decentralisation of the work of granting of import licences, the Office of the Chief Controller of Imports should be re-organised and the staff reduced to one Chief Controller, one Deputy Controller and three or four Assistant Controllers, the non-gazetted staff being fixed proportionately to the above officers' strength. The re-organized office should however be augmented by proportionate staff when the offices of Import and Export Control are merged together as recommended by us in para. 42 of our report under the section 'EXPORT CONTROL ORGANIZATION'.

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Scale of work

Consequent on the decentralisation of work to Port Offices it may be necessary to augment these offices by further staff to cope with the extra work. We consider that such additions should not be made on any haphazard basis, but should be made on some duly recognized and worked out formula. One criterion for determining the strength of these offices, which suggests to the Committee, is the number of applications and licences that each clerk or officer should be required to dispose of. As a safe rule we think that each clerk or Assistant should be required to attend to at least 500 applications or other receipts per month and an officer should ordinarily be required to supervise the work of at least six to eight clerks. The posts of intermediary officers, *e.g.*, Superintendents, Incharges and Joint Controllers which are mainly intended to supervise the work of their juniors should be abolished. We feel that responsibility of disposing of a file or application should be properly and squarely fixed upon one individual only and should not be divided. We consider in this connection that such of the functions of the Port Offices as can reasonably be performed by other Central Government offices at the ports concerned such as the Customs staff, Port Trust staff, etc. should be entrusted to them as that procedure is desirable from the point of view of efficiency and economy.

EXPORT CONTROL ORGANISATION

JUST before the outbreak of war some control over exports was considered necessary and the powers of the Sea Customs Act were utilised for prohibiting the export of certain commodities from British India. With the gradual enlargement of the list of items the provisions of the Defence of India Rules were utilised in 1940 for controlling exports. Control was placed on a firm footing by promulgation of the Import and Export Control Act of 1947. The terms of this Act have, we were informed, been extended for the present up to 1952.

System of licensing

31. Besides the administration of the Export Control the functions of the Export Control Organisation are to promote export of indigenous commodities not merely to counteract the adverse trade balance but also to earn larger volume of foreign exchange to finance the country's essential import requirements and it now functions more or less as an export promotion organization. With regard to articles which are still under control, e.g., jute and jute goods, certain commercial minerals, coarse and medium cloth, oils and oilseeds, the position we were told is frequently reviewed with a view to placing further commodities on free List. As in the case of Import Control, the Export Control also is administered through a system of licensing. But unlike Import Control where licensing is done by fixing quotas for different classes of importers, no distinction is made between one class of exporters and another so far as licensing is concerned. It is only in the case of a few commodities, viz., jute goods for soft currency countries and coarse and medium cloth that quotas for different classes of exporters are fixed. For example, the export of jute goods to the soft currency countries is done on the basis of 90 per cent. to established traders and 10 per cent. to new comers. In regard to exports to the hard currency countries, however, there are no such restrictions and licences are issued freely to all categories of traders.

Quotas for hard currency countries

32. During the course of the examination we were informed by the representatives of the Commerce Ministry that an export licence does not carry with it a guarantee that the goods will be supplied and procurement is the responsibility of the exporter but to ensure that in difficult conditions there is no undue scramble, the export trade is restricted to the known level of production. This restriction does

The draft of this report was sent to the Ministry and others concerned on 8 November, 1950. This final report incorporates factual changes pointed out by the Ministry.

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not however apply in the case of the hard currency areas as it would mean loss of valuable exchange. We feel that a licensing restriction should also be introduced in case of exports to hard currency areas. As the trade to hard currency areas is completely free, supplies often fall short of the demand and there is much scramble for goods. It often happens that some persons are able to procure materials by paying "black money" and persons less favourably placed are denied opportunities to carry on business. We feel that this laxity creates sometimes artificial rise in market prices and suggest, without prejudice to the question of earning of exchange from hard currency countries, that quotas should be fixed for hard currency areas also, as in the case of soft currency areas.

NOTE.—While the factual position stated in this paragraph was admitted by the representatives of the Commerce Ministry when they appeared before the Committee subsequently in a written statement the Ministry stated that export licences were not issued in excess of the production for any commodity for hard currency countries. It was also stated that although no quantitative limit on the export of jute goods to hard currency countries was announced, licences were issued only when the goods were physically ready for shipment and the exporter had got his shipping bill ready.

Export of oilcakes and oilseeds

33. We have carefully considered the question of export of oilcakes and oilseeds. As the country is deficient in oilcakes, which is required for agricultural purposes; we recommend that the ban on the export of oilseeds should continue and attempts should be made to export oil rather than the seeds.

Relaxation of bans

It was brought to our notice that in spite of the ban on the export of groundnuts an *ad hoc* permission was given to the All-India Groundnut Syndicate to export groundnuts to Switzerland in the recent past. The representative of the Commerce Ministry stated in this connection that the ban was relaxed in favour of this organization as it is a producers' organisation and they were for a long time pressing for a share in the export trade. We consider that this discrimination in favour of a particular party is wrong in principle and it frustrates the whole policy on which the ban is based. When a ban is imposed it should be adhered to scrupulously and no relaxation whatsoever permitted for any particular party or interests.

Lifting of bans during the gathering season

34. We understand that the bans on the export of agricultural commodities are generally lifted after the commodities have been purchased away by merchants from the producers, with the result that the merchants get higher prices as a result of rise in the market prices with the lifting of the bans. We consider that if the ban is lifted during the harvesting season, the cultivators would also be able to take advantage of the rise in prices of agricultural commodities. We suggest that in the case of such commodities as are pro-

Export Control Organization

duced by the cultivator, bans should as far as possible be lifted during the gathering season, so that the cultivator also gets a share in profits in the event of rise in market prices.

Jute Controller

35. We were informed that the Chairman, Indian Jute Mills Association is also the Jute Controller. This Officer has been vested with powers to purchase jute goods and also to requisition raw jute goods. We were told that he was appointed Jute Controller when Government was faced with an emergency and was in difficulties regarding fulfilment of a contract with Argentine, and that any one not intimately familiar with the working of the industry and its requirements of raw jute by varieties would not have been able to tackle the job. It was stated that even before the control came in, the Chairman of the Indian Jute Mills Association used to act as Honorary Adviser to Government in the Ministry of Industry and Supply. Whatever may have been the advantages of appointing a representative of the trade as the Jute Controller at a time of emergency, we feel that it was not proper to have allowed him to continue after the emergency was over. We also understand that many complaints have been received against this official. We accordingly recommend that he should be replaced by an independent person of experience.

Protection of consumers' interests

36. While it is desirable to stimulate exports, it should be ensured that no additional burden is imposed on the common man in the shape of rise in prices of articles of common use. As a specific instance we may mention black pepper. The price of this commodity has shot up on account of its demand for exports and it is going still higher. The same is the case with cotton piece-goods. We are making our consumers pay more for their cloth requirements because we have to get the exchange for the import of cotton required for the manufacture of fine and superfine cloth, thus imposing a burden on our consumers. It is necessary that the interests of the consumers are adequately safeguarded before allowing the export of commodities in short supply. We therefore strongly urge that while exporting articles care should be taken that the internal economy is not unduly disturbed.

Qualitative control over exports

37. We were informed that in general there is no control over the quality of our exports. Barring tobacco and sunn hemp there is no such thing as qualitative control of commodities. The real work of the Organisation, we were told, is quantitative control. We are of opinion that control of quality of the goods that are exported is very necessary if we are to step up our exports and capture foreign markets. As matters stand at present complaints from buyers

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abroad are far too common and the country gets into disrepute. We suggest that the aid of the Indian Standards Institution should be invoked in this matter and specifications for the more important commodities drawn up.

Speculation

38. With regard to speculation in commodities we were informed that so far as jute is concerned the speculative market is gone. In jute goods there is however still a certain amount of unofficial speculation going on, and it was stated that it was for the West Bengal Government to initiate action and prosecute the offenders in order to put a stop to this. We hope that the Central Government will take up the matter with the State Government concerned and take effective steps to put a stop to all kinds of speculation in jute goods.

Direct trade with foreign countries

39. We find that the bulk of our exports go to the U.K. In 1949 exports to the tune of 110.5 crores went to that country. It was brought to the Committee's notice that out of the goods imported by the U.K. some commodities were re-exported by them to other countries. While admitting this the representative of the Commerce Ministry explained that some commodities were re-exported from the U.K. after they had been processed there. We strongly urge that direct relations with the European countries importing such commodities should be established and the services of our Trade Commissioners abroad should be availed of in fostering trade relations with those countries. We also recommend that greater efforts should be made to increase our trade with Asian countries and that Government should evolve a definite scheme in this connection in consultation with trade and industry.

Promotion of exports

40. Promotion of exports should continue to be one of the main functions of the Ministry of Commerce. A definite plan should be evolved whereby all impetus is given to the export trade in order to put the country's economy on a firm basis. We feel that as work in this connection mostly consists of planning and policy-making it should be better dealt with at the Secretariat level and not left to the subordinate officers to be tackled. A section in the Ministry of Commerce should therefore be entrusted with this work and any matters of detail in pursuance of the policy laid down by the Ministry may be carried out through the Export Control Organisation. It might be urged here that in evolving a scheme for the promotion of export trade due regard should be given to the various considerations urged in the preceding paragraphs of this report.

Export Control Organization

Machinery for dealing with complaints

41. We have already suggested a machinery for dealing with complaints against the Import Control Licensing system and we recommend that the same agency may be utilised for dealing with complaints against the Export Control also.

42. We have considered the organisation of the Import and Export Control and find that while at the ports there is a combined organisation for both export and import, separate offices exist at the Centre. We recommend that in view of the present import and export position, the two organisations should be amalgamated under one head who may be designated as the Chief Controller of Imports and Exports. By merging the two offices under one head and by a reshuffling of functions considerable economy can, we feel, be effected in the establishment. We strongly urge upon Government to effect this amalgamation of the two offices as early as possible and secure a reduction of at least 25 per cent. in their expenditure.

ADMINISTRATIVE INTELLIGENCE ROOM

THE origin of the Administrative Intelligence Room dates back to February, 1945. During the early part of the war the Government of the day felt the necessity of a Central Statistical Organisation to collect, coordinate and display statistical information so that quick decisions could be taken on vital matters of policy. The Inter-departmental War Projects Coordination and Administration Committee approved in 1944 the setting up of such an organisation which was established on the model of the War Room in the General Headquarters and a similar institution in the United Kingdom. It was further decided that this organisation should be connected with the central statistical organisation of the Ministry of Commerce and be under the control of the Economic Adviser to the Government of India.

Functions

In the beginning the Administrative Intelligence Room was assigned the responsibility of collecting, coordinating and presenting in a tabular and graphical form the economic and industrial statistics required for the effective prosecution of the war and the development and implementation of reconstruction plans. In addition to the above functions, the Administrative Intelligence Room was also made responsible for the publication of a *Monthly Abstract of Statistics*. It maintained an offset lithoprinting press, which catered to the needs of the Ministry of Commerce in the matter of printing a number of publications and posters. The Administrative Intelligence Room further undertook the execution of artistic work. e.g. designing and execution of stamps, seals, brochures, etc.

Staff

Prior to August 1950, the staff of the Administrative Intelligence Room consisted of 9 gazetted officers and a number of non-gazetted staff comprising Progress Officers, Technical Assistants, clerks and others and a budget provision of Rs. 4,39,000 was made for this office for the year 1950-51.

Recommendations of the Economy Committee

44. The Economy Committee in their report on this organisation had recommended that the preparation of posters, etc. should be entrusted to the Advertising Consultant under the Ministry of Information and Broadcasting and the work of preparing photostat and microstat copies should be entrusted to the Director of Publications, Information and Broadcasting Ministry, who should be responsible

The draft of this report was sent to the Ministry on 12 January, 1951.

Administrative Intelligence Room

for doing all high grade printing work under Government. The cinema theatre, the Economy Committee had recommended, could also be transferred to the Ministry of Information and Broadcasting. So far as the presentation of the statistics in a pictorial and graphic form was concerned, this could be looked after by the Statistician in the Office of the Economic Adviser to the Government of India with a skeleton staff (1 Technical Officer and 4 Technical Assistants).

Winding up of the Administrative Intelligence Room

45. In the course of examination we were told by the representatives of the Commerce Ministry that in pursuance of the recommendations of the Economy Committee, the Administrative Intelligence Room was wound up with effect from the 1st August, 1950. We were informed that the statistical portion of this organisation had been annexed to the Economic Adviser's Office as its Statistical Presentation Division, the cinema had gone over to the Ministry of Information and Broadcasting, and the rest had constituted as the Commerce Ministry Press. The Press, we understand, is now being run on commercial lines as a self-supporting unit. We were further informed that as a result of the reshuffling only the post of the Director in the Administrative Intelligence Room has been abolished and the rest of the statistical organisation that was working under the Director had been retained as a part of the Office of the Economic Adviser. It was stated that no reduction whatsoever was possible in the establishment of the statistical organisation as the Statistician in the Commerce Ministry had his hands full.

The Statistical Presentation Division

46. This organisation was set up during the war to meet certain emergent needs. Like many other war organisations, it was not only allowed to continue after the termination of the war but was allowed to expand. We feel that this expensive organisation was unnecessarily continued without any corresponding benefit. We have elsewhere suggested that, until the Central Statistical Organisation under the Cabinet takes over the functions of all statistical organisations of the Government of India, the various statistical units under the Commerce Ministry should be centralised at one place. Also, as the Ministry of Commerce feel that the Statistician in the Economic Adviser's Office has his hands full and cannot undertake any additional work, we recommend that the statistical portion of the work of the Administrative Intelligence Room should be transferred immediately to the Commercial intelligence and Statistics Office. The latter office, has got plenty of staff and it should be possible for them to take over this small additional work without any addition to their existing strength. The Statistical Presentation Division of the Administrative Intelligence Room (now merged with the Economic Adviser's Office) should be abolished forthwith.

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Publicity organisation

47. As regards work relating to the preparation of posters, graphic or pictorial forms of statistics and other publicity material it is felt that all that is now being done is not really necessary. It should be examined immediately to see how much of this work is of real utility value to the public which should be transferred to the Advertising Consultant under the Ministry of Information and Broadcasting who is the most appropriate person having the requisite organisation and staff to handle this work. The staff employed on the publicity work in the Administrative Intelligence Room should be dispensed with immediately.

Cinema

The cinema theatre which is stated to have been transferred to the Ministry of Information and Broadcasting should be run by that Ministry without engaging any additional staff and the staff previously employed for this work under the Commerce Ministry be reduced. The photographic material with the Administrative Intelligence Room should also be transferred to the Films Division of the Information and Broadcasting Ministry.

Photostat machines

48. We understand the Administrative Intelligence Room has got some up-to-date photostat machines. These machines should suitably be transferred to the Director of Archives who has got the necessary staff for working such machines. The staff employed in the Administrative Intelligence Room on these machines should be reduced.

Press

49. As regards the press, though it is stated to have become self-supporting, we recommend that steps should be taken for its early transfer to the Ministry of Works, Mines and Power which is primarily responsible for all printing work of the Government of India. The Government Presses are urgently in need of good machines for replacing their war-worn equipment and should be able to run the machines of this press without any addition to their existing staff. The staff engaged for this press should be dispensed with immediately and necessary saving in expenditure effected.

OFFICE OF THE ECONOMIC ADVISER TO THE GOVERNMENT OF INDIA

THE Economic Adviser to the Government of India is responsible for the

- (i) collection and study of all available economic and statistical information and research on specific economic and statistical problems, and
- (ii) supply to the Government of economic and statistical information bearing on India's economic welfare.

In addition to these functions, the Economic Adviser also undertakes the preparation of briefs for International Conferences with which the Commerce Ministry is concerned. The Office of the Economic Adviser also publishes a *Monthly Survey of Business Conditions in India*, and an *Annual Review of Economic Conditions* with special reference to trade. There is a statistical section under the Economic Adviser which issues a weekly bulletin of statistics and is responsible for the preparation of the *Guide of Official Statistics* and the *Annual Statistical Abstract*. In addition to these this Section compiles various economic indices. Since 1st August, 1950 the statistical organisation under the Administrative Intelligence Room has also been annexed to the Office of the Economic Adviser as its Statistical Presentation Division.

Staff

51. The officer staff in this Office comprises, on the Economic side, 1 Deputy Economic Adviser (the post of the Economic Adviser being held in abeyance), 1 Assistant Economic Adviser, 1 Chief Research Officer and 3 Research Officers and on the Statistical side, 1 Statistician, 1 Deputy Statistician, 1 Assistant Director, and 10 Statistical Research Officers. The establishment consists of 144 non-gazetted staff. The total budget provision for this Office for 1950-51 is Rs. 3,98,000.

Centralising statistical functions at one place

52. In the course of examination we were informed by the officials of the Ministry of Commerce that consequent on the setting up of the Central Statistical Organisation under the Cabinet, the Statistician in the Office of the Economic Adviser might be transferred to that Organisation but that it would be necessary to retain the rest of the staff. We have elsewhere recommended that the economy of India being an integrated whole there should be one Statistical Organisation under the Government of India. We have also recommended there that so long as the Statistical Organisation under the Cabinet is not in a position to take over the functions at present

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discharged by the various Ministries, the Ministry of Commerce should endeavour to concentrate at one place, *i.e.* in the office of the Commercial Intelligence and Statistics, all the statistical units at present scattered in different offices of the Ministry. There should be a reshuffling of duties and all avenues should be explored for achieving economy in work and staff. Such of the statistical work as is considered to be necessary should be transferred immediately to the Commercial Intelligence and Statistics Office and necessary reduction in staff of the Economic Adviser's Office effected forthwith.

So far as the Statistical Presentation Division of this Office is concerned we have separately recommended in our report on the Administrative Intelligence Room that this Section is not necessary and should be abolished.

NOTE.—After our report was finalised we were told that as a result of the decisions of the Economic Committee of the Cabinet, not only the Statistician but also the staff engaged on coordination of statistical work and the work relating to statistical publication had been transferred to the Central Statistics Office with effect from the 1st February, 1951.

Publications

53. We do not consider that all the mass of literature that is being produced by this Organisation is really necessary. Those publications which are important and indispensable in the interest of the economy of the country should be retained and the publication of the rest discontinued. We have separately recommended that the commercial publications of the Ministry should be made self-supporting and all such work centralised at one place, *viz.* in the Commercial Intelligence and Statistics Office. We therefore recommend that the publication work of the Economic Adviser's Office should be transferred to the Commercial Intelligence and Statistics Office and necessary reduction in staff effected.

Economic activities

54. As regards the Economic side of the Economic Adviser's Office, we were told that the Economic Adviser has to handle a number of economic problems, *e.g.* issues arising out of the Fiscal Commission's Report, State Trading, regulation of futures markets and the Foreign Trade Budget—all of which require constant watching. As an expert he has also to express his views on new economic problems for the benefit of the Government. While we appreciate the volume of work which the Economic side of this Office has to handle, we are of the opinion that there is considerable overlapping in the duties performed by the Economic Adviser to the Government of India and his counterpart in the Cabinet Secretariat. Besides, after transferring the statistical and publication work of this

Office of the Economic Adviser to the Govt. of India

Office to the Commercial Intelligence and Statistics Office it would be an expensive proposition for maintaining a separate independent organisation for the remaining work. We therefore recommend that the remaining work of this Office relating to the Economic side should be transferred to the Cabinet Secretariat, along with the minimum necessary staff and the remaining staff reduced immediately or alternatively, the functions performed by the Economic Adviser working in the Cabinet Secretariat should be transferred to the Economic Adviser to the Government of India in the Ministry of Commerce. We wish to emphasise that there should be only one Economic Adviser to the Government of India either in the Ministry of Commerce or attached to the Cabinet Secretariat who should be responsible for all the economic advice work of Government. We consider it unsatisfactory that the same work should be divided between two authorities serving in the two different wings of the Government and are not convinced that there is real justification in the larger interests of economy and efficiency for the present arrangements.

Consequent on the transfer of work and staff to the Cabinet Secretariat (*vide* Note under para. 52 above) the Office of the Economic Adviser is left with only three heads of work, *viz.* Prices, Profits and Survey of Retail Trading. The reorganised Office of the Economic Adviser to the Government of India will now have 2 Class I Officers, 4 Class II Gazetted Officers, 4 Statistical Investigators and 2 Branches with a Superintendent each. We are unable to appreciate the necessity of keeping in the reorganised office two Branches each containing the usual paraphernalia of Ministerial staff for the kind of work that a technical office like the Office of the Economic Adviser to the Government of India has to do. We have elsewhere recommended that all technical work of an advisory character should be handled by the Advisers themselves and this being so, the ministerial staff sanctioned for the Economic Adviser's Office should be reduced to the barest minimum necessary to look to purely such work as has of necessity to be handled by clerks, typists and others.

DEPARTMENT OF COMMERCIAL INTELLIGENCE AND STATISTICS

THE Department of Commercial Intelligence and Statistics located at Calcutta is responsible for the collection and publication of commercial statistics, fixation of tariff valuation, collection and dissemination of commercial information with a view to promoting Indian trade with foreign countries and to render advice to Government on commercial matters. The Department is under the control of a Director-General, who is assisted by 1 Deputy Director and 2 Assistant Directors. Besides these four gazetted Officers, there are 292 non-gazetted staff comprising 240 Superintendents and clerks and 52 Class IV servants. The total budget provision for the Directorate for the year 1950-51 is Rs. 8,93,000.

Branches and their functions

56. To fulfil the functions of the Department regarding the collection and dissemination of statistics relating to trade and commerce, as many as six out of a total of nine Branches are engaged on this work. The names of these Branches together with the duties allotted to them are given below:

- (i) *Journal Branch*: Prepares and publishes the *Indian Trade Journal* which is the weekly organ of the Department.
- (ii) *P-Branch*: Compiles and publishes
 - (a) Annual statements of foreign sea and air-borne trade of India.
 - (b) Report of Joint Stock Companies of India (Annual and Monthly).
 - (c) Wholesale Prices (Monthly).
- (iii) *Q-1 Branch*: Compiles and publishes
 - (a) Monthly accounts relating to foreign sea and air-borne trade and navigation of India.
 - (b) Monthly statements of customs and excise revenue of the Indian Union.
- (iv) *Q-2 Branch*: Compiles and publishes
 - (a) Monthly Inland Trade Statistics.
 - (b) Raw Cotton Trade Statistics.
 - (c) Weekly Rail-Borne Statistics.
 - (d) Land Frontier Trade Statistics.

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- (v) **Q-3 Branch:** Compiles and publishes
- (a) Coasting trade statistics.
 - (b) Statistics of coasting trade carried by country crafts.
 - (c) Statistics of exports of artware and sports-goods.
- (vi) **Commercial Library and Reading Room:** Managing the Library, purchasing books and periodicals, indexing and cataloguing etc.

Statistical and publicity activities

57. From the material placed before us by the Ministry of Commerce we gather that besides the Department of Commercial Intelligence and Statistics, there are under the Ministry of Commerce itself other offices catering to the statistical requirements of different kinds. The offices which have some sort of statistical organizations under them are:

- (i) Chief Controller of Imports.
- (ii) Chief Controller of Exports.
- (iii) Economic Adviser to the Government of India.

58. So far as the publicity activities of the Ministry of Commerce are concerned, there is no centralisation whatsoever and different offices maintain Publication Branches with the full complement of staff to look after publicity activities. The Publication Branch of the office of the Chief Controller of Imports has got 11 non-gazetted staff entailing an annual expenditure of about Rs. 20,000. The figures in respect of Publication Branches of the Department of Commercial Intelligence and Statistics and the Office of the Economic Adviser to the Government of India are not available separately but expenditure on account of publicity activities alone of these Departments is believed to be considerable. There is a Commercial Publication Branch in the Ministry itself which has 4 gazetted staff and 25 non-gazetted staff and which incurs an annual expenditure of Rs. 92,771.

59. The distribution of publication and statistical activities in different offices of the same Ministry is not conducive to economy and leads to unnecessary duplication of work. We understand that some other Ministries of the Government of India also have separately their own Publication Branches. While it might be advantageous to concentrate all the publication and statistical work pertaining to a Ministry at one place in the Ministry instead of having them in scattered cells within the same Ministry, we are of opinion that for the sake of greater coordination and economy it is better if all such offices in the different Ministries, are combined into a single organization under the overall control of one Ministry. Such a step,

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we feel, would lead to specialization and coordination of the related subjects and prevent the emanation of contradictory statistics and information from the various Ministries.

60. The Principal Information Officer under the Ministry of Information and Broadcasting is responsible for making the necessary publicity arrangements for the Ministries, etc. of the Government of India. We therefore do not find any justification for maintaining small publicity units in several branches of the Commerce Ministry and recommend that in future all publicity work emanating from the various Branches of the Ministry should be arranged through the Principal Information Officer and the posts created for this purpose abolished forthwith.

Central Statistical Organization

61. We are informed that so far as the coordination of statistics is concerned, a beginning has already been made with the setting up of the Central Statistical Organization, as an adjunct to the Cabinet Secretariat, the object of which is to ensure coordination in the matter of collecting statistics. The Central Statistical Organization under the Cabinet Secretariat, which is an entirely independent organization, should in due course take over the functions that are now being performed by different Ministries. The Ministries should delegate progressively their statistical functions to this Central Body and effect suitable reductions in staff in their Ministries. We feel that for the collection of statistics initially in the various Ministries no extra staff is necessary. It should be possible for the Assistants in the various Ministries to collect and tabulate the statistics relating to the subjects handled by them simultaneously as their work proceeds, in accordance with some guiding principles laid down for the purpose by technical specialists of the Central Statistical Organisation. These tabulated statements could then be collected by a technical nucleus staff in each Ministry and forwarded to the Central Statistical Organisation where they should be checked to ensure that the statistics are being collected scientifically and also that there is no duplication in the work of different Ministries. We strongly urge upon Government to examine this matter very carefully so as to ensure high efficiency in this vital branch of public work and to effect the maximum possible economy in expenditure.

Centralising statistical and publication activities

62. In the course of the evidence tendered before us the representative of the Ministry of Commerce said that two types of work were being done in the Department of the Commercial Intelligence and Statistics—one the commercial type and the other statistical type. We suggest that till such time as the Central Statistical Organization takes over control and coordination of the entire statistical functions of the different Ministries, the Ministry of Commerce should take effective steps to

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centralise their own statistical activities at one place only, *i.e.* in the Commercial Intelligence and Statistics Office. An enquiry should be made immediately to find out which of the statistics at present collected, collated or maintained in the various Branches of the Commerce Ministry are of real value to Government or to the public and the items of work having no or insignificant value be discontinued immediately. The items of statistical work at present done in the various Branches of the Commerce Ministry which it is considered necessary to retain should at once be transferred to the Commercial Intelligence and Statistics Office and corresponding reduction in staff effected immediately.

Similarly we suggest that the work relating to production, etc. of commercial publications of the Ministry should be centralised at one place, *viz.* the Office of the Commercial Intelligence and Statistics. The work at present being done in the Commercial Publications Branch of the Commerce Ministry and similar work, if any, being done in any other unit of the Ministry, should be transferred immediately to the Office of the Commercial Intelligence and Statistics and necessary reduction in expenditure effected.

Director-General and Deputy Director

63. We were informed by the representative of the Commerce Ministry that the Director-General of Commercial Intelligence and Statistics was till recently a retired Audit Officer without any statistical qualifications. We were also informed that for this particular post direct contact with 'statistics' was not required and all that was necessary was 'administrative and general supervisory ability'. We are unable to agree with this view of the Ministry and consider that a competent statistician who can plan, initiate, develop and give life to the whole organisation in its technical aspects should be appointed as Director-General. The post of the Deputy Director is, in our opinion, superfluous and should be abolished. The administrative work at present handled by the Deputy Director could be attended to by one of the Assistant Directors, subject to the general supervision of the Director-General.

Publications

64. In view of the existing high cost of printing and paper, the Ministry should consider how far it is necessary to publish all the publications that are at present being issued by the Department. Those publications which are absolutely essential in the interest of fostering trade and commerce should be retained and the publication of the rest discontinued. Efforts should also be made to reduce the cost of printing by discontinuing the use of costly art paper for printing statistical publications and by reducing the size of the publications to the minimum necessary. Those publications as are necessarily to be retained should as far as possible be made self-supporting to achieve this end and advertisements from the public and

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advertising agencies in India and abroad should be entertained for incorporation in these publications.

We find that some of our publications meant for foreign countries do not compare favourably with similar foreign publications. We suggest that the general get-up of such publications should be improved without appreciably increasing the cost of production.

Business Directory

65. To keep the business community informed about trade prospects in this country and overseas, we recommend the publication by the Department of a list of names of all importers of our goods in foreign countries and of the exporters in other countries of goods required for import in this country. The publication should be in the form of a Business Directory and may be published annually. The proceeds from the sale of the publication and the income from advertisements should be sufficient to bear the cost of preparation and printing of the publication.

TRADE COMMISSIONERS

INDIA'S commercial organization abroad has been considerably strengthened since the advent of independence in 1947.

While there were ten commercial representatives abroad before August 1947, there are as many as 28 at present* (Appendix II). After the termination of the war the necessity of augmenting the commercial services was keenly felt as new problems concerning foreign trade cropped up. Old markets lost during the war had to be recaptured and new markets gained during the war properly maintained. The buyers of the world had to be informed about India's export potentialities and the traders in this country enlightened about the marketing facilities abroad. The commercial service constituted by the Government of India sought to tackle these various problems concerning India's foreign trade. The main object of the commercial service is the promotion of trade relations with other countries.

Functions

67. The principal functions of a commercial representative are :

- (i) to answer trade enquiries which are directed to the development of markets for Indian goods in the sphere of his activities;
- (ii) to compile a list of firms of good standing in the territories within the sphere dealing with goods such as India produce or is capable of producing ;
- (iii) to furnish commercial information directed towards the development of Indian export trade required by the various Ministries of the Government of India, or by the State Governments or by the Director-General of Commercial Intelligence and Statistics ;
- (iv) to report spontaneously to the Government of India the reactions of trade restrictions, regulations and other Government measures in his area on India's export trade and other matters of special commercial importance ;
- (v) to take such steps as are possible to settle trade disputes arising in his area involving claims by merchants in India ;
- (vi) to organise exhibits of Indian goods at local exhibitions or fairs ;

*In addition, there is also the Office of the Economic Adviser to the Indian Military Mission in Germany. Necessary budget provision for this Office has been made separately under Demand No. 73—Misc.—Y—Charges in England—Y 9—Indian Military Mission.

The draft of this report was sent to the Ministry and others concerned on 12 January, 1951. This final report incorporates factual changes pointed out by the Ministry.

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- (vii) to represent the possibilities of Indian trade by means of lectures, display of films and other suitable methods, etc. etc.

The hierarchy

68. In the Trade Missions abroad there are Trade Commissioners, Commercial Attaches and Counsellors. They are all part of the foreign missions and come under the direct supervision and control of the head of the Mission. The functions assigned to the various officers are the same but the designations are different. They are appointed according to the importance of the country. In some places there are Trade Commissioners while in other places there are only Commercial Counsellors or Attaches. In a Trade Mission abroad there is either a Trade Commissioner or a Commercial Secretary who is assisted by a nucleus staff consisting of a Registrar/Superintendent or Assistant-in-Charge and a few members of the Ministerial staff. All questions relating to the establishment and budget concerning the Trade Missions are dealt with directly by the Commerce Ministry. Although the Trade Commissioners are part and parcel of the Foreign Missions they deal and correspond directly with the Commerce Ministry. It is only when political issues are involved that cases are referred to the Heads of the Missions for directions.

69. During the course of examination we were told by the representatives of the Ministry of Commerce that at the time of appointing Trade Commissioners due consideration was given to the technical qualifications of the candidates. The Trade Commissioners have to be men with sufficient commercial experience. We were also told that the commercial service has a commercial-cum-diplomatic cadre and officers on both the cadres are interchangeable.

Integration of commercial and diplomatic offices

70. We were informed that in view of the present need for economy it was actively under the consideration of Government that so far as foreign establishments were concerned the Trade Commissioners should, wherever possible, assume in addition to their own duties the functions of the Diplomatic Officers and similarly the Diplomatic Officers should take over the work on the commercial side where it was expedient to do so. We were given to understand that this question of combining the functions of the Trade Commissioners and of the Embassies had been engaging the attention of the Ministry for sometime past and so far as the commercial side was concerned they had tentatively decided to reduce the following posts under this scheme for integration :

- | | | |
|--------------|-------|---------------------------------|
| (i) Teheran | . . . | 1 Commercial Secretary. |
| (ii) Kabul | . . . | 1 Commercial Secretary. |
| (iii) London | . . . | 1 Assistant Trade Commissioner. |

Trade Commissioners

- (iv) Vancouver 1 Assistant Trade Commissioner.
- (v) Sydney 1 Economic Assistant to the Trade Commissioner and 1 Seamen's Welfare Office
- (vi) Tokyo 1 Commercial Counsellor.
- (vii) Shanghai 1 Economic Attache to the Consul-General (Also possibly Commissioner for Hong-kong).
- (viii) Bangkok Possibly 1 Commercial Secretary.

The move to effect reduction in staff by amalgamation of offices and functions at some places is commendable. The Ministry should explore the possibility of such amalgamation at other places also. We hope that this scheme of integration will lead to reduction in the office staff in the Foreign Mission also.

Creation of a special service for trade and industries

71. The Committee while appreciating the scheme of integration referred to in the preceding paragraph would like to observe that without the necessary commercial background the Diplomatic Officers might not be able to do full justice to the work on the trade side. We therefore recommend that not only such persons as have special knowledge of trade conditions and industries both in this country and abroad be appointed to the integrated commercial-cum-diplomatic cadre but those already in service should be so trained as to discharge the trade functions in the best interests of the country. One of the important functions assigned to the Trade Mission abroad is to work for the promotion of the country's export trade. A close watch should therefore be kept after the integration of the two functions to see that the export trade is not affected adversely. The question of creating a special service for trade and industries on the lines of the Indian Administrative Service for the purpose of recruiting persons to serve in Trade Missions abroad should also be considered by Government.

Trade Commissioners to take up purchase work as well

72. During the course of examination we were told that though one of the functions of the Trade Commissioners abroad was to help the Government of India and the public in finding out the proper market at proper prices for the import of essential goods, they were not equipped to make purchase on behalf of Government. It was stated that the purchase of stores, machinery, etc. required specialised knowledge for which purpose separate Purchase Missions were functioning in the U.K. and U.S.A. The advice and cooperation of the Trade Commissioners was, it was stated, sought by the Purchase Missions wherever necessary. We have already suggested in our report on the Ministry of Industry and Supply that our Trade Commissioners abroad should gradually and progressively be entrusted with the work of foreign purchases with a view to abolishing the Purchase Missions.

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Direct trade with Continental countries

73. From the figures furnished to us (Appendix III) we observe that at present the bulk of our trade is with the U.K. We understand, however, that in many cases the purchases made from other countries on the Continent pass through the U.K. It was also brought to our notice that out of the goods imported by the U.K. from India some commodities, e.g. tea and jute were re-exported to other countries. We could not procure statistics of such imports or exports as were diverted by the U.K. from or to other countries. While, however, admitting before us the existence of such practices the spokesman of the Commerce Ministry stated that some commodities imported from India were re-exported from the U.K. after they had been processed there. We recommend that urgent steps should be taken to establish direct contacts with the other countries on the Continent, so that we may be able to trade with them directly on favourable terms and not depend solely on the U.K. for both import and export. The Trade Commissioners on the Continent should find out the types of our goods in demand in those countries so that arrangements are made for their processing either in our country here or in the importing country itself. This to a large extent would avoid indirect trading and the loss of exchange which would otherwise accrue to India.

Stepping up of exports

74. From the material furnished by the Ministry we gather that in the case of France, Norway, Switzerland, Czechoslovakia and also many other countries in Asia the volume of our export trade has fallen. It was explained to us that the fall was mainly due to our difficulties of jute and cotton supplies. While we appreciate that the decline in our export trade is attributable to some extent to those factors, we nevertheless feel that ways and means should be devised by our trade representatives to accelerate the quantum of India's export trade with countries to which they are posted.

We find that full-fledged establishments are maintained at Rome, Paris, Brussels, Berne and Prague though our trade with those countries is negligible. While we would be glad to see better trade relations fostered with those countries we suggest that the Trade Missions in those countries should be grouped in one or two units and expenditure curtailed commensurate with the trade in those countries.

Trade with Asian countries

75. We feel that there are immense possibilities of trade with the Asian countries. We strongly urge upon Government to pay more attention to increase the trade with our neighbouring countries rather than concentrate on the European countries alone.

Trade Commissioners

International agreements

76. In the matter of negotiating and signing bilateral trade agreements, we were told that the Trade Commissioners prepared briefs for the guidance of the Government but that most of the work relating to the agreements was actually done in the Secretariat of the Commerce Ministry. Since the Trade Commissioners have to investigate the possibilities of imports from the country concerned and the scope of India's exports there we suggest that they should also be trained in looking after the proper working of the international agreements and for watching the trends and effects of the bilateral agreements in the countries to which they are attached.

Publication of a list of exporters and importers

77. In order to bring our exporters in direct touch with the buyers abroad we suggest that a list of names of all importers of our goods in foreign countries, as also of the exporters of goods to this country, may be collected by the respective Trade Commissioners. A directory containing this information may be published for sale to the business community in this country. The directory should be kept up-to-date and published annually at no-loss basis to Government.

Export of cottage industries goods

78. We also considered the question of enhancing the quantum of India's export of cottage industries goods in foreign countries. We were informed by the representative of the Commerce Ministry that samples of the cottage industries goods were exhibited in foreign countries and orders were booked and passed on to the Cottage Industries Emporium or Refugee Handicrafts—the two organisations which had so far sent samples to foreign countries. We gathered that not much headway could, however, be made on account of the heavy import duties in foreign countries on luxury goods. Moreover, the organisations for manufacturing cottage industries goods were also not equipped to receive large orders. For the purpose of collection of exhibits the Ministry has one Director of Exhibitions and one Joint Director of Exhibitions. Since the exhibits are selected by a Committee and exhibitions are organised by the Trade Commissioners abroad we do not consider it necessary to retain these posts. We have elsewhere recommended their abolition.

Staff in Trade Missions abroad

79. We have considered whether the staff in the Trade Commissioners' offices is really commensurate with the work handled. The yardstick for the number of ministerial staff, we were told, is based on the number of receipts and issues handled per annum. We are of the opinion that this rough-and-ready method of measuring the volume of work is defective inasmuch as this does not give a true

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picture. For example, in the office of the Commercial Counsellor, Indian Liaison Mission, Tokyo the total number of receipts and issues were 7,523 for 1948-49 and are expected to go up to 11,000 for 1950-51; in the office of the Assistant Trade Commissioner, Dacca, the estimated number of receipts and issues for 1950-51 are 16,100 and in the office of the Indian Government Trade Commissioner, Karachi the estimated number is 14,700 for 1950-51. This comes roughly to about 25 receipts per day and in most of the offices there are no less than three members of the ministerial staff. We are led to think that either the overall picture that is presented to us is not correct or otherwise there is superfluous staff which can be dispensed with. We suggest that the Ministry of Commerce in conjunction with the Ministry of Finance should go into the whole question of staff, their pay and allowances and explore the possibilities of effecting economy in this direction. As a rule, the Committee suggest that since the matters to be dealt with by a Trade Mission are highly technical and involve policy, and consequently as the work has largely to be attended to by the officer himself, the staff should normally be limited to a stenographer and a clerk to assist the officer in keeping files, etc.

TEA

The tea industry is one of the major industries of India and provides one of the most important commodities for export. The Tea Controller's Organization consists of a headquarters office at Calcutta and a Branch office at Coonoor. The Tea Controller works under the administrative control of the Government of India though he is paid by the U.K. Ministry of Food. A budget provision of Rs. 3,96,900 has been made for this Department for the year 1950-51. Excepting a sum of Rs. 10,700 which will be paid by the Indian Tea Licensing Committee the rest of the expenditure is recoverable from the U.K. Government.

81. The Tea Controller's duties consist *inter alia* of the following:

- (a) Entering into contracts with over 10,000 estates and watch over the execution of contracts.
- (b) Purchase of tea on behalf of the Government of the United Kingdom and its export to that country. (Till March 1950, the Tea Controller was doing all correspondence work with the Government of India, the U.K. Ministry of Food, the Tea Industry and the authorities concerned for the movement, handling and shipment of tea. This work has now passed over to the Central Tea Board).
- (c) Payment to the contracting estates and shippers.

82. The Tea Controllers Organization is a legacy of the last war when it was set up by the then Government of India and entrusted with the work of bulk purchase of Indian tea for the U.K. The purchases to be made by him during the current year are expected to amount to Rs. 60 crores.

Bulk purchase

83. The bulk purchase of Indian tea by the U.K. is not based on a system of auctions. The procedure that obtains is that the U.K. Government comes to an agreement with the Government of India as to the price at which they may make a bulk purchase of tea from the tea gardens of India. Prices are fixed in consultation with the U.K. Government and due consideration is paid to the fact that maximum prices for the Indian tea are obtained. Since tenders are invited on the basis of prices which are agreed upon before hand there is no possibility of U.K. using the bulk purchase for getting tea at a cheap price. The price of each grade of tea is the highest

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export auction price obtained by the tendering estate in 1936, 1937 and 1938 plus an additional cost of production allowance based on examination of cost sheets of a dozen representative estates, the allowance for 1950 being 18d. per pound for plains gardens and 19½d. for hills gardens, an increase of 4d. over the 1949 prices.

In the course of the examination of the estimates of the Ministry of Commerce, we were informed by the representatives of the Ministry that the bulk purchase system would be abolished in another six months when the establishment of the Tea Controller's Organization would be dispensed with.

The rationale of the bulk purchase system is briefly this: Tea in England is a rationed and subsidised commodity. The Ministry of Food buy and sell it to wholesalers and retailers and the Government bear the difference between the sale price and the price at which they purchase from India at the auctions. Because of this, the U.K. were continuing to buy on the bulk purchase basis. Now the U.K. Government is thinking of removing tea from the ration, and when they do take it off the ration, the bulk purchase will be given up.

With the termination of the present arrangements for bulk purchase by the U.K., the entire production of Indian tea will have to be put up to auctions at Calcutta, and quantities which cannot be disposed of at Calcutta owing to limited accommodation facilities there will have to be consigned to London for disposal there. There is therefore a danger that Sterling Companies will again make direct shipment to London without having any sale transaction in India, and will thus evade taxation on income. We were assured by the representatives of the Ministry that the Government was fully conscious of the situation and was making arrangements to provide increasing facilities for the handling of tea to the tune of 225 million pounds at Calcutta. We urge upon Government to take effective measures in this matter quickly as in our opinion the advantage gained initially at the time of abolition of the bulk purchase system will go a long way in establishing profitable export of this important commodity.

Warehouses

84. It is needless to emphasise that the termination of the bulk purchase system will put considerable strain on the Calcutta auction market and it is therefore vital that warehouse accommodation should be provided by the Government as expeditiously as possible. We were given to understand that the difficulties with regard to providing accommodation are not so much the lack of building materials as the actual technique of building so large a warehouse.

The *Ad Hoc* Committee on Tea in their interim report dated the 11th November, 1949 made recommendations regarding the provision

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of Tea Warehouse accommodation at Calcutta to meet immediate as well as future requirements. We hope that Government will give due consideration to the recommendations of the Committee with regard to the provision of warehouse facilities and give effect to them as early as possible.

Central Tea Board

85. The body that is responsible for the expansion of tea industry is the Central Tea Board—an autonomous body whose functions are laid down in a statute. They include research and propaganda both in India and through the Tea Market Expansion Board abroad, supply of tea seeds for the tea gardens and generally looking after the welfare of the tea industry. The Tea Board keeps itself in close touch with the tea gardens, the tea producers and Associations and takes up the question of their requirements with the Government.

Though India is the world's biggest producers of tea, the industrial sides of it, namely tea-testing, blending, brokering and shipping are mostly in non-Indian hands. We were informed by the Ministry of Commerce that recently two Indian firms have been admitted as brokers of the Calcutta Trade Association. This number is quite inadequate in a major industry like tea and we therefore urge upon Government to take effective steps to train and associate Indians in an increasing number in all the spheres of the industrial side.

We were told by the representatives of the Commerce Ministry that for work in connection with tea the Secretariat employs 2 or 3 Assistants whose work is more or less continuous. The Secretariat has to correspond with the Central Tea Board which is under the administrative control of the Commerce Ministry. For all this work an establishment is maintained in the Ministry itself. In addition to this the Ministry has to incur expenditure in connection with Delegations to International Conferences concerning tea. We do not see any valid reason why the industry which stands to benefit by Government's activities should not contribute to the expenses incurred by the Government. We therefore recommend that Government should explore the possibility of meeting the expenses on staff employed in the Secretariat on tea work as well as Delegations sent abroad in connection with tea from the contributions received by the Board. We also recommend that a part of the expenses in connection with the construction of warehouse by the Port Trust Authorities should be met by the Central Tea Board.

Sale of tea

86. The present world demand for tea is of the order of 920 million lbs. India is the largest producer of tea today. We produce 590 million lbs. per annum. Ceylon comes next with a production

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of 299 million lbs. and then comes Pakistan and Indonesia with a production of 46 and 60 million lbs. respectively. The domestic demand for tea in India is 130 million lbs. Thus India is in a position to export 460 million lbs. of tea.

For the last few years, out of 410 million lbs. of tea which India exports, U.K. has been taking the lion's share under a special bulk purchase arrangement with that Government. For the current year U.K. Government are taking under this scheme 265 million lbs. For this the tea estates are charging the following rates:

Darjeeling Tea	38·20d. per pound
Other N. Indian Tea	29·99d. per pound
Travancore Tea	31·29d. per pound
Other S. Indian Tea	29·95d. per pound

The internal auction price of tea is Rs. 1-6-10 per pound while for the export auction prices ranged from Rs. 1-15-1 to Rs. 2-9-3. Obviously, the price that we are receiving from His Majesty's Government in U.K. is not the best price we should get. If the sale of export tea is properly arranged, tea estates as a whole could make a good deal more profit. It should not be impossible to arrange warehouse accommodation for all the tea that we have to sell by auction and the extra profits could well be secured to the Exchequer by enhancing the export duty which we commend for the consideration of Government. The competition from Indonesia may take many years to be effective and in the meanwhile, it might be possible for India to secure better export prices for the grower at the same time benefiting the Exchequer substantially.

87. After our report was written, it was brought to our notice by the Ministry of Commerce and Industry that with the increased rate of export duty, it would be difficult for the Indian Tea Market to capture the foreign markets in sterling as well as in dollar areas. The Ministry think that unless the cost of production of Indian tea is reduced, no enhancement of the export duty is advisable. We, however, feel that in view of the existing gap between the internal price and the world price of tea, Government should further explore the possibilities of securing to the revenues of the State a portion of the excess in profits that will accrue to the Tea Estates when the bulk purchase system is abolished and Indian tea is put on sale in the world market freely.

Tea chests and pruning knives

88. Associated with the question of production and distribution of tea is the question of manufacture and supply of tea chests and pruning knives by Indian concerns. For packing 600 million pounds of tea produced in the country, we require 5·5 million tea chests.

Tea

More than two-third of this requirement is now met by indigenous production. In the course of the evidence tendered before the Committee the representative of the Commerce Ministry stated that the quality of timber used in India-made chests is inferior to that used in foreign tea chests. It is not, however, true that India-made tea chests are inferior in quality to those imported from foreign countries. The inferiority that is ascribed to indigenous chests is not due to any intrinsic defect in quality of the wood but because of the buyers' fancy for Finnish plywood which is whitish in colour. We hope the Central Tea Board will take effective steps to popularize the indigenous tea chests and remove the colour complex from the minds of the buyers. At the same time the services of the Forest Research Institute, Dehra Dun should be utilized in further improving the standard and quality of tea chests. To give a stimulus to the indigenous plywood industry imports of tea chests should be reduced considerably.

We understand that while the Tea Chests and Plywood Trades Association had entered into an agreement for the import from Sweden and Finland of tea chests at the rate of 6s. 2d. c.i.f. value per set, tea chests have been imported through London Tea Chests Association at a higher rate, viz. 6s. 9d. c.i.f. per set. We also understand that while the indigenous importers got 80 per cent of the import quota in 1949 they got only 5 per cent. of the quota for tea chests in the second half year of 1950 due to some change in the Government's import policy. We recommend that Government should avail of the opportunity of the agreement provisionally entered into by the Tea Chests and Plywood Trades Association with Sweden for the import of tea chests at a lower rate as compared to that offered by the U.K. and effect a saving of foreign exchange. We also suggest that indigenous importers should be given more share in the import of tea chests rather than to give it to foreign agency houses.

So far as the pruning knives are concerned, war gave an impetus to the manufacture of pruning knives in the country and a factory was established in Calcutta for this purpose. With the cessation of hostilities, however, the European planters took to Sheffield knives with the result that the indigenous industry was hard hit. We hope that Government will take steps to give due encouragement to the industry and resuscitate it from its present condition.

Propaganda

89. With a view to expanding tea markets in foreign countries, considerable amount of publicity and propaganda work is done by the International Tea Market Expansion Board—a body entirely foreign in the sense of its personnel. While we appreciate that for the purpose of earning foreign exchange more stress is to be given to the procurement of external markets than internal ones, we fail to see why Indians are not given adequate training in publicity work and

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employed in the International Tea Market Expansion Board. We strongly recommend that the question of employing Indian personnel for propaganda work abroad should be taken up with the Board.

The activities of the International Tea Market Expansion Board, for which India is contributing £372,830 (Rs. 50 lakhs) for 1950-51, i.e., 49 per cent of the Board's income for the year, would also merit much closer scrutiny. In fact with our present position of supremacy in the production of tea, it should not be difficult for India herself undertaking propaganda, if it is necessary specifically for Indian tea, and establish direct contacts with various countries which take Indian tea, and particularly with the U.S.A.

Stepping up of tea exports

90. It is gratifying to note that the country's exports of tea today are 50 per cent greater than they were before the war in quantity and nearly three or four times greater in value than they were before the war. But with the presence of Ceylon and Indonesia in the market and the possible emergence of East Africa as a rival, it is neither desirable nor judicious to rest on oars. Increasing efforts should be made to expand the country's tea trade. A potential field for the expansion of tea trade is the U.S.A. where the tea habit is gradually spreading. At present the U.S.A. buys about 120 million pounds of tea per year half of which is purchased from India directly and half through auction.

Considerable quantity of Indian tea is blended in the U.K. with the Ceylonese and Indonesian tea and re-exported to the U.S.A. to earn the much-needed dollars. In the interests of the country effective steps should be taken to prevent the London market from selling Indian tea to hard currency areas. As far as possible direct contact should be established with the foreign buyers.

APPENDIX I

Statement showing the summary of recommendations of the Estimates Committee relating to the estimates of the Ministry of Commerce and the anticipated savings if the recommendations are accepted.

Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
1	1	There is considerable scope for economy in the staff of the Commerce Ministry. Effective measures should be taken to achieve it.	..
2	2	Efforts should be made by Officers to dispose of themselves as many of the receipts as is possible.	..
		There should be proper allocation of duties and responsibilities so as to decentralise the final disposal of various matters at different levels.	..
		Scale of work should be on the basis of 5 important and 10 ordinary receipts, <i>i. e.</i> , on an average of 15 receipts a day for an Assistant. (Minus 70 Assistants and 75 clerks).	328
3	3	Superintendents should be vested with powers for taking final responsibility in some matters
		At least 10 Assistants should be put under a Superintendent. (Minus 11 Superintendents)	81
4	4	One post of Joint Secretary should be abolished forthwith and the other post dispensed with in course of time. So long as the second post of Joint Secretary remains, the work under his charge should be localised in a distinct wing within the Ministry. In the other wing Deputy Secretaries should deal directly with the Secretary.	..
5	5	Offices directly under the control of the Ministry should be made self-contained units and their Heads vested with <i>ex-officio</i> Secretariat status so as to enable them to deal directly with the Secretary or the Minister as the case may be.	..
		Staff employed in the Secretariat for dealing with cases coming from the Attached/Subordinate Offices should be dispensed with.	..
6	6	Posts of a Superintendent and two Assistants for the Secretary's staff should be abolished. (Minus one Superintendent and two Assistants).	13

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Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
7	7	Library Section with the complement of one Librarian and four clerks should be closed down (Minus one Librarian and four clerks.)	12
8	8	Posts of Director and Assistant Director of Exhibitions and the clerical staff attached to them should be abolished. (Minus one Director of Exhibition, one Assistant Director of Exhibition, one Assistant-in-charge, three Assistants and two clerks.)	39
9	9	There should be a pool of Stenographers formed on the basis of one Stenographer for every two or three Junior officers. (Minus seven Stenographers.)	20
		Number of Class IV servants should be reduced to at least 50 per cent of the present number. (Minus 68 class IV servants.)	61
10	10	Expenditure on tours of the Officers and staff should be reduced by 50 per cent. Air travel should be restricted to very exceptional cases. Travelling allowances of Officers travelling by air should be restricted to the actual air fare plus appropriate road mileage from the aerodrome to the place of halts, if Government transport is not provided. No Officer should charter a plane.	38
11	11	Expenditure on postage and telegram charges should be reduced considerably by resorting to cheaper means of communication. Use of telegrams and cables should be restricted. (Reduction 25 per cent.)	25
		Residential telephones for Officers should be restricted to the minimum necessary. Officers having telephones installed at their residences at Government expense should bear 50 per cent of the charges on such telephones. A register should be maintained for recording all trunk-calls made. Calls not made strictly in connection with official business should be paid for by the individual concerned. (Reduction 25 per cent.)	5
		Expenditure under the head "Miscellaneous Office Expenses" should be restricted to the minimum possible. (Reduction 25 per cent.)	20

Appendix I

Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
12	12	Work relating to "Shipping" should be transferred to the Transport Ministry and that relating to "Insurance" to the Finance Ministry, and the reduced Commerce Ministry should be amalgamated with the Ministry of Industry and Supply.	...
13	13	In the reorganised Ministry of Commerce, one post of Joint Secretary and 1 post of Under Secretary should be abolished. (Minus 1 Joint Secretary and 1 Under Secretary).	47
14	18	New comers should be treated more generously and their quota for import licences raised to at least 25 per cent of the total ceilings without any restriction whatsoever. So far as the allocation of quotas between the established traders and the actual users is concerned, preference should be given to users, i.e., persons who want to import articles for manufacturing purposes.	..
15	19	In the matter of imports adequate facilities should be given to co-operative societies.	..
16	20	Import licenses should be issued annually and there should be only one date for the receipt of applications from all the three categories of importers. Applications should be received and disposed of round about the end of the year and the beginning of the next year. Tabulation of the applications should commence only when the dead-line date is over, and distribution of quotas for the three categories should be done simultaneously. Distinctive colours should be used for the three categories of application forms for import licenses. A register should be maintained for registering applications for licenses and their disposal.	..
17	21	Names of licencees as and when the licences are issued should be published in the Gazette and objections, if any, invited from the concerned parties. Actions should be taken against persons or firms found to be masquerading under <i>pseudo</i> -names.	..
18	22	Names of black-listed firms should be published in the Government Gazette and such names should not be removed from the black-list as a matter of routine but should be removed only after the <i>bonafides</i> of the party are established as a result of a properly instituted enquiry.	..

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Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
19	23	Immediate steps should be taken to set up a Committee consisting of a person not below the rank of a District Judge and two other non-officials to deal with complaints against the working of the Import Trade Control.	..
20	24	Some consideration should be paid to regional requirements in the matter of granting licenses.	..
21	25	A permanent list of established importers may be prepared and published with quotas instead of preparing fresh list each year.	
		The Income-tax authorities may be furnished with the list of importers and required to report to the Controllers of Imports at Ports cases of defaulters, etc. in every year.	..
		Applications of both the new comers and actual users excepting for capital goods should be disposed of at ports, subject to the usual conditions laid down by the Chief Controller of Imports in regard to policy of fixation of quotas.	
22	26, 27	Austerity measures should be enforced and except for essential requirements of machinery and raw materials for industries, imports should be curtailed to the minimum.	..
		OGL list should be very carefully scrutinised to ensure that there are no items likely to increase the country's adverse balance.	..
		A long-term policy should be enunciated sufficiently in advance and licences issued on an annual basis.	..
23	28	Steps should be taken to ban the import of articles lying in the Disposal Depots.	
24	29	On decentralisation of the work of granting import licenses the Office of the Chief Controller of Imports should be reorganised and the staff reduced to one Chief Controller, one Deputy Controller and 3 or 4 Assistant Controllers, the non-gazetted staff being fixed proportionately to the above Officers' strength. When the offices of Import and Export Control are merged together, the reorganised office should be augmented by proportionate staff.	
		Addition to the staff at Ports after decentralization of work should be made on duly recognised and worked out formula.	
		Posts of intermediary Officers, e.g., Superintendents, Incharges and Joint Controllers should be reduced as much as possible.	
		Such of the functions of the Port Offices as can reasonably be performed by other Central Government Offices at the ports concerned such as the Customs staff, Port Trust staff, etc., should be entrusted to them.	

Appendix I

Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
25	32	Quotas for export should be fixed for hard currency areas also, as in the case of soft currency areas.	
26	33	Ban on the export of oilseeds should be continued and attempts should be made to export oil rather than the seeds. When a ban is imposed it should be adhered to scrupulously and no relaxation whatsoever permitted for any party or interests.	
27	34	In the case of such commodities as are produced by the cultivator, bans should as far as possible be lifted during the gathering season.	
28	35	The present Jute Controller should be replaced by an independent person of experience.	..
29	36	While exporting articles care should be taken to ensure that the internal economy is not unduly disturbed.	..
30	37	Control on the quality of goods for export should be enforced and the aid of the Indian Standards Institution should be sought to prepare specifications.	..
31	38	Effective steps should be taken to put a stop to all kinds of speculation in jute goods.	..
32	39	Direct relations with European countries should be established so that the re-exporting of certain commodities from the U. K. is prevented. Greater efforts should be made to increase our trade with Asian countries.	..
33	40	A section of the Ministry of Commerce should be entrusted with the work of framing policies to augment the country's export trade.	..
34	41	The machinery recommended for dealing with complaints relating to the Import Control Licensing system should be utilised for dealing with complaints relating to Export Control Licensing system.	..
35	42	The Import and Export Control Organizations should be amalgamated under one head who should be designated as the Chief Controller of Imports and Exports. Consequent on this amalgamation a reduction of at least 25 percent in the expenditure of these offices should be effected.	940
36	46	The statistical portion of the work of the Administrative Intelligence Room should be transferred to the Commercial Intelligence and Statistics Office. The Statistical Presentation Division of the Administrative Intelligence Room (now merged with the Economic Adviser's Office) should be abolished.	105

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Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
37	47	<p>Staff employed on publicity work in the Administrative Intelligence Room should be dispensed with.</p> <p>The cinema theatre said to have been transferred to the I. & B. Ministry should be run by that Ministry without engaging any additional staff and the staff previously employed for this work under the Commerce Ministry should be reduced.</p> <p>The Photographic material with the Administrative Intelligence Room should also be transferred to the Films Division of the Information and Broadcasting Ministry.</p>	} 334
38	48	The photostat machines should be transferred to the Director of Archives. The staff employed in the Administrative Intelligence Room on these machines should be reduced.	
39	49	Steps should be taken for the early transfer of the press to the W. M. P. Ministry. The staff engaged for this press should be dispensed with immediately.	
40	52	The Ministry of Commerce should endeavour to concentrate at one place, <i>i. e.</i> , in the Office of the Commercial Intelligence and Statistics, all the statistical units at present scattered in different offices of the Ministry. There should be a reshuffling of duties and all avenues should be explored for achieving economy in work and staff.	
42	53	Those publications which are important and indispensable in the interest of the economy of the country should be retained and the publication of the rest discontinued. The publication work of the Economic Adviser's Office should be transferred to the Commercial Intelligence and Statistics Offices and necessary reduction in staff effected.	
42	54	<p>After transferring the statistical and publication work of the Economic Adviser's Office to the Commercial Intelligence and Statistics Office the residual work relating to the economic side should be transferred to the Cabinet Secretariat along with the minimum necessary staff and the remaining staff reduced or alternatively, the functions performed by the Economic Adviser working in the Cabinet Secretariat should be transferred to the Economic Adviser to the Government of India in the Ministry of Commerce. There should be only one Economic Adviser to the Government of India either in the Ministry of Commerce or attached to the Cabinet Secretariat.</p> <p>The Ministerial staff sanctioned for the Economic Adviser's Office should be reduced to the barest minimum necessary to look after purely clerical and typing work.</p>	

Appendix I

Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
43	60	All publicity work emanating from the various Branches of the Ministry should be arranged through the Principal Information Officer and the posts created for this purpose should be abolished.	..
44	61	The Central Statistical Organization under the Cabinet Secretariat should in due course take over the functions that are now being performed by different Ministries. The Ministries should delegate progressively their statistical functions to this central body and effect suitable reductions in staff.	..
45	62	Fill such time as the Central Statistical Organization takes over control and co-ordination of the entire statistical functions of the different Ministries, the Ministry of Commerce should centralise their own statistical activities at one place only, i.e., in the Commercial Intelligence and Statistics Office. Items of statistical work having no or insignificant value to the Government or the public should be discontinued immediately and corresponding reduction in staff effected.	
		The work at present being done in the Commercial Publication Branch of the Commerce Ministry and similar work, if any, being done in any other unit of the Ministry should be transferred to the Office of the Commercial Intelligence and Statistics and necessary reduction in expenditure effected.	93
46	63	A competent statistician who can plan, initiate, develop and give life to the whole organization in its technical aspects should be appointed as Director General of Commercial Intelligence and Statistics. The post of the Deputy Director should be abolished (Minus one Deputy Director.)	}
47	64	Those publications which are absolutely essential in the interest of fostering trade and commerce should be retained and the publication of the rest discontinued. Efforts should be made to reduce the cost of printing by discontinuing the use of costly art paper for printing statistical publications and by reducing the size of the publications. Those publications which are retained should as far as possible be made self-supporting.	..

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Sl. No.	Reference to para. No. of the Report	Summary of recommendations	Anticipated savings (in thousand rupees)
		Get-up of publications meant for foreign consumption should be improved.	
48	65	A list of names of all importers of our goods in foreign countries and of the exporters in other countries—Business Directory—should be published annually.	..
49	70	The Ministry should explore the possibility of amalgamation of the functions of the Trade Commissioners and of the Embassies at places where it has not yet been done.	..
50	71	Not only such persons as have special knowledge of trade conditions and industries both in this country and abroad be appointed to the integrated commercial-cum-diplomatic cadre but those already in service should be so trained as to discharge the trade functions in the best interests of the country.	..
		The question of creating a special service for trade and industries on the lines of the I.A.S. for the purpose of recruiting persons to serve in Trade Missions abroad should be considered by Government.	
51	72	Trade Commissioners should be gradually and progressively entrusted with the work of foreign purchases.	..
52	73	Urgent steps should be taken to establish direct contacts with other countries on the Continent, so that we may be able to trade with them directly on favourable terms and not depend solely on the U. K. for both import and export.	..
53	74	Ways and means should be devised by our trade representatives to accelerate the quantum of India's export trade with countries to which they are posted.	..
		Trade Missions at Rome, Paris, Brussels, Berne and Prague should be grouped in one or two units and expenditure curtailed commensurate with the trade in those countries.	
54	75	Government should pay more attention to increase the trade with neighbouring Asian countries rather than concentrate on the European countries alone.	..
55	76	Trade Commissioners should be trained in looking after the proper working of the International Agreements and for watching the trends and effects of the bilateral agreements in the countries to which they are attached.	..
56	77	A list of names of all importers of our goods in foreign countries, as also of the exporters of goods to this country may be collected by the respective Trade Commissioners.	..

Appendix I

Sl. No.	Reference to para. No. of the Report.	Summary of recommendations	Anticipated savings (in thousand rupees)
57	79	The Ministry of Commerce in conjunction with the Ministry of Finance should go into the whole question of staff in the Trade Missions abroad, their pay and allowances and explore the possibilities of effecting economy in this direction. As the work in a Trade Mission is highly technical and has largely to be attended to by the Officer himself, the staff should normally be limited to a stenographer and a clerk to assist the Officer in keeping files.	..
58	83	To overcome the danger of evasion of income-tax by the Sterling Companies making direct shipments to London as a result of the termination of the present arrangements for bulk purchase of Indian tea by the U. K. Government should provide increasing facilities for the handling of tea at Calcutta.	..
59	84	Government should give due consideration to the recommendations of the <i>Ad Hoc</i> Committee on Tea regarding the provision of warehouse facilities.	
60	85	The Central Tea Board should arrange to educate Indians in tea-testing, blending, brokering and shipping, etc. The Board should contribute to the salaries of staff employed on Secretariat work relating to tea in the Ministry of Commerce, meeting expenses on Delegations sent abroad in connection with tea as also to the part expenses on the construction of a warehouse.	..
61	87	In view of the existing gap between the internal price and the world price of tea, Government should further explore the possibilities of securing to the revenues of the State a portion of the excess in profits that will accrue to the Tea Estates when the bulk purchase system is abolished and Indian tea is put on sale in the world market freely.	..
62	88	The services of the Forest Research Institute, Dehra Dun, should be utilised in improving the quality of India-made tea chests. Imports of tea chest should be reduced considerably. Government should take advantage of the agreement entered into by the Tea Chest and Plywood Trade Association with Sweden for the import of tea chest at cheaper rates as compared to the U. K. rates. Indigenous importers should get preference over foreign agencies in the matter of import of tea chests.
63	89	The question of employing Indian personnel for propaganda work abroad should be taken up with the International Tea Market Expansion Board.	
64	90	India should establish direct contacts with the foreign markets, especially the hard-currency areas, for the export of tea.	..
TOTAL Rs. 23,76,000			

APPENDIX II

Statement showing the staff position and expenditure in Indian Trade Missions

(1)	(6)
<i>Tokyo</i>	<i>Baghdad</i>
1 Commercial Counsellor	1 Commercial Secretary
1 Registrar	1 Assistant-in-Charge
3 Assistants	3 Assistants/Clerks
1 Stenographer	1 Class IV Staff
Total Rs. 1,08,800	Total Rs. 86,200
(2)	(7)
<i>Alexandria</i>	<i>Rangoon</i>
1 Commercial Secretary	1 Commercial Secretary
1 Head Clerk	1 Superintendent
1 Stenographer	3 Assistants/Clerks
2 Clerks	8 Class IV Staff
Total Rs. 78,400	Total Rs. 95,200
(3)	(8)
<i>Mombasa</i>	<i>Ceylon</i>
1 Trade Commissioner	1 Commercial Secretary
1 Head Clerk	1 Superintendent
5 Assistants/Clerks	4 Assistants/Clerks
3 Class IV Staff	6 Class IV Staff
Total Rs. 82,800	Total Rs. 78,600
(4)	(9)
<i>Sydney</i>	<i>Karachi</i>
1 Trade Commissioner	1 Trade Commissioner
1 Superintendent	1 Registrar
3 Assistants/Clerks	8 Assistants/Clerks
1 Class IV Staff	6 Class IV Staff
Total Rs. 1,00,400	Total Rs. 1,21,300
(5)	(10)
<i>Teheran</i>	<i>Kabul</i>
1 Commercial Secretary	1 Commercial Secretary
1 Superintendent	3 Assistants/Clerks
4 Assistants/Clerks	1 Class IV Staff
4 Class IV Staff	Total Rs. 55,200
Total Rs. 1,17,800	

Appendix II

(11)

Bangkok

- 1 Commercial Secretary
- 4 Assistants/Clerks
- 2 Class IV Staff
- Total Rs. 80,300

(12)

Aden

- 1 Commissioner
- 4 Assistants/Clerks
- 3 Class IV Staff
- Total Rs. 83,200

(13)

Singapore

- 1 Trade Commissioner
- 4 Assistants/Clerks
- 3 Class IV Staff
- Total Rs. 85,600

(14)

Manila

- 1 Council General
- 1 Registrar
- 6 Assistants/Clerks
- 4 Class IV Staff
- Total Rs. 1,41,600

(15)

New Zealand

- 1 Assistant Trade Commissioner
- 4 Assistants/Clerks
- 1 Class IV Staff
- Total Rs. 89,000

(16)

Batavia

- 1 Commercial Secretary
- 2 Assistants/Clerks
- 3 Class IV Staff
- Total Rs. 77,500

(17)

Dacca

- 1 Assistant Trade Commissioner
- 6 Assistants/Clerks
- 3 Class IV Staff
- Total Rs. 57,100

(18)

London

- 1 Commercial Adviser
- 1 Trade Commissioner
- 4 Assistant Trade Commissioners
- 1 Technical Adviser
- 1 Technical Publicity Officer
- 9 Higher executive Officers
- 76 Ministerial and Class IV Staff
- Total Rs. 7,75,000

(19)

Toronto

- 1 Trade Commissioner
- 8 Ministerial Staff
- 1 Class IV Staff
- Total Rs. 2,35,000

(20)

Rome

- 1 Commercial Secretary
- 1 Assistant-in-Charge
- 4 Assistants/Clerks
- 1 Class IV Staff
- Total Rs. 1,37,000

(21)

Switzerland

- 1 Commercial Secretary
- 4 Ministerial Staff
- 1 Class IV Staff
- Total Rs. 83,000

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(22)

Prague

1 Commercial Secretary
3 Ministerial Staff
1 Class IV Staff
Total Rs. 1,06,000

(23)

Vancouver

1 Assistant Trade Commissioner
1 Ministerial Staff
1 Class IV Staff
Total Rs. 1,34,000

(24)

Brazil

1 Commercial Secretary
4 Ministerial Staff
1 Class IV Staff
Total Rs. 1,28,000

(25)

Brussels

1 Commercial Secretary
4 Ministerial Staff
1 Class IV Staff
Total Rs. 90,000

(26)

Buenos Aires

1 Commercial Secretary
1 Commercial Intelligence Officer
1 Economic Assistant
9 Ministerial Staff
1 Class IV Staff
Total Rs. 3,13,000

(27)

Paris

1 Commercial Secretary
1 Superintendent
6 Ministerial Staff
3 Class IV Staff
Total Rs. 2,20,000

(28)

Vienna

1 Indian Vice Consul-cum-Attache
3 Ministerial Staff
1 Gardener
Total Rs. 79,000

APPENDIX III

Statement showing India's trade with countries to which Indian Government Trade Representatives are accredited during 1948-49 and 1949-50.

Name of place	Sphere	Imports		Exports		Increase or decrease in volume of trade
		1948-49 (Value in lakhs of rupees)	1949-50	1948-49 (Value in lakhs of rupees)	1949-50	
1. Tokyo . . .	Japan . . .	6,37	21,41	4,59	6,12	+
2. Alexandria . . .	Egypt, Sudan, Syria, Lebanon and Cyprus.	37,54	41,81	9,10	15,56	+
3. Mombasa . . .	East Africa, Uganda, Tanganyika, Zanzibar and Belgian Congo.	15,49	19,95	7,43	11,14	+
4. Sydney . . .	Australia	22,57	33,98	20,60	25,98	+
5. Teheran . . .	Iran	20,46	32,48	3,06	4,76	+
6. Baghdad . . .	Iraq	7,81	12,46	5,96	10,98	+
7. Rangoon . . .	Burma . . .	19,25	12,36	9,97	13,51	—
8. Colombo . . .	Ceylon . . .	2,61	2,75	11,94	15,62	+
9. Karachi . . .	Pakistan	22,06	12,31	38,89	11,84	+
10. Kabul . . .	Afghanistan . . .	2	34	1,43	1,68	+
11. Bangkok . . .	Thailand	5,20	10,45	2,37	4,08	+
12. Aden . . .	Aden	1,77	1,46	1,88	6,99	—
13. Singapore . . .	Malaya and Hong- kong.	3,00	3,69	4,46	18,10	+
14. Manila . . .	Philippines . . .	68	68	1,99	1,45	—
15. New Zealand . . .	New Zealand . . .	96	1,44	2,77	3,18	+
16. Batavia (Jakarta)	Indonesia	25	2,09	1,49	1,30	+
17. Dacca . . .	East Pakistan	31	14	5,42	2,09	—
18. C.C.F. . . .	U.K. & Eire . . .	1,52,36	1,49,34	1,01,93	1,14,71	+

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Name of Place	Sphere	Imports		Exports		Increase or decrease in volume of trade
		1948-49 (Value in lakhs of rupees)	1949-50	1948-49 (Value in lakhs of rupees)	1949-50	
19. Toronto . . .	Canada	8,23	12,03	8,38	10,83	+
20. Rome	Italy, Greece & Yugoslavia.	18,47	14,61	6,94	5,75	—
21. Switzerland . . .	Switzerland	8,65	7,54	1,22	2,47	+
22. Prague	Czechoslovakia, Poland, Hungary, Rumania, Bulgaria and Albania.	2,35	3,15	2,82	1,98	—
23. Vancouver
24. Brazil	Brazil, Peru, Ecuador, Columbia, Venezuela, Dutch and French Guiana.	4,11	3,33	4,42	1,83	—
25. Brussels	Belgium	7,15	4,82	5,87	8,53	+
26. Buenos Aires . . .	Argentine, Chile, Bolivia, Paraguay and Uruguay.	8,71	9,24	20,52	10,97	—
27. Paris	France and Norway.	7,27	6,23	8,20	5,36	—
28. Vienna	Austria	79	57	34	52	—