

INDIAN SHIPPING SERIES

PAMPHLET No. 12.

EXTRACTS FROM SPEECHES

OF

THE CHAIRMAN,

THE SCINDIA STEAM NAVIGATION

COMPANY, LIMITED,

AT

THE ANNUAL GENERAL MEETINGS,

1922—1928.

Speech of 1922.

Foreigners Threaten to Forfeit Rebates of Patriotic Shippers.

Last year, the Company had the support of the timber merchants of Moulmein and of one big shipper of rice at Rangoon and consequently the Company's steamers were plying from Moulmein and Rangoon to Calcutta, Colombo and Bombay. That big shipper went over to the B. I. in November last, as he was threatened with the forfeiture of his rebates to the extent of about 2 lacs of rupees, if he were to continue his support to this Company. We had, therefore, to book cargo in the open market. Fortunately, many small but patriotic shippers came to our aid and we could, therefore, maintain our services from Burma as usual. It was, however, not possible for these shippers always to give a full cargo to our boats and your Directors have, therefore, adopted the recognised principle of combining shipping with trading and started two subsidiary Companies already referred to in the Report. These Companies have been of considerable help to us, because, in spite of the existing deferred rebate system about which I shall have to say something later on, the one insuperable difficulty of finding full cargo for our boats has been removed.

More Tonnage for Regular Services.

Those shippers, who were supporting this Company, required space for the different ports on the Coast. They were penalised by the vested interests for

their support to this Company. Space was refused, although available. We, therefore, decided to extend our services to all these ports on the Coast. You will easily realise that, if we wish to exist in Indian waters, and if we wish to receive the continuous support of the shippers, *regu'ar service is absolutely necessary.* Such regular services cannot be given without adequate tonnage. We had demand from our shippers for tonnage to the ports on the Coast, and with a view, therefore, to give them regular service, we purchased two new steamers and took four on time charter as already stated in the Report. The result is that we have been now maintaining regular services, although at long intervals, from Burma to Karachi calling at ports on the Southern and Western Coasts. We have been receiving demand for space from shippers for ports on the Eastern Coast also. To extend our services to those ports and to maintain the existing services, more tonnage will be necessary. The question of adding such tonnage to the fleet has therefore been receiving serious consideration of your Board.

Services to United Kingdom Continent.

We have also extended the operations of our Company to a field which we did not touch last year. We have berthed a number of steamers for the U. K. Continental run, and you will be glad to note that we have made a fairly good start in that direction. Since last February when we entered into this business up to date we have lifted over 1,80,000 D. W. tons from Karachi, Bombay and Marmagoa to various U. K. and Continental Ports. You are aware, that there is

no Conference for the run between Bombay and U. K. Continental but the Liners' Conference does exist for the run from U. K. to Bombay. We are not in that Conference, but our subsidiary Companies here come to our help because they have enabled us each time to lift a full cargo of coal on the inward run. I may, however, tell you that we are carrying on negotiations at present which, if successful, will give us a very substantial general cargo on the inward run also and would enable us to further strengthen our position on this run and thus make our position felt in the international trade.

State-Aid to National Shipping.

As you are well aware, almost all the important maritime nations of the world have realised and recognised the necessity of encouraging the development of the Mercantile Marine of their countries. They have helped their Shipping Companies in a variety of ways by subsidies, bounties, discrimination in railway rates and tonnage dues, etc., as well as by reserving the Coastal Trade to their own nationals. Such important civilized countries of the world as the United States of America, France, Italy, Spain, Belgium and Japan have reserved their Coasting Trade to the ships flying the national flag. In other words, these important maritime countries of the world have been encouraging and assisting in all possible ways their own Merchant Marines to attain a powerful position on the seas. Japanese Shipping, as you are aware, has by an intense effort supported by a National Government, within a few years come into the

forefront of maritime nations, strong enough materially to help with her merchant fleet the Allies' cause in the war. How much greater, because emanating from a part of our Empire, would have been the support of an Indian Merchant Marine had it been developed before. The war time activity of the U. S. of America in developing an Ocean Merchant Marine has been continued since the Armistice and has resulted in the famous Jones Act which was passed in 1920 and the Ship Subsidy Bill, which is now before the American legislature. Even Great Britain, which prides itself upon its *laissez faire* policy, advanced cheap loans for the building up of the Cunard Liners s. s. "Lusitania" and s. s. "Mauretania."

Government Fail to Redeem Their Pledge to Our Tenders.

But what is the position of Indian Shipping and what is our Government doing to build up an Indian Merchant Marine? Gentlemen, a writer in the "Chronicle" is not satisfied, in the absence of specific instances, at the way in which we have criticised the attitude of the Government of the country towards this Company. There is absolutely no direct encouragement for building up and developing Indian Merchant Marine. No subsidies. No bounties. No cheap loans. No special railway rates. No discrimination of tonnage dues. No reservation of Coasting Trade. When we placed our views before the Fiscal Commission, the Chairman told us that he sympathised with our aspirations but the Government had no funds to meet our legitimate demands. Yes, Gentlemen, there are no funds to develop this water transport so necessary for the commercial and industrial growth

of our nation. When, however, the question of land transport was concerned, the Government could find money to support the Railways and spend from the general revenues of the country to make good the loss which the railways incurred in the beginning; surely when the question of the Indian Merchant Marine comes up, it is not fair to put us off with the words "No funds, Gentlemen, no funds." I hope the writer in the "Chronicle" will be satisfied that this is no encouragement to Indian Shipping. I shall, however, only give you one or two illustrations of the way in which the attitude of the Government towards this Company has been, as your Directors have told you, of a positively discouraging character. Last year, we requested the Government to give us, mind you, Gentlemen, merely to give us an opportunity to quote for the carriage of 12 lacs of tons of coal from Calcutta to Rangoon. What was the result? Even the opportunity for tendering for the business was denied to us in defiance of promises from the proper official authority and the contract was made elsewhere for 10 years at rates which the Government did not think it proper to disclose in the interests of the public. Which interests may I ask, Indian or English? Surely, no special boats are necessary for the carriage of coal from Calcutta to Rangoon and by no stretch of imagination could the Government ever justify the necessity of making the contract for the carriage of coal, for such a long period of 10 years. But the reasons are obvious. They did not want the Indian Company to have their legitimate share of business in their own home. I feel sure the writer in the "Chronicle" will agree with me

that this is not encouraging, if not discouraging. Gentlemen, one of your Directors, the Hon. Mr. Lallubhai Samaldas, moved a resolution in the Council of State last March and the Council of State agreed that, where the rates of the Indian and the foreign Companies were the same, the Indian Companies should be given preference for the carriage of the Government and Railway materials from any ports to India. It was really very encouraging and sympathetic on the part of the Government to accept such a resolution. But what has been the result in practice? Except for the enquiry for the carriage of a few cows or a few goats from Karachi to Rangoon, the Scindia Company has never been invited by the Departments concerned when substantial cargoes had to be lifted. Three boats with full cargo of timber on account of the Government of Burma were fixed direct in London and we were never given an opportunity even to tender for it in spite of the above resolution. When we protested against such action, we were told the Indian Government could not see their way to interfere in such matters with the decision of the Provincial Governments! Is this encouraging or discouraging! Instances could be multiplied, but, I feel sure, you will agree with me that your Directors have not overstated the case, when they observed that the attitude of the Government has been of a discouraging character so far as this Company is concerned.

Government's Apathy—British Hostility.

You are also aware that Sir Siwaswamy Iyer moved a resolution in the Legislative Assembly for the appointment of a Committee to consider the question of

building up and developing an Indian Merchant Marine. The Government have accepted the resolution. Their sympathy is there, but what has been the fate of that resolution? Although it is more than 8 months since that resolution has been accepted, no signs of the appointment of such a Committee are still visible. Surely, the Government could have made the necessary arrangements for the formation of such a Committee during the last 8 months. Evidently, you will see from the instances just quoted, that the sympathy of the Government is confined to its lips only. And that makes our position more and more difficult for carrying such great national undertakings to their successful goal. Our fight, Gentlemen, is two-fold. There is something more than indifference, nay positive discouragement, on the part of the Government, and there is strong and continuous fight on the part of the vested interests. I do sincerely hope and you, Gentlemen, will agree with me that the time has come when the Central Legislature will have to take active steps to compel the Government to discharge its duties and responsibilities to India. I have already told you that other important countries have reserved their Coasting Trade to their own nationals. They are masters in their own house, but what about the Indian Shipping on the Indian Coast? The deferred rebate system and the freight wars have given almost a monopoly of the trade to the vested interests on the Coast, so much so that more than 80 per cent. of the trade is in their own hands, and yet, mind you, Gentlemen, these very vested interests, according to the Report of the Shipping Committee, appointed by the Board of Trade in England, and published in 1918,

have strongly urged the reservation of the Coasting Trade of India and Burma to British Ships alone! Not only are we not to be our own masters in our own house, but it is the vested interests, who, not satisfied with the monopoly that they enjoy, want to have our own house reserved to themselves for ever! I leave you to imagine how far we can place our faith in the sincerity of the Government for the development of our indigenous industries like shipping which was once our own a century ago. How can you expect Indian Shipping Companies and Indian Merchant Marine to thrive under such a preposterous state of affairs and how can Indian economic conditions be ever improved! The Fiscal Commission in their Report, which has been signed by all the European Members of the Commission, observe, in language which cannot be mistaken.

“The system of shipping rebates is one of the strongest buttresses of monopoly. It is clear that an arrangement whereby a certain percentage of the freight paid is returnable to the shipper at the end of 12 months, provided no cargo is shipped by any outside Line is a powerful weapon for maintaining a shipping monopoly. Other countries have recently legislated against this system, and we think that the Government of India should make a thorough enquiry into the desirability of initiating similar legislation in India.”

Here is a recommendation of an important Commission appointed by the Government which has

been subscribed to by all interests. Will the Government show a real sign of encouraging the Indian Merchant Marine by making the deferred rebate system illegal at an early date ?

Indian Public Demands Indian Shipping.

Gentlemen, I have given you sufficient indication of the difficulties with which we have to contend. You will naturally put me the question what about the future and what about a fair return on our capital ? These are very legitimate questions to ask, but it is impossible to give any definite answer, having regard to the existing condition under which the Indian Shipping has to fight for its very existence. The powerful vested interests have been carrying on a freight war. Rates have been reduced to utterly losing levels. Space has been denied to shippers sympathetic to the Indian Company. Unless, therefore, we determine to fight against these interests, who by every means want to put down all legitimate competition and thus wipe the Indian shipping out of existence, as they have successfully done in the past, we do not know how we shall be able to maintain our ground. It is, therefore, impossible to say what return we shall be giving in the immediate future but if you, Gentlemen, will take larger view of Indian Shipping and support us wholeheartedly by a public movement in this respect in securing for you your natural right to be your own masters in your own house, we hope to carry this fight to a successful finish. As I said last year, no great undertaking was ever achieved without any mistake [and we readily acknowledge that mistakes have been made.

We have now, however, been following the right path and if you will bear with us for sometime to come and give us your unstinted support, even the powerful vested interests will know that here is a Company which has not only the full support of its shareholders but has also got the powerful public opinion at its back, and which is determined at any cost to break the back of the monopolists. The old adage applies fully in our case : "United we stand—Divided we fall." If we shall, therefore, stand shoulder to shoulder in this fight against the vested interests in spite of petrifying and discouraging attitude of the Government, we shall surely come out successful.

Speech of 1923.

Strangling Rate War by British Shipping Interests.

The result of the working of the current year, after deducting the balance brought forward from last year, as you will have noticed from the printed copies of the Report sent to you, shows a loss of Rs. 5,39,287-15-0. I share the feeling in common with many of you that from the point of view of declaring a dividend on your investments in the company, this result is really disappointing. But when you will realise that this very loss had to be incurred as a result of the keen and strangling rate war on the Coast throughout the year to assure the very existence of the Company, you will agree with me that the sacrifices we have made have achieved the end we all have in view. Tremendous cuts were made in the rates of freight on the Coast during the financial year. As pointed out in the Report, the Rangoon/Bombay rate which stood at Rs. 18/- nett when we first went to Burma was reduced to the ridiculously low level of Rs. 6/- per ton. Loss under such circumstances, was inevitable because even the long experience, the close knowledge and the efficient management of the British Shipping Companies which, we are told, we do not possess, would not have enabled them to prevent such a loss. It would be a poor consolation to take satisfaction from the misfortunes of others, but you would be interested to know that even the most powerful Company on the Coast with its long standing and enormous reserves could only earn 16 lacs of rupees with a total gross tonnage of 891,058 tons during the last year and their long experience and efficient management were of no avail to avert the serious effects of a

continuous rate-war. The point which I, therefore, wish to emphasise is that the best of organisations will stand helpless before a continuous rate-war and will not be able to prevent the loss which is bound to arise. If you will therefore reflect coolly over the question and realise that the Company had to fight against powerful odds in its very infancy, not only without the aid of the Government of the land but actually in face of its continuous apathy, you will agree with me that the vigorous stand which your Directors were able to take in this unequal fight with your good will and support has been a remarkable event in the history of Indian Shipping. When the substantial subsidies which the great Companies like the Nippon Yusen Kaisha and the Osaka Shosen Kaisha received from the Japanese Government assisted them in their fight to enter into the Conference, you will, I am sure, not fail to appreciate the policy of your Directors in insuring the future existence of the Company even at some loss in its initial stages which were inevitable when the foreigners have monopolised even almost the entire trade of our Coast.

The Rapprochement—A Necessary Evil.

And this brings me to the Agreement made between the British India and the Scindia Companies. There seems to be some misapprehension in certain quarters as regards the negotiations between the two Companies. For reasons, which need not be stated, it will be readily recognised that it is not in the interests of this Company to set out at length the terms of the Agreement. But I wish to remove the misapprehension that lingers in

some quarters that there was a proposal to pay you in cash the full value of the shares for the purpose of buying up the Company. Let me assure you that no such proposal was ever made. There was a proposal of buying of this Company by giving Second Preference Shares partly in our own cash and partly in shares on certain terms and conditions which were not in its interests and consequently it was not entertained by your Directors. After all we did not wish to dig our own grave and in consultation with some of our best men and after full deliberation we arrived at an Agreement—a necessary evil—which has unfortunately to be put up with to help the Indian Shipping on its onward march in spite of the thorns and thistles with which its path is fully strewn. Many of you would however like to know the terms of the Agreement and I shall tell you at once what can be disclosed consistent with the interests of the Company. The rate war is at an end and peace is signed for a period of 10 years. Further, it has been agreed to fix jointly the rates of freight on the Coast. This is good as far as it goes. We, however, recognise that the task before us is not an easy one, but your goodwill and support, which I consider as the best assets of the Company, will go a long way in enabling us to overcome our difficulties.

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Company's Management—Indian in Personnel and Outlook.

It is hardly necessary for me to tell you that it has been the aim of your Board from the very outset that the management of the Company in all its branches, so far as possible, should be Indian, with the

view that the patriotic object with which the Company has been established, may be achieved as early as possible. And you will be glad to learn that the efforts of the Board in this direction have been fairly realised. Of course, a Company like yours can only succeed very largely by rigid policy of economy. This we have all through well borne in mind. But I am sure you will admit that the economy has to be accompanied by great efficiency. Your Directors are of the opinion that in any large establishment like yours it would be a great mistake to save the pie and allow the rupee to be wasted. Bearing in mind the policy we have followed you may rest assured that in future your management will not only be of the highest efficiency but least expensive.

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Valued Support From Coastal Shippers.

You will be glad to note that since the rate war came to an end, we have been receiving greater and greater support from the shippers on the Coast who have placed full confidence in the Company as an Indian enterprise of great potentiality. The Company had to take a few steamers on time charter to meet the requirements of tonnage on the Coast, but they will have to be redelivered in due course. It is absolutely necessary to give the shippers regular service and to place sufficient tonnage at their disposal if we want to retain and consolidate the support which they have given us hitherto. If we have not sufficient number of steamers on the Coast, our services will be disorganized with the result that the economic working of the Company will be seriously affected. The requirements

of the trade on the Coast cannot be satisfied with the time chartered steamers which are evidently less economical and less suitable than the tonnage owned by the Company. Your Board, therefore, after very careful consideration bought the s.s. "Vindelia" and the s.s. "Vitellia," which, it is hoped, will enable them to maintain the present services of the Company with as much regularity as possible.

The Future of the Company.

And now as to the question "what about the future"? The question will be legitimately asked whether the Company has been working at a profit or at a loss since the Agreement was made. It will be difficult for any one to say when the trade will completely revive and the present slump in the world of shipping will disappear. Moreover we have to consolidate the support of the shippers which we have been able to secure by placing at their disposal enough and suitable tonnage by maintaining our services regularly and this will surely be a matter of time. I shall therefore not venture to say that we shall be making large profits but I can at once assure you of our qualified optimism that the Company has ceased to make loss and with your continued goodwill and support it is bound to show better results in time to come. All great Companies had to pass through critical periods in their initial stages. I wish you will bear with me for a few minutes if I were to point out to you how the Japanese Government encouraged the Osaka Shosen Kaisha, the powerful Japanese Shipping Company, to attain its present position as one of the greatest Shipping Companies of

the world. During the 14 years from 1899 to 1913 while the nett profits of that Company amounted to nearly 34 lacs of Yen, the Government Navigation subsidies which the Company received during the same period came to a total of 43 lacs of Yen. Here are hard facts which will give some food for reflection to those who are dissatisfied with the Company's inability to declare a dividend when the Company had to breathe for its very life in the chilly atmosphere of Government's indifference and in face of the strangling competition of the foreign monopolists who are so tenacious of their vested interests. After all unfortunately we had to fight for our natural rights as Indians on the Coast not only to preserve the existence of our Company, but advance patriotic interests and aspirations, and I hope you will appreciate the fact that the mere standpoint of rupees, annas and pies is not the only standpoint from which all of us have to look at this question for the purpose of the future growth of this Company.

Foreign Witnesses Oppose Indian Shipping Aspirations.

Before I conclude, I have to draw your attention to the proceedings of the Indian Mercantile Marine Committee which is taking evidence in connection with the questions of Indian Shipping. The evidence tendered before it by non-Indian witnesses is really very significant and shows unmistakably their attitude towards the growth of Indian Shipping. Most of them have sung the same song saying that neither the State-aid nor the Reservation of the Coasting Trade are necessary for the growth of Indian Shipping. This, you will

admit, is enlightened selfishness with a vengeance as if we, who are born of the country and who are sons of the soil, should remain hewers of wood and drawers of water for all times. When every country in the world including England has helped in a variety of ways the building up and development of the Mercantile Marine of its own nationals, India alone has been singled out by them as the country which does not deserve such help at the hands of the Government for reasons which are self-evident. One did not expect that the self-interest and the spirit of exploiting India should be so blind with those who have monopolised her shipping requirements for years past as to deny the elementary justice to India that she has a right to build up her own Mercantile Marine. All sorts of shibboleths, want of knowledge and skill, incompetence and inefficiency, want of love for the sea etc., etc., have been trotted out again and again without care being taken to study the historical truth that India has been, as history tells us, a great shipping nation in the past for centuries together and the discipline and the sense of responsibility of her own seamen at present have received unstinted praise from those who are employing them. This is not the place for me to show how these foreign shipping interests are here not in the interests of our trade and industry but are here for promoting their own ends and for exploiting this country. While the gross tonnage of British Steamers exceeds two crores of tons with a Coast Line of England of about 2,000 miles, and that of Japan is over 35 lacs of tons with a Coast Line of about 2,500 miles, India's gross tonnage is only a little more than 2 lacs of tons with a vast Coast Line of nearly 4,500 miles. Further she is exporting in lacs of tons such

raw materials as jute, seeds, cotton, manganese ore, etc. What a saving it would have been to India and how strongly it would have assisted the growth of her economic life if even half of these materials were carried in Indian Bottoms. On a rough calculation more than 40 crores of rupees are carried away by non-Indian shipping interests in the shape of gross freight from this country year by year making the India of our ex-Governor, Sir George Lloyd, more and more prosperous in his oriental imagination and whenever we talk of the necessity of an Indian Mercantile Marine they tell us that we are the sons of the same Empire! Why do you need a separate Mercantile Marine for yourself? Merely splendid! And yet the identical sons of the great British Empire seem to indulge in statements which really are so illogical and astonishing. For instance, the other day, the Chairman of the P. & O. Company, not satisfied with the rich monopoly of Mercantile Marine trade enjoyed by his Company for over half a century lamented that profits were wanting still as Australia had been striving to hit hard as a competitor in order, like us Indians, to advance her own indigenous maritime trade.

Government Remained Unmoved.

But what about the Government? In answer to a question put in the Legislative Assembly in March last, the Government of India made it clear that they had no intention of giving any aid to Indian Shipping firms in the near future. The monopolistic foreign interests are emphatic that Indian Shipping requires no help in any direction and the Government make it clear that they

have no funds to help us. This unholy co-operation on the part of the Government and the foreign shipping interests ought to make us alive to the grave dangers ahead and bring home to us the necessity of the old adage "United we stand—Divided we fall." I, however, wish to draw your attention to an interesting fact which has been brought to my knowledge by my friend, Mr. Madon. The Secretary of State for India has been running enemy ships for some years past. These ships were under the control of the India Office up to 30th September 1920. In October 1920 they were transferred to the control of the High Commissioner for India. The freight earnings, etc., up to 30th September 1920 have been credited to a Suspense heading in the account of the Secretary of State and the cost of operating ships, etc., has been charged to that heading. The balance held in the Secretary of State's cash account on the 30th September 1920 was £ 38,54,646-2-10 or Rs. 5,27,69,690/- and this amount is included in the balance of 31st March 1921. You will be easily able to verify these facts from page 33 of the Home Accounts of the Government of India dated India Office the 26th May 1922. The Balance Sheet to 31st March 1922 shows that the profit from 1915 to date amounts to £ 39,70,192-19-8 or about Rs. 5,68,52,880/- and in addition there is a Reserve Fund of £ 124,358-13-6. The Auditor of Indian Home Accounts in his report dated the 16th January 1923, remarks: "No decision has yet been reached as to the disposal of the profits resulting from the working of these ships." Here is an opportunity for the Government of India to utilise this sum for developing Indian Shipping if they are really

anxious to promote national shipping and I hope and trust some of our new Councillors in the Legislative Assembly will not fail to press the matter on Government by putting the necessary interpellations. After all where there is a will there is a way and here is a way. The Government of India have earned this sum out of running enemy ships and what could be more natural than to spend it for building up a National Mercantile Marine. We may mention that it is intended to make the necessary representation to Government in the matter.

And now I have done. I have tried to place a few facts before you freely and frankly which I trust will have made the position clearer to you and I can only appeal to you that with your continued goodwill and support we shall be able to develop this young infant into healthy childhood in time to come with the result which will be beneficial to all concerned. Allow me to recall the facts that the year just closing has been in every way eventful so far as the constitutional agitation all over India has gone, and what has taken place at the very seat of Government. A Mercantile Marine Committee has been going round the country recording evidence; Indians have awakened to a consciousness of the want of a Mercantile Marine as much as for a territorial army; many an experienced Indian has come forward to accentuate that necessity before such Committee, and there is a growing volume of enlightened Indian public opinion on the subject. All the above is an achievement of which India should be proud and none more than you who have founded this important enterprize. May I not, therefore, expect

that at such a juncture when the tide is rising in favour of your interests you will exercise a little more patience and await the satisfactory results which are bound to ensue in the near future?

Speech of 1924.

Carriage of 5,00,000 Tons of Cargo.

With the help of our chartered steamers, we were able to put our services on a more satisfactory basis. For the first time we opened a regular service from Akyab and the result achieved is really encouraging. We were able to lift about 50,000 tons of rice and paddy or in other words, nearly 35 per cent. of the available coasting cargo from that port. At Karachi, our position was still more remarkable in as much as we secured for our steamers more than 52 per cent. of its coasting trade. Malabar also gave us a fairly good share of business. Before we began to touch those ports, shippers had to pay for their shipments to Karachi transshipment, *i. e.*, higher than the direct rates of freight—cargo being transhipped at Bombay. There was absolutely no justification for the cargo being transhipped at Bombay on such a short run of 4 or 5 days between Malabar and Karachi. The arrangement, however, was persisted in, before we arrived on the scene, by the existing monopolistic interests, not in the interests of Indian shippers but for the benefit of their feeder services. We were, however, the first to give direct steamers at direct rates which not only meant cheaper rates of freight but also gave a quicker service. At Calcutta also we have developed our business fairly well and we have handled about 79,000 tons of general cargo carried between India and that port. Moreover, so far as the rice trade from Rangoon and Moulmein is concerned, we have consolidated our position and you will be happy to learn that during the year under report, our steamers lifted nearly

1,50,000 tons of rice and grain from Rangoon and about 30,000 tons from Moulmein, which meant 35% and 69% respectively of the rice carried from those ports on the Coast during the current financial year. It must, however, be admitted that our position is very weak so far as the large timber cargo of those ports amounting to about a lac and fifty thousand tons is concerned, but that is mainly due to the fact that the shipments of timber are very largely controlled by European Houses who do not as a rule care to ship their cargo by an Indian Company. The fact, however, remains that our steamers carried during the year nearly 5 lacs of tons of cargo on the Coast which bears eloquent testimony to the continued goodwill and support which we have been fortunately receiving from Indian shippers, who appreciate the services and facilities provided by us. After all, the great sacrifices made by this Company are bearing fruit and I must therefore take this opportunity of congratulating you, brother shareholders, on the patriotic spirit and courageous co-operation with which you have stood by the company in its great struggle against the powerful foreign monopolistic interests in laying down, at any cost, the foundations of a National Merchant Marine. All this has struck the imagination of our people and your splendid sacrifices have drawn forth their high appreciation as was clearly evidenced by a striking event in the history of Indian Shipping which took place at Rangoon in March last. It has, however, a personal aspect also but I trust it will meet with your indulgence because I would not have referred to it here had it not had a great and direct bearing on the larger question of National Shipping.

Merchants Appreciate Company's Services.

During my visit to Rangoon in March last, I was touched with the spontaneous cordiality with which Indian Shippers welcomed me there. They gave an address and a garden party. The address was doubtless a fitting expression of the rising spirit in the country to fight against foreign economic domination and exploitation of national wealth. For the first time in the history of Indian Shipping, a powerful and influential mercantile community firmly recognised in its own interest as well as in the larger interests of the nation the need of a National Merchant Marine; recounted clearly the difficulties placed in its way by alien monopolists; admitted freely its mistake in not supporting an Indian Company fighting for its very existence against the strangling rate war carried on by vested interests; realised fully how the national wealth was drained away year after year by outside exploiters and promised unhesitatingly to give its support to this Company, which they look upon as a humble beginning of the future National Merchant Marine. This new spirit of looking at the question in the larger interests of our national life augurs well for the future. And permit me to add that as I sat listening to the address, I felt that if all this goodwill, all this enthusiasm and all this determination to serve the interests of the nation were translated fully and freely into action, there will be a great future for this rising National Industry.

Demand for More Indian Tonnage.

And this growing goodwill and support, which I consider as the best asset of the Company, places great

responsibility on us to provide adequate tonnage for our shippers to meet their normal requirements. It is true, as stated in the Report, that although we opened our offices during the year at Akyab and Moulmein and appointed Agents at four new ports, we are fully conscious of the fact that we have not been able to cater for all the routes and all the ports. Our tonnage is limited. It was only with the help of our chartered steamers that we were able to maintain our services at a fairly regular interval. And as these chartered steamers, as you are aware, have all been now redelivered, you will easily realise that the question of adding further tonnage has become quite imperative in the interests of both economy and efficiency in the working of the Company. The services that have been built up cannot be allowed to be starved and consequently disorganised for want of tonnage. That would be suicidal, as it would be the undoing of all the good and promising business that we have been able to build up at a very great sacrifice. I am, therefore, pleased to add that the question of the careful and regular expansion of the fleet to meet the requirements of trade in the best interests of the Company is being seriously studied by your Directors.

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Recommendations of the Indian Mercantile Marine Committee.

From these purely domestic considerations, let us turn to the larger question of National Shipping for India which is in a way connected with the Report of the Indian Mercantile Marine Committee. Although the Report does not fully satisfy the legitimate aspi-

ration and the recognised economic need of the people of this country, it is refreshing to find that it is national in its tone and outlook. And the fact that it is signed without any dissent by two independent Europeans of considerable experience, having no connection with any vested shipping interests, enhances its value and utility. Remarkable as are its recommendations, its omissions are equally glaring. The elaborate and satisfactory system laid down in its recommendations for the nautical training of our young men will, it is hoped, give a death-blow to the gratuitous calumny of the Indian people that they have no "sense of the sea". Halting and unsatisfactory as is the vital recommendation of reserving the coasting trade of India to Indian Shipping in as much as it requires a long period of 25 years for its completion, it cannot be denied that if it is carried out by the Government in the true national spirit, there will be found in India, at no distant date, a healthy nucleus of a future National Merchant Marine. It is remarkable that in the opinion of the Committee, the condition of predominant Indian ownership for British ships, as in the case of Indian ships, does not violate the principle of Section 736 (b) of English Merchant Shipping Act which deals with discrimination. And it is refreshing to note that if that section really stands in the way of carrying out their recommendation for reserving the Coasting Trade of India to Indian Shipping, they urge in unequivocal language that "every effort should be made to secure the amendment of that section." This is no doubt a gentle hint to our bureaucracy not to allow technical formalities and legal quibbles to defeat the endeavours for a high national purpose. I, however, cannot hide

from myself my grave apprehension at the mischievous suggestion of vesting the licensing officer with the power to deal with such complicated questions as the Deferred Rebate System and the Rate Wars. The very few lines in the Report devoted to the question by the Committee shows that they have not given their serious thought to these subjects which their nature and their far reaching effect really deserve. Such large issues of national importance must be left to the Legislature to be dealt with. The fact that it shall be obligatory on the ships, licenced to ply in the coasting trade, to employ qualified Indian Officers and Engineers at least up to 50% of its total strength of Officers, shows that the Committee was endowed with a sympathetic imagination and realised the discontent of unemployment and its consequences. Their recommendation to give construction bounties to ship building industry deserves a fair trial.

It is also very satisfactory that the Committee endorse the national demand for the creation of an Indian Navy capable of defending the coasts, harbours and commerce of India and strongly recommend that the reorganisation of the Royal Indian Marine into such naval service with an Indian Staff should be undertaken with the least possible delay.

Important Omissions from Its Report.

As regards its glaring omissions, I shall not dwell at any great length. I need only refer to the most important of them. That the Committee have failed to realise the place and importance of the Ocean or

International Trade in the creation and development of an Indian Merchant Marine is evidenced from the fact that they have not thought it proper to devote more than a perfunctory six lines to this great question. India has got a very large foreign or Ocean Trade and their recommendation that the question of granting Navigation Bounties to purely Indian Shipping Companies engaged in such trade should only be considered favourably at a future date when Indian Ship owners have proved efficient in managing and running coastal steamers is highly detrimental to the economic interests of India. Both Coastal and Ocean Shipping can and must develop side by side as in Japan and other maritime countries and India cannot afford to wait for a quarter of a century to receive for her sons the certificate of ability and efficiency from vested foreign interests and thus allow crores of rupees to be drained away from the country year after year.

I have tried as briefly as I can to place my views before you on the main recommendations of the Indian Mercantile Marine Committee. They have, however, created a sensation in the dovecots of vested shipping interests and their supporters in the Anglo-Indian press. Many of them have tried to ridicule the report and some of them have even questioned the ability and experience of its authors which included men of such impartial and independent views as Captain Headlam and Sir John Biles. It is, however, necessary to examine some of the arguments advanced by those who do not believe in an Indian Merchant Marine and I trust you will bear with me for a few minutes while I examine them.

British Anxiety to Serve India But At a Price.

They ask us "Why does India need a separate National Merchant Marine". Is India a separate country? Is not India a part of the British Empire? Are we not brothers? Our navy, they say, will protect your ports and harbours. Our British Ships will serve the needs of your trade and commerce. Have we not served you in the past? Are we not prepared to serve you in the future? Brothers of the Empire! Why do you then worry yourselves with the troubles of a separate Merchant Marine? What altruistic motives and what a brotherly love! To such questions raised by some witnesses, a very simple answer can be given exactly in the same kind of interrogatories as follows. India has awakened to a sense of her own national consciousness and fully realised the necessity of future independent progress. Under these circumstances, why does India need a separate Merchant Marine? India wants her own separate Merchant Marine to increase her national wealth by preventing the annual drainage of crores of rupees taken away by Foreign Shipping Companies. India wants a separate Merchant Marine for the proper growth of her own trade and commerce and the real protection and development of her own Industries.

India However Prefers to Help Herself.

India wants a separate Merchant Marine for the economic development of her neglected ports, for reviving an old avenue of career on sea for the sons of the soil, and for building up the nucleus of an Indian Navy of future for protecting and defending her people both on sea

and shore. Had India such a National Merchant Marine at the time of the great war, what a tower of strength it would have been to the Empire and like the splendid services of the Indian Army, how invaluable would have been its services to England in its hour of great trial?

British Efficiency Is Ruining India's National Marine.

Then they tell us that there should be "complete freedom on the seas." Reservation of the Coasting Trade of India to Indian Shipping, they predict, "would surely result in an inefficient service accompanied as a corollary with high freights." They ask, why should you have "the luxury of having those services Indian owned and managed?" Is the love of the Imperial brother quite honest in this solicitude for our welfare? It is, however, surprising that they should talk about the freights going up as soon as they go out of the Indian Ocean. Did the vested interests always keep freight at a reasonable level? Is it not a fact that at the end of April 1922, those who monopolised the trade between India and Africa, were compelled to reduce the freights from India to the African ports by 100 to 200 per cent. and yet that left them sufficient margin of profits? Experience has also shown us that the vested interests have not always fixed the rates of freight in the interests of trade but often for the benefit and nourishment of their feeder lines. Is there not sufficient evidence on record to show that the unholy alliance between a foreign steamship company and a certain railway responsible for retarding the legitimate growth of the port of Tuticorin? Was that in the interests of Indian shippers

and for the purpose of maintaining a reasonable level of freight? Having regard, therefore, to their record in the past, such an argument comes with ill grace from their mouth. Once the coasting trade is reserved to Indian Shipping, fresh Indian capital is bound to come forth and internal competition will surely keep the freights at a reasonable level.

And as to the question of efficiency, the less said the better. Whenever a new industry is started in this country or whenever any activity of national importance is launched, the cry of inefficiency is always raised. It is true that during the boom period many industries were started and some of them have failed but that was due to the world conditions which affected all the countries more or less. Such failures cannot afford a true basis for judging the ability and efficiency of a nation. Efficiency does not vary with the colour of the skin. That doctrine is now completely exploded. Is efficiency merely the monopoly of the British? Have not the Japanese attained to a high level of efficiency in the world of shipping? Have not the Italians made their mark in the shipping world and are they not maintaining efficient Services with the liberal help of their National Government? Why cannot then Indians attain to efficiency in this department of national activity? After all efficiency requires for its clear expression an unfettered opportunity and congenial environment.

But what about the freedom on the seas? Freedom for whom? Never was there a greater mockery of the use of the expression "freedom on the seas," than

when it was seriously mentioned by the local head of an important vested interest in the dissenting minute of the Report. This freedom on the seas so far as the Indian Coast is concerned means freedom for foreigners, not for Indians. During the last 50 years a number of Indian Companies tried to ply their steamers in the Indian Ocean, but as they came upon the preserve of the vested interests, they were, wiped out of existence. They claim Indian Ocean as their own preserve and yet they talk of the freedom on the seas? Such talk only reminds one of the cat going on a pilgrimage after killing a hundred rats.

India Demands State-Aided—not State-Owned- National Shipping.

Then they remark that State managed and State-aided Shipping has failed in other countries and India should not, therefore, try the experiment. Let me warn you, gentlemen, that this is a deliberate attempt to draw a red herring across the path of Indian Shipping by bringing the question of State-managed Shipping to the front. India has not asked for a State-managed Shipping. What we demand is the Reservation of the Coasting Trade of India to Indian Shipping, which is quite a different proposition. State-aid is different from State-management which may merely be one of its many forms. Even the classic triplet of America, Australia and Canada, so often held up as examples of the disastrous effects of State-management, prove that so far as these national attempts aimed at the development of a Merchant Marine, they have been crowned with success. Even as regards losses so far as

Australia is concerned, Mr. Larkin, the Chairman of the Commonwealth Line, after pointing out that the losses of the Company were being materially reduced every year, anticipated that the Line will show a substantial profit next year. However, it is not my intention to put forward a case for State-management. What we want for India is the direct and indirect forms of State-aid which have given such remarkable results in Japan. But these neo-Imperialists always point out the alleged failures of various countries as will suit their own interested theories irrespective of the fact whether such references are relevant or otherwise. Japan has attained to a very important and influential position in the world of shipping and that is mainly due to the liberal and substantial help which the National Government has been giving for years past to the shipping of that country. If the small island of Japan could succeed in building up a powerful Merchant Marine with the help of State-aid, why should India with a long Coast line fail in a similar endeavour if only Government were honest in their profession to help National Shipping?

Government Violates Spirit of Council Resolution.

And this brings me to the attitude of our Government in this connection. You are aware, gentlemen, that a resolution was passed in the Council of State and accepted by the Government in March 1922, to the effect that Indian Companies should be given preference for the carriage of the Government and Railway materials from any port to India, when the rates of the Indian and the Foreign Companies were the same. It is true that in 1922 we were sent on enquiry for the carriage

of a few cows and a few goats from Karachi to Rangoon, but during the whole year 1923-24 not a single inquiry has been sent to us. Are we, therefore, to conclude that not a single ton of Government or Railway material was carried from any port to India? Had there been a National Government, would they have ever violated the spirit of such a resolution?

Tactics to Delay Progress of Coastal Reservation.

The Report of the Mercantile Marine Committee was submitted to the Government in the beginning of March and was published by them in the middle of July, more than four months after its submission. Was there any justification for such an unusual delay in the publication of a Report of a Nation Building industry? And although it is now more than seven months since the submission of the Report, we do not know what the views of the Government are or what action they propose to take in regard to the recommendations made by the Committee. It is, however, a very encouraging sign that the Indian members of the Legislative Assembly, to whom we owe a debt of gratitude, have been evincing very keen interest in problems connected with Indian Shipping. It, however, appears that Mr. Neogy, who had sent in a Bill for the Reservation of the Coasting Trade of India to Indian Shipping, had to withdraw the same because he understood that the Government of India had not taken the opinion of the Crown Lawyers as to whether the Bill for reserving the Coasting Trade of India contravened or not Section 736 (b) of the English Merchant Shipping Act. It is very strange that the Government were not able to get the opinion of the Crown Lawyers for

more than seven months after the submission of the Report, when a special reference to the same was made by the members of the Committee themselves. I leave it to you to say whether anything better can be expected from the present Government. I do not wish in any way whatsoever to introduce politics into business ; but at a time, when the Egyptians are trying to lay the foundations of an Egyptian Mercantile Marine, the apathy and inability of our Government, to move quickly or even to move at all when questions of national importance are concerned need no demonstration. I have, however, Gentlemen, not the slightest doubt that with your continued co-operation and goodwill in the future as in the past and with the courageous help and the incessant demand of the Indian Mercantile Community for a National Merchant Marine, no Government, however unsympathetic it may be, shall dare to shelve such an important document and thus defeat for ever the demand of the Nation for the creation of this important National Industry.

Speech of 1925.

Trade Depression Affects Shipping.

The general expectation that Shipping would revive everywhere during the year under report was not realised and the continuous depression in trade did not leave even the shipping on the Coast untouched. The failure of the rice crops in Bengal and Behar considerably reduced the quantity of exports from Calcutta to the Coast and had it not been for the very heavy exports of rice from Burma consequent upon its plentiful crops, shipping on the Coast would have further suffered. Moreover, the deliberate policy initiated by the railways of heavily bringing down the rates of freight on traffic from port to port, with a view to divert the sea traffic to the rail route, was a serious factor, against which shipping had to contend and will have to fight hereafter. In the circumstances, I feel sure, you will agree with me that the result of the working for the period under review should not be considered unsatisfactory.

New Tonnage to Maintain Old Connections.

With the help of our Chartered Steamers, we were able to maintain our services on the Coast and secure a fair share of the trade. We were able to lift nearly 5,25,000 tons of cargo on the Coast during the period under review and were able to hold our own at such important ports as Rangoon, Moulmein, Calcutta, Bombay and Karachi. We were also successful in capturing a part of the trade between Burma and Chittagong and for the first time were able to send nearly 3 full steamers to that port. The limited number of steamers, however, at our disposal made it

impossible for us to meet the exceedingly heavy rush for space from Burma during the busy season and consequently we were not able to satisfy all the requirements of our shippers whose continuous good will and support form a very valuable asset of this Company. A Shipping Company cannot afford to neglect to serve the trade built up with considerable sacrifice and if it wants to maintain its position and prevent outsiders from cutting into its trade, it must be prepared to place the necessary tonnage at the disposal of its shippers. It is, therefore, natural that the question of increasing the tonnage of the Company, with a view to maintain and consolidate its position on the Coast, is receiving the very serious thought and careful attention of your Directors.

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Indianisation of Officers and Engineers.

I am sure you will be pleased to learn that we have made considerable advance in giving a practical shape to our policy of Indianising the staff of Officers and Engineers employed on the steamers of the Company. Out of the total number of 81 Officers employed by us on our steamers, 32 are Indians. The policy of Indianisation is not merely the result of patriotism. Not only is the usual standard of efficiency maintained, but appreciable economy is promoted. This policy of Indianisation means a considerable saving to the Company every year and it gives me great satisfaction to observe that neither has the efficiency of the Indian Officers been questioned nor have they been found on any occasion lacking either in knowledge, decision or courage.

We are also making progress with our scheme of taking Indian apprentices on board our steamers and in view of the success attained so far, we have decided to increase their number. We have no doubt, that besides opening new careers for our young men, the scheme of apprenticeship is bound to prove of considerable help to the Company later on, as it will provide an efficient and economic field for the future recruitment of Officers and Engineers required by the Company.

Diversion of Sea Traffic to Railways.

And now I shall come to the question of the competition by the railways. It seems to me that some of the Railways have initiated the deliberate policy of heavily reducing the railway rates from port to port with a view to divert the sea traffic to the rail route. It has been always recognised that water transport is cheaper than land transport, but the Government's apathy—not to use a stronger expression—which has even allowed some of the previously navigable ports to be silted up has deprived this country of developing to its full the natural and economic outlets for its trade on its very long Coast lines. If the railways were to reduce rates not only from the port but also from the interior, one could understand their object of giving a cheaper service for the purpose of serving the interests of trade and consumers. But when we realise that the rates have been reduced from port to port only and are kept at a very high level from the interior, the natural conclusion cannot be resisted that the policy has been deliberately laid down for the purpose of killing the water transport by diverting the sea traffic to the rail route. Once the railways are successful in

their design they would again raise the rates from port to port with the result that the country would be deprived of the services of the more economic water transport for years to come.

Let me give you one or two examples in support of my conclusions. Let us take for instance the piece-goods trade between Bombay and Calcutta. The rate on piecegoods from Bombay to Calcutta was Rs. 3 per maund sometime ago. This was brought down to Rs. 2-8-0 per maund and since last April the rate has been further reduced to Rs. 1-8-0 per maund. It will be easily observed that the present rate is half of that which obtained nearly a year ago. This means a reduction of nearly Rs. 40-8-0 per ton. Now if similar reductions in the rates of freight were made and maintained from the trade centres in the interior, there would not have been any cause for legitimate complaint because that would have shown the *bonafide* desire of the railways to cheapen their services all round. But unfortunately that is not so. The rate from Sholapur which exports a very large quantity of piecegoods to Calcutta direct is Rs. 4-7-2 per maund, as contrasted with the rate between Bombay and Calcutta of Rs. 1-8-0 per maund. While the distance between Sholapur and Calcutta is 1,323 miles that between Bombay and Calcutta is 1,333 miles. Further comments on this destructive policy are not needed.

Take another illustration. The railway rates on the exports of rice from Cuttack to the Coast was Rs. 2-3-0 per maund. This was reduced to Rs. 1-9-0 maund at the end of 1924 and a further reduction was recently made and the rate now stands at Rs. 1-2-7

per-maund. Similar reductions in the rates of freight have been made from Balasore and the surrounding stations to the Ports on the Malabar Coast. It will be easily observed that all this has been done with a view to divert the sea traffic to the rail route and a careful study of the Tariff Guide will reveal the fact that not only have the rates from the interior been not reduced to a similar level, but in certain cases rates from the interior have been on the contrary increased. It is now several years since the Ackworth Committee made its report and recommended the establishment of a Rates Tribunal but it has been our continuous unfortunate experience that the Government will move slowly, if it moves at all, whenever, the interests of the people of our country are concerned and we are without such a Tribunal even now. I need not add that this new policy of railways started with the deliberate object of diverting the sea traffic to the rail route requires to be closely watched and unless steps are taken by the recognised commercial bodies to frustrate these attempts at an early date, it will be difficult to divert the cargo once captured by the railways to the sea route again.

Welcome Growth of Indian-Owned Small Steamers.

In spite of the Government not having done anything to help the cause of Indian Shipping, it augurs well for its future that new small steamers owned by different Indian interests have begun to ply on the Western Coast of India and as I am convinced that such attempts on the part of our countrymen are bound to further foster and fulfil our desire to build up

an Indian Merchant Marine, not merely do I welcome their presence but I wish them all success.

Two Private Shipping Bills.

It is now almost two years since the Report of the Mercantile Marine Committee was submitted to the Government and nothing could be a more eloquent testimony of the way in which the Government move slowly, if they move at all, when the larger interests of the Indian industries are concerned than their continuous neglect even to form their conclusions on the recommendations of this important Committee. It is, however, a matter for great satisfaction to note that the Indian members of the Assembly have continued to evince a very keen interest in the affairs of Indian Shipping and have done their best to see that the two Bills for the Reservation of the Coasting Trade of India to Indian-owned vessels and for the Abolition of the Deferred Rebates are introduced in the Indian Legislature. As you know, gentlemen, both the Bills were balloted and though placed on the agenda from sessions to sessions were not reached owing to want of time. Such Bills should really come before the Assembly as Official Bills, but it is a cruel mockery of the reforms that the Government fail to introduce measures upon which depend the maintenance of the key industries of the country. As a matter of fact, however, the non-official representatives of the people have to depend for their introduction, not only on the vagaries of the ballot but on the tender mercies of an alien bureaucracy who allot only one or two days in the sessions for discussing

matters which vitally touch not merely the economic but the fuller life of the people. As regards the Bills themselves, it is a matter for great satisfaction to us that the Crown Lawyers have once again confirmed their original decision that the Bill for the Reservation of the Coasting Trade does not contravene Section 736-B of the English Shipping Act and that it is within the competence of the Indian Legislature to pass the Bill as it stands. The Indian Shipping Community feels grateful to the Indian members of the Assembly who have spared neither time nor trouble to see to it that these measures should be introduced at the earliest possible opportunity. Let us hope that their efforts will ultimately meet with the success they deserve. As regards the Government, I will only say this. It is, even now, not too late for them to recognise the paramount necessity of promoting the economic welfare of this country and to take such early and active steps in putting the two Bills on the statute book and in carrying out the recommendations of the Mercantile Marine Committee as will enable India to develop a merchant fleet worthy of a nation determined to have its own *Raj*.

Speech of 1926.

Reduction of Freights—Rate War by Railways.

Since I addressed you last December, the world conditions in the realm of shipping have not at all improved. There was a further decline in the general level of freights and it was not without its effect on the level of freights on the Coast. The basic rate of freight between Rangoon and Bombay was further reduced from Rs. 13 to Rs. 12 net. Although the crops of rice in Burma were satisfactory, sudden and abnormal demand of this rice from China during the two busiest months of the season raised its price to an abnormal height. The result was that the demand for this rice from India completely fell off and consequently ships had to lie idle at ports in Burma when cargo moves briskly. As you are all aware, the communal riots in Calcutta considerably dislocated the shipping trade of that port and had not the growing export trade of Coconada relieved that depression to some extent, the shipping on the coast would have been considerably affected. The railways have continued their policy of under-cutting the rates of freight for the purpose of diverting the traffic from the sea to the rail route and I may tell you that the piece goods trade between Bombay and Calcutta has been almost entirely lost to shipping.

Disposal of Company's Tonnage.

The shippers have continued to give their support to the steamers of the Company, although they feel that we have not been able to place at their disposal all the tonnage that they required. We have, however,

endeavoured as best as we could to meet their requirements with the help of chartered tonnage and have done all that was possible for us to do in the circumstances, to maintain the services that we have built up in the past. It is, however, obvious that the chartered tonnage is relatively not an economic proposition and cannot, therefore, effectively take the place of steamers owned by the Company in supplying its shippers with suitable and regular tonnage required for the trade. Moreover, two of the old steamers of the Company were sold during the year. They had also to be replaced by new steamers. Your Directors, therefore, gave their careful consideration to the question of building new tonnage and requested one of their colleagues to proceed to England to study and settle various questions connected with the building of steamers on the spot.

New Construction Programme.

There seems to be a considerable misapprehension in certain quarters in connection with this question. The Company wanted to lay down a building programme to be determined finally in the light of financial facilities the Company would be able to secure specially under the Trade Facilities Act. This was one of the main reasons that led your Board to request Sir Lalubhai Samaldas to proceed to England, but I regret to say that although the Trade Facilities Committee could see their way to help foreigners to build steamers in England, the treasury had no money to give to an Indian Company for the purpose of building steamers which would have given employment to people in the

English ship-building yards. The building programme had, therefore, to be considerably curtailed and ultimately, as stated in the report, orders were placed for the building of 3 steamers only in England, 2 steamers to replace those already sold and one steamer as a further addition to the fleet.

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- Progress of Indianisation.

As I told you last year, the policy of Indianising the staff of officers and engineers employed on the steamers of the Company has been receiving the closest attention of your Directors. At present out of the 63 Officers and Engineers employed on the 7 steamers of the Company, 29 are Indians, 3 as Deck Officers and 26 as Engineers. There seems to be a wrong impression in certain quarters in regard to the Company giving practical effect to the policy referred to above. A question was raised as to why the Company imported Officers and Engineers from England if it was the avowed policy of the Company to man their steamers with Indian Officers and Engineers. The critics, however, forget that the Company is helpless in the matter. It is extremely difficult to obtain Indian Officers with foreign going certificates and consequently the Company has no alternative but to import these Officers from England. You will, however, be happy to learn that the Company's scheme of taking apprentices has begun to bear fruits and 2 of its apprentices, who passed the examination of Board of Trade and obtained certificates of competency as 2nd Mate, after serving their four years period of apprenticeship, have been appointed as Officers on the steamers of the Company.

The Company continues to take suitable apprentices and we feel sure that that would provide a suitable ground for the recruitment of its deck officers in the future.

As regards the Engineers, the situation is not as easy as is imagined in certain quarters. It is very difficult to come across suitable Indian Engineers with foreign going certificates of competency as 2nd Engineers and the number of such Engineers holding the Chief's ticket is no doubt very limited. We have employed as many Indian Engineers as it was possible for us to obtain and for the rest we had to import them from England as we could not get suitable Engineers with Chief's ticket in this country. You will, however, learn with satisfaction that arrangements are being made with those with whom orders for the building of new tonnage have been placed for providing a selected batch of Indian Engineers with opportunities to undergo further training in the ship-building yard in England and obtain knowledge of the art and science of Marine Engine Construction. Such knowledge and training will enable them to obtain the Chief's ticket and control efficiently the steamers of the Company as Chief Engineers in the future.

**Establishment of Indian Mercantile Marine, I.M.T.S.,
s. s. "Dufferin."**

And this naturally brings me to the question of the Training Ship in Indian waters. It is some satisfaction that after a period of 5 years, the Government of India have after all recognised, on the motion of Sir Sivaswamy Aiyer in the Legislative Assembly in March last, the principle of establishing a Training Ship in

Indian waters. The age at which cadets will be admitted to the proposed Training Ship and the period for which they will have to undergo training have not still been decided by the Government. While, however, I welcome this decision of the Government to start a Training Ship, I deem it my duty to sound a note of warning in regard to the conditions of its success. Although Sir Charles Innes, in the unsympathetic speech which he made on that occasion, discouraged in every manner the idea of a sea career for Indian youths, I may tell you at once that such a career will provide a new avenue of employment to the sons of the soil. Even if we were to restrict ourselves to the employment available on the steamers plying on the Coast and the employment available as Pilots, Dock Masters, Harbour Masters, Shipping Masters, etc. which are mainly in the gift of the Port Trust on the shore requiring sea experience, the total number of Officers required will exceed 700. Moreover, I do not take into account the openings that will be available to the Indians in the Indian Navy announced with so much warmth by Lord Reading before his departure from India. That would be another opening for the sons of the soil requiring sea experience. It has often been said that Indian boys of the right class will not come forward for being trained as Deck Officers. They do not come forward at present for the simple reason that they do not know whether they will find any employment after they receive the necessary training. A number of boys apply to us for being taken up as apprentices on our steamers because they feel confident that they will be employed as Officers on our steamers

provided they obtain the necessary certificates of competency as Officers in time. We cannot, however, provide berths for all as we have got only a limited number of steamers. Unless, therefore, the Government of India make it obligatory by statute, as recommended by the Mercantile Marine Committee in their report, on the ships plying on the Coast to recruit at least 50 per cent. of their officers from those who obtain the necessary certificate of competency after undergoing training on the Training Ship, I feel certain that the proposed Training Ship will defeat its own object, and the failure of the scheme will be flung into our face with the remark that Indians lack the sense of the sea. I do not know what the intentions of the Government are in this connection, but so far as my information goes, it does not seem that the Government are anxious to do anything to carry out the recommendations of the Mercantile Marine Committee in this direction. I, therefore, earnestly appeal to the members of the Assembly, that while they vote the grant for the Training Ship next year, they should bring home to the Government the absolute necessity of embodying in the Statute the recommendations of the Mercantile Marine Committee making it obligatory on the ships plying on the Coast to employ as Officers at least 50 per cent. of the cadets passing out of the Training Ship and obtaining the necessary certificate of competency; otherwise, you can take it from me that the scheme is bound to fail.

Official Defence of Foreign Interests.

And now let me consider for a few minutes the way in which Sir Charles Innes treated the national

demand for the reservation of the Coasting Trade in the Legislative Assembly last March. Let me, however, at the very outset make one thing very clear. There is now no question either as to the desirability or the necessity of creating an Indian Mercantile Marine. The Government have recognised the necessity for the creation of such an Indian Marine as is amply indicated by the terms of reference given to the Indian Mercantile Marine Committee. One, therefore, expected that instead of paying mere lip sympathy to the natural aspirations of the people of this country for the creation of an Indian Merchant Marine, Sir Charles Innes would have laid down in his speech definite constructive proposals for the practical realisation of that national demand. His whole speech, however, I regret to observe, is nothing else than a studied defence of the monopolistic vested interests of foreign shipping and it is very painful to note that there is unfortunately nothing in his arguments which reveal a real desire to help the Indians in building up an Indian Mercantile Marine. Let us, however, examine some of his main arguments against the policy of reservation.

Red Herring No. 1—Expropriation.

Sir Charles Innes observes that the policy of reservation introduces the principle of expropriation. Is this really so? Even if the objection is admitted, for the sake of argument, are the British Companies really squeezed out and is their property really depreciated? Sir Charles Innes naturally forgets that the reservation, as recommended by the Committee, is not to take place immediately but during the course of 25 years. Can

Shipping Conference, composed of the leading ship-owners of all the great maritime countries of the world recognised in unmistakable language that the principle of flag discrimination had no application to the Coasting trade of a country. One wonders how in the face of this definite pronouncement of the leading shipowners of the world, Sir Charles Innes could maintain his objection to the policy of reservation on the ground of flag discrimination. It may be interesting to observe in passing that Turkey has recently announced that her Coasting Trade would be reserved only to Turkish ships from July 1926—another illustration of the universal recognition of the principle that the Coasting Trade of a country is its own domestic preserve.

Indian Mercantile Marine as Auxiliary to Indian Navy.

Another argument advanced by Sir Charles Innes against the policy of reservation was that while other maritime countries had to reserve their Coasting Trade in order to strengthen their machinery for national defence, India had no such need to do so. He then added "that over-mastering necessity is not present in this country. India's shores are protected for her by the British navy". What a consolation!! When India asks for Self-Government, she is told "first learn to defend your country and then ask for Self-Government." When India, however, wants to build up her shipping, she is requested not to worry about it as the British Navy is always there to defend her shores!! Sir Charles Innes, however, has dared to make this statement after the stirring speech which

Lord Reading made in India for the creation of an Indian Navy. If an Indian Navy is to be created, the Indian Mercantile Marine must come into existence, as the second line of defence, and if other countries have, therefore, reserved their Coasting Trade to enable them to promote their national defence, why should India be prevented from doing so. The Indian Mercantile Marine will act as a second line of defence, not only to the Indian Navy but to the British Navy also.

Australian Example.

Let us now turn to the argument of Sir Charles Innes that the policy of reserving the Coasting Trade will enhance the rates of freight on the Coast. He based this theory of the rise in the rates of freight on the experience gained by Chile, Algiers and Australia, and devoted a large portion of his speech in proving that the policy of reservation failed in Australia. He has quoted from the report of the Royal Commission on the Australian Navigation Act in a manner suited to his pre-conceived notions. Out of the 7 Commissioners appointed to examine the effect of the Australian Navigation Act on the trade of Australia, Sir Charles Innes took shelter behind the conclusions of the two Commissioners only and ignored the definite opinion pronounced by 3 Commissioners that the policy of reservation did not affect the trade of that country. He also did not care to consider the findings of the other 2 Commissioners to the effect that the policy of reservation should be continued in one form or another. You will be surprised to learn that a man of the eminence of Sir Charles Innes should not

solely based on the ground of the distance the ship has to travel. Various factors such as the volume of trade, return cargo expenses of the port, etc., enter into the economics of rates making. The Coasting Trade of India, as Sir Charles Innes knows very well, is not reserved and yet while the rate of freight on iron and steel from Belgium to Bombay, a distance of about 6,300 miles is Rs. 13-2-0 per ton of 20 cwts, the rate on the same articles from Calcutta to Madras, a distance of 759 miles is Rs. 18/- per ton of 20 cwts.!! Again while the rate on cotton bales from Bombay to Antwerp, a distance of about 6,300 miles is Rs. 10-8-0 per ton of 40 cwt. the rate on the same commodity from Tuticorin to Bombay, a distance of 815 miles only, is Rs. 12-8-0 per ton of the same measurement. Further, while sugar bags are carried from Bombay to Cochin, a distance of 580 miles at Rs. 10-2-0 per ton of 20 cwt. they are carried from Sourabaya to Bombay, a distance of 3,210 miles at Rs. 10-12-0 per ton of 20 cwt. These are the current ruling rates and in each case the rate on the Coasting Trade for a smaller distance is higher than the rate in the foreign trade for a longer distance and may I therefore ask Sir Charles Innes as to what he thinks of these rates on the Coasts when its trade is not reserved to Indian shipping but is almost monopolised by foreign interests? The fact of the matter is that it is not the policy of reservation that decides the rates of freight but they are based on various factors which are independent of such a policy. One, therefore, regrets that Sir Charles Innes should have drawn such a frightening picture of the effect of the policy of

reservation before the members of the Assembly and tried to impress upon their mind that the reservation of the trade on the Coast would swell the rates of freight to a giddy height.

Fostering Provincial Jealousies.

But what I particularly regret most in the speech of Sir Charles Innes is his mischievous attempt to foster provincial jealousies in connection with this question. Sir Charles Innes stated that two-thirds of the Coasting Trade originated in Burma and Bengal and added that as the only important Shipping company existing at present was in Bombay, it was Bombay alone which would gain at the cost of Burma and Bengal. The international trade of Bombay, Bengal and Burma is mainly carried on by English companies, but Sir Charles Innes will not say that England will gain at the cost of India. It is only when the question of Indian companies is concerned that such provincial jealousies are appealed to—a policy, which I am sure you will agree with me, is not only mischievous but was the last thing expected of the Commerce Member. There is nothing to prevent Bengal and Burma from starting their own shipping companies, and as a matter of fact, valiant fights put up by the shipping companies started in those provinces in the past are a matter of history. The gain will be common to all. A substantial amount of the national wealth which is drained out of the country by foreign shipping will be retained in the country if real attempts are made to develop Indian Shipping and will add to the wealth of the nation. Indian Shipping will open out new avenues of career for the sons of the soil and as

the shipping companies have to operate at a number of ports, this new source of employment will be distributed all over the maritime portion of the country.

Another point which Sir Charles Innes tried to make was that the policy of reservation would adversely affect the coal trade of Calcutta. He observed that the coal trade by sea was a free trade and added that at any time a tramp could come in and take a cargo of coal from Calcutta to Bombay. If the policy of reservation, however, was carried out, that would become impossible and the Indian coal trade would lie low in its fight with the coal trade from South Africa. Let us examine at present the position of the movement of the coal trade. During the year 1923-24, that is from the 1st July to the 30th June, about 1,094,760 tons of coal were carried on the Coast of India. Out of 175 sailings from Calcutta, only 31 sailings or nearly 17·70 per cent. belonged to the tramp steamers, while the remaining 144 sailings or 82·30 per cent. belonged to the regular lines plying on the Coast. During the year 1924-25, 860·773 tons of coal were carried on the Coast. Out of the 134 sailings, only 21 sailings or 15·67 per cent. of the sailings were by the tramp steamers and the remaining 113 sailings or 84·23 per cent. were of the regular lines. These figures conclusively prove that very little tramp tonnage lifted the coal on the Coast which did not exceed 15 per cent. so far as the quantity of coal carried was concerned during the last two years. Thus the fear that has been expressed by Sir Charles Innes about the difficulties which coal trade will have to face is not borne out by actual experience and the existing tonnage on the coast and the new tonnage which the policy of

reservation is bound to draw out to the coast will be able to make this small adjustment of 15 per cent.

Coastal Trade not Seasonal.

I shall now only examine one more argument advanced by Sir Charles Innes before bringing these remarks to an end. Sir Charles Innes observes that the trade of India is a seasonal trade and consequently nearly half the tonnage will lie empty during the slack season. No figures have been advanced by Sir Charles Innes in support of his contention. I have looked into the question a little closely and the following figures, I have no doubt, will prove conclusively to you that the theory advanced by Sir Charles Innes has no foundation in facts. There were 260 sailings from Rangoon during the first half of 1924, as against 251 sailings during the latter half of that year, a difference of 9 sailings only. Does this require a contraction of tonnage to the extent of 40 per cent. as remarked by Sir Charles Innes? Again in 1925, there were 331 sailings during the first half of the year as against 310 sailings during the second half of the year. As regards Calcutta, there were 33 sailings with general cargo during the first half of 1924 as against 30 sailings during the second half of that year. In 1925, there were 23 sailings in the first half as against 30 in the second half. So far as Bombay is concerned, there were 57 sailings both during the first and the second half of 1924. While in 1925 there were 55 sailings in the first half, there were 63 sailings in the second half. As regards Karachi, there were 29 sailings during the first half and 20 sailings during the second half of the year 1924 and

23 sailings in the first half as against 25 sailings in the second half during the year 1925. These were the sailings from the four principal ports during the busy and the slack seasons of the Coasting Trade. How could Sir Charles Innes, in spite of these facts, maintain that out of 65 steamers required to meet the demand of the Coasting Trade excluding oil, only 39 would find employment during the slack season? Such a doctrine bears eloquent testimony to the close study which his department was making of the proposals of the Marine Committee during the last two years! Further, even if some tonnage was not required on the Coast during the slack season, is there anything to prevent the licensed ship under the scheme recommended by the Mercantile Marine Committee from being diverted to other routes? Is there anything to prevent Indian Shipping trying to claim its share in the international trade? If a steamer is not required on the Indian Coast during the slack season, as is observed by Sir Charles Innes, is there anything to prevent that steamer from going to Java to load a full cargo of sugar for India or to Durban to load a full cargo of coal or to take a full cargo of rice from Burma to Java or to ply in the trade in the Persian Gulf or to carry a full cargo to the United Kingdom or the Continental ports? Not only is this doctrine of shrinkage of tonnage during the slack season and the consequent rise in the rates of freight advanced by Sir Charles misleading, but I am constrained to remark it is deliberately mischievous.

It is really surprising that Sir Charles Innes has not uttered a word as regards the passenger steamers

wherein the busy season at one end corresponds with the slack season at the other, so that the steamers find continuous employment throughout the year. Does Sir Charles Innes think that the reservation of the Coasting Trade will not apply to the passenger steamers? A careful study of facts connected with the Coasting Trade will convince an impartial observer that the several arguments advanced by Sir Charles Innes in regard to the effect of the policy of reservation have only the justification of his earnest desire to help the present foreign monopolistic interests on the Coast to continue their exploitation of India. It pains me to make that observation, but when I realize that not a single suggestion of a constructive character is made by Sir Charles Innes for the formation of an Indian Mercantile Marine and when his sympathy towards Indian aspirations to create an Indian Mercantile Marine ended with the examination of the doctrine of reservation and in his misleading attempt to tear that doctrine to pieces by specious arguments and misleading analogies which cannot stand the scrutiny of facts and tests of experience, what other conclusion can be drawn from that attempt!

Government Apathy Replaced by Direct Hostility.

And, Gentlemen, now I have done. The speech of Sir Charles Innes is a clear indication of the changed mentality of the Government of India towards the cause of Indian Shipping. Continuous apathy seems to have changed into direct hostility. Under these circumstances, it is difficult to sustain the faith in the honest intentions of the Government for helping the creation

of an Indian Mercantile Marine. The work, therefore, that lies before us is really stupendous. I have, however, no doubt that my countrymen both inside and outside the Legislative Assembly will continue to put up a strong and continuous fight, as they have done hitherto, for the creation of this national industry and the development of a Merchant fleet, as I said last year: "worthy of a nation determined to have its own Raj".

Speech of 1927.

Riots and Dislocation of Trade at Calcutta.

An important feature which adversely affected the working of the Company during the year was the riots at Calcutta which dislocated the trade at that port during the first five months of the year under review, with the result that the steamers at that port during that period could hardly secure a few hundred tons of export cargo—not to say anything about the long period of their detention. The continued policy of the railways of diverting the sea traffic to the rail route by undercutting the rates of freight further substantially reduced the normal quantity of Coastal cargo available for export by these steamers. The heavy burdens the shipping trade have to bear at Calcutta in the shape of port and river dues and pilotage charges, etc., further assisted the railways in their attempt of capturing the traffic at that port. The Indian Chamber of Commerce, Calcutta, deserves congratulations on the powerful representation they have submitted to the Bengal Government in this connection and unless steps are taken to stop the railways from continuing their wasteful policy of undercutting the rates necessitating in its turn maintenance of correspondingly higher rates in the interior to make up for the loss on uneconomical rates quoted in competition with the sea route and attempts are made to decrease the burden of dues and charges falling on the shipping and the trade at that port, I am afraid the volume of the Coasting Trade of that port will diminish year after year.

Indian Shipping—Increasing Number of Indian-Owned Steamers on the West Coast.

The number of small Indian steamers running on the West Coast has been increasing. This is a happy sign of the development of Indian Shipping. You will remember that year before the last not merely did I welcome their presence in my speech, but I also wished them success. I am pleased to observe that as these steamers have been giving comparatively a quicker and more direct service between Alleppey and the Malabar ports on the one hand and Bombay and Karachi on the other, they have been able to secure for themselves an increasing share of that trade year after year. While in 1923-24 the small steamers were able to lift about 105,410 packages, during the year under review they lifted more than 313,000 packages out of a total trade of 941,168 packages or say 33 per cent. of the business. The result is that we have lost a considerable portion of this trade which assisted us in the economic working of the Company and we are afraid with their growing number, the trade of Alleppey and Malabar will be practically lost to us in a few years' time. But let me make it clear that we do not look at this question from the standpoint of our own interest only. Our policy has been to welcome new Indian ships meeting the peculiar requirements of the trade on the Coast and to work harmoniously with them as far as possible in the best interests of Indian Trade and Indian Shipping.

Bumper Crops of Rice in Burma.

The helpful feature, however, of the Company's work during the year under review was the bumper

crops of rice in Burma during the year 1927. The latter half of 1926 witnessed a considerable contraction in the export trade of rice to the Coast from Burma, with the result that steamers engaged in this trade had often to sail with considerable empty space. It was, therefore, a fortunate circumstance that the brisk demand for tonnage at those ports during the latter half of our financial year as a result of the large crops of rice this year also considerably improved the results of the working. Burma has been the main supply of cargo to the steamers on the Coast and you will be glad to learn that with the increase in our tonnage we have been able to secure a progressively increasing share of our trade at those ports during the last four years. While in 1923-24 we lifted about 238,000 tons of rice and general cargo from the ports in Burma, during the year under review our total liftings came to about 375,000 tons. Your Directors, however, are alive to the present situation and know that they will have to do a lot in the future to maintain the position that has been built up.

Goodwill of the Shippers—New Tonnage.

I am glad to observe that so far we have been able to retain the goodwill and patronage of our shippers and have tried our best to meet their requirements with the help of chartered tonnage. As I, however, observed last year, chartered steamers cannot give the same results and meet the requirements of the shippers in the same efficient manner as the steamers owned by the Company. Your Directors, therefore, as I told you last year, placed orders for the building of three new steamers at Glasgow. The first

steamer "JALABALA" was launched in July last at Glasgow by the Hon'ble Mr. V. J. Patel. He has rendered a signal service to the cause of Indian Shipping in general and to our Company in particular by the important speech which he made on that occasion in the cause of Shipping—a key industry of a nation. Your Directors feel grateful to him for this service to the Company and let us hope his well-weighed words will receive the attention of the Government they deserve. After the usual trial trip, s. s. "JALABALA" sailed for India on the 23rd August and is now loading at this port. We expect the delivery of the two steamers under construction before the end of the year and let us hope that when all these three steamers are in commission on the Coast, they will enable us to meet better the requirements of our shippers.

* * *

Encouraging Our Countrymen to Man Our Steamers.

The policy of manning your steamers with Officers and Engineers recruited in India has been receiving the careful attention of your Directors. Last year out of the 63 Officers and Engineers employed on your seven steamers, 30 were brought out from England and 33 were appointed in India. This year we have at present in our fleet 23 Officers and Engineers brought out from England and 41 selected from this country. We are trying to engage, as far as possible, men in this country possessing the necessary qualifications.

Training of Indian Engineers in England.

With a view to encourage our countrymen to man our steamers as Officers and Engineers, you will be

glad to learn that, as indicated by me in my speech last year, six Engineers were sent to England to enable them to undergo further training in the schools and marine workshops there for the purpose of qualifying for higher certificates of competency as Engineers. We hope when they return to India duly qualified, they will be able to fill higher posts in the steamers of the Company.

Apprentices.

I told you last year that two of our apprentices who obtained their certificates of competency of the Board of Trade as second mate were appointed as junior officers on the steamers of the Company. Two more apprentices will shortly be sitting for their examination as second mate. Seven more apprentices are undergoing their period of apprenticeship on our steamers. We have been receiving a number of applications from young lads from different parts of the country requesting us to take them as apprentices on our steamers. Owing to the limited number of our steamers, we regret, it is not possible for us to take them all on our boats. We, however, propose to increase the accommodation on some of our steamers for taking such apprentices and when all our three new steamers will be in commission, we hope to increase the number of apprentices.

Training ship—Warning Repeated.

This naturally brings to my mind the question of the facilities that are available in this country for training our young boys to become Officers and Engineers. It is a very painful thought that the youth

of the country should be compelled to go outside India to qualify themselves for various professions for which no facilities have been provided in this country by the Government of the land. Apart from the great disadvantage of the prohibitive cost of seeking such qualifications outside India, which only a few can afford, not only has the continuous absence of such facilities for knowledge and training in this country failed to draw out the spirit of research and enterprise in the sons of the soil, but has acted as the heaviest set back to the large economic life of the nation. It is, therefore, some solace that the Government of India have after all decided to establish a Training Ship for Deck Officers in Indian waters. I have always held that if you wish to induce the young Indian of the right type to go in for the sea career, you should assure him that he will have fair prospects of employment after he completes his training and obtains his certificate. Although I never doubted that the view held by me in this connection was the right one, it was refreshing to find the same supported by the highest authority in the land. H. E. the Viceroy himself thought it his duty to make an appeal in this connection to the British Shipping Companies during his speech at Cawnpore in December last. His Excellency remarked that the scheme of the Training Ship would only succeed if the British Shipping Companies would co-operate by giving the young Indian a fair chance of employment on their steamers. I want you, gentlemen, to mark the words '*a fair chance of employment*' and not merely taking them as apprentices on their steamers. But what is the response to that patriotic appeal of His Excellency

the Viceroy? I understand that recently a conference of ship-owners trading with India was held in London at the instance of the Shipping Federation. It was remarked, I am informed, at that conference that it was unfair to the British Deck Officers to establish a Training Ship in India for creating another source of supply of such Officers. The aspect, I am told, that was specially emphasised at that conference was that the cadets of the Indian Training Ship should look to Indian Shipping Companies only and not to the British Shipping Companies for employment—British Shipping Companies which have minted tons of money by their trade with India for over half a century! In view of this response on the part of the British Shipping Companies to the patriotic appeal of His Excellency the Viceroy, I consider it imperative that no further time should be lost by the Government in giving legislative effect to the recommendations of the Indian Mercantile Marine Committee in regard to the question of the employment of Officers and Engineers, if the Government really desire—which I have no doubt that they do—that the scheme of the Training Ship should become successful, otherwise I am afraid the scheme will defeat the very object for which it is started. Such appeals, it is melancholy to reflect, would not be necessary in countries having a national Government. To illustrate the truth of my observation, may I ask you to contrast the reply given only the other day by Sir George Rainy in the Legislative Assembly with the decision of Mr. Malan, Minister of Railways and Harbours, in South Africa, who opposed the idea in June last of disposing of the steamers owned

by the State on the ground, among others, that they would give the youth of the country the opportunity of qualifying themselves as Deck Officers and Engineers. Here, in India, not only are we baulked of our inherent rights, but every covert attempt is made to further encourage and support purely British interests.

Growing Public Interest.

It is refreshing to turn from this extremely discouraging attitude on the part of the Government of the country towards this great national industry and linger for a moment on the pleasing prospect of the growing interest displayed in the problems connected with it both inside and outside the Legislature. The number of questions put in the Assembly during the year on a variety of topics connected with shipping by a number of members coming from the different parts of the country is an eloquent testimony of their desire to see this great industry well-established in this land and the great interest which the public have been evincing in problems arising out of it unmistakably reveal their strong faith in its future success. I shall only give one illustration in this connection. Only a few weeks ago, very lively and keen interest was displayed in the question of the Bengal Pilot Service by the public and the press in Calcutta. I have no desire to enter here into the merits of that controversy, but I think the public ought to know that different qualifications are required from those who are recruited in India and those who are recruited in England for this service. While four years' previous sea experience in a vessel engaged in foreign trade is considered quite essential in

a candidate recruited in India, no such sea experience is considered obligatory and that too in a vessel employed in foreign trade in a candidate recruited in England. Some of the cadets of the Training Ships "Convey" and "Worcester" have received direct entry into the Bengal Pilot Service ; *i. e.*, no previous sea experience was considered necessary in their case. It will be interesting to know why the Anglo-Indian Press had nothing to say against the English cadets piloting the vessels on the Hooghly without such previous sea experience when they clamoured that the maritime trade of Calcutta would come to a standstill if Indians after proper training were allowed to pilot the steamer on the same river without much previous sea experience. Such unfair and differential treatment meted out to the Indian youth in his own country in contrast with that given to the English youth in this land is another chapter of the lapse of justice and fairplay by the British in India.

National Government And Merchant Marine.

It is remarkable that all important maritime countries having a national government profiting by the lessons of the Great War have been doing their best to develop their own merchant marine. India is the only unfortunate country whose Government have ignored the lessons of history and have done nothing to develop the building up of an Indian Merchant Marine. To give only a few illustrations : Only recently Italy sanctioned a loan of over 45 crores of lire to the subsidised navigation companies of that country at a cheap rate of interest for the construction of new tonnage and Spain, with a view to further develop its subsidised national

shipping, concluded an agreement in July last with one of its leading shipping companies for the purpose of providing it with facilities for acquiring 14 big ocean liners to enable it to specially compete with foreign companies running ships to Central and South America and calling at Spanish ports. Four of these ships will be of about 25,000 to 30,000 tons each.

The case of Germany deserves a special mention. In 1920 Germany was without a single ship that could be said to be of any importance for the International Trade. The German nation, however, had not forgotten the importance of an efficient Mercantile Marine of its own for its national economic life and both the ship-owners and the government co-operated with each other to produce one worthy of that nation. From a small fleet of six lacs of tons that was left to them by the treaty of Verseilles, the joint endeavours of the ship-owners and the government during the course of 5 years swelled that tonnage to the respectable figure of 32 lacs of tons. Here is a splendid achievement of the people having a national government in sad contrast with the inertia of a government which always stands up for the defence of non-national vested interests. Is there any wonder if the most sober in the country have begun to feel that had there been a national government in India, the history of Indian Shipping, as of many other industries, would have been quite different?

Reservation of Coasting Trade--Not an Act of Flag Discrimination.

I referred last year in my speech to the attitude of the Government of India on the subject of the reserva-

tion of the Coasting Trade of India to Indian Shipping and argued at length to point out how unconvincing and often mischievous were the arguments of their chief spokesman Sir Charles Innes on that subject. No fresh light has been thrown by the Government on their attitude in this connection and it seems they have decided to pigeon-hole as usual the recommendations of the Mercantile Marine Committee in this connection. As I dealt with the subject only last year, I do not wish to further expatiate on it in this speech. There are, however, one or two points to which I would like to invite your attention. In view of the approaching Statutory Commission for considering the question of responsible Government for India, the East India section of the London Chamber of Commerce decided at a recent meeting to take all possible steps and organise all available forces to continue and further strengthen the economic domination and exploitation of this country by the foreign vested interests. They also resolved to put up a powerful opposition against the reservation of the Coasting Trade of India to Indian Shipping. You will, therefore, easily realise the stupendous difficulties that Indian Shipping will have to surmount in its onward march. The reservation of the Coasting Trade was considered by Sir Charles Innes as introducing the principle of flag discrimination. I pointed out at that time that the International Shipping Conference had recognised that the principle of flag discrimination had no application to the Coasting Trade of a country. The view that I expressed last year and which I hold even now receives further powerful support from the action of the British Government itself. You

will be interested to learn that the government of Great Britain entered recently into a treaty whereby they allowed Greece to reserve its own Coasting Trade to its own national shipping. One wonders how long will the Government of India even now defend its action, or to speak properly, its studied inaction in connection with the recommendations of the Mercantile Marine Committee on grounds which are neither recognised by the British Government nor supported by the International Shipping Conference ?

Speech of 1928.

Reduction in the Rates of Freight.

One of the circumstances, which not only affected the normal course of trade in rice between Burma and India, but brought down the rates of freight on the Coasts to an uneconomic level, and consequently reduced the earning capacity of the Company, was the rather unusual feature of the imports of rice into this country during the year from Saigon, Bangkok and Japan. It is, however, Burma rice that holds the field in India. Burma, as you know, exports every year rice to the extent of about 25 to 35 lacs of tons. India with Ceylon imports from Burma nearly 12 to 15 lacs of tons of this rice or in other words absorbs annually nearly 35 to 45 per cent. of its exportable surplus. India is, therefore, the largest customer of Burma rice. It is Indian merchants, who have built up this large annual trade of nearly 20 crores of rupees in rice between Burma and India, which, no doubt, has considerably increased the economic prosperity of Burma. As the exports of Burma rice to countries like Japan and Java have been dwindling year after year, and as the increased outputs of rice from countries such as Egypt, Italy and Spain are likely to further restrict its exports to other foreign lands, it is becoming a matter of increasing economic importance for Burma to retain and maintain its hold over the Indian rice market. Japan usually imports rice from Burma. Not only did Japan prohibit this year the imports of Burma rice except under license but also re-exported about 35,000 tons of old Burma stocks to Bombay at the beginning of this year. These imports of old Burma rice from

Japan were followed by imports of rice and paddy from Saigon and Bangkok at the beginning of the new season. The normal movement of rice and paddy from Burma to India was thus arrested just at the beginning of the new year, and the situation was made more complex by the advent of the tramp tonnage, which can afford to accept cargo at low rates for stray voyages as it has not to meet the many and the varied obligations of regular liners. The basic rate of freight on the Coast, namely the rate of freight on rice between Rangoon and Bombay, was fixed at Rs. 14 net per ton at the beginning of the year. An attempt was soon made that this rate should be substantially reduced in order to allow Burma to maintain its rice position in the Indian market and to arrest the imports of foreign rice into this country. To meet, therefore, the situation that had arisen and to maintain unimpaired the Indian market for the surplus produce of the Burman agriculturists, as also to satisfy the requirements of the rice merchants and the rice millers, we reduced the rate by nearly 15 per cent. all round, *i.e.*, from all the ports of Burma to all the ports on the Coasts of India and Ceylon and it then seemed that all the interests were fully satisfied. Freight, after all, is not the most important single item which regulates the movement of any commodity between two countries. It is the price of the commodity that has a much greater and a more important bearing on restricting or expanding its movements between any two places. Unless, therefore, the prices of Burma rice and paddy are placed on a parity with the prices ruling at the other exporting centres, it would be difficult for Burma

rice and paddy to maintain their position in the export trade of that country. Although the reduction of Rs. 2/- in the rate of freight all round was considered equitable and satisfactory at the time it was made, further attempts to bring down the rates made from unexpected quarters, in a position to make good the consequential losses by their certain profits on other routes, together with the usual threats of bringing in the stray tramp tonnage so demoralised the situation that the rate had not only to be further reduced from Rs. 12/- to Rs. 10/2 but the Conference had to agree to give a retrospective effect to this new rate, *i. e.*, it was made applicable to all the shipments made from the beginning of January 1928. You will, therefore, observe that in view of this special condition of trade during the latter half of the year under review, and the large reduction in the rates of freight, voyages of the steamers of the Company during the latter half made a considerable loss which substantially affected the working results of the current year. Under the circumstances, I have no doubt, you will not consider the profits of the working of the year as unsatisfactory.

Future Prospects—a Subtle Attempt to Discredit Indian Shipping.

But you will naturally ask me what about the future! This, no doubt, is a very important question which is seriously engaging the attention of your Directors. The present basic rate of Rs. 10/2 net per ton on rice from Rangoon to Bombay is, under the peculiar conditions prevailing in the Coastal business, neither economic nor equitable. You will, therefore,

recognise that the ordinary law of supply and demand cannot operate in the ordinary way in the regulation of the Coastal rates of freight, particularly as other important influences are at work, which must be taken into consideration before an equitable rate of freight is fixed. I shall only refer to one or two of them. A remarkable peculiar feature of the Coasting trade of India is that a shipping order is not considered a contract in practice, as it is usually recognised to be so in the carrying trade of the other ports of the world. The regulation of the available tonnage on the Coast is unscientific both with regard to berthings and distribution and to crown the whole the conflicting interests of the lines working the Coastal Trade come in the way of a harmonious working beneficial to the shippers and shipowners alike. Unless these peculiar features of the trade, which have an important bearing on the rates of freight, are fully recognised and duly rectified, it is difficult for me to say what the rate is likely to be during the coming year. Let me, however, take this opportunity to draw your attention to a subtle attempt that is being made in certain quarters, evidently it seems to me with a view to discredit Indian shipping, by misrepresenting this important issue in regard to the rate of freight in case the policy of reserving the Coastal Trade of this country is accepted as the law of the land. Sir Victor Sassoon, during the debate in the Legislative Assembly on the Reservation of the Coastal Traffic of India Bill last month, remarked "If it is true that the rates are now too high, as some speaker mentioned and that 22 per cent. dividend can be paid out of the profits made in the Coastal Trade, why

is not the Scindia Steam Navigation Company, Ltd. which is enjoying the same rate, earning profits on the same scale?" The real position is that although the advent of Indian Shipping on the Coast compelled the British Shipping Companies to bring down their rates to a reasonable level, they have got to-day other monopoly routes and sources of income from Government patronage and mail subsidies, denied to us, whereby they can make large profits which Indian Shipping cannot do on the Coast. Under the circumstances, I must readily confess my inability to pay high dividends unlike the Shipping magnate who distributes large dividends year after year out of his repeated losses. It is therefore, I am constrained to say, that those who remark why this Company is not declaring a dividend of 22 per cent. are bent upon discrediting this Company and consequently Indian shipping in general. While Sir Victor Sassoon naively asks why is the Scindia Co. not declaring a dividend of 22 per cent., Sir George Rainy makes a clever attempt of attributing a base motive to this Company and hitting hard against the policy of reservation at the same time by his seemingly innocent remark "But if the Scindia Steam Navigation Company thought that low freights would follow reservation, I am not sure that that Company would be particularly keen on the Bill". The insinuation and the motive underlying the same are too apparent to be missed by any one of you. It is not necessary for me to add that we want the Coastal Trade to be reserved for national shipping, not in the interests of one particular Company as has been alleged, and not merely in the interests of Indian Shipping engaged in

the Coastal Trade, but in the larger economic and industrial interests of India as a whole. I have stated this question at some length because I want to raise a note of warning against the seemingly innocent but really mischievous move on the part of the British interests to convince the unwary public, as they attempted to do during the recent debate in the Legislative Assembly, that everything went alright and would remain so as long as the Coasting Trade of India would continue to be a practical monopoly of foreign shipping, but that everything would go wrong and that India's economic interests would suffer immensely if the Coasting Trade became the free field for healthy competition between the ships owned and managed by Indians themselves. I also want you, gentlemen, to appraise at its true value the contention of these vested interests expressed by their representatives during the recent debate in the Legislative Assembly that British Shipping toiled in India far away from its home, not to drain away the wealth of this country to foreign lands, but merely for the purpose of increasing India's national wealth and thus promoting India's real prosperity. What altruistic motives inspire these foreign interests to take to such philanthropic activities! I assure you, gentlemen, that neither does Indian Shipping desire to keep the freights high, nor can it remain unconcerned if the freights are fixed unnecessarily low. It wants to play the game and fix the freights at a really equitable level. While, therefore, I am convinced that unless the present low rates are improved next year, it would be hardly fair to expect the Company to repeat even the present results during the year to come, I feel

sure that I can confidently rely on the business foresight and the patriotic feeling both of the shippers and the Shareholders to enable the Company to take every measure necessary to fight successfully all the subtle and ingenious attempts of those who have set their heart in driving out Indian Shipping from the Coast.

Provision for Careers for Indians in the Merchant Service.

During the recent debate in the Legislative Assembly, Sir James Simpson who strenuously opposed the Coastal Reservation Bill in the supreme interests of India and India alone—how disinterested of him to do so as the representative of the Associated Chambers of Commerce—made a sarcastic fling at this Company in the following very suggestive remarks :—

“ I am informed that half the ships they do sail on the Coast are British or foreign owned. I take it that the owners of the chartered ships make no effort to encourage Indian youths in their laudable desire to find careers at sea. It would be interesting to know, Sir, how many Indian Deck Officers this Company has on its steamers and how many they are training.”

Sir James Simpson, may I hope, will be happy to know, as I have no doubt you all will be, but for different reasons, that out of 14 ships which the Company run, on the Coast, not half, but nearly three-fourths or say 10 ships are owned by the Company,

As regards the Officers, out of the 90 Officers and Engineers employed by the Company on their 10 ships, only 33 were imported from U. K. while 57 were recruited in this country. Out of these 57 Officers recruited in India, 42 are Indians. In other words, nearly 46 per cent. of the Officers and Engineers employed by this Company during the few years of its existence are Indians, sons of the soil, the colour of whose skin stood in the way of their employment in the steamers of the British Companies who have minted tons of money in the Coasting Trade of India, which I hope even Sir James Simpson will not have the temerity to contradict. But this is not all which the Company has done or has been doing to give Indians both training and opportunities for following the sea career. As your Chairman observed last year two of your apprentices passed their Board of Trade Examinations and served as Officers on the steamers of the Company. 10 more Indians are serving at present their period of apprenticeship and when they will obtain their certificates of competency as Officers, I have no doubt, they will find useful opportunities for service as Officers in the fleet of this Company. Sir James Simpson will also be interested to note that this Company has offered four scholarships to the Cadets of the Training ship "Dufferin" and have promised to give them opportunities for employment in the Company when they successfully pass their Board of Trade examinations. Last year we sent a batch of six Engineers for receiving further training in the schools and marine workshops in England and I am glad to tell you that one of them obtained his ticket as Chief Engineer while another

successfully passed the examination as second Engineer. The remaining four are preparing for their qualifying examinations. Another important feature of encouraging Indians for rising in the Merchant service, which I have no doubt will gladden the heart of Sir James Simpson, is the bold and wise step taken by the Company of placing its vessels in the charge of really capable Indians as Chief Engineers—a step, which, so far as is known, has not been taken by the British Shipping Companies up to now except only for a temporary period either to meet some unforeseen emergencies or under stress of war, and four such vessels at present are manned by Indians as Chief Engineers. In addition to this, after protracted negotiations with the Government of India, the Company selected and sent a batch of 16 students to be trained up at the Government School at Calcutta for following the sea career as wireless operators on steamers. They are selected from different parts of India and you will be happy to learn that all of them have now obtained their first class certificate of competency from the Director-General of Posts and Telegraphs. We have decided to take up all these 16 young Indians on board, our vessels to give them an opportunity for receiving their six months' sea experience required by law without which they will have no commercial value as wireless operators for ships and I have, no doubt, all of them in due course will rise as wireless operators in the ships of the Indian Mercantile Marine. Sir James Simpson will now realise that this Company does make the necessary efforts "to encourage Indian youths in their laudable desire to find career at sea" so unlike the British

Shipping Companies' who have done nothing in this direction up to now.

Sir James Simpson's Misleading and Incorrect Statement.

During the course of his speech in the Legislative Assembly Sir James Simpson boosted the British Shipping Companies and attempted to mislead his hearers in the belief that the British Shipping Companies were doing all they could to train and employ Indians in their service because they were Indians. Sir James Simpson remarked :—

“The Indian Merchants' Chamber of Bombay says that this Bill is intended to provide careers for Indian youths who have so far been kept out by British Shipping Companies on racial grounds. Sir, 90% of the personnel of the steamers at present plying on the Indian Coast are Indians. It is true that they do not occupy the executive positions but as soon as they possess the necessary qualifications, *the British Coastal Companies have promised Government to employ them.* There is no intention to depart from this promise. We play the game.” (*Italics are mine.*)

I am prepared to admit that the lascars and firemen and other members of the crew are drawn from this country. The reason, however, is not because they are Indians but because they are comparatively cheaper than the European crew under similar circumstances. I have gone a little closely into this question and after

studying the figures in the light of the reply recently given in the House of Commons on the 15th June 1928, I find that while the Indian crew will cost about Rs. 3,700/- per month on a ship of about 8,000 tons, the European crew will cost not less than Rs. 5,200/- or in other words the English crew will cost nearly 40% more than the Indian crew under similar circumstances. It is the £ s. d. which is the real secret of their going in for Indians as crew on their ships and not because they have any desire to train them up or give them opportunities for service as officers in their fleet. As regards Sir James Simpson's statement "as soon as they possess the necessary qualifications, the British Coastal Companies have promised Government to employ them," it is only a striking illustration of the little regard which is often paid to facts by the English merchants who are out to defend their own interests in this country as against those of India. I do not know whether a statement like this was made by Sir James Simpson on his own initiative or from the facts provided to him by the interested members of the Associated Chambers of Commerce, whom, as I remarked above, he represents in the Assembly. Whatever that may be, I am constrained to remark that this statement made by Sir James Simpson is a travesty of true facts. The British Coastal Companies have not promised Government to employ Executive Officers and Engineers when they become eligible. All that they have promised is a totally different thing, namely, to provide opportunities to enable Indians to obtain the necessary qualifications as apprentices on their steamers by withdrawal of their

previous opposition even to provide for Indians such meagre training facilities. So far as the employment of Indians after they obtain their certificates of competency is concerned, not only have the British Coastal Companies not promised to employ them but their representatives at the meeting of a Conference called last year in London at the instance of the Shipping Federation, stated in so many words, that Indians qualified to take up Executive positions on board ships must look to Indian ships for their future employment. Sir James Simpson is unconsciously right when he says that this is the British way of doing things! This is how they play their own game!

Foreigners Pretend to be Indians.

The £ s. d. have such magic effect on the British mind that foreigners during recent months have shouted that they are Indians—sons of the soil—nationals of the country. This new pretence of foreigners of being called as citizens of India was manifested by Sir James Simpson in the Legislative Assembly last month with a zeal worthy of a better cause. With an enthusiasm, which often conceals more than it reveals, Sir James cried out "I waive aside all juridical definitions and I claim to be a British Indian National." With England as his Home, a European subject of the Crown, appearing before the Indian Criminal Courts of Justice, insisting upon special benefits like those of the Lee Loot in the Civil and other Services on the ground of his colour, prestige and efficiency, always anxious to vote with the alien Government of the land not only for stifling the

legitimate aspirations of Indians but also for forging new fetters—both economic and political—for preventing them from advancing in all directions as free citizens of a free country, it is mockery, nothing but cruel mockery, for the European in India to claim that he is the National of the country only when his pocket is touched. Let India beware of such chameleons who change their colour according to the needs of their purse.

Sir James Simpson's claim to be called a British Indian National is nothing but an echo of the clever cry of the European commercial community as manifested in their memoranda before the Indian Constitutional Inquiry Committee for economic capitulations, that is, statutory guarantees that no Indian Legislature shall control or curtail their freedom to exploit India. It is inconceivable that India can ever be a willing party to the continuance of a system of outside economic domination, to overthrow which other Nations have rightly, during the last few years shed their blood. Instead of their asking for such guarantees, selfish in motive and anti-Indian in character, the European commercial men in India should, if they so choose, become full fledged nationals of India, free citizens of a commonwealth, in which, as equals, but never again as masters, will they have full play for all those qualities with which they claim to have so far enriched the country. India no longer can or will tolerate any discrimination against her own citizens and in favour of foreigners on the grounds of colour, race or past achievement (or failure) but is determined to see that so far as the new constitution which is known to be on

the anvil is concerned, she secures full power to establish complete economic Swaraj as an integral part of a full responsible Government.

Coastal Reservation Bill—Indian Support,-British Opposition.

Let me now put on record our sense of deep gratefulness to the Indian members of the Legislative Assembly for according their magnificent support to the motion to refer the Bill for the Reservation of the Coastal Traffic of India to Indian vessels to a Select Committee in spite of the pretence of the European group and the Government of India that it was in the supreme interests of this country that they were opposed to the measure. It is futile to argue with those who never fail to discover signs of India's economic prosperity in the continuous process of India's economic exploitation by foreigners in league with an alien bureaucracy. Such a splendid majority of 25 votes is, however, a complete triumph of public opinion and augurs well for breaking the shackles of India's economic bondage. Time forbids me to answer at length the various criticisms that were levelled against the Bill by interested parties. I shall, therefore, content myself by referring to one or two important points. The annual freight bill on the Coast comes to about 10 to 12 crores of rupees. At present a very large proportion of this money is drained out of India. Sir James Simpson, however, wants us to believe that there is no such drain and that it will not make any difference in India's economic interest whether the Coastal Trade continues to be practically the monopoly of British Shipping interests

as at present or is reserved to the ships of the Indian Mercantile Marine. After an elaborate but futile argument, Sir James Simpson comes to the conclusion, "Sir, there is no drain." Is not Sir James Simpson aware, may I ask, in all humility, that according to the Board of Trade, British Shipping adds nearly 200 millions of pounds every year to the national wealth of England? If it is so, he will easily realise that if the Coasting Trade of India is reserved to Indian vessels, it would save a very large proportion of the annual freight bill going out of the country and would thus add to the national wealth of India. Apart from the amount of dividend paid to the British Shareholders, and the large amount for depreciation and other funds provided out of the profits which on a rough calculation exceed 20 per cent. of the capital engaged in the industry, the heavy cost of repairs and maintenance charges on ships incurred in England, the large percentage of commission paid to the European Agents on the Coast, the major portion of the salaries paid to non-Indian managers ashore and officers afloat, not to speak of the purchase of foreign stores, which prevents establishment in India of relative industries, all these amounts are drained out of India. They will no longer remain in India and add to its national wealth, but will go to England and add to the profits of British Shipping which as stated above, are estimated at 200 million pounds by the Board of Trade. It is really very surprising that a man of Sir James Simpson's position should show such ignorance of these elementary principles of the economic life of his nation. Sir James Simpson tells us that, as there is no shipbuilding industry in

India, it is clear that "the destination of payments on account of the capital cost of ships will be a foreign one, whether the company is Indian or foreign." It is true that the Indian shipowners will have to place orders for building their ships in foreign lands at present, but as observed by the Indian Mercantile Marine Committee in their report, the existence of a large Mercantile Marine must be first assured for the purpose of fully developing a shipbuilding industry in India. In view of the successful attempts of the British Shipping Companies in the past to wipe out of existence all endeavours to build up Indian Shipping by means, which need not be characterised, to expect India to start the shipbuilding industry first, before conditions for running an Indian Shipping Company under normal and healthy competition are assured, will be to place the cart before the horse. Once the existence of a large Indian Mercantile Marine is assured, not only will large repairing workshops come into existence but the shipbuilding industry also will follow in its wake, which, apart from keeping a very large portion of the wealth in the country, will open up a new avenue for the development of Indian talent and provide employment for Indian youths. Sir James Simpson seems to have closed his eyes against the possibilities of the policy of reservation not only bringing into existence a ship repairing and shipbuilding industry in this country, but also opening up a new career for the sons of the soil, not merely as Deck Officers and Engineers on ship afloat, but in various capacities, in the various Indian Port Trusts, and in various other marine services under private and

Government auspices, which at present are practically the monopoly of foreigners imported into this country. The existence of an Indian Mercantile Marine will in due course go a very long way in developing the possibilities of marine insurance in India and will thus retain a large amount of marine premium from going out of this land. The existence of an Indian Mercantile Marine will so regulate the rates of freight on the Coast, as will enable Indian industries to compete to an appreciable extent with Foreign industries bringing their goods at a cheap rate of freight into this land. But above all, even Sir James Simpson will admit that the creation and development of an Indian Mercantile Marine, which could be effectively begun in the Coastal field, will ultimately enable India to embark upon ocean services, which will make a remarkable transformation in the present decadant and economic condition of this country. The participation of Indian Shipping in the Overseas Trade is bound to add to the national wealth of the country. It is, therefore, not merely the immediate gain to India as a whole, in retaining in the country the large portion of the annual freight bill, which is drained at present out of India, great as that gain is amounting as it does to approximately Rs. 50 crores a year—which makes every Indian support this measure, but it is the immense possibilities which the bill contains for the future development of other industries and for harnessing Indian talent for that purpose, that every Indian considers it his duty to give continuous support to this Coastal Bill until it reaches the Statute Book, in spite of the interested and unholy cry of men like Sir James Simpson, that it is

not going to make any difference to the future economic well-being of India.

Reclaiming the Ground Usurped.

After a fanciful trade against the Coastal Bill, which in the opinion of Sir James Simpson is highly detrimental to the economic interests of this country, Sir James Simpson gives a few words of advice. He says "How much better it would be for India, if Indian politicians gave up their jealous attempts to supplant British effort and occupied themselves in straining every nerve to supplement it. Do not waste time in trying to dispossess the men in possession. Break new ground." Break new ground indeed !! When the entire carrying trade of India is controlled by non-Indians, when the rich mines of India are held on long leases by foreigners, when Indian railways have been and are worked as dividend-earning machines for the aliens, when the various plantations and the oil fields are practically the preserves of the outside exploiters, when the currency policy of the country is determined solely with a view to help the foreign industries and commerce and when enquiry at a moment's notice for protection is granted to the oil industry dominated by foreign interests, when similar appeals on behalf of Indian steel, textile and chemical industries have gone unheeded for years together, advice for breaking new ground is only to add insult to injury. No, there is no ground to be broken. Indians have only to reclaim the ground that has been usurped from them with the connivance and active support of the Government of the land.

Acid Test of Government's Sincerity.

There is only one point more and I have done. Sir George Rainy observed that if the Reservation of the Coastal Trade was out of the way, the Government would be able to get down to business. He remarked:—

“ I quite recognise that there are other aspects of the case which ought to be considered. If I am correct, as I believe I am, in thinking that there are other schemes which are likely to be brought to the notice of the Government of India at an early date, I can assure Honourable Members that these will receive careful consideration”.

The Government appointed the Mercantile Marine Committee. The Committee made certain specific recommendations. The Government have turned them down in the pretended interests of India. What guarantee is there that the Government will not turn down any other scheme that may be placed before them for the development of Indian Shipping. If Sir George Rainy and his Government are really sincere in their profession for the development of Indian Shipping, let them begin by accepting the principle of the Coastal Reservation, a principle accepted and acted upon by all maritime countries of the world at some time or other in the development of their national shipping. Moreover, are Government of India prepared to give construction loans at cheap rate just as France and Italy and even England have done? Are Government of

India likely to give subsidies and bounties for enabling Indian Shipping to build up its position in the Overseas Trade just as America, Japan, Italy and other important maritime countries have done? We have had enough of Committees. Let Government first announce their definite policy. Let Government tell us how they propose to help the development of Indian Shipping. Let them give us a tangible proof of their professed sympathy. Then will be the time for the Indian public to consider how far they are serious in this matter.
