

*Wednesday,
24th February, 1915*

ABSTRACT OF THE PROCEEDINGS
OF THE
Council of the Governor General of India,
LAWs AND REGULATIONS

Vol. LIII

April 1914 - March 1915

ABSTRACT OF PROCEEDINGS
OF
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS,

From April 1914 to March 1915 .

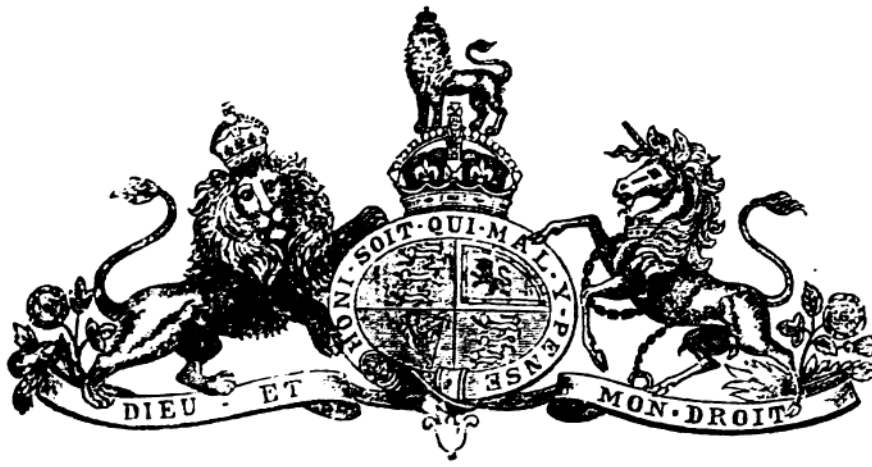
VOL. LIII.

Published by Authority of Governor General.



& Debates Section
Gazettes
Parliament Library Building
Room No. FB-025
Block 'G'
DELHI

SUPERINTENDENT GOVERNMENT PRINTING, INDIA.
1915



GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909
(24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Wednesday, the 24th February, 1915.

PRESENT :

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.O.,
G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*,
and 56 Members, of whom 48 were Additional Members.

AFFIRMATION OF ALLEGIANCE TO THE CROWN.

The Hon'ble Mr. C. E. Low, C.I.E., made the prescribed affirmation of allegiance to the Crown.

QUESTIONS AND ANSWERS.

The Hon'ble Mr. Ghuznavi asked :—

1. " Will the Government be pleased to state—

(a) the number and the religious denomination of all British Indian subjects who are now in the different colonies, and how many in each colony and their profession, and

(b) the number of colonials who are now in British India, the different colonies to which they belong, and their profession."

Statistical information relating to British Indian subjects in British Colonies, and Colonials in British India.

[*Sir Harcourt Butler; Raja Abu Jafar; Mr. Clark; Mir Asad Ali.*] [24TH FEBRUARY, 1915.]

The Hon'ble Sir Harcourt Butler replied :—

"A statement* containing such information as is available is laid on the table. It is incomplete."

The Hon'ble Raja Abu Jafar asked :—

Prices of wheat, peas, barley and gram in various Provinces.

2. "Will the Government be pleased to lay on the table a statement showing the prices of wheat, peas, barley and gram prevailing in the various provinces on the 15th of each month, during the months of April to December, 1914?"

The Hon'ble Mr. Clark replied :—

"Statements † giving the information asked for by the Hon'ble Member are laid on the table.

Figures for January are now available and have been added. The price of peas is not reported from the Provinces, and the price of *arhardal*, the nearest species of pulse to that mentioned in the Hon'ble Member's question, has been substituted for that of peas."

The Hon'ble Raja Abu Jafar asked :—

Rise in the price of inferior grains.

3. "Is it a fact that the rise in the price of wheat, etc., has resulted in a proportionate rise in the price of inferior grains, and that even the poorest classes in India, who use such grains, are suffering in consequence?"

The Hon'ble Mr. Clark replied :—

"A statement † is laid on the table showing the wholesale prices of rice and wheat and of the inferior food grains in representative Indian markets during the first half of each of the months August and December, 1914. It will be observed that although there has been a rise in the price of wheat, the price of rice has either fallen or remained stationary and that the prices of inferior food grains show either a small rise or, in most instances, a decrease. The answer to the question is therefore in the negative"

The Hon'ble Raja Abu Jafar asked :—

Rise in price of rabi crops.

4. "Is it a fact that from the time the last *rabi* crops were gathered in 1914 to the commencement of the present European War, the rise in the prices of grains was normal, but that after the war was declared the prices have risen by about 60 per cent or more?"

The Hon'ble Mr. Clark replied :—

"A statement † is laid on the table which shows the prices of wheat, barley, gram and pulse in representative Indian markets during the first half of each of the months April, 1914, to January, 1915. It will be observed that the prices during August, which has been taken as the basis period, show no abnormal fluctuations compared with those of April; that the first distinct signs of a rise occurred during November; and that the January prices are highest in the case of wheat, which was during that month roughly 30 per cent more expensive than it was in August."

The Hon'ble Mir Asad Ali asked :—

Expenditure on temporary and permanent capital at Delhi.

5. "Will Government be pleased to state :—

- (a) (1) how much money has been sanctioned till now for the construction of the new capital at Delhi?
- (2) how much money has already been spent on (a) the temporary works, and (b) the permanent works?

* *Vide* Appendix A, page 307, *post.*
† Not printed with these Proceedings.

[24TH FEBRUARY, 1915.] [*Mir Asad Ali; Sir Robert Carlyle; Sir Reginald Craddock; Sir Harcourt Butler.*]

- (3) whether any more money is required for the temporary works, and if so, how much ?
- (b) whether in view of the present crisis the Government propose to suspend the permanent works for a year or more, and stay further expenditure on the scheme ? ”

The Hon'ble Sir Robert Carlyle replied :—

- “A. (1) The total of the estimates for the New Capital, sanctioned by the Secretary of State, is Rs. 9,17,04,300 including Rs. 1,50,00,000 for unforeseen requirements as stated by His Excellency the Viceroy in his speech at the Council meeting of 24th March, 1914.
- (2) (a) The total expenditure against the estimates for the temporary works, which were closed on the 30th June, 1914, was Rs. 59,33,889. Since that date any expenditure in connection with Temporary Works is merged in the ordinary expenditure chargeable against the head ‘ Civil Works ’ Delhi Province.
- (b) The expenditure on the new city to the 31st December, 1914, amounts approximately to Rs. 1,18,00,667.
- (3) The Government of India have no present intention to incur on the Temporary Works any further capital expenditure of importance.
- B. The Government of India do not consider it expedient at this stage to make any pronouncement on their budget intentions and consequently cannot now state the extent to which it may be necessary to suspend operations in connection with the construction of the New Capital.”

The Hon'ble Mir Asad Ali asked :—

6. “ Will Government be pleased to state whether they have collected the necessary information as regards the number of Hindu and Muhammadan orphanages in each of the major provinces of India, and if so, to state their respective numbers as well as the number of orphans in each institution ? ”

Hindu and Muhammadan orphanages.

The Hon'ble Sir Reginald Craddock replied :—

“ A statement* containing the information asked for by the Hon'ble Member has been compiled from the latest reports available and is laid on the table.”

The Hon'ble Mir Asad Ali asked :—

7. “ Will Government be pleased to state :—

- (a) the number of village punchayats, both official and non-official, in each of the Indian provinces ?
- (b) whether Government propose to issue orders for the establishment of rural boards ? ”

Village punchayats and Rural Boards.

The Hon'ble Sir Harcourt Butler replied :—

“ (a) The Government of India have no information regarding the number of village punchayats in India.

“ (b) By rural boards it is presumed that sub-district boards are meant. If so, these already exist throughout the greater part of India. In certain provinces, e. g., the United Provinces and Punjab, where they do not exist, either measures of decentralization such as the establishment of sub-divisional committees have been or are being adopted. ”

* Vide Appendix B, page 303, post.

[*Mir Asad Ali; Mr. Clark; Mr. Dadabhoy; Sir Reginald Craddock; Sir William Meyer.*] [24TH FEBRUARY, 1915.]

The Hon'ble Mr. Asad Ali asked :—

Provision of third and inter class carriages in mail trains between Manmad and Delhi.

8. " Will Government be pleased to state whether they propose to consider the advisability of including third and intermediate classes of carriages in the mail trains between Manmad and Delhi, or of running fast passenger trains between these stations soon after or before the mail trains for the convenience of third and intermediate class passengers ? "

The Hon'ble Mr. Clark replied :—

" The Railway Board will refer the proposals to the Railway Administration concerned."

The Hon'ble Mr. Dadabhoy asked :—

Reconstitution of High and Chief Courts and creation of an Imperial Court of Appeal.

9. "(a) Has any despatch been submitted to the Secretary of State for India by this Government about the reconstitution of the existing High Courts and Chief Courts and the creation of an Imperial Court of Appeal for all India, and, generally, for a thorough overhaul of the existing judicial machinery ?

(b) If so, will it be laid on the table together with any reply it may have elicited from the Secretary of State ? "

The Hon'ble Sir Reginald Craddock replied :—

" The reply to the first part of the question is in the negative. The latter part of the question therefore requires no answer."

The Hon'ble Mr. Dadabhoy asked :—

Hardship of persons on fixed incomes and professional classes.

10. " With reference to the following remark in the Government Resolution on Mr. K. L. Datta's Report on prices :—

" Persons on fixed incomes have certainly suffered, and it is Mr. Datta's opinion that the professional classes, too, have been adversely affected, but the circumstances of this section of the community do not appear to have been made the subject of detailed statistical investigation."

(a) Will Government be pleased to state whether they propose to undertake at an early date the statistical examination which is referred to ?

(b) With reference to the alleged hardship to persons on fixed incomes and the professional classes, will the Government be pleased to state if the question of special measures for the relief of these sections of the community will be considered by Government ? "

The Hon'ble Sir William Meyer replied :—

" (a) The Government of India do not propose to institute any such inquiry into the circumstances of the professional classes.

(b) Nor do they propose to consider the question of affording the professional classes or persons on fixed incomes any special measures of relief.

As regards employés of Government much has already been done, as observed in paragraph 30 of the Resolution referred to in the question in the direction of increasing pay. As regards other classes, my Hon'ble friend will perhaps refer to paragraph 442 of Mr. Datta's Report where he describes the sections of the community whom he regards as having been adversely affected by the rise in prices. Apart from certain classes who are outside the scope of this question the list includes holders of Government and other securities and debentures carrying fixed rates of interest; lawyers, medical practitioners and other professional classes whose income depends on customary fees; private employés (as well as Government servants to whom I have already referred) on

[24TH FEBRUARY, 1915.] [Sir William Meyer; Mr. Dadabhoy; Rai Bahadur Sita Nath Ray; Mr. Clark.]

fixed salaries; and some priestly castes and scions of old families. I do not think that Government could expect much support if they were to select these classes as objects of their special benevolence, at the expense, of course, of the general taxpayer."

The Hon'ble Mr. Dadabhoy asked:—

11. "(a) Will Government be pleased to state the present average annual income per head of population in India? Average annual income per head of population in India.
- (b) Should no estimate of such income be ready, will Government be pleased to say whether they propose to prepare one and lay it on the table?
- (c) Is it a fact that Sir David Barbour and Lord Curzon estimated it at different periods?
- (d) If so, will Government be pleased to lay on the table the papers, if any, connected therewith?"

The Hon'ble Sir William Meyer replied:—

"I would refer my Hon'ble friend to the answer which I gave on the 24th February, 1914, to an almost precisely similar inquiry by the Hon'ble Sir Fazulbhoy Currimbhoy. A copy of this answer* will be placed on the table.

For the reasons then stated the Government do not at present contemplate the preparation of such an estimate as the Hon'ble Member suggests."

The Hon'ble Rai Bahadur Sita Nath Ray asked:—

12. "(a) Is it a fact, as published in the newspapers, that the Home Government have agreed to take a considerable portion of the shares and also to guarantee the interest on the capital of a company about to be floated at Home for the manufacture of synthetic dyes? Floating in the United Kingdom of a company for the manufacture of synthetic dyes. Promotion of industries in India.

(b) If so, have the Government detailed information about the proposed undertaking? If no such information is in the possession of Government, will they be pleased to state whether they propose to obtain full information on the matter in question and to place such information on the table of this Council?

(c) Will the Government be pleased to state whether they propose to appoint an expert committee composed of officials and European and Indian gentlemen of the mercantile community, with a view thoroughly to inquire into the subject of the special industries which can be successfully carried on in the country at the present juncture and how, and whether, State-aid, and to what extent, should be given for the promotion of suitable and special industries?

(d) Will the Government be pleased to state whether any measures are likely to be adopted for the promotion of industries in India to manufacture goods which are now imported from Germany?"

The Hon'ble Mr. Clark replied:—

"(a) and (b). The attention of the Hon'ble Member is invited to a communiqué* of the 11th instant, which summarises the latest information at the disposal of the Government of India on the subject of the National Dye scheme. A copy of the communiqué* has been laid on the table.

As regards (c) and (d), the question of the promotion of industries during the war, having in view the cessation of imports from enemy countries, forms the subject of a resolution which is to be discussed to-day, and if the Hon'ble Member sees no objection, it would be more convenient that the matter should be dealt with then than in reply to a question."

* Not printed with these Proceedings.

[*Rai Bahadur Sita Nath Ray: Mr. Clark.*]

[24TH FEBRUARY, 1915.]

The Hon'ble Rai Bahadur Sita Nath Ray asked :—

Sugar
imports
and industry
in India.

13. “(a) Will the Government be pleased to lay on the table a statement showing the quantity of sugar imported into India in the months of September, October, November and December, 1914, and for the corresponding period in 1913 and also the average annual outturn in India ?

(b) Do the Government propose to take any steps by way of State-aid or otherwise to assist the sugar industry in this country ?”

The Hon'ble Mr. Clark replied :—

“(a) The statement * asked for is laid on the table.

“(b) The Government of India are fully alive to the importance of assisting the sugar industry in this country, and for some years past have been endeavouring to effect improvements which will enable Indian sugar to compete with imported sugar. Efforts are being made, first, to secure an increased yield by the selection of improved varieties of cane and better cultivation and, secondly, to improve the processes of manufacture. Full details of the work now being done by the various Provincial Departments of Agriculture will be found in the proceedings* of the last two meetings of the Board of Agriculture, copies of which are placed on the table ; but I may mention that an important acclimatization and cane-breeding station was established at Coimbatore in 1912 under Dr. Barber, that a sugarcane farm is being started in the Kamrup district in Assam and that the Bihar and Orissa Government are contemplating the establishment of a similar farm in Tirhoot. In 1913 Mr. Keatinge, the Bombay Director of Agriculture, visited America, Hawaii, Japan, Formosa and Java to study the sugar industries of those countries and his report has recently been published. As regards manufacture, a Sugar Engineer Expert was in 1912 appointed to the United Provinces for three seasons. Valuable results have been obtained, and the appointment has been recently extended for a further period of two seasons. A small plant for making high class *gur* from which sugar can readily be manufactured, has been constructed and is now being exhibited in the United Provinces. In addition to these measures, a grant in one case and a loan in another have been made by the United Provinces Government in order to encourage the development of Central Factories.

“Generally speaking the chief difficulty is the exceedingly low yield of Indian cane compared with the average of other cane-growing countries. Much work has been done already in this connection, but further prolonged and detailed efforts will be required before the yield is raised to a satisfactory figure.”

The Hon'ble Rai Bahadur Sita Nath Ray asked :—

Declaration
in respect of
emigration
to certain
labour-
districts of
Assam.

14. “Will the Government be pleased to state whether, and if so when, it is proposed to declare, under the powers conferred by the Assam Labour and Emigration Act, 1901 (VI of 1901), that the labour-districts of Lakhimpur, Sibsagar, Nowgong and Darrang shall cease to be subject to the special provisions of the Act relating to labour-districts and to the consequential provisions relating to penalties and procedure ?”

The Hon'ble Mr. Clark replied :—

“The Government of India have decided that the labour districts of Sibsagar, Lakhimpur, Nowgong and Darrang should cease to be subject to the provisions referred to by the Hon'ble Member. It has been decided, however, that the issue of a Notification under section 221 of the Assam Labour and Emigration Act, which is necessary to give effect to the decision, may be more conveniently made after the orders of the Secretary of State have been received on the Bill providing for certain matters relating to recruitment of labourers for Assam.”

[24TH FEBRUARY, 1915.] [Pandit Bishan Narayan Dar; Sir Robert Carlyle; Sardar Daljit Singh; Maharaja Ranajit Sinha of Nashipur; Sir Reginald Craddock; Sir Fazulbhoj Currimbhoj; Sir William Meyer.]

The Hon'ble Pandit Bishan Narayan Dar asked :—

15. “(a) Have Government received a memorial from Raja Mukund Deb of Puri in Orissa?

Memorial from Raja Mukund Deb of Puri.

(b) Has the attention of Government been drawn to an article headed “The Raja of Puri” published in the *Bengali* on 23rd October, 1914?

(c) Is it a fact that since 9th September, 1913, no pension has been paid to the Raja by Government?”

The Hon'ble Sir Robert Carlyle replied :—

“The answer to (a) and (b) is in the affirmative. Inquiries will be made regarding (c).”

The Hon'ble Sardar Daljit Singh asked :—

16. “Has the attention of Government been drawn to an article headed “Political Pension” which was published in the *Express* on 11th November, 1914?”

Political pension to Raja Mukund Deb of Puri.

The Hon'ble Sir Robert Carlyle replied :—

“The answer is in the affirmative.”

The Hon'ble Maharaja Ranajit Sinha of Nashipur asked :—

17. “Will the Government be pleased to furnish a comparative statement showing the quantity of exports of wheat, rice and gram from India since the outbreak of war, and the quantity exported during the corresponding period of the last year?”

Export of wheat, rice and gram from India.

The Hon'ble Mr. Clark replied :—

“The comparative statement * asked for by the Hon'ble Member has been laid on the table.”

The Hon'ble Maharaja Ranajit Sinha of Nashipur asked :—

18. “Will the Government be pleased to state whether they propose to issue orders for granting licences for fire-arms more freely than hitherto?”

Grant of licence for fire-arms.

The Hon'ble Sir Reginald Craddock replied :—

“The issue of licences under the Arms Act is managed by Local Governments; the Government of India do not consider that any orders on their part are at present called for.”

The Hon'ble Sir Fazulbhoj Currimbhoj asked :—

19. “(a) Have replies been received from Local Governments and public bodies to this Government's circular letter inviting their opinions about the recommendations of the Currency Committee?”

Opinions of Local Governments and public bodies on the recommendations of the Currency Committee.

(b) Will the opinions be laid on the table when received?”

The Hon'ble Sir William Meyer replied :—

“(a) In view of the outbreak of war, it was represented by several of the authorities consulted that it would be better that they should defer the submission of their opinions until normal conditions had been re-established; and

[*Sir William Meyer; Sir Fazulbhoj Currimbhoj; Mr. Clark; Sir Robert Carlyle.*] [24TH FEBRUARY, 1915.]

the Government of India intimated their concurrence in this view. Thus only a few replies have yet been received, and the Government do not anticipate that the complete body of opinions will be before them for some time to come.

(b) They are therefore not yet in a position to say whether the correspondence can eventually be made public."

The Hon'ble Sir Fazulbhoj Currimbhoj asked :—

Acquisition
of unworked
coal-fields by
Government.

20. "(a) Is the question of the acquisition of unworked coal-fields by Government under consideration of this Government, and has any correspondence passed between this Government and the Local Governments on the subject?"

(b) Will the papers, if any, relating to this subject be laid on the table?"

The Hon'ble Mr. Clark replied :—

"The question of the acquisition by Government of unworked coal-fields is not under the consideration of the Government of India and there is therefore no correspondence on the subject to be laid on the table."

The Hon'ble Sir Fazulbhoj Currimbhoj asked :—

Establishment of a
model
cotton
plantation
in the Lower
Bari Doab
Canal
Colony.

21. "Will Government be pleased to state what progress has been made in the scheme for the establishment, by the International Federation of Master Cotton Spinners' and Manufacturers' Associations, of a model cotton plantation in the Lower Bari Doab Canal Colony of the Punjab?"

The Hon'ble Sir Robert Carlyle replied :—

"The Government of India are not aware what progress has been made with the scheme for the establishment of a model cotton plantation in the Lower Bari Doab Colony, but they will inquire."

The Hon'ble Sir Fazulbhoj Currimbhoj asked :—

Collisions
and
accidents on
Indian rail-
ways.
Inquiry into
the case of
fire in a
train near
Poona.

22. "(a) Will Government be pleased to give the number and details of collisions and other accidents on Indian railways during the current financial year?"

(b) Has there been any inquiry into the recent case of fire in a moving train near Poona?"

(c) If so, will the report be published?"

(d) Is it a fact that because of the absence of a communication cord in the train, the Guard could not get timely information, and the fire could not be promptly extinguished?"

(e) Are not railway authorities bound to provide communication cords on all trains?"

(f) If not, will Government be pleased to issue stringent orders in that behalf?"

The Hon'ble Mr. Clark replied :—

"(a) Complete figures relating to all accidents which occurred during the current financial year are not available at present, as the Railway Board's annual report on accidents is prepared from reports submitted by railways at the end of each financial year, reports of serious accidents only being sent to the Board by telegram when they occur. The Board also receive reports of the results of inquiries held into serious accidents as soon as they have been completed. I can state here only the number of accidents which have been reported to the Railway Board since 1st April, 1914. This number is 26, of which 18 were collisions between trains, 10 were derailments and 8 were due to other causes."

[24TH FEBRUARY, 1915.] [*Mr. Clark; Sir Fazulbhoy Currimbhoy; Sir Ibrahim Rahimtoola.*]

(b) If the Hon'ble Member refers to a case which occurred on the 21st May, 1914, the reply to his question is that an inquiry was held at Miraj station on the 25th May.

(c) The report of the inquiry was published on the 7th November.

(d) The train in question was a mixed train, that is, one consisting of both coaching and goods vehicles, and as the latter were not fitted with the vacuum brake, the inter-communication apparatus could not be worked on the train. The evidence recorded at the inquiry shows that only a very few minutes elapsed between the outbreak of fire and the pulling up of the train, but owing to the dryness of the timber of which the carriage was built, and to the fact that a strong wind was blowing, the fire could not have been prevented from spreading.

(e) and (f) The last returns available show that only about one-half of the goods vehicles running on railways have been fitted with the vacuum brake apparatus upon which the provision of communication between passengers, guard and driver is contingent, so that there are still practical difficulties in the way of arranging on mixed trains for a means of through communication between passengers, guard and driver. The position is improving yearly, the proportion of goods stock fitted with the vacuum brake having risen from 10.73 to 48.70 per cent in the last seven years, but considering that the speed of these trains is comparatively slow and that they usually stop at all stations, the Railway Board have not yet made it obligatory on railways to provide inter-communication on such trains."

The Hon'ble Sir Fazulbhoy Currimbhoy asked :—

23. "Is the question of the introduction of electric traction on Indian railways under consideration of Government?"

Introduction of electric traction on Indian railways.

The Hon'ble Mr. Clark replied :—

"No proposal for the general introduction of electric traction on Indian Railways is under the consideration of the Government. Reports have, however, been prepared regarding the introduction of electric traction on suburban lines in the neighbourhood of Calcutta and Bombay, but no decision has been yet arrived at in the matter."

The Hon'ble Sir Fazulbhoy Currimbhoy asked :—

24. "Will Government be pleased to lay on the table the papers, if any, relating to the policy of this Government regarding concessions in respect of oil-fields?"

Policy of Government regarding concessions in respect of oil-fields.

The Hon'ble Mr. Clark replied :—

"The papers relating to the policy of Government regarding concessions in respect of oil-fields are confidential and I regret that they cannot therefore be laid on the table. Oil-winning concessions are granted under the Mining Rules of India, but petroleum is included in what is known as the reserved list of minerals, concessions for which, as being resources of national importance, are only granted to British subjects and to companies mainly British in constitution."

The Hon'ble Sir Ibrahim Rahimtoola asked :—

25. "(a) Will Government be pleased to state whether instruction in Electro-Therapeutics and Massage is given at present in any of the Government medical schools and colleges in India.

Instruction in Electro-Therapeutics and Massage.

(b) If the answer to the above question is in the affirmative, will Government be pleased to furnish a list of such schools and colleges?"

[*Sir Ibrahim Rahimtoola; Sir Reginald Craddock; Mr. Rayaningar; Sir Robert Carlyle.*] [24TH FEBRUARY, 1915.]

(c) If the answer to question (a) is in the negative, will Government be pleased to state whether they intend gradually to introduce such instruction in all medical institutions in India? "

The Hon'ble Sir Reginald Craddock replied :—

"(a), (b), and (c). Instruction in Electro-Therapeutics is given at Dehra Dun and in the Calcutta and Lucknow Medical Colleges and will, it is understood, be shortly provided also at Madras and Lahore. While the Government of India are prepared to encourage the growth of facilities for instruction in this field, they regard instruction in massage as appropriate to the curriculum of nursing institutes rather than of medical colleges and are not inclined to favour its introduction into the latter class of institution."

The Hon'ble Mr. Rayaningar asked :—

Loan to cultivators of improved machinery for cultivation.

26. "(a) Is it a fact that the Department of Agriculture does not lend improved ploughs to cultivators for experimental purposes? "

(b) If so, do Government propose to take steps to popularise the use of improved machinery for cultivation by the free loans of such machinery to cultivators on their furnishing sufficient security? "

The Hon'ble Sir Robert Carlyle replied :—

"It is believed that improved agricultural implements are lent to cultivators some provinces and especially in the Punjab.

The question whether this is the best method of popularizing improved implements is one for Local Governments and Administrations to decide, but the Hon'ble Member's suggestion will be brought to their notice."

The Hon'ble Mr. Rayaningar asked :—

Grant of loans to bonâ fide agriculturists.

27. "Do Government propose to consider the desirability of widening the scope of the Agricultural Loans Act, 1894, so as to facilitate the grant of loans to *bonâ fide* agriculturists to carry on industries subsidiary to agriculture? "

The Hon'ble Sir Robert Carlyle replied :—

"The Government of India will consider the question."

The Hon'ble Mr. Rayaningar asked :—

Manufacture of natural indigo.

28. "Do Government propose to offer special rewards for improved methods of manufacturing natural indigo? "

The Hon'ble Sir Robert Carlyle replied :—

"The whole question of the possibility of encouraging the natural indigo industry was considered at a representative conference which met the day before yesterday. The recommendations made are now being considered."

The Hon'ble Mr. Rayaningar asked :—

Employment of Belgian farmers for promoting farming and other industries in India.

29. "(a) Is it a fact that now, on account of the German occupation of Belgium, many of the Belgian farmers and other expert workmen are thrown out of employment? "

(b) If so, do the Government intend to take such steps as may be possible to secure the services of some of them for promoting profitable farming and other possible industries in India? "

The Hon'ble Sir Robert Carlyle replied :—

"So far as the Government of India are aware the answer to the first part of the question is in the affirmative."

[24TH FEBRUARY, 1915.] [Sir Robert Carlyle; Mr. Rayaningar; Sir
William Meyer; Sir Reginald Craddock;
Sir Ali Imam; The President.]

As Belgian and Indian conditions differ so greatly it is very doubtful whether any action on the lines suggested could usefully be taken."

The Hon'ble Mr. Rayaningar asked :—

30. "(a) Is it a fact that difficulty is experienced by illiterate and ignorant people in rural areas in readily distinguishing currency notes of fifty rupees from those of ten rupees on account of the sameness of size and colour? If so, has the attention of Government been drawn to such difficulty? Issue of currency notes in different colours.

(b) Do the Government propose to consider the expediency of issuing these notes on materials of different colours? "

The Hon'ble Sir William Meyer replied :—

"The difficulty mentioned in the Hon'ble Member's question was brought to the notice of the Government of India some time ago, and prior to the outbreak of the war they had taken up the general question of improving the form and design of their currency notes in this and other respects, and the consideration of it was well advanced. Under present conditions it is not considered expedient to proceed further with the matter at once; but the question will be resumed as soon as normal conditions are re-established.

The question of colour printing has also been under consideration in connection with the general examination of the subject to which I have just referred."

The Hon'ble Mr. Rayaningar asked :—

31. "Has Government received any report about the Salvation Army's new settlement for released criminals at Perambore? If so, will it be laid on the table? Settlement for released prisoners at Perambore.

The Hon'ble Sir Reginald Craddock replied :—

"The Government of India have no information regarding a settlement established by the Salvation Army at Perambore for released criminals."

SIR SASSOON JACOB DAVID BARONETCY BILL.

The Hon'ble Sir Ali Imam moved that the Bill to settle the endowment of the Baronetcy conferred on Sir Sassoon Jacob David be taken into consideration.

The motion was put and agreed to.

The Hon'ble Sir Ali Imam also moved that the Bill be passed.

The motion was put and agreed to.

SIR JAMSETJEE JEJEEBHOY BARONETCY BILL.

The Hon'ble Sir Ali Imam :—"My Lord, since the introduction of the Bill relating to the Baronetcy conferred on Sir Jamsetjee Jejeebhoy a communication has been received from the Bombay Government suggesting certain modifications, and as those modifications have got to be considered, I pray that Your Excellency be pleased to allow items Nos. 3 and 4* on the list of business to stand over."

His Excellency the President agreed to this course.

* Relating to the consideration and passing of the Bill.

[*Mr. Clark; Sir Reginald Cradock.*] [21TH FEBRUARY, 1915.]

INDIAN PATENTS AND DESIGNS (TEMPORARY RULES) BILL.

The Hon'ble Mr. Clark :—“ I move for leave to introduce a Bill to extend the powers of the Governor General in Council during the continuance of the present war to make rules under the Indian Patents and Designs Act, 1911. The occasion for this legislation arises solely from the war Government consider it desirable that during the present hostilities power should be taken to refuse to receive applications for the grant of patents or registration of designs from persons who are subjects of a State at war with His Majesty. To allow such applications—or in other words to allow enemy subjects to acquire rights in India—would clearly be at variance with Government's general policy in regard to hostile trading, and legislation is necessary since the contingency of war was not contemplated when the Patents Act of 1911 was framed, and is not covered by it. The Bill also provides for the avoidance or suspension of patents or designs held or registered by or for the benefit of enemy subjects, and for the grant of compulsory licences to persons other than such subjects. Unless some such powers are taken, the continuance in force of patents held by enemy subjects would interfere with the production or importation of articles now covered by such patents, which may be urgently required in India. We are also taking powers—following the example of the United Kingdom—to issue the licences not merely for the duration of the war but for the whole unexpired period of the patent, since it would clearly not be for the interest of manufacturers or others to take out such a licence unless assured of the enjoyment of its privileges for a reasonable and definite time, and there would otherwise be some risk that the object of the provision would be defeated. At the same time I wish to make it quite clear that our aim is not the confiscation of enemy rights. Licences will only be granted when it can be shown that it is in the general interests of the country, or of a section of the community, or of a trade, that a supply of the article in question should be secured.

“ The provisions of the Bill follow closely the provisions of the similar legislation which has been passed by His Majesty's Government since the outbreak of the war. ”

The motion was put and agreed to.

The Hon'ble Mr. Clark also introduced the Bill and moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the *Gazette of India* in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

FOREIGNERS (AMENDMENT) BILL.

The Hon'ble Sir R. Cradock moved that the Hon'ble Mr. G. H. B. Kenrick be added to the Select Committee appointed to report on the Bill to amend the Foreigners Act, 1864.

The motion was put and agreed to.

[24TH FEBRUARY, 1915.] [*Mr. Das.*]

RESOLUTION *BE* INDIA'S GRATITUDE, DEVOTION AND LOYALTY TO HIS MAJESTY THE KING.

The Hon'ble Mr. Das:—"His Majesty's visit to India opened a new era in the political life of Indians. It seemed as if the gates of heaven had been suddenly opened and a flood of light broke upon the immense population. They had believed that their sovereign was God's Vicegerent on earth. They saw the object of their faith and realized the truth of it.

"On several occasions when the crowd eager to feast their eyes on the royal personage were held back by the police, His Majesty responded to the wishes of the crowd. Most likely His Majesty expressed his sympathy in words like these 'suffer those men to come unto me and forbid them not, for they are the children of my Empire.' This sympathy reminds one of a memorable instance in the life of one who was greater than all earthly kings.

"Owing to these and other incidents of a similar nature, proving His Majesty's sympathy for the people, their abstract notions of loyalty developed into attachment and devotion to the Royal personage.

"These sentiments in their turn developed the responsibilities of the subjects to preserve the glory of the Crown, to support the dignity, honour and prestige of the sovereign.

"In the *discharge* of these obligations the millions of India are ready to give their life, limb and property.

"A *river* runs its course over miles and miles to meet the ocean, to be merged in the ocean and form a part of the mighty ocean. But when the river reaches the sea, the sea for a time refuses to absorb the *muddy* waters of the river.

"During this period there is a boundary line showing the difference in colour of the two waters.

"Such is the position of India in the British Empire. India occupies a place in the outskirts of the British Empire.

"As the river longs to merge in the sea and lose its distinctive identity, so had India looked forward to the day when she would form an integral part of the British Empire, when she would be allowed in the privileges of the Empire and bear the burden of the Empire in times of trouble and danger. This long cherished hope of Indians was fulfilled when Your Excellency sent Indians to the theatre of war. We consider this an invaluable boon. The theatre of war is the altar where sacrifices to the honour of the Empire are being offered. It is the stage where the history of the Empire is being acted and its glorious future foreshadowed.

"How our countrymen have acquitted themselves in the discharge of their respective duties, it is not for us to recount. We are grateful to His Majesty for having recognised the services of some of them in a manner of which any soldier in Europe would be proud.

"The words which His Majesty addressed to the Indian soldiers at the front constitute a *commitment* of the honour, prestige, and the righteous principles of British administration to his millions of subjects in India.

"This *Royal Commission* comes to us through our brethren at the front, who are shedding their life blood to earn for us the privilege of being reckoned as worthy citizens of the British Empire. Hence it comes to us as a heritage with a sacred duty attached thereto. The heart of the nation has been moved, and the nation's resolution to spare neither life, limb nor property to secure success in the war stands firm and unswerving.

"The *sympathy* shown by His Majesty to the wounded soldiers has put a tongue in every wound, which exhorts the Nation to persist and persevere in their *resolution to uphold* the prestige of the Empire.

"*Having put* our hand to the plough, we cannot turn back till the furrows are deep enough to serve as graves for the enemy.

[*Mr. Das.*

[24TH FEBRUARY, 1915.]

"The British Empire, like the mighty ocean, has been roused to fury. All the streams in the British Empire over which the sun never sets are pouring their waters to swell its volume. Its mighty waves with Britannia riding over them will soon sweep away all opposition, and then the British Empire, like the calm sea, will once more pursue its benevolent objects to give peace and prosperity to mankind.

"It is believed that Germany expected that India would support her in this war. If Germany harboured such an absurd belief it only shows how the West is often mistaken in its reading of the *Indian character*. It is all the more remarkable that this mistake should have been made by a Nation which claims to have made a special study of ancient Indian literature.

"What is this war? Is it not a war between the moral forces of humanity and brute power? The object of the war is to establish the supremacy of brute power over all that is good and noble and virtuous in man.

"Germany made remarkable progress in the cultivation of science and literature. Science and literature are monuments testifying to the victories of humanity over brute power.

"Who ever thought Germany concealed an assassin's knife under an academical costume, with which she wishes to stab humanity in the head and heart.

"The great national epic, *Ramayana*, describes a war just like the present. It was a war between an exiled prince, spending his days in the jungles, on the one side, and—his antagonist was a ten-headed monster—a reigning king with an enormous army composed of trained stalwart soldiers. But the forlorn prince had a *righteous cause* and *the moral forces of a saintly personal character*. When the exiled prince decided to punish the monster king for his unrighteous and impudent conduct towards a virtuous, helpless lady, his righteous cause and his moral character attracted an immense army to support his cause.

"The poet says even the animals rendered voluntary service.

"The result was the ignominious death of the monster king.

"The present war resembles the one between Rama and Ravana. It is the *Ramayana* of Europe.

"How intense was the sympathy of the Indians for the virtuous prince, and how intense their hatred of the monster king, may be judged from the fact that, though centuries have elapsed since the epic was written, even at the present day, in the most remote villages, this war is reproduced *annually* in *Jatras* (a primitive form of the stage), and the people rejoice to see the defeat and ignominious death of Ravana.

"It is absurd to suppose that a country whose *millions worship the virtuous hero of Ramayana* and *anathematise* his opponent, would sympathise with Germany in her ambition to subject humanity to brute power. We Indians do not believe in the power of the sword to rule over mankind. The sword may slaughter and make massacre, but the sword can never displace the sceptre which it is meant to guard.

"In the past, in the primitive stage of society, the sword was used to kill animals which were the enemies of man, and now it is used to kill Germans, who are cousins-german of beasts.

"I am confident I am giving expression to the feelings of my countrymen, inside this chamber and outside its walls, when I say that India is resolved to risk all she possesses to secure the defeat of this enemy of humanity.

"Though at present we do not bear arms, but our bare arms will bear arms at the first call of duty.

"We know that this war will cripple our means, which would otherwise have been available for the improvement of the condition of the people and the administrative machinery, but this means only a postponement of the needed reforms for a future time; whereas the success of the enemy means the

[24TH FEBRUARY, 1915.] [*Mr. Das; Sir Gangadhar Chitnavis; Mr. Barua.*]

replacement of justice, morality and the principles of civilized administration to brute power. Our success in this war will mean a century's peace and prosperity to the World, and no price is too high in such a bargain.

"With these remarks, I move the following resolution :—

'This Council recommends to the Governor General in Council the communication to His Gracious Majesty the feelings of sincere gratitude, devotion and loyalty with which the immense population of India have been drawn towards the throne by His Majesty's personal attention to Indian soldiers in the theatre of war and in hospitals, and the consequent unswerving resolution of the Indians to support the honour, dignity and prestige of the Empire regardless of the sacrifice it may entail on them.'

The Hon'ble Sir Gangadhar Chitnavis :—"My Lord, the resolution has my cordial support. His Majesty has always been a friend of India, and all his acts beginning with his visit to India as Prince of Wales have had for their object the contentment and the progress of the people of this country. His Majesty's last act is quite in keeping with his past kind attitude towards India. It was only to be expected that such a good and benevolent Emperor would take the earliest opportunity to make his Indian soldiers feel that they are under his special care. Almost the very first thing, therefore, that His Majesty did on reaching the front was to visit the Indian trenches, and to cheer the soldiers with kind words of Royal encouragement. In England, too, His Majesty has been attentive to the wounded Indian soldiers. His Majesty's visits to the hospitals have had a very encouraging effect not only upon the soldiers themselves, but upon the whole Indian people. His Majesty has placed us under a gratitude which India will cherish for years to come, and which has confirmed the people in their resolution to help the successful termination of the war in any way within their power. My Lord, the Government of India should convey to His Majesty these feelings of the people.

"With these words, I beg to support the resolution."

The Hon'ble Mr. Barua :—"I have no doubt that the resolution will have the cordial support of this Council. His Majesty, while visiting this Empire, captivated the Indian people by his graceful message to his Indian subjects, and that was a great step in the advancement of the loyal feelings of the population of this vast empire; they are bound to His Majesty by a tie that will never break or get loose. My Lord, I venture to point out, however, that the resolution as it stands seems to indicate that it is only as a consequence of His Majesty's personal attention to the Indian soldiers at the front that the resolution of the Indians to support the honour, dignity and prestige of the Empire remains confirmed and unswerving; it is certainly far from our intention to say so; and although I have not put forward any formal amendment, I beg to ask Your Excellency's permission to allow me to submit to the consideration of this Council whether the resolution would not read better by adding after the word 'consequent' the words 'enhancement of the', and whether the words 'consequent enhancement of the unswerving resolution' will not more thoroughly represent the real sentiments of His Majesty's subjects in India. It would be unjust, even inadvertently, to commit to a wording which may imply that the vast Indian population had ever wavered or would but for His Majesty's attention to the soldiers have wavered an iota in their resolution to stand by the throne and the interests of the Empire in this great struggle. That pledge has already been given; India has resolved from the beginning and will continue to be resolved to the end, to play her part bravely and cheerfully in helping the Empire in coming gloriously out of the struggle in which it is involved. That His Majesty's personal sympathy and contact with the Indian soldiers have greatly enhanced the existing loyal feelings of his dear Indian subjects, there is no doubt; and that is, I think, the real point the resolution aims at making. I therefore crave Your Excellency's permission to submit that the Council may consider whether in the wording of the resolution some alteration of the sort I suggest could not be made to make our feelings more clear and expressive.

"With these few words, I beg to support the resolution."

[*Mr. Dadabhoy; Mr. Banerjee.*] [24TH FEBRUARY, 1916.]

The Hon'ble Mr. Dadabhoy :—“ My Lord, I rise to say that this important resolution has my whole-hearted support and that I associate myself with all that has been said on the subject by the Hon'ble Mover and the Hon'ble Members who have preceded me. I wish to emphasize the fact that this is not a formal or conventional resolution and is not the result of mere ‘sentimentality and flabby emotion,’ but it emanates from a deep-rooted affection for the person of His Majesty and an undeviating attachment to His Throne. His Majesty, since his accession to the Throne, has closely identified himself with the hopes and aspirations of the citizens of this Empire. With the intuition of genius His Majesty has found ways and means to reconcile the hopes of the people and the interests of Government. Probably no other Monarch has ever had so deep a knowledge of the history of the great nation he is called upon to mould and govern.

“ My Lord, the resolution is self-explanatory, and gives a true estimate of the feelings of the people. His Majesty has always been popular in India. His many expressions of Imperial favour have made a deep impression on the people here. His Royal messages of sympathy for us his Indian subjects and his exhortations to us to look forward to the future with hope have encouraged us and have given us new visions of our position in the Empire. The news again that His Majesty has visited the Indian soldiers in France and in England and is taking a personal interest in them, both wounded and unwounded, has been hailed with joy and gratitude in this country. Our loyal feelings have been deepened and strengthened, and it is meet that His Majesty should have an official communication on the subject from the Government of Your Excellency. India will never forget that to His Majesty we owe the admission of Indian soldiers into the noble and exalted order of the Victoria Cross.

“ With these expressions, I warmly support the resolution before the Council.”

The Hon'ble Mr. Banerjee :—“ My Lord, I feel myself in complete sympathy with the observations which have been made by my Hon'ble friend over there with regard to the terminology of this resolution. What I feel is this, that if we are in substantial agreement with the sentiments contained in the resolution we need not, having regard to its importance, quarrel about the wording. I am sure, My Lord, that this resolution will commend itself to the unstinted support and the enthusiastic acceptance of this Council. It concerns our gracious Sovereign His Majesty the King-Emperor, who by his sympathy and beneficence has enthroned himself in the hearts of his Indian subjects. My Lord, I may observe that sympathy is the traditional possession of the Royal House of England and the proclamations of Her late Majesty Queen Victoria, which we regard as our *Magna Charta*, and the proclamations of His late Majesty King Edward VII testify to the settled attitude of affection which the Royal House of England has always felt for the people of India. My Lord, His Majesty, when Prince of Wales, after his return to England on the occasion of the presentation of an address by the Lord Mayor of London, observed that sympathy is the dominating principle of British rule in India, and this note resounds in every sentence of the many speeches which His Majesty made on the occasion of the royal visit.

“ My Lord, the resolution refers to the achievements of the Indian soldiers; and surely we are all proud of them. I am sure that His Excellency the Commander-in-Chief, who organised them and sent them abroad, must be very proud of what they have done. They have worthily maintained the traditions of the Indian soldiery, traditions of courage, resourcefulness and initiative and also those higher traditions of humanity in which the enemies of England are so conspicuously wanting. My Lord, His Majesty has felt the deepest interest in the welfare of the Indian soldiers, has visited them, talked to them and has felt a personal interest in their well being; on one of them he has conferred the

[24TH FEBRUARY, 1915.] [*Mr. Banerjee; Rai Bahadur Sita Nath Ray;
Maharaja Ranajit Sinha of Nashipur.*]

Victoria Cross; three of our soldiers have won this coveted distinction. We hope and trust that this is the inauguration of a policy which will throw open the gates of the commissioned ranks to Indian soldiers. My Lord, I understand there are at this moment about 200,000 Indian soldiers at the seat of war. If it was needed ten times that number could be recruited in India, for the Indian continent presents a vast and limitless field of recruitment and behind the soldiers stands the vast population united as one man in defending the glory and the integrity of the Empire. My Lord, our lives, our properties, our resources are all consecrated to the service of the great Empire to which we are all so proud to belong, and which for us and for all those who have the privilege to live under the British flag means never-failing justice and expanding progress and freedom.

“ With these words, My Lord, I support whole-heartedly the resolution that has been moved.”

The Hon'ble Rai Bahadur Sita Nath Ray :—“ My Lord, it may seem superfluous to make repeated declarations of our unswerving loyalty and devotion to the Throne and Person of His Gracious Majesty, but I beg leave to deny it. Since we first came into contact with the English, our feelings have never been so keenly moved; and, whether individually or collectively, we have never been more intensely actuated to serve His Majesty and the righteous cause which His Majesty has so appropriately espoused. There never has been a greater enthusiasm or a more genuine aspiration amongst the divergent races, creeds, and sects to render themselves useful to His Majesty's Government in some shape or other. I have never seen a greater alacrity to go through any form of sacrifice for helping the cause which His Majesty's Government has fittingly taken in hand; and why is this so, and what is the root cause of this universal out-burst of loyalty and devotion? There can be only one answer and it is this, that the emergency which has given rise to the present situation is indeed extraordinary and unique, and we all know that our lives, fortunes and worldly prospects are indissolubly linked up with the British Government; and I may say that the prosperity of our country depends on the successful termination of this struggle, which is indeed a struggle for the very existence. It is on account of this that our Indian soldiers have cheerfully responded to the call of duty and gone to the theatre of war to fight for the Empire, and it is fitting that the multitudinous races and creeds of this empire have risen as one man, with a degree of spontaneity unknown before, to support the cause of the British Government. My Lord, this is only one aspect of the question, but there is another which is only personal, but none-the-less to be lost sight of. We are proud to say that His Gracious Majesty the King-Emperor is no longer an impersonal abstract and an unknown factor to us. We all have had the proud privilege and satisfaction of gratifying our eyes with the sight of His Majesty in person in all the splendour, dignity, glory, show and pomp of His exalted position. We were fascinated as it were with the grace and charm of His manners. We remember well and with genuine satisfaction how His Majesty tried to impress upon one and all connected with the Government of this country the great fact that the keynote of the administration should be sympathy, and sympathy alone. If any further proof of this were needed it has been once more furnished by His Majesty's recent action in personally going to the front and visiting the wounded Indian soldiers in the hospitals, which shows His Majesty's anxious solicitude for the welfare and comforts of His brave Indian troops. It is therefore fitting that we, as the representatives of the people of this country, should acknowledge our appreciation of the kindly feelings which prompted His Majesty to these acts of mercy and grace.

“ With these few words, I beg to support the resolution.”

The Hon'ble Maharaja Ranajit Sinha of Nashipur :—“ My Lord, I associate myself with the resolution which has just now been moved by

[*Maharaja Ranajit Sinha of Nashipur; Sir Fazulbhoj Currimbhoj; Maharaja Manindra Chandra Nandi.*] [24TH FEBRUARY, 1915.]

my Hon'ble friend Mr. Das. My Lord, in the Autumn session of the Council, when my Hon'ble friend Sir Gangadhar Chitnavis moved a resolution, regarding war, we gave vent to our genuine feelings of unswerving loyalty and devotion to the Throne and Person of His Imperial Majesty and our eagerness to sacrifice all that we would possess to help the Empire to bring about the successful termination of the war. My Lord, His Majesty's visit to the Indian troops in France and his kind inquiries about their comforts have enhanced, and deepened, the feelings of our gratitude and loyalty and devotion to His Majesty's throne and person. In this country there is not a single soul who is not ready to offer his life and property for the sake of the Empire until the militarism of Germany is smashed.

"It is, My Lord, with these few words, I beg to support the resolution which has just been moved."

The Hon'ble Sir Fazulbhoj Currimbhoj:—"My Lord, I support the resolution, knowing as I do the feelings of my countrymen. The whole of India is grateful to His Majesty for His gracious visit to the Indian soldiers at the front and in the hospitals. This is highly complimentary and highly encouraging, and it is satisfactory to note that the Imperial favour is fully deserved by the troops.

"My Lord, the war has already evoked in India an outburst of loyalty to the Throne and the British Government, unique in the annals of the British Empire, or for the matter of that, in the annals of the World, and to-day we are as determined as ever in our resolution to render all assistance in our power to enable the British Government to prosecute the war to a finish. There is nowhere any desire to spare either men or money in the Cause. The fact that our Indian soldiers have distinguished themselves in the war, and have maintained the best traditions of the Indian Army, is inspiring. The high distinction of the Victoria Cross won by two of them is one of which we are all intensely proud. It is a matter of special satisfaction to us on this Council that two of our Colleagues are taking an active part in the war with credit to themselves and the country. We feel elated that the gallant Malik Umar Hyat Khan and the Maharaj Kumar of Tikari have attracted the notice of Field Marshal Sir John French, and have been mentioned in despatches. Such examples are highly inspiring. The one predominant idea in India is to help in the successful prosecution of the war in every way possible. There is no other thought in our minds at present.

"My Lord, I wish to take this occasion to acknowledge on behalf of the public our warm appreciation also of Your Excellency's kindness to the wounded Indian soldiers, both at Bombay and at Basrah. Your Excellency's act in visiting each wounded soldier detained in the Lady Hardinge War Hospital at Bombay and making personal inquiries about his needs and comforts, has made a favourable impression in India, which will have an abiding influence on the loyalty of both the Army and the people."

"With these few words, I support the resolution."

The Hon'ble Maharaja Manindra Chandra Nandi:—"My Lord, it may be truly said that every day of the war has brought India nearer England in closer bonds of loyalty and union. His Gracious Majesty the King-Emperor's visit to the front and the kindly visits paid by Their Imperial Majesties the King-Emperor and the Queen-Empress to the Indian soldiers in hospital have produced a wave of enthusiasm which is being felt throughout India, and we hope that our gratitude will be communicated to His Imperial Majesty the King-Emperor.

"I desire cordially to support this resolution. It expresses the sense of the Nation, and we, as representatives, should all support this resolution."

[24TH FEBRUARY, 1915.] [*Mr. Rayaningar; Mir Asad Ali; Raja Kushal pal Singh; Mr. Ghuznavi.*]

The Hon'ble Mr. Rayaningar :—“ My Lord, I heartily support the motion before the Council. We are loyal, devoted and beholden to His Majesty our beloved King-Emperor, as much for His Majesty's personal attention to the Indian soldiers at the theatre of war, as for many other instances of His Majesty's, as well as of His worthy representative's, Your Excellency's, gracious solicitude for the welfare of the Indians. My Lord, it is our most valued privilege to be the subjects of His Majesty and to be the citizens of the great British Empire. It is our duty to stand by the Empire, and we are proud to know that our brethren in the front are discharging their duties in a manner worthy of them and of the cause for which they are fighting. How I wish more of us had the requisite training and opportunity to join His Majesty's Army. Speaking as the representative of the zamindars and landholders of Madras, I have the greatest pleasure to assure you, My Lord, that we are resolved, firmly resolved, to make whatever sacrifices that may be expected of us, for maintaining the honour, dignity and prestige of the Empire.”

The Hon'ble Mir Asad Ali :—“ My Lord, in supporting heartily the resolution before the Council, I may be permitted to say that loyalty is often expressed better by deeds than by words. That India continues to assist materially in the mighty defence of the Empire is ample evidence of her genuine and abiding loyalty to the British Throne. Both in their own interests and in the larger interests of the Empire, Indians are prepared to uphold and maintain the best traditions of the Empire.

“ Our King-Emperor's good-will towards His Majesty's Indian subjects is too well-known to need reiteration. We are indeed deeply grateful to our August Sovereign for His Majesty's personal attention to and kind solicitude for the Indian soldiers who have gone to the front. No Sovereign, My Lord, has evinced such a deep interest in the welfare of his subjects as His Majesty the King-Emperor. Therein lies the secret of the people's attachment and devotion to the person of His Majesty. His Majesty's trust and confidence in the subject population of His vast Indian dominions is now being amply repaid, and a never-ending stream of offers of help continues to flow from India.”

The Hon'ble Raja Kushalpal Singh :—“ My Lord, India cannot but acknowledge with a deep sense of gratitude His Majesty's gracious solicitude for Indian soldiers in the theatre of war and in the hospitals. His Majesty has, by a series of acts of kindness to Indians, especially to Indian soldiers, bound to himself with the bonds of loving loyalty, unequalled in the history of India for its strength and intensity, the hearts of all classes of Indian people, but none are more grateful to him than the large landholders of Agra. Their loyalty is traditional, and they are firm in their resolve to stand by the Empire at all hazards, and at all costs.

“ With these few words, I associate myself with the resolution.”

The Hon'ble Mr. Ghuznavi :—“ My Lord, I rise to give my heartiest support to the resolution which has been moved by my friend the Hon'ble Mr. Madhu Sudan Das and to endorse every word that he has said as well as those uttered by the speakers who have preceded me. Ever since that memorable day when the news was flashed of the declaration of war, every Indian heart has been stirred to its utmost depths and India has risen to claim an honourable place in the front rank of battle, and under Your Excellency's initiative has been able to pour forth her troops across the seas ; and her sons, standing shoulder to shoulder with the sons of Great Britain and the Colonies, have been able to fight the common foe of peace and tranquillity. Her princes and peasants have equally buckled their swords and are shedding their life's blood in defence of the Empire, of which they have recognized themselves to be an integral part. Ever since that moment a spontaneous and

[*Mr. Ghuznavi.*] [24TH FEBRUARY, 1915.]

generous competition amongst the princes, chiefs and people of all classes has risen as to who can the more readily place himself and his resources at the service of the Empire. Rich and prodigal offers have been made by princes and rulers, whereas those humbler than them have offered all their resources and all they possessed. A surging acclamation of her common faith and loyalty has gone forth from the Hindu Kush to Cape Comorin and India has rallied spontaneously to the call of the Empire. When the Kaiser, the disciple of Fredrick Nietzsche, the apostle of brute force, threw down his gauntlet in defiance of the peace of the world, to the law of nations and to the rights of humanity, he little dreamt from what distant shores its sons would pour forth in defence of peace and justice—he little dreamt that the Himalayas would march to the avenging of the Ardennes.

“Now, My Lord, I ask, what is the cause of this general manifestation of Indian loyalty which seems to have touched the imagination and stirred the hearts of the people of England and has been a source of the most pleasant surprise to the stay-at-home Londoner, as we gather from the English papers? The main cause no doubt is that *Pax Britannica*, which has assured to upwards of three hundred millions of Indians peace and tranquillity at home, settled government, even-handed justice, and absolute religious toleration. Secondly, it is due to that reasoned sentiment inspired by powerful considerations of enlightened self-interest, because the India of to-day is the creation of England; her destiny is entwined with that of England; and her educated classes that represent the masses are the products of English training and English thought. Thirdly, My Lord, India's ready participation in the war is due to her recognition of the absolute necessity and justice which have impelled England to unsheathe her sword in defence of the liberties and the integrity of a weaker State. But, My Lord, if we were only to search the hearts of the millions of this country, we would find that there is one reason more for this spontaneous outburst of loyalty, and that is our allegiance and devotion to the person of His Gracious Majesty, Our King-Emperor. Ever since His visit to our shores, when His Gracious Majesty delivered to His Indian subjects His message of ‘Good-will and Hope’, He has been enshrined in our hearts and we have been drawn nearer to Him. In Him, we have recognised not an alien king, ruling with however great a sympathy for his subjects, but an Emperor of Hindustan itself, crowned in this historic City of Past Glories and in this truly Imperial Delhi of our future hopes. A further proof, if that were needed, which His Majesty has given of His love towards His Indian subjects, is the personal attention and care which His Majesty paid to the Indian soldiers, both in the field of battle and in the hospitals. This has stirred our hearts afresh and has evoked feelings of our sincere gratitude. The personal interest which Their Majesties displayed, while recently visiting the Brighton pavilion, now turned into a hospital, caused the Indian soldiers, some of whom were dangerously wounded, to lustily cheer their King and many to wave their disabled hands. This has certainly given an additional stimulus to Indian loyalty and it has made us all the more determined to uphold the dignity and prestige of our Empire *coûte que coûte*.

“My Lord, one word more and I have done. From my place in this Council in September last, I ventured to answer the question as to what would be the attitude of Indian Mussalmans if Turkey were involved in this war. Now that Turkey, against her best interests and against the advice of the entire Moslem community of India, has followed a suicidal policy in going to war against England, the words I ventured to utter on that occasion have been more than amply justified. Mussalmans under British rule have rallied to a man to the cause of the Empire and have not gone a hair's breadth astray from their traditional path of loyalty and devotion to the British Throne, as they knew full well that in this war no religious question is involved. The Holy Koran inculcates obedience to Constituted Authority; and so long as Mussalmans are in full enjoyment of their religious rights and liberties, they are bound to act up to their Islamic precept. On behalf of the Mussalmans therefore I beg of Your Excellency to convey to His

[24TH FEBRUARY, 1915] [*Mr. Ghuznavi; Pandit Madan Mohan Malaviya; The Commander-in-Chief.*]

Majesty the King-Emperor an expression of our unflinching and unalterable loyalty and determination to stand by the Empire under all circumstances, come what may.

“With these words, My Lord, I beg to support the resolution.”

The Hon'ble Pandit Madan Mohan Malaviya :—“ My Lord, I have much pleasure in supporting the resolution which is before the Council. It is perfectly true, My Lord, that the news that His Gracious Majesty had been pleased to go to the theatre of war and to visit the Indian soldiers there, did cause immense satisfaction throughout the country, and it is only right and proper that we should request Your Excellency kindly to convey our feeling of gratitude to His Majesty. We are sure, My Lord, that it will be a matter of satisfaction to His Majesty to know that His gracious acts are so closely noted and so deeply appreciated by the people whom He loves. For the rest, I do not think many words are needed at this moment to assure His Majesty of the unswerving loyalty of the Indians'. My Lord, deeds far more eloquent than any words that we can employ have, day after day, during the last many months, proclaimed on the battle-field the devotion and determination of India's sons to stand by England. It is pleasing to think that such deeds are even at this moment being performed at the theatre of the war, and there is equally gratifying evidence of the determination of the general population in this country to supply whatever of men or money may be needed to keep up the war until victory shall have crowned the efforts of our King-Emperor.

“ My Lord, India's loyalty to England rests not on hopes alone, but on the more solid foundations of faith. I cannot better express the attitude of India towards England at this juncture than by adopting the words of a great English poet, and a woman too, who has said :

‘ Hopes have precarious life.
They are oft blighted, withered, snapped sheer off.
But faithfulness can feed on suffering.
And knows no disappointment. Trust in me!
If it were needed, this poor trembling hand
Should grasp the torch — Strive not to let it fall
Though it were burning down close to my flesh.
No beacon lighted yet.
England, I will be true. Be thou also true unto me.’

“ And true to each other, bound in indissoluble ties of union and friendship, the might of England supported and strengthened by the might of India, we will present an invincible front to the War-Lord of Germany and every other Power, great or small, that might wish to measure its strength with the British Empire. We are identified each with the other. We rise or fall together. But we shall rise, and not fall, as sure as the sun rises after the night. May God bless our efforts and our prayers !

“ I heartily support the resolution.”

His Excellency the Commander-in-Chief :—“ The gracious message addressed by His Majesty the King-Emperor to the Princes and Peoples of India, which your Excellency read to Council at the opening of the Simla Session in September last, is still fresh in our recollection. In that message His Majesty referred in moving terms to the magnificent offers made by the Princes and People of India to place their lives and resources at the disposal of the Empire, and to the ties of love and devotion which bound his Indian subjects to himself. These offers have since taken practical shape; the ties of affection have been put to practical proof; and India has, I think, good reason to be proud of the results achieved.

“ Your Excellency at that same Council Meeting referred to the strength of the Force then being despatched from India to the front. Since that date, further calls have been made upon us, and the numbers then indicated have

[*The Commander-in-Chief.*] [24TH FEBRUARY, 1915.]

been largely exceeded. There is no better proof of the anxiety of the people of India to take their share in the war than the circumstance that at no time in the history of the Indian Army has recruiting been so good as at present. Many of the sick and wounded invalided back to India from the War are also loud in the expression of their desire to be sent again to the front.

“ The Hon'ble Mover of the resolution before us refers to the feelings of gratitude and loyalty which have been elicited by His Majesty's personal attention to Indian soldiers in the theatre of war and in our hospitals. As evidence from another source of the deep and lasting impression made by His Majesty's gracious personality upon the troops in the field, I may here quote from Field-Marshal Sir J. French's last despatch, that of the 2nd February, as summarised by Reuter. Sir John French says the salient feature of the operations since the middle of November was the presence of His Majesty in the field, which was the greatest help and encouragement to the troops after the long and arduous battle of Ypres-Armentieres.

“ Sir John, in the course of his remarks on the operations, says that though the troops have been subjected to the most severe strain, their spirit has remained high and confident, and that the Indian troops have fought with the utmost steadfastness and gallantry whenever called upon.

“ Sir John French goes on to speak of the splendid work of the Medical Corps, and this leads me back to the Hon'ble Member's allusion to Indian soldiers in hospitals. It may interest Hon'ble Members if I give a few details showing how complete are the arrangements for tending the sick and wounded—a matter in which we may claim to be far ahead of our enemies. We have provided with the various Expeditionary Forces sent from India :—

32 Field Ambulances capable of dealing with 3,000 casualties at one time ;

23 Hospitals equipped with the most up-to-date appliances, capable of accommodating 7,450 patients ;

About 580 Medical Officers, 230 Assistant Surgeons, 600 Sub-Assistant Surgeons and approximately 7,600 other personnel, including hospital establishments, Army Hospital Corps and Army Bearer Corps.

8 Hospital Ships have been equipped in England and two in India.

Three ambulance railway trains have been equipped in India, and the personnel of five ambulance trains have been despatched to France and Egypt.

The Imperial Relief Fund has placed at our disposal over £10,000, with which to supplement our resources, and which is being expended in the provision of additional comforts for the sick and wounded.

In addition to all this, there are a number of hospitals and convalescent homes in England for the accommodation of Indian soldiers, equipped by voluntary effort and managed by various Home institutions.

“ Your Excellency, in your speech at the opening of the Simla Session expressed your confidence that the people of India would shrink from no sacrifice and would loyally co-operate with Government in maintaining internal order and in doing all in their power to secure the triumph of the arms of the King-Emperor. I think that the present loyal resolution goes far to show how correct was Your Excellency's judgment of the feelings of the people of India, and I would ask Your Excellency to accept it on behalf of Government and arrange for its transmission to His Majesty the King-Emperor. But since some criticism of the wording of the resolution has been forthcoming, I would suggest to the Hon'ble Mover that such amendments might be made as would cause it to read as follows :—

‘ This Council recommends to the Governor-General in Council that His Excellency in Council may be pleased to communicate to His Gracious Majesty the feelings of sincere gratitude, devotion and loyalty with which the immense population of India have heard of His Majesty's gracious personal attention to Indian soldiers in the theatre of war and in hospitals, and the unswerving resolution of Indians to support the honour, dignity and prestige of the Empire, regardless of the sacrifice it may entail on them.’ ”

[24TH FEBRUARY, 1915] [*Mr. Das; Sir Ibrahim Rahimtoola; The President; Raja Sir Muhammad Ali Muhammad Khan; Raja Abu Jafar.*]

The Hon'ble Mr. Das.—“I am very thankful to His Excellency the Commander-in-Chief for his suggestion, and I most thankfully accept the resolution as amended by His Excellency.”

The Hon'ble Sir Ibrahim Rahimtoola:—“Will Your Excellency permit some of us to address the meeting on the resolution as amended? We wish to take part in the debate on the resolution that is now before us.”

His Excellency the President:—“You did not get up in your seat to give any indication that you wished to speak.”

The Hon'ble Sir Ibrahim Rahimtoola:—“Each member was getting up one after another, and we waited till we had a chance. Will Your Excellency be pleased, before the Mover is called upon to reply, to allow me to say a few words.”

His Excellency the President:—“Very well.”

The Hon'ble Sir Ibrahim Rahimtoola:—“I am much obliged to Your Excellency. I think that on an occasion like this it is necessary that representative Indians who are called here to serve on the Imperial Legislative Council should give expression to the sentiments of the people of India on a question of such importance, and I therefore rise, Sir, to associate myself with the expression of the feeling of unswerving loyalty and whole-hearted devotion to the Crown which the present resolution seeks to do. I hope Your Excellency is satisfied that India, throughout its length and breadth, is unswervingly loyal and fully determined to do the best it can to help the cause of the Empire. It is no news to say that ever since Your Excellency has taken charge of the office of Viceroy, you have shown great confidence in the loyal devotion of this country towards the Crown, and I think that the mark of confidence which Your Excellency has shown towards the people of India has been more than amply justified by the manner in which the whole country has stood by Great Britain at this hour of grave crisis. I need hardly assure Your Excellency, and, through you, His Imperial Majesty, that the hearts of the people of India have been deeply touched by the kindness and consideration which Their Majesties have personally shown towards the Indian soldiers on the battlefield and in the hospitals. I wish to reiterate the firm determination of the people of India, not by words but by deeds, to stand shoulder to shoulder in sharing the burdens of the Empire and to shrink from no sacrifices which may be entailed thereby. I trust that India's attitude on the present occasion will be properly appreciated and that any small lingering doubt which may have existed against the whole-hearted devotion and loyalty of this country towards the British Crown will now be entirely effaced.

“With these words, My Lord, I support the resolution.”

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan:—“My Lord, the graciousness of the personal interest taken by Their Majesties in the Indian soldier who is upholding the honour of the Empire in the present war has deeply touched the peoples of India and drawn them in closer bonds of loyal devotion to their Sovereign.

“With these few words, I humbly and respectfully support the resolution as amended.”

The Hon'ble Raja Abu Jafar:—“My Lord, I have great pleasure in associating myself with the Hon'ble Mover's resolution. Nothing has more deeply touched the hearts of the Indian people than the gracious kindness and personal attention of His Imperial Majesty

[*Raja Abu Jafar ; Mr. Huda ; The President.*] [24TH FEBRUARY, 1915.]

towards the Indian soldiers and those who are sick and wounded. This war, with all its horrors and miseries, has a most satisfactory aspect for us, Indians, namely, that it has realised a long-cherished desire of India to be of real assistance and service to the Empire, and it is a matter of supreme pride to her that she has stood the test loyally and honourably at this critical moment, and has justified the confidence which her rulers have always placed in her. It is a time when we should not lose any opportunity of expressing our genuine feelings of loyalty and devotion to the Throne, whenever there be any occasion of giving vent to it. The Hon'ble Mover has chosen the best opportunity of asking Your Excellency to communicate the unswerving loyalty of the people of this country and their desire to make any sacrifices which they may be required to do, and I heartily support this resolution."

The Hon'ble Mr. Huda :—" My Lord, to say that we are grateful to His Gracious Majesty the King-Emperor for all the care he is taking of the soldiers in the fighting line and in the war hospitals will be much less than half the truth. It will be hiding our true feelings. Our hearts are so full of gratefulness and gratitude that we can hardly find words to express correctly our heartfelt genuine and true feelings of thankfulness. Language has always been found lacking in words when we come to depict precisely our inward feelings. The perfidious German Emperor may rule over his blood-thirsty army and subjects, but we have sufficient reports to convince us that he does not rule over their hearts. Our beloved Sovereign by his kind deeds has won the heart of his meanest subject, and is ruling over the hearts of each and all of this vast population of India. Why shall we not be devoted to such a kind-hearted and benevolent Sovereign ? From the lips of the brave Indian wounded soldiers who returned to their homes only the other day we got the reports of our beloved King's visits to the war hospitals for Indians in France and England. His Majesty's keen inquiries after the wants of the soldiers and his anxiety to provide them touched the heart of each of his Indian subjects. These were the words of a wounded soldier returned home, that through the kindness of His Majesty each wounded soldier in the hospital got what he wanted or desired. How thankfully and gladly he related that his life in the hospital was not only comfortable but a luxury. He further added that as soon as a wounded soldier entered a war hospital he quite forgot the terrible life in the trenches, and with it his bodily pain and agony. Each and every wounded soldier knew that all the boons in the hospitals were the result of the anxious and keen personal interest taken by Their Majesties in the welfare of the soldiers. Their Majesties are doing for a common soldier all that parents could possibly have done for their sons. One would like to know whether the stone-hearted German Emperor had done anything more for his wounded son, Prince Joachim. What we knew of the German Emperor was this, that while his son was restless with the agony of his wounds, the Emperor was busy with his self-imposed task of human slaughter. For all the paternal kindness of our benevolent King-Emperor we are not only loyal to him but we worship him. To every Indian to fight for such a sympathetic and benign Sovereign will be a pleasure.

" My Lord, by His Majesty's wise and kind policy India has been drawn much closer to the Throne than it geographically appears to be. We are so proud of our beloved Sovereign as any of His Majesty's subjects among whom he lives.

" With these few remarks I heartily support the resolution."

The resolution as amended was put and accepted.

His Excellency the President :—" It is with great pleasure that I accept this loyal resolution, which has been accepted unanimously by my Council, and I shall have very great pleasure in conveying its terms to His Gracious Majesty the King-Emperor."

[24TH FEBRUARY, 1915.] [*Raja Kushalpal Singh.*]**RESOLUTION *RE* PROMOTION OF INDUSTRIES.**

The Hon'ble Raja Kushalpal Singh :—“ My Lord, I beg to move—

‘ That this Council recommend that, in view of the cessation of imports from hostile countries, the Government be pleased to invite the opinions of the Local Governments and Administrations as to the desirability of promoting industrial enterprise by loans on the lines of *takari* advances.’

“ My Lord, of the countries with which England is now at war two—Germany and Austria-Hungary, more especially Germany—have recently developed their manufactures to an extent which is the subject of universal comment, with the result that the imports into India of manufactured articles from those countries have grown rapidly both in value and volume. According to the official report—

‘ The value of Indian trade with Germany has increased, costly British goods being largely displaced in India by German cheap manufactures. German manufacturers have secured special advantages by the application of technical skill, chemical science, or a combination of both, in the supply of certain goods.’

“ Austrian sugar and glassware imported into India have likewise steadily advanced in value. The figures for 1913-14 were Rs. 1,38,37,000 and Rs. 87,38,000 as against Rs. 83,73,000 and Rs. 53,08,000 of 1909-10. Turkey has similarly maintained a steady trade with India, but manufactured articles form a minor portion of the imports therefrom. In 1912-13, of our trade with foreign countries, 47·5 per cent of the total, 11·8 per cent fell to the share of these countries, and, in 1913-14, although there was a slight drop in percentage as compared to the whole, the value of the trade with each country singly showed an increase. In the course of five years imports from Germany nearly doubled (Rs. 12,66,58,000 in 1913-14 against Rs. 6,46,11,000 in 1909-10) while those from Austria-Hungary showed almost the same rate of progress (Rs. 4,29,04,000 in 1913-14 against Rs. 2,57,07,000 in 1909-10). These imports comprised mainly of manufactured articles. The European war has of course put a stop to all this large trade between India and Germany and Austria-Hungary. Such a sudden stoppage of supply must necessarily cause serious inconvenience to the Indian public. Now, with the United Kingdom and France engaged in war and Belgium devastated, it would be impossible to replace German and Austrian exports by imports from other European countries. The only two countries which might possibly capture the Indian market, the United States of America and Japan, although wide awake to the possibilities of development, are as yet a long way down in the list. Apart therefore from other considerations, to prevent public inconvenience at least, serious and earnest efforts should be made to produce in India itself articles similar to those hitherto imported from Germany and Austria-Hungary. That is a matter of necessity, and not of choice, with us in this crisis. Besides, economic and political reasons, it is eminently desirable that as many articles as possible should be manufactured within the country, and that imports of manufactures should be restricted to the irreducible minimum. This idea has no doubt been always present in the minds of both the Government and the people, but never before have its importance and urgency been so manifest. Our present freedom from the commercial and industrial domination of Germany and Austria-Hungary is a temporary relief. Unless we ourselves by supreme effort can fill the void caused by their elimination from the market, it will be small solace to us if the place of Germany and Austria-Hungary is ultimately taken by some other country, the United States of America and Japan for instance. Transfer of commercial and industrial supremacy in India from one foreign country to another spells no gain to us.

“ My Lord, now is the opportunity for us, and we would do well to bear in mind that the chance seldom comes twice. Unless we can forthwith develop our manufactures and put them on a sound and stable basis and make the best

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of the present situation, the odds are the United States of America and Japan will swamp the Indian market with their goods. Without the war, Japan was becoming a powerful rival of Germany in the Indian Trade. Between 1909-10 and 1913-14 the value of the imports from Japan nearly doubled (Rs. 4,78,01,000 in 1913-14 against Rs. 2,52,12,000 in 1909-10), and the most interesting and instructive point about these imports is that the classes of goods are to a large extent identical with those imported from Germany and Austria-Hungary. In cotton hosiery Japan always occupies a pre-eminent and firm position, and in matches she is far ahead of Germany and Austria-Hungary, and even of Sweden. It is extremely unlikely that in the new situation Japan would be slow to exploit the Indian market more fully. It is estimated that even within the first two months of the European war Japanese exports to this country advanced about 10 per cent. We may be sure the increase has been maintained during the subsequent period. The United States of America, it is true, has not so firm a grip of the Indian market, but her industrial activity and the excellence of her manufactures are unquestionable. She can, if she will, appropriate a very much larger share of the Indian trade. The fact that she has deputed an expert for a special survey of the Indian commercial situation affords unmistakable evidence of her anxiety to take full advantage of her present opportunities. The position thus is that, with a supine or hesitating India, the war will bring us no economic advantage. The gratifying feature, however, is that India has become self-conscious, and with the people the Government are alive to the need of industrial expansion. But in the present extraordinary situation the question which demands immediate consideration relates to the method by which the rate of progress might be accelerated. In ordinary circumstances active participation by Government in manufacturing industry is a matter about which expert opinion is divided. It has been remarked with great force that industrial development is more or less a question of scientific education, and in this view Government would perhaps be justified in maintaining an attitude of complete isolation after adequate provision has been made for this education. The utmost Government could be expected to do further is to adopt a protective tariff or even to pioneer industries. But the desired economic results of all these measures are slow of attainment. But in the present crisis, speed, as observed above, is all-important, and the best thought of the country, official and non-official, should be devoted to the solution of this problem.

“ My Lord, I claim consideration for the resolution before the Council for its main suggestions of a *modus operandi*. The history of industrially progressive countries supports the view that the State may with profit render substantial aid to industries. The extraordinary industrial development of Japan is a recent growth. 58 years ago, in the beginning of the Meiji era, there was hardly any manufacturing industry on western lines there, but by 1906 the number of Joint-Stock companies reached the imposing figure of 9,329 with a total paid-up capital of 107 million pounds sterling and a total reserve of 26 million pounds sterling. The figures to-day are larger. And yet private capital was at first as shy in Japan as it is in India. But the State led the way with pioneer work and active assistance with the present remarkable results. In Germany the progress has been accelerated not only by a system of bounties, but by placing through the banks the financial resources of the State at the disposal of manufacturers. The growth of beet sugar demonstrates forcibly how with State aid industries can be developed. After detection of sugar in beet-root in 1747, the industry remained negligible for 63 years, until in 1810 the Great Napoleon made a free grant of 100,000 acres of land for the cultivation of the root. By 1829 France produced 5,000 tons of sugar from its 100 factories; by 1836 she had 436 factories, with a producing capacity of 49,000 tons. In 1870 the French production amounted to 290,000 tons, while Germany produced only 180,000 tons. By 1906 Germany out-stripped France in the race, and the German production was 2,300,000 tons against 1,150,000 tons of France. Austria-Hungary has attained similar development by similar sponsorial action on the part of Government. On a review of the industrial history of

[24TH FEBRUARY, 1915.] [*Raja Kushalpal Singh.*]

these countries, which have shown the greatest activity and progress, one fact stands out in bold relief, and that is that an industrially backward country may be led to a high state of development with liberal State aid. *The Indian Daily News* has in a recent issue, observed :—

‘The real fact is that the secret of the success of German industry is that the manufacturers obtain longer credit and give longer credit The German banks have treated their trade as a national affair and supported it whole-heartedly, and the enormous development of that trade is entirely due to the support of the great German banks, who liberally lend to industrial enterprises showing good prospects of successful working. In 1907 when there was a great financial crisis German Banking stood the strain with little difficulty ; for they had the German Government behind it.’

“It behoves us now to lay the lesson to heart, and to adopt at least partially the method that has yielded such excellent results elsewhere. Appeal to the Imperial policy of Free Trade in justification of official detachment will not avail in the extraordinary situation we have to face now. Even the Imperial Government have considerably modified their accustomed policy, and have offered to guarantee interest on £1,500,000 debenture capital for the manufacture of synthetic dyes. There is thus no reason why this Government should not adopt similar lines in India. The question of course remains as to how far financial assistance is needed by our manufacturers at this juncture.

“My Lord, it is admitted on all hands that capital is badly needed in India for the development of her resources. The general complaint is that money does not flow here into industrial channels as freely as in other countries. Our present industrial expansion has been principally due to the investment of British capital. Some idea may be had of our financial obligations to England from the fact that, as shown by Sir George Paish in the papers he read before the Royal Statistical Society in 1909-10, so much as £365,399,000 of British capital was invested in India in 1910. There seems to be unlimited scope here for the employment of cheap capital, but the great want is cheap capital. It is not only the big concerns which suffer in consequence, and our industrial progress on western lines is retarded, but even our cottage and village industries suffer more or less from stagnation for this dearth of capital. Freer supply of cheap capital would revivify some of these industries with solid economic and political results. British capital could not be employed in these small industries. Moreover, in the present extraordinary times an adequate supply cannot be counted upon. Co-operative banks are as yet in their infancy, and it would be too much to expect that they would be able to find all the capital wanted. Besides, our big concerns too want money. With larger capital they could produce more. And this capital Co-operative Societies, whether rural or urban, cannot possibly find. And, according to the accepted dogmas of British banking, our ordinary banks should not risk their money in loans to industrial concerns. Indeed, one of the principal causes of the failure of the People’s Bank of India is supposed to be the financing of manufacturing industry which the Directors did. It is essentially necessary therefore that Government should, as a matter both of principle and policy, finance such among our concerns as hold out the best prospects of success. Thanks to the initiative of the Hon’ble Sir William Meyer, a large amount of Government cash has been placed at the disposal of the Presidency Banks for the benefit of trade, but this does not benefit industry at the preliminary stage of manufacture. Unless the ideas of sound banking undergo a material change, it would be unreasonable, and perhaps wrong, to suggest that the Banks should finance industrial enterprise. The only feasible alternative is that Government should advance money to manufacturers direct in the same way as *takavi* loans.

“My Lord, in a recent note the Director of Industries of Madras, although combating the idea of protection, appears to think there is scope for financial assistance by the State. One of the conclusions of the Ootacamund Conference of 1907 was that grants or presents or loans of machinery should be given for the support of particular industries. The Madras Government, as pointed out by Mr. Chatterton in his paper on ‘Industrial Work in India,’ read at the

[*Raja Kushalpal Singh*;] *Mr. Abbott*; *Sir* [24TH FEBRUARY, 1915.]
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Indian Industrial Conference of 1905, have already initiated a policy of making advances to cultivators under the Land Improvement Loans Act of 1883, for the purchase of mechanical appliances for irrigation. In 1908, in the official report of an industrial survey of the United Provinces, it was recommended in paragraph 44 that advances should be made to weavers for the purchase of improved appliances in the same way as *takavi* loans are given to cultivators. The Hon'ble Mr. Low, in his report on the industrial survey of the Central Provinces and Berar of 1908-09, saw 'no reason why some measure of help' should not be given through co-operative societies 'in the form of a Government loan' for the support of weaving. The potter, too, according to him, deserves financial help through banks for the purchase of improved appliances. Mr. Low's general recommendation in paragraph 140 of the report is that 'Government should give substantial assistance' to co-operative societies to whose activity he looks for industrial development. In 1908 in paragraph 315 of the official report of an industrial survey of Eastern Bengal and Assam 'rendering pecuniary assistance' by Government 'to firms or persons who are willing to engage in any profitable industry' was recommended. All this recommendation gains point in the present crisis. *The Indian Daily News*, in the course of the article referred to above, made a similar suggestion:—

'The war has shown how necessary Government financial assistance is to our affairs. The Germans have recognized this for the last twenty years and so have the Japanese.'

There is thus, My Lord, a strong body of opinion in the country in favour of some scheme of financial assistance by the State to manufacturers. It is meet that the question should be considered in all its bearings with special reference to local conditions. The Madras Government has set an example in this line, which might be followed with profit by other local administrations, but the policy of that Government too is halting in existing circumstances, and urgently requires expansion. The chief point, however, is that the Central Government should finally sanction the policy of financial aid. Money would of course be actually paid to the manufacturers through the Local Administrations, but it is in every way desirable that the policy should receive the *imprimatur* of the Supreme Government. For the policy, besides, to be successful, special funds for application to this object must be placed by that Government at the disposal of Local Governments and Local Administrations. Hence the necessity of action on the part of this Government. And once this policy of partially financing industry with State funds is adopted by the Government of India, the first condition for the initiation of a comprehensive and uniform scheme throughout India will have been fulfilled. While I advocate the application of Government money to manufacturing industries through private firms and persons, I think the safest course will be to advance the money in the same way as *takavi* loans. The Land Improvement Loans Act provides certain checks and safeguards which it will be imprudent to throw away.

"But, My Lord, the resolution I press for adoption by this Council strikes much humbler note, in that it only suggests to Government the desirability of focussing official opinion upon this subject of advances to manufacturers. To this course I do not apprehend any difficulty. There is also no room for serious objection, in view of the narrow scope of the resolution. No body loses by the suggested collection of opinions. I confidently hope the Council will now unanimously adopt the resolution.

The Hon'ble Mr. Abbott:—" My Lord, I give this resolution my whole-hearted support."

The Council here adjourned for lunch, and after lunch THE HON'BLE SIR HARCOURT BUTLER, THE VICE-PRESIDENT, TOOK THE CHAIR.

The Hon'ble Sir Gangadhar Chitnavis:—" Sir, my humble experience, limited as it is to the Central Provinces, has satisfied me that,

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for our industrial development, some scheme of financial assistance to our industrial concerns is eminently desirable. Failure is in many cases due to scarcity of liquid capital at a time when it is most needed. This is a country of small capital and when a manufacture is started it frequently happens that the bulk of the capital is used up in the initial stages, leaving only a small margin to serve as working capital. The result is that with the concern in full swing, want of capital is acutely felt at almost every step. Individual owners might perhaps with difficulty raise on personal credit some amount, but it is generally not enough. Joint-stock concerns are at an even greater disadvantage. Banks will not advance money to them, and individual directors cannot be expected to risk their personal credit for the benefit of the business. In the Central Provinces I know of a number of concerns which would have flourished had there been proper arrangements for financing them. There are at the present moment some concerns which can be saved from ruin by timely financial help. This help people might legitimately ask Government to give, especially in view of the new situation created by the war. And Government, too, will ultimately find it to its advantage to render the necessary financial assistance. With the growth of civilisation, the withdrawal of large numbers of people from their hereditary callings, the subdivision of property and the difficulty of the middle classes on account of high prices, the question of the increase of the resources of the people promises to assume serious proportions day by day. The most effective solution of the problem lies perhaps in the revival of the industries, the rural industries in particular. And this Government might well encourage by lending financial support to the industries. Rather than relieve the distress of the unemployed by schemes of old age pensions and insurance and parochial help, the problem should be attacked at the root, and efforts should be made to increase the resources of the people. And State aid to Indian industries is a right step in this direction.

“ The time has gone by when the preservation of law and order was the only function of Government. The ideas of the civilised world in this respect have undergone a radical change, and it is now admitted on all hands that the support of indigenous industries is one of the legitimate functions of the Administration. It must be acknowledged that the Government of India and the Local Governments have recognised their duty in this respect, and much has already been done to encourage the industries. The Hon'ble Mr. Low, whom I am glad to see here to-day, for instance, has made earnest efforts in the Central Provinces to place the rural industries on a sound footing. A great deal more, however, remains to be done. But the point is as to how the assistance is to be given. According to some authorities, it is legitimately the function of the co-operative credit societies; according to others, Government should initiate a scheme of direct help. In my humble opinion, the aid to be effective should come from Government. The co-operative movement, though full of potentialities, is in its infancy now, and is hopelessly unequal to the task of coping with the exigencies of the situation. We must therefore fall back upon Government for the necessary relief. And in this contingency, the suggestion embodied in the resolution that the money should be distributed in the same way as *takavi* advances, would seem to have certain undoubted merits, and must appeal to many. At the same time it must be one of the conditions of assistance that the concern sought to be helped must submit to official audit and expert guidance. Government money cannot certainly be advanced to industrialists who would object to profit by the expert advice of Government and to place the finances of the concerns on a sound basis by submitting to the corrective of official examination of the accounts. These necessary conditions premised, Government help should be forthcoming. Of course, practical effect can be given to such a policy on a large scale in case the resolution is accepted, only at the termination of the war. It would be unwise to expect Government to launch into such expensive schemes while the war is in progress. There could, however, be no serious objection to the collection of opinion on the subject on the lines indicated in the resolution, and that is the recommendation before the Council.

“ I therefore beg to support this resolution.”

[*Mr. Dadabhoy.*] [24TH FEBRUARY, 1915.]

The Hon'ble Mr. Dadabhoy:—"Sir, in discussing the resolution Hon'ble Members will be pleased to bear in mind the action the Imperial Government has recently taken to help forward new industries. The Patents Act has been revised with a view to protect indigenous industry; facilities for loans to prospective industries have been arranged; and, in order to ultimately capture the German trade in synthetic dyes, the Imperial Government has decided to advance a large sum of money on easy terms to a new company to be started for the manufacture of dyes and chemicals. According to the Government of India communiqué of 11th February current, out of the sanctioned capital of the company of 20 million pounds sterling, shares of the value of £10,000,000 will be issued in the first instance, and 'His Majesty's Government will make a loan to the company of a sum equal to the subscribed capital up to a total of £10,000,000 and thereafter in the proportion of £1 to every £4 of subscribed capital. Interest will be charged on the loan at 4 per cent payable out of the net profit, the term of the loan to be limited to a period of 25 years. It is proposed that His Majesty's Government should also make a grant for 10 years for the encouragement of research work of a sum not exceeding an aggregate of £1,000,000. Two directors of the company will be nominated by Government.' And all this when every penny of public money is valuable and can be ill spared. If England with all her Free Trade principles has adopted this policy of fostering industries with pecuniary help, this Government will require very special reasons to justify a policy of benevolent detachment from manufacturing industry.

"Sir, there is an insistent and growing demand in the country for pecuniary help to Indian industries. It has become more and more apparent that the problem of Indian industrial development is mainly a question of cheap capital. The history of the failures of promising Indian concerns worked on western lines is replete with instances of a deadlock for want of capital. Official report after report has noticed this feature of Indian manufacturing industry. Mr. Chatterji, in his Report on the Industries of the United Provinces, has attributed, for instance, the failure of the glass factories of the province to want of fluid capital. The Amballa Glass Works, the Rajpur factory and the Sikandra Rao Factory—all collapsed because there was not sufficient working capital. Mr. G. N. Gupta, in his report, has referred to the same difficulty in Eastern Bengal and Assam. The Boolbool Soap Factory of Dacca, for an instance, could not be worked successfully for want of funds, and in another promising company, the Indian Soap Factory of Nimtoli, the expert manager could not purchase even the necessary plant for want of capital! Mr. N. B. Wagle, the Bombay glass expert, is of opinion that failures of glass factories in various parts of the country have been due to preventible causes, and one of these is lack of capital. Mr. Dobb has come to practically the same conclusion in his monograph. And what has been said of glass manufacture and soap manufacture may be said to be more or less true of other manufactures.

"My friend the Hon'ble Sir Gangadhar Chitnavis has referred to the need of financial backing for other industries of the Central Provinces. My experience is similar to his, and I endorse his observation. On a general review of the industrial conditions of the country, the outstanding fact is that, with greater facilities for raising money, the chief impediment to our industrial development would be removed. And the point which has gained enormous importance in consequence of the economic pressure of the war, and which demands immediate consideration, is how best to secure cheap capital at once. If the present novel economic conditions are to be utilised and the war is to be turned to our economic advantage, we must ensure forthwith a free flow of capital to industrial enterprise. We have, as pointed out above, failed to find capital in the past, and now, with the demoralisation consequent upon the bank smashes and the circulation of all sorts of bazar rumours about the progress of the war, the financial difficulty has become extraordinarily severe. The solution of the problem can no longer be left to individual initiative, and it is absolutely necessary that Government should step in.

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“Now the question is, in what way can financial help be given to the industries of the country? Such help can either be direct or through the banks. But the banks cannot do much in this line, as their investments are limited in range, and past experience has established the fact that, for the successful working of our banks, the one point essential is that the advances should be against securities that are easily convertible. Industrial concerns are from their nature incapable of complying with this condition. Loans from ordinary banks are accordingly out of the question. Special banks for the support of industries, organised on co-operative principle, can, it is true, do something to supply the necessary capital to industrial concerns, but the pity is, such banks are at present non-existent. The time may indeed come when we shall have them in fairly sufficient number, but it is a long way off yet. And meanwhile, the concerns will be left to themselves to find the money required for successful management as best they may. This policy, as an incentive to enterprise, has failed in the past, and the ground is absolutely wanting for the hope that the future will belie the past. The idea which the Hon’ble Mover has in view in common with educated Indians,—the speedy revivae of indigenous industries, especially when German and Austrian goods have been withdrawn from the Indian market,—will thus be frustrated. Through force of circumstances, therefore, India must expectantly look to direct Government assistance in money. It is a matter of necessity with the Indian industrialist. The Hon’ble Mover has shown from the official reports that this necessity was felt years ago. The economic situation created by the War has only emphasised it. And that fact by itself ought to commend the resolution to the acceptance of this Council.

“Sir, it is a point in favour of the proposal in the resolution that the advances are recommended to be made in the same way as *takavi* loans, inasmuch as such loans are given on ample security. There is not much difficulty in recovering the money, and the debtor does not feel the burden. The interest charged is small, and repayment is in easy instalments. That advances to manufacturers on the principle of *takavi* loans are quite feasible, will not be seriously questioned. In the case of *takavi* loans the agriculturist gives his land as security, and the amount of each individual loan is settled after careful inquiry on the spot, of the applicant’s financial strength, position and necessities. There is nothing to prevent a similar course being followed in the case of the manufacturing industries. The security supplied will in most cases be the plant or the mechanical appliance itself for which the loan is taken, plus the personal credit and other property of the debtor. Government will thus be amply secured against loss, while ample funds will be available to the needy and deserving manufacturer to get improved machinery for the benefit of the particular industry. And the gain to the manufacturers will be a gain to the country.

“My Lord, the adoption of the economic policy suggested in the resolution will likewise have far-reaching political results. It will knock out the bottom of the complaint that a rigid and unsympathetic economic policy is pursued by Government here with a view to help the British manufacturer, and will, by increasing the resources of the people, by organising the village industries on a sound basis and strengthening them, and by finding new careers for enterprising educated Indians, ensure greater contentment and greater peace and greater devotion and loyalty in the country. Any solution of the economic difficulty, however partial, as is evident, is welcome.

“In my opinion the Hon’ble Mover’s proposal will remove a real want and will in the end relieve distress to some extent; but I would submit for the consideration of the Council and the Government that, instead of waiting for the opinions of Local Governments and Local Administrations on a point in favour of which there is at least a solid body of opinion both official and non-official, this Government would be well advised to lay out a reasonable amount of money for the support of the indigenous manufacturing industry in the same way as *takavi* advances are made for the support of the agricultural industry. But this is by the way. And whether Government sees its way to accept this larger suggestion of mine or not, no valid objection could

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be raised to make a special reference to the country on the whole subject of financial assistance to Indian manufacturers. And that is all that the Hon'ble Mover wants the Council to recommend to Government."

The Hon'ble Mr. Ghuznavi:—"Sir, I have much pleasure in supporting the resolution which has been moved by my friend the Hon'ble Raja Kushalpal Singh but if my friend will permit me to say so, in my humble opinion, his resolution does not go far enough, for the stern fact must be recognised that it is almost impossible for our people to revive their old industries, much less to start new ones, without immediate substantial help from the State. Therefore, Government should be not only requested to invite opinions from the Local Administrations as to the desirability of promoting industrial enterprise by loans on the lines of *takavi* advances, but they should be requested to invite the opinions of their subordinate Governments as to the best means of reviving and promoting industrial enterprise, either by loans on the lines suggested or on any other lines that may be found suitable, and having obtained the local opinions, they should be acted upon without the least possible delay.

"Time was when the industries, arts and products of fair Hindustan were far-famed throughout the world. If peoples across the seas had not heard of Dacca as a city, they had at least heard of her muslins, of her embroidery, of her filigree and shell work and a hundred other wares that she produced. But, alas! the race of our weavers is fast dying away. The *charka* or the spinning-wheel is being gradually stilled. The sugar manufactories with which all important villages were studded are gone. The *Melangas* or the salt manufacturers have totally disappeared and the number of braziers in the whole Presidency of Bengal—to mention only one Province of India—can be counted on one's fingers' ends. Even 70 years ago we made our own clothes, spun our own thread, prepared our own sugar and salt and our own utensils. But now, machinery and foreign-made goods have been the death blow of our indigenous industries, as articles turned out here cannot compete with cheaper foreign-made goods, and that is the real reason why Indian trade is being strangled to death. But, Sir, 'there is a silver lining to every cloud' and the horrors of the war, which we all so much deplore, can yet be a blessing in disguise in more senses than one. While Providence will help us to crush out forever German militarism, the German menace, Providence can also help us to stimulate our arts and industries if we would only help ourselves, if we would only now seize the opportunity that has been thrown in our way.

"The total import trade of India for the year 1913-14 has been valued at 122 millions, of which Germany and Austria-Hungary are responsible for 11 millions and odd, *i. e.*, more than 10 per cent. Amongst the chief articles imported from Germany are cotton manufactures, silk manufactures, woollens, dyes, paper and pasteboard and hardware, and those from Austria-Hungary are sugar, glass and glassware. Now, all these can be made in this country if we had sufficient organization and sufficient capital. To deal a crushing blow to Germany, as it behoves us to do, we should lose no time in utilising the present occasion for the destruction of the Austro-Germanic trade in the East, and this can only be done by developing our indigenous arts and industries and promoting new ones. In doing so, there are certain circumstances which we must keep in mind. How did Germany attain such a foremost place in the commercial world? How did Italy and other Continental countries, including one or two of the Balkan States, resuscitate their arts and industries? The main reason is the manufacturers of these countries secured certain special advantages not only by the application of technical skill and chemical science, or a combination of both, but also by the aid in money they received from their Governments. It is the same story in Japan. But here we have none of these advantages. We have no capital, we have no skill or expert knowledge; but one thing we have, and that is, genuine sympathy of Government, and the time is now come when

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that sympathy should take a substantial form. In our corner of the country it is a pleasure to testify to the sympathy which Their Excellencies Lord and Lady Carmichael have evinced in our industries and arts. I myself had the pleasure of first introducing them to the Dacca muslin and to the yet wonderful relics of Dacca's ancient arts and industries. Soon after the outbreak of the war, the Government of Bengal deputed Mr. Swan to make inquiries in this direction, and we are waiting eagerly for his report. But what is needed is capital, what is needed is State aid judiciously given; and loans on the lines of *takavi* advances will certainly be one of the ways in which Government could help us. Otherwise, mere sympathetic advice and official statistics and papers, I am afraid, will not go a long way to bring about the desired end.

"Sir, if we do not seize this golden opportunity, if we do not strike the iron while it is hot, I am afraid another such opportunity will not soon occur. For if Germany and Austria lose their market in India, perhaps Japan and America will occupy their position; and so far as poor India is concerned, it will be all the same to us whether we buy German or Japanese articles, barring the only satisfaction that we will be filling the pockets of our friends to the exclusion of our foes, a process which, however, will leave us poorer all the same. If, therefore, we must oust German and Austrian goods from amongst us, we must at least have some of the special advantages which made all the Western Nations, as well as Japan, commercially so great.

"The time has therefore come to make a beginning, however small. We need not worry ourselves with large concerns which require lakhs and crores of rupees. Such undertakings, unfortunately, are yet beyond our capacity. It is the small industries to begin with which would suit our people best, such as weaving, spinning, sugar manufacture, manufacture of salt, brass or other metallic articles; and all these can be fostered under judicious guidance if capital were forthcoming. A commercially great India, a rich India, would be an immense source of strength to the Empire.

"Sir, I have implicit faith in Providence, and implicit faith in the destiny of my country. Let us hope that the time is not distant when, under the ægis of Great Britain, India will yet be able to take her place in the valhalla of commerce, and that, when the next call comes to her for the cause of the Empire, she may find herself in a position to contribute not merely a paltry million or two of sterling, but tens and hundreds of millions and that, along with her contribution to the war chest, her sons, under the guidance of Great Britain, would be so trained that she will be able to pour forth her teeming millions, who will march into any quarter of the globe, West or East, North or South, to do battle with the foes of our glorious Empire."

The Hon'ble Mr. Banerjee:—"I do hope that the Government will be able to see their way to accept the resolution which has been placed before the Council by my Hon'ble friend. Looking at the matter from an administrative point of view, it seems to me, though I am not an administrator, that Government lose nothing by the acceptance of this resolution. The resolution merely calls for information, for inquiry and report. If the information supports the principle which my friend has advocated in his speech the matter will be considered and action may be taken. If, on the other hand, the information which is collected by Government does not support that principle, it will not be given effect to. Therefore it seems to me that the resolution is one which ought to commend itself to the acceptance of the Government. Sir, it is very obvious from the speeches which we have heard round this table, very obvious from the utterances of newspapers representing all shades of opinion, Indian and Anglo-Indian, moderate and extreme, that there is a universal feeling that the time has now arrived when the Government should come to the rescue of our vanishing industries and when it should enter the industrial field. The English Government, wedded to the traditions of Free Trade, as my friend has pointed out, has done so. There has been a change, if I may be permitted to say so, in the fiscal policy of the Liberal Government in this matter in view of the war and the contingencies of the war. There is no reason why the Indian Government should

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not follow suit. I will admit, and gratefully admit, that the attitude of the Government of India in regard to our indigenous industries is sympathetic; I would go a step further and add that the Government has done something to foster and encourage indigenous industries, but, Sir, there is a universal feeling, a strong conviction in the minds of my countrymen, that a great deal more remains to be done. In Bengal as my friend on my left has pointed out Mr. Swan has been appointed as a special officer, an admirable selection. Mr. Swan has been making inquiries, holding conferences and consultations, and we await his report with interest and expectancy; but, Sir, conferences and consultations, commissions and reports, are all good in their way, but what we want is a little modicum of action, we want that these conferences should lead to specific practical efforts, which would help forward the development of our indigenous industries. Has anything been done since the outbreak of the war, anything tangible, anything definite, any measure to which my Hon'ble friend the Member in charge of the Department could point as showing definite action by the Government for helping forward our indigenous industries? I am afraid the question must be answered in the negative. In Bengal we have a mournful tale to disclose. I will mention two or three industries within my own province in respect of which Government help was solicited, but in respect of which Government help has not been obtained. My friend over there has referred to the dying glass factories, in different parts of India. We have a glass factory at Sodepur, it is a most promising concern. Mr Swan visited the factory, he encouraged the men working at the factory and the proprietor. But capital was wanted, capital is still wanted; I believe the proprietor applied for capital subject to such guarantees as may be necessary. He has not got it, the banks would not supply the capital. Here we have a complaint to urge, and I lay it before the Hon'ble Member in charge of the Commerce Department. In respect of indigenous industries the banks are very slow to advance capital. I will mention one concrete case, because an ounce of fact is worth more than a ton of theory. The Banga Luxmi Cotton Mill, a very large concern with a capital of over 18 lakhs, applied for a loan to the Bank of Bengal, if I am not mistaken. The loan was not given upon the securities that would have more than covered the loan and it was only given when the Directors offered their personal securities. That is not encouraging our indigenous industries. And these banks, for instance, the Bank of Bengal, the Madras Bank and the Bombay Bank, are largely indebted to the State for their financial resources, and yet when a struggling industry comes forward with ample security for the purpose of obtaining a loan, it is refused. I should like to have an explanation from my Hon'ble friend in charge of the Department of this sort of procedure which has characterised the banks supported by the Government.

"Then, Sir, let me take another industry, a match factory in Bengal. It is a promising industry; I cannot say it is prosperous. It wanted some Government help; it applied to the Government to afford facilities for the supply of wood. There is plenty of wood in the Kurseong Hills. A lot of correspondence followed. What is the result? *Nil*. I inquired of the proprietor the other day. He said the correspondence has ended in nothing.

"Take again another promising project which was brought forward by a friend of mine, Babu Nibaran Chunder Dutt, in which he formulated a scheme for the establishment of a sugar factory in the Jessore District. Jessore is a great district for growing cane. The capital was 10 lakhs of rupees. The memorandum was submitted to the Government (I had the honour of submitting it.) The projector wanted that the Government should afford him facilities in respect of land whereon sugarcane might be grown. He also wanted Government to offer him facilities in respect of capital. I believe nothing came of this application. Here are instances in which, although Government was approached with a view to financial and other kinds of help in regard to industries, no such help was forthcoming. I think, Sir, the time has come when an absolute change of policy in this direction is required. Public opinion wants it. We have heard strong opinions expressed by non-official Members

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in this Council Chamber to-day, and the Newspapers re-echo that feeling. In view of all these circumstances, in view of our waning industries, in view of our growing poverty, it is the supreme duty of the Government, I venture to urge with all the emphasis that I can command, to inaugurate a new policy with regard to our indigenous industries, to help them by active participation by giving them money and affording them other facilities. Sir, we hear a lot about the question of unrest. There are dacoities, the tale of dacoities is repeated from day to day. I hold that the root cause of these dacoities is not political, but economical. Remove the industrial and economic conditions which have contributed to the poverty of the *bhadralog* and other classes, and these dacoities will cease. Therefore, in dealing with this question, Government should bear in mind that it is not merely an economic consideration, but that it is a political matter of the gravest importance. All the unrest, all the excitement, all the uneasiness that prevails in this country, have their roots in economic conditions which, I venture to submit, it is the supreme duty of Government to remove, and my friend's resolution, which is an exceedingly modest one—I wish it was much stronger and more comprehensive—is the beginning of that pressure which, from this side of the house, we mean to exert upon the Government for the purpose of encouraging and stimulating our industries. We feel, Sir, with all the depth of conviction we possess, we feel that the future of this country largely depends upon our industrial projects. We talk of political regeneration, self-government and so on, but in our heart of hearts we feel that political regeneration can only come in the track of industrial growth and emancipation. We have the history of Japan before us; we have the history of Germany before us. In those countries Government has come to the rescue of their industries, and why should not the Government of India, the trustees of the people of India, the custodian of their purses, why should not the Government of India come to the rescue of our decaying industries? I make this appeal with all the earnestness that I possess, and I trust that I do not appeal in vain."

The Hon'ble Mr. Carr :—" Sir, the resolution before the Council deals with the encouragement of industrial enterprise in this country, more particularly in view of the great dislocation of trade which has resulted from the present abnormal conditions, and the Hon'ble Mover proposes that the opinions of Local Governments and Administrations should be taken as to the best methods of encouraging these industries. I propose therefore to tell the Council, with your permission, Sir, what has been done so far in Madras, and I am encouraged to speak by the challenge which the Hon'ble Mr. Surendra Nath Banerjee has just cast down, in which he asks, has anything been done to help forward indigenous industries in this country? The Hon'ble Member answered that question for himself in the negative, and it will be my duty to explain as briefly as I can what the Madras Government has done, and I hope the Council will then say that the answer should be in the affirmative. Soon after the outbreak of war, the Madras Government issued a Press *communiqué* dealing expressly with the subject which is now before the Council. This dealt with industries for the production of articles the importation of which had been interrupted by the outbreak of war, and it was pointed out that there were certain inherent difficulties naturally connected with the starting of new industries. These difficulties are the employment of experts, the building of factories, the erection of machinery and the provision of capital; and it was said that in the general dislocation of the financial and industrial world it would be hard to find—probably there would be difficulty at any rate in finding—either the capital, the machinery or the men necessary. The Press *communiqué* however, went on to express the Government's firm desire to give all possible assistance by way of advice and information to any private capitalist or manufacturer who wished to take up business on new ventures for the supply of these imports which were interrupted by the war. A few days later another paper was placed on the Editor's table, which dealt in full with the economic situation. It is fortunate that in Madras we have now a department of Industries which has recently been reconstituted, and the communica-

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tion to which I refer contained notes from the Director, Mr. Tressler, and from various experts,—there are two experts at the present moment, the dyeing expert and the leather expert,—dealing with the subjects with which they are connected. Since then, however, the Madras Government has gone a good deal further, and has advanced a sum of nearly two lakhs of rupees for the starting of special work in connection with industries in which the economic situation appeared to justify the hope that something new might be done. The principal imports to Madras are textiles, yarn and sugar, and these, together with the industries in connection with cement, gunnies and manure, absorb practically five-sixths of the total imports to that Presidency. In regard to these industries there is, however, a considerable amount of home production, that is, production in this country, and it is obvious that the manufacturers of these existing industries may be trusted to look after their own interests. There are, however, certain minor industries, minor imports in which there is at present no production in this country, at least none in Madras, and the money which has been allotted by the Madras Government is now being spent on demonstrations in connection with these industries to show the possibility of manufacturing the articles in this country.

“The Director of Industries informs me that he has already started work on a pencil factory at Coconada, on the revival of a glass factory in Madras, on oil-pressing experiments, on oil-refining experiments and on soap-making experiments. Work has gone so far already in the pencil factory that I have been able this morning to lay on the table of the Hon'ble Member in charge of the Department of Commerce and Industry a packet of pencils produced by the factory.

“As regards glass, the total imports to the Madras Presidency amount in value to something like 17 lakhs a year, and out of this 14½ lakhs come from hostile countries, 2½ lakhs coming from friendly countries, while no glass at all is put down as being manufactured in Madras. There are certain kinds of glass, which are of too high a grade to be produced in this country, but the returns show that there is a large amount of glass of lower grades, such as bangles, bottles, false beads and false pearls, which together absorb 11 lakhs out of the 17 in the manufacture of which it is possible that local industry might be successful. The glass factory in Madras, I may say, was at one time a going concern. It had been started, and the Director has merely taken up the work in order, by expert assistance, to show that work in the above direction is possible. Then again there is soap, which is a minor article, but is very important; because it is connected with the oil-refining and oil-pressing experiments which are going on. Oil-pressing is extremely important, because it refers to ground-nut oil entirely at the present moment, and there is a large area under ground-nuts in the Madras Presidency. The total exports of ground-nuts from Madras amount during the year to about 220,000 tons, and practically the whole of this goes in the form of seed to Marseilles, where it is converted into oil. What is being done now in Madras by this special work is to try and demonstrate that oil can be expressed on a commercial scale in this country, and we shall be able possibly to start an oil-pressing business here for export. The Madras Government have allotted one lakh of rupees for this oil-pressing business, and they say that it is ‘for the further investigation of the possibilities of extracting oil on a wholesale basis in this country, both for the purposes of supplying the local market and also with a view to testing whether the export of oil can be undertaken with any chance of financial success.’

“Well, Sir, the Hon'ble Mr. Surendra Nath Banerjee said that what was asked for was a little modicum of action, and I think the allotment of this two lakhs of rupees for several industries certainly shows that a small modicum of action has been taken in the Presidency to which I have the honour to belong. In addition to this the Madras Government has been in correspondence with the Secretary of State, as regards the trade in ground-nut, coir and cocoanut with a view to find new markets for these products. The Board of Trade and the American Consul were addressed in regard to the finding of markets in England and America, and in consequence of these

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conversations, I am told that three firms in England have already been put into communication with some firms out here.

“Then again there was recently an informal conference in Madras for the purpose of bringing the heads of the Agricultural and Industrial Departments into closer touch with the leading growers and dealers in commercial crops. The Hon’ble Mover was good enough to say that in this matter he hoped that we should follow the example of Madras, and it is necessary for me in some way to disabuse his mind as to advances for industries, because in Madras these advances are not given for industries pure and simple. Advances are given, as the Council knows, under two Acts which deal entirely with agricultural improvements, and I think that the grant of loans to industries is distinctly foreign to the spirit of *takavi*, which deals with agricultural objects. The term agricultural improvements is an elastic one and has been held to include such purposes as the erection of appliances for dealing with raw agricultural produce and of contrivances for raising water, and even for experiments in boring to find if water is available. But the two Acts which govern these loans presuppose that the money is to be devoted to agricultural objects, for the improvement of land, and although money has been advanced in Madras to some considerable extent for these machines for dealing with raw agricultural produce, and also for pumps and for boring apparatus, no money has been given, no loans at all have been given, for industries pure and simple.

“It may interest the Council to hear that there was a discussion in the Madras Council on practically the same lines in the month of November last, and His Excellency the Governor summed up the position in the following words:—He said: ‘I do not believe that there is any difference upon this whole question, but I think there is some confusion between steps which are tempting, if not practicable, during the abnormal conditions of war, and, on the other hand, the normal development of the Department of Industries, which we all wish to see’ The three aspects of the question were pointed out, the first, the seeking of a special remedy for any special emergency or any special distress. Under that head I might put the experiments and special work which are now being done for oil-pressing and oil-refinement in Madras. There is undoubtedly a chance of special distress in regard to this immense crop of ground-nuts, which is coming on the market, and for which there is no outlet owing to the suspension of shipments. The second aspect of the question is to utilise the war for the capture of the enemies’ trade or for the capture of trade which has been suspended owing to the want of ships. Under this head I think we may class the special work which is being done on the glass factory, the pencil factory and for the soap work. And the third idea is the permanent development of the Department of Industries. As regards that, I submit that the consideration of the Department of Industries is hardly relevant to the present debate. I think, Sir, that we must all be in sympathy with the Hon’ble Mover in desiring in every way to encourage industries in this country, and it has been my endeavour to show that the Government of Madras has already given practical expression to that sympathy by the methods which have been already adopted.”

The Hon’ble Sir Ibrahim Rahimtoola:—“Mr. President, I welcome the resolution which the Hon’ble Mover has brought forward, expressly for this reason that it has brought pointedly to the notice of Government how keen the Indian feeling universally is in the matter of the growth and development of industries in India. It is not my intention to deal at any length with the subject-matter that is under consideration at present, because I have given notice of a resolution which embraces the entire question, and, as it is coming up for discussion shortly, I would rather reserve my observations for that occasion.

“I will therefore confine myself to only a few remarks on the issues that are before the Council to-day. This resolution deals with the question of making advances to industrial enterprises on the basis of *takavi* loans, and the object with which it has been brought forward appears to be the peculiar circumstances prevailing at present in consequence of the war.

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“ Dealing first with the question of *takavi* advances, it appears to me that unless Government are prepared to support the Indian sentiment of widespread progress and development in industrial concerns, this small measure, however beneficial it might prove in a limited sphere of usefulness, will not satisfy the sentiments of the people of India. The present suggestion has been put forward on the lines of the action which the British Government has taken in the matter of promoting the synthetic dye industry. This is a new industry which has become necessary in consequence of the dislocation of trade conditions due to the war and Government have offered to contribute half the capital as a loan. The Hon'ble Mover has adopted the same principle and wants moneys to be advanced to Indian industries on the same lines by Government. *Takavi* advances, or loans of any kind to be made by Government or private parties, presuppose a substantial margin as security for the due recovery of the loans with interest. *Takavi* loans are given to agriculturists for agricultural improvements including the sinking of wells, the purchase of cattle and various other things, on the security of land owned by the debtor. These advances carry interest, I think, at 6 or 6½ per cent and the principal is recoverable in instalments extending over a sufficiently long period. On the debtor failing to pay interest or the instalments of principal, legal power vests in Government to proceed to distrain and to recover the moneys by the sale of the land irrespective of any reference to the Courts. I should like to know what will be the effect of loans to industrial concerns on the lines of *takavi*. It appears to me problematical whether sufficient capital will be forthcoming from the investing public to provide the margin between the amount which Government will lend and the amount which is actually required for a given enterprise. The investing public will necessarily take into consideration the contingency that the amount of the margin may be lost entirely if the industry proves unsuccessful and Government exercise their powers to recover their advances.

“ The present proposal is tantamount to asking Government to start the business of lending money on the mortgage of industrial concerns with more stringent powers of recovery of interest and principal than are possessed by ordinary mortgagees who advance money on such security. I am pointing this out merely to show that the question is of such widespread importance that it ought to be tackled as a whole and not in this piecemeal manner. If this Council so desires, I will have no objection to the resolution being passed, as it merely wants to ascertain the views of Local Governments and Administrations.

“ Having dealt with the question of loans to industries on the basis of *takavi* and their probable effect, I will say a few words in regard to the other point, namely, the prevailing conditions due to the war. Now I will ask Hon'ble Members to remember that you may do a great deal at present to foster industries in India consequent upon the diminution of imports, from enemy countries, and for want of adequate tonnage from neutral and allied countries; and that there may be an immediate prospect of success to certain new industries. But I want this Council to realise what will happen immediately after the war is over. Then all these countries will be free to compete with the newly started industries. If they competed with India and Indian industries on the principles of fair trade, I would have very little objection; but we know that they will compete with these new industries by giving bounties, by subsidising steamship companies to carry their manufactured goods at less than commercial rates of freight; that other important concessions will also be given till the fetish of free trade which is imposed upon India by England leads to the failure of these new industries. Once these new industries have failed in competition with subsidised and bounty-fed imports from foreign countries, and we are obliged to abandon the manufacture of the articles, prices will rise, foreign industries will prosper at our expense and the people will have to pay higher rates. Your industries will have been killed in the meantime—killed, ‘not in fair competition;’ killed, not on fair trade principles, but killed on principles of subvention, on principles of bounties and subsidies. When therefore this Council is discussing the question, it is

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necessary that the practical aspect of it should be clearly realised. The time occupied in consulting Provincial Governments and Administrations will be about a year. Considerable time must also elapse before the necessary capital is obtained, the required machinery is ordered out from England and is received in India under present conditions, the selection of the site and the erection of the new factories. It therefore follows that it will take about two or three years before these new industrial concerns are ready to produce manufactured goods. By that time there can hardly be any doubt that the same competition which has been operating against the success of Indian industries in the past, will be revived, and then, what will become of these new ventures? Is it under these conditions that you expect capital to come forward? We have heard a great deal, Mr. President, about capital being shy in India—not that we have not got fairly sufficient capital for the commencement of the required industrial development in India, but that it is shy of investment in new industries, which are rarely successful in consequence of the unfair competition which India has to meet with. People have in the past invested their money and have lost it, and have therefore got frightened of putting any more into industrial concerns. Government and the local public bodies annually float large loans at comparatively low rates of interest. My Hon'ble friend the Finance Minister informed us last year in his Budget speech that he was raising the maximum of the amount which can be deposited in Post Office Savings Banks, and that he expected as a result thereof considerably increased deposits. What does that show? That there is capital seeking sound investment. It may be that India being a poor country has not got sufficient amount of capital for the full industrial development which we desire; but that there is enough capital for the needs of the immediate future there can be no doubt. The only thing is that people do not find sufficient scope for the investment of that capital in industries which have a fair chance of success. I am confident that there would be not only a fair but a good chance of success for new industries if India was allowed to work on principles of fair trade.

“ Let us now consider the question of the new enterprise in England—the production of synthetic dyes. I was very much surprised that England, which is the only country in the world that is a staunch worshipper at the shrine of free trade, that England has come forward now to encourage a new industry by giving loans and other assistance. It is interesting to examine how the offer of such help has been received by the English people. England is one of the richest countries in the world, and the English people cannot be in want of any State aid so far as capital is concerned for the purpose of developing promising industries. They have therefore not been much enamoured with this offer. The prevailing sentiment in connection with this offer is reported on good authority to be as follows:—‘ It is all very well for Government to come forward with this loan of 10 millions against a capital of 20 millions; but what will happen after the war when Germany begins to manufacture synthetic dyes and with the help of subsidies and bounties competes with us in English markets; England being committed to free trade, where will this industry be?’ But what is most gratifying to those of us who have strongly advocated the principle of protection in India, is that people in England itself now demand that instead of giving them this capital Government ought to provide protection against imports of German made synthetic dyes into England for a period of 15, 20 or 25 years by the imposition of protective tariffs.

“ It is this new aspect, this new spirit, that has arisen in England which forms the beacon of our hope for the future development of Indian industries. India wants protection for its industries during their infancy and I am more than hopeful that we will get it. After all what we desire is not measures merely to meet a temporary contingency, such as that created by the war, but permanent measures of far-reaching importance which will ensure the growth and development of industries in India, making it one of the foremost manufacturing countries in the world. That, Sir, is the Indian ambition which we propose to press vigorously to the notice of Government.

“ I was very pleased to hear the reply which my Hon'ble friend Mr. Carr gave to the criticism of my friend Mr. Surendranath Banerjee, and I was parti-

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cularly amused at one part of it. I quite recognise that the Government of India and the Local Governments are anxious, within the powers that are conceded to them, to do their best to promote Indian industries. I am glad that in this matter the views of the Government in India and those of the Indian public largely coincide. But there are certain limitations imposed upon them beyond which the Government of India cannot go, and I know that though they fully sympathise with us, they are powerless to go far enough. I readily recognise that they are trying to do what little they can within the limitations imposed upon them from higher quarters. It appears that the utmost they have been able to do so far, according to Mr. Carr, is that they have given their *advice* and that they have furnished *information*. They have also arranged some demonstrations. We are very thankful for what they have done, but advice and information is one thing. What we want is tangible and substantial help and assistance in the efforts which the country is making for the promotion of industries in India. That is what we want. These demonstrations are good in their way, but what is the value of these demonstrations, what is the value of reviving the glass industry which was once killed by foreign competition? Now that the war has brought about certain temporary contingencies, you can revive the glass industry, but immediately the war is over—and the war is not going to last for ever—those countries which once did so will again flood the markets in competition with the local made glass, and will again kill the industry. What is then the gain? I wish therefore to press on the attention of Government that when the whole question comes up shortly for the consideration of this Council on my resolution, the Government of India will extend to us their whole-hearted support in fighting for the industrial regeneration of this country against all the obstacles which stand in our way and to give us that substantial, powerful and sincere help which they, as representatives of the community of India, are bound to render to us.”

The Hon'ble Sir Fazulbhoy Currimbhoy :—“ Sir, the Hon'ble Mover would appear to have made out a strong *prima facie* case for the investigation of the need, the scope and the lines of financial help to Indian industry, and I do not think that Government will stand to lose anything by accepting the resolution. On the other hand, weighty political considerations would justify the course. There can be no doubt a strong feeling exists in the country that the Government should do more for our industrial development than it has hitherto done, and that that development in a large measure depends upon the fiscal and economic policy of the Government, as my Hon'ble friend, Sir Ibrahim Rahimtoola, has observed; because, unless the new industries are protected, they can never thrive at their start. For example, when the Member in charge of Commerce visited the Indian Chamber of Commerce in Bombay, of which I have the honour to be the Chairman, we directly pointed it out to him, that there were capitalists who were ready to put in their money, even millions, for the development of industries, if Government could assure them that they would protect the industries. After the war ends, Germany, by giving bounties and other things, will again compete with us, and we shall not be able to maintain our position without some sort of Government protection. Without this, capital will be always shy, and new industries will be started with difficulty. Sir, unless the Government wants these enemy countries to prosper and again to become strong and make war, they must ruin their industries, and not allow them to make our country the dumping-ground for their goods; and this can only be done by Government giving protection to the indigenous industries from the very start. I do not say that the protection ought to be for a very very long time; but in the beginning, for a few years, until the new industries are firmly established, the Government should protect them. These inquiries by Government and by other officials and commercial bodies are by themselves of little practical value. Unless Government definitely decides upon the suggested economic policy, nothing can be done. In the case of the smaller industries, which are now ruined by the war in stations up-country, not in a city like Bombay or Calcutta, they can be given immediate help. I can give an example on the Bombay side. In

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the western Khandesh there were hand-loom workers who could not sell their cloth and other things, and the industry was going to be wiped off, and the people were in a very bad condition. They appealed to the Bombay branch of the Imperial War Relief Fund, and we gave them some help, and so protected their industry. In the same way, if the Government could protect our industries by timely financial assistance, they would be doing a lot of good. This resolution would thus be good.

“It would, of course, be wrong to ignore Government action in the past in this direction. Last year when trade suffered for want of funds, as a result of the banking crisis, the Hon’ble Sir William Meyer initiated a policy of financial assistance through the Presidency banks and placed a larger amount of Government cash at their disposal. This year that policy has been developed and, as a result of the recent cotton conference here, Government have agreed to help the financing of cotton through the agency of the Presidency banks. So far good. But it must be frankly admitted that all this activity has had for its object the support of industries directly connected with international trade, and the influence of which upon India’s balance of trade is evident. The Hon’ble Mover now draws attention to the need for direct help in an equally important direction. The small industries of the country are as valuable an asset as any we can think of. They are scattered all over India, and affect the domestic economy of innumerable families and the rural economy of all areas accessible or inaccessible by railways. Their value is officially admitted, and it is further admitted that they are in a more or less helpless condition. Help on the principle of *takavi* loans would certainly go some way to meet the exigencies of the situation. It is, of course, a question how far Government can go. The war has greatly increased its financial responsibilities. Any recommendation of increased expenditure must therefore be scrutinised. The Hon’ble Mover has himself recognised this fact, and has only demanded a scrutiny in his resolution. There is thus little room for controversy. The financial advances he recommends have, besides, the merit of being safe and profitable investments.

“The only point about which there is ground for any apprehension is that the preliminary process of collection of official opinion might, and would, involve a delay which will materially discount the value of the policy as an emergent measure. The opinions would undoubtedly form a sound basis for the permanent industrial policy of Government, but for the immediate development of our industries in view of the abnormal conditions introduced by the war, we must rely upon more expeditious measures. I would, therefore, submit for the consideration of Government that *takavi* advances, for the support of our village and cottage industries that have been most seriously affected by the war, be at once made on a moderate scale on the recommendation of District Officers, and, for the formulation of a permanent policy, a reference be made to Local Governments and Local Administrations for their opinions.

“The policy I suggest can be given effect to immediately by placing in the hands of Local Governments and Local Administrations some cash, with instructions to utilise it at their discretion for the support of small industries within their charge by making advances on the principles underlying the Land Improvement Loans Act.

“If the opinions of Local Governments and Administrations be adverse, the advances will not be made. Time will thus be gained, and time is everything.

“With these remarks, Sir, I support the resolution.”

The Hon’ble Mr. Rayaningar :—“Sir, the Hon’ble Raja Kushalpal Singh’s appeal to Government for financial help in furtherance of the industrial development of the country is most opportune. The economic effect of the great war has already been badly felt in industrially poor India. It is desirable to have the resources of the country placed on a firm footing not only by reviving our decadent industries, but also by introducing such new industries as may be found suitable to the present condition of the country. Among

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such industries may be mentioned the manufacture of cotton goods, of leather, of sugar, of dairy products, of manures, of oils, soaps and perfumes, of dyes, of matches, of brass, and bell-metal articles, of glass bangles, beads, and even bottles. Many of these manufactures can be, and were in fact formerly carried on as village industries, sometimes subsidiary to agriculture. Sir, these village industries stand in urgent need of State help. It is really gratifying to note that the Government of Madras is trying to encourage some of these manufactures by giving expert advice to manufacturers, in some cases even by demonstrating the successful working of the industries. I am afraid the Hon'ble Surendranath Banerjee is not right when he said these demonstrations are no good. The development of the Madras chrome-tanning and aluminium industries is due to Government departmental demonstrations.

"No doubt, lack of capital is the general complaint and that the offer of financial help from Government will go a great way to induce industrial enterprise in the country. At any rate, in the case of small industries financial aid on the principle of *takavi* loans are a desideratum. Sir, it may be said that it is the co-operative societies that must come to the help of the village artisan and rural manufacturer. For my part I have great faith in the future of the co-operative movement; but the movement, as has been rightly observed by Sir Gangadhar Chitnavis, is still in its infancy. In many places co-operative societies do not exist. We cannot therefore always depend upon co-operative societies for the required help. Wherever co-operative societies exist, capable of rendering financial help to the artisans and small manufacturers, Government may take advantage of their existence and place to their credit reasonably large sums for advancing to manufacturers the required money at a moderate rate of interest. Where, however, such societies do not exist we expect Government to initiate a policy of direct financial assistance. A great deal can be done in that way.

"Sir, as the Hon'ble Mr. Carr has remarked, our Presidency has been hard hit by the war in respect of her trade in oil-seeds. We had a large export trade in ground-nuts which were in great demand for the continental oil mills of Europe. The war has deprived us of this trade and nuts are rotting in the land. The best course to relieve the distress of the producer would be to start mills at once for the expression of oil which may be utilised in the manufacture of soaps, varnishes, etc., while the cake may be used as cattle food and field manure. But lack of capital, and undoubtedly of enterprise also, stand in the way. If along with advice the village manufacturers get from Government *takavi* loans too, they will certainly go in for the installation of efficient oil-expressers, which alone will enable them to successfully carry on the oil-pressing industry.

"The Hon'ble Sir Ibrahim Rahimtoola has pointed out the importance of the policy of protection. Is not the grant of *takavi* loans to manufacturers at a cheap rate of interest a sort of protection?"

"He has also warned us against protected foreign competition after the war. In the case of the oil industry if we have efficient oil mills it would not be possible for Germans or any other foreigners to compete with us, even after the war is over. We produce the oil-seeds. We can express the oil out of the seeds and make our soaps while we utilise the cake as cattle food and manure. Whereas Germans or other foreigners would have to import seeds from outside and manufacture oil from out of the imported seeds. Thus there is no fear of foreign competition in the case of the oil industry. There are also other indigenous industries where the investment will, in spite of protected foreign competition, give us good returns. But where is the money for the investment? Borrowing from Indian money-lenders is ruinous. They often take advantage of circumstances and charge exorbitant rates of interest. *Takavi* loans for manufacturers are therefore necessary. Then there remains the question of security for the loans. Plant, for the purchase of which loans are required, is itself the security, the depreciation in its value being provided against by the additional security of buildings, lands, etc.

"Sir, with these observations, I support the resolution."

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[*Maharaja Ranajit Sinha of Nashipur; Raja Abu Jafar.*]**The Hon'ble Maharaja Ranajit Sinha of Nashipur:—**

“Sir, I have much pleasure in associating myself with the resolution that has been moved by my Hon'ble friend, Raja Kushalpal Singh. There is no doubt that local industries are fast dying out. In my own district of Murshidabad I know at one time *bedri*, ivory and silk industries were flourishing, but now, these things are fast decaying. This question is a very important and difficult one. I am afraid loans in the way of *takavi* advance will not be of great help to the big industries, but of course they may help small industries as has been suggested by my hon'ble friend on my right. I agree with my Hon'ble friend Sir Ibrahim Rahimtoola that unless new industries are supported by Government help or are protected at least for some time, they will be killed. It is also true that there is no lack of capital in this country, because we find that there are persons who can advance millions and millions; but the difficulty is that no person is prepared to help the new enterprises for fear of their being failures, and the reason of these failures is that Indian produce goods cannot compete with foreign articles. However, for the present, we are concerned with the resolution which is brought before this Council. My friend only asks that Local Governments may be consulted as to the desirability of granting loans on the lines of *takavi* advances. I do not find there is anything objectionable in it. Local Governments might be consulted and their reports may be considered on their merits. Undoubtedly, owing to the war, there has been a new field to start some industries, but a question may arise how these industries could flourish by encouragement in the way of *takavi* advances; but this is a matter which cannot be dealt with unless the Local Governments are consulted; and when their opinions are received, the Government of India will be able to judge how to proceed in this matter. I hope that the resolution which has been moved by my hon'ble friend will commend itself to this Council and to the Government.”

The Hon'ble Raja Abu Jafar—“Sir, the resolution so ably moved by the Hon'ble Raja Saheb, is so necessary and so reasonable that it requires no lengthy arguments to recommend it to the Government.

“Indeed, I think my friend might have been safely more venturesome if he had directly asked the Imperial Government for the help instead of asking for the opinion of the Local Governments.

“At this stage of our history, I believe every one would admit that time has come that the Government should help the struggling industries of this country by advancing money to safe concerns and by giving other help through experts specially appointed for this purpose. It is no doubt true that, while State aid was being regularly, and even persistently, afforded by most of the continental States of Europe, England had long been silent, and it was left for private enterprise to develop the industries of the country.

“Although the wisdom of even that policy might be doubted, but still England did not suffer much by this neutrality of the State, for after all England has had for a century the highest skill and the largest capital in the world, and it could meet the market of the world steadily even though many States aided their industries by handsome gratuities.

“But while this war has been the cause of numberless miseries and evils, we in India would have to admit the truth of the time-honoured dictum, ‘out of evil cometh good’, if the Government of India and the Secretary of State were pleased to take up earnestly the question of the industrial development of India. If this desired result were achieved, not only extensive means of livelihood would be afforded to the millions of this country, but in time of need any amount of manufactured goods that England might need for itself or for others, would be forthcoming. The trembling anxiety of our people and the Government upon the course of the monsoon would be materially lessened, for a purely agricultural continent like India is apt to be reduced by bad rains from

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a state of thriving prosperity to that of the worst poverty and misery. For countries situate as India is, even the most orthodox economists would recommend some State aid, and even State gratuity. Of course the distribution of money should be judiciously effected by means of a provincial board of official and non-official members. But that would come later on. What the Government has to do now is to remove such artificial barriers as are met with in India on account of lack of capital and lack of expert knowledge, due to most of our industries having been ruined by competition with machinery of the West.

“It is a matter of great pleasure that the Secretary of State in the House of Commons and the Viceroy in the last meeting of this Council have announced the intention of the Government to give pecuniary assistance for the development of the industries of this country. Before I conclude I would respectfully ask the Government to initiate this suggested reform as soon as may be practicable, so that we in India may make some modest start before some Continental Powers are in a position to beat us by their superior machinery and bounty-fed manufactures. In India the sugar, the indigo, the cotton, the iron and the jute industries can be developed to an extent yet undreamt of.

“For these reasons, I support this resolution.”

The Hon'ble Mr. Clark:—“Sir, the subject which the Hon'ble Member has brought before Council to-day is one which has aroused very general interest in many quarters in India. It has already been raised in at least one Provincial Council, and has received much attention in the press and in commercial circles. It is very desirable that this should be so, since in a great war like this no factor which can be turned to our advantage in the smallest degree should be neglected, whether in the sphere of military operations or of trade. The effect of war on such an immense scale as we are experiencing to-day, is generally adverse to commerce. It involves an enormous destruction of wealth, and consequently an unprecedented degree of uncertainty as to the value of the ordinary titles to wealth—of stocks and shares and other securities on which in ordinary times funds can be raised for industrial purposes. It causes an enormous diminution in consuming power and in the demand for commodities. Hence, with the exception of certain food-stuffs and of munitions and materials of war, it has tended generally to cause low prices and to depress industries. We have seen the operation of these influences in the diminished volume of India's export trade. Germany and Austria are both large customers of ours, and the cessation of all trade with them, together with the general depression of business on the continent of Europe, has injuriously affected the demand for Indian produce. On the other hand, the same causes have given to Indian manufacturing industries the opportunity, which is the subject of the discussion to-day. If these countries can no longer take our goods, they can also no longer send us theirs. There is a gap to be filled, and it is very natural that those who are interested in the development of Indian industries, are asking themselves whether Indian manufacturers might not seize this opportunity and embark on the manufacture of articles which have hitherto been imported from the countries with which we are at war. The possibility of this in days such as these has a special attraction about it. Commerce and warfare have not a few characteristics in common. The enterprising trader is constantly invading a rival's territory; being repulsed from time to time and again returning to the charge; sometimes accepting defeat, at others pushing on to victory; and this spirit of pugnacity takes on an additional zest to-day if the rival is a German or an Austrian enemy. This impulse in its larger aspect means, if pushed to a successful issue, that channels of trade will be opened, which will bring gains to compensate in part for the losses due to those closed by the war. In all this Government is most deeply interested; and since the outbreak of war has given the most careful consideration to the means by which any such efforts may be best aided. I welcome therefore the discussion which has taken place to-day, both because it has enabled us to obtain the views of Hon'ble Members in this Council, many of whom have close practical

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knowledge of the potentialities of Indian industry, and because it enables Government to explain the point of view from which they have looked upon the question and the policy which they have followed in regard to it; and in view of some remarks that have been made, I am very glad to have that opportunity.

“ I am sure the Hon'ble Member who moved this resolution will wish that the suggestion which he has put before Council should be regarded as a business proposition and examined accordingly on its commercial and financial merits. Now from this standpoint there are two main difficulties in the way of advantage being taken of the present situation to secure on a large scale the extension of Indian industries; and it would be foolish to minimise their importance or to refuse to look them in the face. The first of these is that industries cannot be developed without capital, and that capital is particularly difficult to obtain for such purposes during a war; and the second is the impermanence of the war conditions out of which the present opportunity arises. As to the first, the Hon'ble Member who moved this resolution is, I think, conscious of this difficulty, since he has proposed that Government, the universal provider, should furnish the necessary funds on the lines of *takavi* advances. In other words, he has assumed, I gather, that money will not be forthcoming from the ordinary sources from which a commercial enterprise is financed. In making this assumption I think there can be little doubt but that he is right. Indian capital, always shy of industrial ventures, has shown itself particularly so since the financial troubles of last year and naturally has been still further discouraged by the war. Mr Purshotamdas Thakurdas, the Chairman of the Bombay Indian Merchants' Chamber and Bureau, dealt with this point in an interesting speech which he delivered recently at the annual general meeting of the Chamber. He referred to the possibility of Indian capital venturing into fields of new enterprise during the war, but expressed the view that owing to the financial nervousness which had been felt in the Indian commercial community since the disturbances to credit culminating in the Bank failures of last cold weather, the prospects of Indian capital coming forth for such purposes were the reverse of hopeful. There is every evidence that this is the case. But when the Hon'ble Member who has moved this resolution proposes that in the absence of private enterprise Government should provide the necessary capital for these ventures, he has overlooked the fact that just as it is difficult for private persons and private concerns to raise capital during a great war, so it is difficult for Government; and Government suffers under the further disability that a war not merely affects its sources of revenue, but also imposes upon it unusual demands for expenditure. It is not for me to anticipate the statement which my Hon'ble Colleague the Finance Member will lay before Council in a few days of Government's financial position and of the obligations resting upon us; but I am sure Council will readily appreciate that it would be impossible for me to press upon him at such a juncture that he should permit large sums of Government money to be locked up in industrial undertakings. Whatever their eventual success might be, they are bound to be unproductive and speculative at the start. The type of assistance which the Hon'ble Mover of this resolution has suggested is *takavi* loans. The essence of *takavi* loans, as some other members have pointed out, is that they rest on certain security, the security of the land. It is a security on which Government can always realise. But the position is very different in regard to such items as manufacturing plant and industrial good-will. The Hon'ble Sir Ibrahim Rahimtoola called particular attention to that. I can cite him on my side on that point and also on another point, namely the impermanence of the present situation with which I shall deal presently. Government do, as a matter of fact, provide a not inconsiderable amount of financial assistance to industries and to agriculture. The question whether they should do more is an important one, on which much no doubt might be said, but it is not one I think which we should discuss to-day. As the Hon'ble Sir Ibrahim has mentioned, he has a resolution on the paper dealing with the more general question; and what I would wish Council to do to-day is to concentrate rather on the special question of whether it would be

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wise for Government to lock up money at the present moment, and in the financial conditions of the war, in industrial enterprises such as the Hon'ble Mover's resolution contemplates.

"Then there is the second difficulty to which I referred just now,—and this also I am inclined to think was in the Hon'ble Member's mind when he suggested that Government rather than private enterprise should provide the necessary loans for these undertakings,—namely, that no one can say how long the war, and the economic situation arising out of the war, is likely to last. On every other ground we must hope and pray that the end may come as soon as possible, but from the point of view of the question we are discussing to-day, the uncertainty of its duration can scarcely fail to be a discouragement to those who might otherwise be ready to risk their money in new industrial concerns in India on the strength of the cessation of German and Austrian competition. Such persons probably fear that there may be a rapid economic recovery in Germany and Austria when the war is at an end, followed by a revival of their export trade in manufactured articles, with the result that the new industries which had been started to produce these articles, would be exposed again to severe competition from Europe. In these circumstances private capital is not unnaturally shy of coming forward, but just as private capital is shy, so Government also must be careful. The same considerations must be a deterrent to the State. We are the trustees for the taxpayers and we too must look forward to the situation which might arise after the war, and to the liability which might fall upon us if we were pressed to put up more and more money in support of such industries against their foreign competitors. I have received strong support on this aspect of the case from the Hon'ble Sir Ibrahim Rahimtoola in the speech to which we listened just now. He also drew from it certain inferences into which I do not propose to follow him. We must remember that we have decided to avoid, as far as possible, the discussion of all matters likely to arouse political controversy during this cold weather, and I can imagine no subject which is more likely to stir up political controversy than the question of the rival merits of free trade and protection.

"The example of what is being done in England has been cited on the other side more than once in the course of this debate. I doubt however whether it really supports the present motion. It is quite true that private enterprise in the United Kingdom has in many directions taken advantage of the interference with German and Austrian export trade in order to develop lines of manufacture in which competition by those countries has previously been formidable. But it must be remembered that in these matters England stands on a very different footing to India. England has a long history of successful commercial enterprise behind her; her people are accustomed to risk their capital in industrial undertakings; and British manufacturers have been able to take up new lines of production with the use of their existing skilled labour staffs and with only comparatively small modifications in plant. Nor does the action which has been taken by the British Government support the course which is being advocated by Hon'ble Members to-day. With one important exception, the British Government's action has been restricted to the dissemination of information and to efforts through sample-exhibitions and conferences to bring together merchants who have previously dealt in imported goods from Germany and Austria, and manufacturers who might now be able to meet their needs. The exception to which I have just referred is of course the national dye scheme, which has aroused a great deal of interest in this country. So far as the latest official information goes, which we have received at present, it is proposed that a company should be formed with a capital of two millions sterling, and that His Majesty's Government should make a loan equalling the capital subscribed up to one million, and thereafter provide a loan at the rate of £1 sterling for every £4 of capital subscribed. In addition to this His Majesty's Government is to make a grant for 10 years for the encouragement of research. It has been urged that the Government of India should follow this example. As I have already said, our financial position is very different to that of the Imperial Government's at home. They have resources behind them altogether incom-

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mensurate with those at our disposal ; they can raise, and have raised, enormous sums for the prosecution of the war and of objects connected with the war : they have vast supplies of wealth to draw upon, and a large taxable margin from which to increase their revenue. What would be easy for them, would be impossible for us. But the point I wish to emphasize more particularly to Council about this scheme is that it is not a case of financial assistance being given merely for the sake of starting a new industry in the United Kingdom. So far as we know, in no case have the British Government supplied funds for such an object. They have even gone some way in the opposite direction. The Treasury, with a view to conserving the national resources, have recently laid down that fresh issues of capital are to be approved of by them before they are made and will only be allowed where it is shown to them that they are advisable in the national interest. The national dye scheme stands on a very special basis. In past years Germany has held an immense predominance in the manufacture of aniline dyes. It is an industry peculiarly suited to the German genius, which has brought to a pitch of success hitherto unattained in England the combination of scientific chemical research with commercial enterprise. The result of this predominance has been that when war put an end to trade between Germany and the United Kingdom, the British textile industries were threatened with a very serious shortage of dyes, a shortage which if allowed to persist, might have seriously imperilled these great industries, which involve millions of pounds of capital and which produce materials required for our military and naval forces. An urgent necessity of this kind puts the case quite outside the category of promotion of industries in the ordinary sense of the term. It will be observed also that the lion's share of the capital is to be put up by private enterprise, so that the scheme is very far from being entirely dependent on financial assistance from Government. Yet another special feature in this case deserves notice. It is of the essence of a scheme of the kind that its results should be immediate, as the whole basis of the scheme is the necessity for the supply during the war of articles whose normal sources have been interfered with by the war. It would take, I believe, probably not less than a couple of years to start a dye industry on a large scale from the very beginning, and if Government in India were to attempt an analogous enterprise, we should probably see no results until after the war was over. I understand that the new company which is to be formed in England is to take over existing works which they will develop and extend. Skilled chemists and workmen are readily available. It will be a matter of expansion rather than of making a beginning, and results will very rapidly be seen. These preliminary conditions do not exist in India. Nor does the motive which has inspired the British Government in initiating this scheme, apply with anything like the same force in this country. It is not essential for us to make ourselves self-supporting so long as England is able to produce and supply to us the articles which we require. Our textile manufacturers can participate in the advantages of this scheme which has been specifically thrown open to them. For this as for much else we have to thank the overwhelming power of the British Navy, which has enabled our trade with the United Kingdom to go on uninterrupted, although the greater part of the civilised world is at war.

“ While in these considerations which I have put before Council I have been compelled — and I trust Hon'ble Members will believe very unwillingly — to pour some sprinklings of cold water on the aspirations which are represented by the Resolution, I hope I have not given the impression that I regard the present situation as one out of which no advantage can be reaped for Indian trade. To my mind it is simply a question of proportion — of what is practicable, and of what is less practicable, or altogether impracticable. It is on this point that I join issue with the Hon'ble Mr. Surendra Nath Banerjee. He has told us that Indian industries are waning and that now is the opportunity for their reconstruction. I should dispute the accuracy of both these statements. I do not consider that they are waning. If you look back 5, 10 or 15 years, you will see that there has been a steady development. If they

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were waning, if they were really in danger of extinction, it would be impossible to reconstruct them at such a time as the present. New industries cannot under the stimulus of a few months' accidental shelter from competition, spring fully developed into existence. Such forced growths would be liable to wither like hot-house flowers at the first cold blast of adversity. But there is a very practical field for effort where Indian manufacturers are already producing goods of a similar type to those now imported from countries with which we are at war. These industries have proved themselves hardy enough to weather the stress of competition, and for them the opportunity is obvious. They have the chance now of pushing their goods; of establishing connections which it is to be hoped they will be able to preserve after the war; and of increasing their production: thus becoming able to reduce their prices and so to be much more formidable competitors, should they again have to compete with cheap German and Austrian goods. Expansion of this kind does not necessarily require large expenditure of capital. Such a programme may sound dull and unambitious as compared with the larger visions, which the Hon'ble Mover has adumbrated, of new industries springing into life throughout India, but all the same it is a very sure and useful line of development. It must be remembered that there is a very considerable number of articles now imported from Germany and Austria, which are also produced in this country, such as certain classes of woollens and cottons; certain types of glass-ware, including such special Indian articles as bangles and personal ornaments, and fancy goods generally; various kinds of earthenware and celluloid manufactures, pencils, matches, articles of aluminium and so on. To the producers of all these the present situation affords a very real opportunity. The Hon'ble Mr. Banerjee threw down a challenge to the Government. He said—I think I have got his words fairly accurately—he said 'We are tired of all these conferences and so on: what we want is a modicum of action.' He added in one of his most eloquent periods 'Has anything been done since the outbreak of war—anything tangible, anything definite, to help industries in India?' and he went on to say 'I think the answer must be in the negative.' Now, Sir, I am quite prepared to take up that challenge. Government from the very beginning of the war have had a very definite policy in this matter. Holding as we do the view that it is in the direction of development of existing industries that the greatest commercial advantage can be secured from the war, we have shaped our policy accordingly. Our special endeavour has been to give every assistance in bringing together Indian manufacturers and buyers who hitherto have been importers of German and Austrian goods. With this end in view the Commercial Intelligence Department have issued a number of pamphlets dealing with the different industries concerned, and have instituted an exhibition of samples of imported German and Austrian goods and of Indian manufactures which compete with them, and could now take their place. This exhibition was opened at Calcutta and has since been transferred successively to Madras and Cawnpore. It is now at Delhi, and I can assure Hon'ble Members who have shown so much interest in this question, that they would find it well worth a visit. From here it will be transferred to Lahore and possibly later on to other commercial centres. The exhibition has met with a most gratifying success. The Commercial Intelligence Department opened it originally at Calcutta as something of an experiment, and that its usefulness has been appreciated by the commercial community is evidenced by the readiness of manufacturers to send in exhibits, by the number of visitors, and by the requests which we promptly received to pass it on to the other places which I have mentioned. It has also shown, I think, that Government has been working on the right lines. One of the obstacles which stand in the way of the development of Indian industries is lack of enterprise on the part of manufacturers in pushing their goods. Their tendency is to hide their light under a bushel, while their European competitor places his on a hill-top, and, so far as his conscience permits, surrounds it with magnifying lenses. We have had confirmation of this in certain cases where firms who have been short of articles which they used to import from Germany or Austria, have discovered for the first time

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through the exhibition that these articles are being produced in India, and in one case even in the same town, without their knowing it. In that particular instance and in some others, orders have already been placed, and there is good reason to hope that more business will yet result from the exhibition. I am very glad to have this opportunity of paying a tribute to the energy and ability with which the exhibition has been organised by Mr. Ley, the Director-General of Commercial Intelligence, and the officers working under him, to whom much of its success has been due. Local Governments have also been active in similar directions. They have held conferences and have instructed their officers to make special inquiries into the possible expansion of existing industries or the revival of those which have suffered from German and Austrian competition in the past. They have set aside funds for these inquiries and for experiments in manufacture. The Hon'ble Mr. Carr has explained to Council what, for instance, is being done in Madras, where the Director of Industries has been carrying on demonstrations in the manufacture of pencils, glass, limebricks and in oil-pressing—this latter to meet the economic difficulty caused by the falling off in demand for oil-nuts on the Continent. In the United Provinces and in other Provinces similar assistance has been given. The Hon'ble Sir Ibrahim Rahimtoola asked: 'What is the use of these demonstrations?' I put it to Council, surely if you can show by the actual working of an industry that an industry can be worked at a profit, then the State has gone as far as it can reasonably be expected to go. If you can show that a thing can be worked at a profit, it should not be very difficult for private enterprise then to step in and take advantage of the knowledge it has thus acquired. The Government of India also have not been neglectful of the aspect of the war to which I have just referred in connection with Madras, namely, the question of how the markets for our exported produce which have been lost through it, can be made good. This is an extremely difficult matter, and from the nature of the case is one in which the possible scope for Government assistance is limited. What we have done is to appoint an Indian Trade Commissioner in London to work in close touch with the British Board of Trade. His special duty is to endeavour to place with British manufacturers those raw products which have hitherto found markets in Germany and Austria or in other parts of Europe where manufactures are now in abeyance owing to the war. For this purpose we have selected a particularly able officer, Mr. Gubbay, the Collector of Customs in Bombay, who is thoroughly conversant with Indian commerce and industry. It is too early yet to say what results can be obtained and the post must for the present be regarded as an experiment.

"I have already explained that in our present financial circumstances Government cannot contemplate a policy of locking up large sums in the initiation of industrial enterprises. At the same time we have given very full consideration to the question of whether—and, if so, in what form—we could help trade in the special circumstances of the war, and we took the opportunity of discussing the matter with financial and commercial opinion in connection with the question of whether any special support was required for the cotton trade last autumn. The conclusion we came to was that Government could most usefully intervene in the direction of making good to some extent the curtailment of credit and the withdrawal of financial facilities by which trade in general is hampered during a war. In pursuance of this policy, the Finance Department announced at the beginning of the year, as Hon'ble Members will remember, that Government were prepared to make loans to the Presidency Banks to a reasonable extent for the general assistance of trade, and in order to secure funds for this purpose, as for other emergencies which may arise, Government have taken power to obtain funds from the Paper Currency Reserve up to £4 millions for loans to Presidency Banks. By this means Government hope to have removed the apprehension of any ultimate shortage of banking funds, since we are thus enabling the Presidency Banks to make re-advances, if necessary, to other banks, who in their turn will be in a position to finance industry more freely than would have been otherwise possible. Banking facilities are the life-blood of the body economic and our

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aim has been to stimulate the flow through its veins. We are in effect by these measures, strengthening the whole industrial and financial system of the country, and I would put it to Council that this is a more practical measure in a critical period such as that through which we are now passing, than if we were to lock up large sums in undertakings which might or might not succeed, but which could not, in any case, be reproductive for a long time to come. The Hon'ble Mr. Banerjee in connection with this part of the subject attacked the Banks for refusing to lend sums to various businesses which he cited; but he must remember that the Banks may have good reasons for such refusal. It does not follow, as he seemed inclined to suggest, that they are bad patriots—"

The Hon'ble Mr. Banerjee:—" I did not suggest bad faith at all."

The Hon'ble Mr. Clark:—" I did not say bad faith, I said bad patriots. If there were cases where good security had been offered, and where in his opinion, Banks were asking unreasonable rates of interest or refused to lend altogether, Government will be very glad to look into the matter."

The Hon'ble Mr. Banerjee:—" May I intervene for a moment? What I wanted to suggest was that in the case of Indian concerns these Banks were timid and shy in making advances upon security. That was the whole inference that I wanted to draw."

The Hon'ble Mr. Clark:—" In any case, Sir, we have no evidence of such cases having occurred; but if the Hon'ble Member cares to supply me with details, I shall be very glad to look into the matter."

The Hon'ble Mr. Banerjee:—" Certainly, I will."

The Hon'ble Mr. Clark:—" I hope I have said sufficient to show that while Government cannot for the reasons given agree to the precise proposals put forward by the Hon'ble Raja, they are fully in sympathy with the object which he has in view and have not been neglectful of means to attain it or ungenerous in the help they have given to trade. I am very loath to reject a resolution when, as in this case, it is abundantly clear that Government and the supporters of the Resolution are to so large an extent at one. Perhaps I may make a suggestion to the Hon'ble Member. If he would be willing to modify the wording of his motion so that it might become a general recommendation in favour of Government continuing, in view of the present situation, to afford such assistance and co-operation as might be practicable in the promotion of industrial enterprise in India, I should be very glad to accept it."

The Hon'ble Raja Kushalpal Singh:—" Sir, it affords me the highest gratification to find my resolution so favourably received by the non-official members of the Council. In the course of his reply the Hon'ble Mr. Clark has given the reasons why he cannot accept the resolution as it stands, but he expresses his willingness to accept the resolution on behalf of the Government if it be put in a somewhat amended form. The form he suggests is 'That the Council recommends that in view of the opportunity offered by the cessation of imports from hostile countries, Government should afford such assistance and co-operation as may be practicable in the promotion of industrial enterprise in India.' I gladly and gratefully accept the suggestion, and beg leave to withdraw the resolution moved by me, and to substitute the resolution suggested by the Hon'ble Mr. Clark, to whom I tender my grateful thanks."

The following resolution was then put and accepted :—

'That this Council recommends that in view of the opportunity afforded by the cessation of imports from hostile countries, Government should afford such assistance and co-operation as may be practicable in the promotion of industrial enterprise in India.'

The Council adjourned to Tuesday, the 2nd March, 1915.

W. H. VINCENT,
Secretary to the Government of India,
Legislative Department.

DELHI :
The 5th March, 1915.

APPENDIX A.

(Referred to in the Answer to Question 1, page 256, ante.)

Statement showing approximately the number of British Indian subjects in the various Colonies.

Trinidad	117,100
British Guiana	129,389
Jamaica	20,000
Fiji	44,220
Surinam	26,919
Reunion	3,012
Mauritius	257,697
Federated Malay States	210,000
Straits Settlements	Figures not available.
Cape Colony	6,606
Natal	133,031
Transvaal	10,048
Orange Free State	106
Southern Rhodesia	Figures not available
Australia	Ditto.
New Zealand	Ditto.
Canada	2,500 or 4,500 (the number is uncertain).

APPENDIX B.

(Referred to in the Answer to Question 6, page 257, ante.)

List of Hindu and Muhammadan Orphanages.

Serial No.	Name of Orphanage.	Name of Province	Where situated.	NUMBER OF INMATE- IN EACH INSTITUTION.	
				Boys.	Girls.
1	Hindu (Brahmo) Orphanage .	Madras Presidency .	Cocanada	43	15
2	P. T. Chenzalvaroy Naicker's (Hindu) Orphanage.	Ditto	Rundall's Road, Vepery, Madras.	146	...
3	Ramakrishna (Hindu) Students' Home.	Ditto	Car Street, Mylapur, Madras.	24	...
1	Muhammadan Orphanage . . .	Ditto	Arcot	80	...
2	Muhammadan Orphanage . . .	Ditto	Amburpet, Vaniyambadi, North Arcot District.	80	...
3	Boarding House attached to Malamul Uloom. (Muhammadan Orphanage).	Ditto	Fort Vaniyambadi, North Arcot District.	About 80	...
4	Boarding House attached to Madrasa-i-Isiaziah High school (Muhammadan Orphanage).	Ditto	New Town, Vaniyambadi, North Arcot District.	23	...
5	Anjuman-i-Himayat-i-Islam (Muhammadan Orphanage).	Ditto	Big Mosque, Triplicane High Road, Madras.	23	...
1	Sheth Jamnadas Lallubhai Kapole (Hindu) Orphanage.	Bombay Presidency .	83, Narayan Dhuru Street, Bombay.	23	...
2	Kapole (Hindu) Orphanage . .	Ditto	Dandji's Gully, Bhulchwar Road, Bombay.	15	...
3	Kanchhoddas Chatoorbhuj Cutchi Lohana (Hindu) Orphanage.	Ditto	Kandawady Road, Bombay.	110	...
4	Banatwala and Sukhadwala Lohana (Hindu) Orphanage.	Ditto	Ditto	50	...
5	Halai Lohana (Hindu) Orphanage.	Ditto	Ditto	50	...
6	Lady Northcote (Hindu) Orphanage.	Ditto	63, Parel Road, Bombay .	177	16
7	Shree Guja-at Vaishya (Hindu) Sabha.	Ditto	Ahmedabad	87	...
8	Hindu Anst Ashram	Ditto	Nadiad, Kaira District .	61	4
9	Hind Anst Ashram	Ditto	Broach City	19	...
10	The (Hindu) Mahajan Home for Destitute Children.	Ditto	Surat	53	21
11	Jasraj Wajji (Hindu) Halai Lohana Orphanage.	Ditto	Karachi	80	...
12	Laxmital (Hindu) Lohana Orphanage.	Ditto	Do.	24	...
13	Cutchi (Hindu) Lohana Orphanage.	Ditto	Do.	20	...
14	The Khalsa Orphanage (Hindu—Sikh).	Ditto	Shikarpur, Sukkur District.	29	1
1	The Poor Sunni Muhammadan Orphanage.	Ditto	323, Jackeria Musjid Street, Bombay.	26	...
2	The Madrasa Hashmi (Muhammadan) Orphanage.	Ditto	Jackeria Musjid, Bombay.	50	...
3	Haji Jackeria Haji Ahmed Patel (Muhammadan) Orphanage.	Ditto	197, Dostad Street, Bombay.	83	...

List of Hindu and Muhamnadan Orphanages—*contd.*

Serial No.	Name of Orphanage.	Name of Province.	Where situated.	NUMBER OF INMATES IN EACH INSTITUTION.	
				Boys.	Girls.
4	Sir Currimbhoy Ebrahim Khoja (Muhamnadan) Orphanage.	Bombay Presidency	Dongri Street, Bombay	75	...
5	Dhanjibhai Karamali Khoja (Muhamnadan) Orphanage.	Ditto	Samuel Street, Bombay	32	.
6	Ladha Ebrahi (Muhamnadan) Orphanage.	Ditto	Ditto	20	...
7	Jumma Musjid (Muhamnadan) Orphanage.	Ditto	In the compound of the Jumma Musjid, Bombay.	50	...
8	Abdulla Haji Dawood Bowla Muhamnadan Female Orphanage.	Ditto	Chinchpookli, Bombay	...	37
9	Institution (Muhamnadan) managed by Mr. Haji Saleh Mahomed and Committee.	Ditto	Centre Street, Poona City	50	...
1	Calcutta Orphanage for Hindu children.	Bengal Presidency	12-1, Balaram Ghose's Street, Calcutta.	58	45
2	Orphanage established by a committee of Hindus.	Ditto	Navadwipa, Nadia District	5	...
3	Saragachi Anath Asram (Hindu) Orphanage.	Ditto	Saragachi, Beldanga, Murshidabad District.	10	...
1	Muhamnadan Orphanage . . .	Ditto	8, Syed Salle's Lane, Calcutta.	165	...
2	Ditto ditto . . .	Ditto	13, Ram Mohan Bose's Lane, Calcutta	...	15
3	Muhamnadan Orphanage . . .	Ditto	Dacca Town . . .	43	...
4	Muhamnadan Orphanage . . .	Ditto	Noakhali Town . . .	2	1
1	Seth Lachmi Chand (Hindu) Orphanage.	United Provinces	Village Kasuli, District Dehra Dun.	28	5
2	Vaishya (Hindu) Orphanage . . .	Ditto	Eastern Kutchery Road, Meerut City.	82	24
3	Amolak (Hindu) Orphanage . . .	Ditto	Khurja, Bulandshahr District.	20	9
4	Hindu Orphanage . . .	Ditto	Brindaban, Muttra District	6	4
5	Dayanand (Hindu) Orphanage . . .	Ditto	Agra . . .	48	30 and 3 widows.
6	Arya Samaj (Hindu) Orphanage . . .	Ditto	Civil Lines, Bareilly.	34	28
7	Hindu Orphanage . . .	Ditto	La Touche Road, Cawnpore.	60	32
8	Hindu Orphanage . . .	Ditto	Allahabad . . .	15	15
9	Bundelkhand (Hindu) Orphanage . . .	Ditto	Banda City . . .	25	8
10	Arya Samaj (Hindu) Orphanage . . .	Ditto	Jaunpur . . .	2	2
11	MacDonnel (Hindu) Orphanage (for Hindu and Muhamnadan Orphans of all castes).	Ditto	Balrampur . . .	11	5
1	Muslim Orphanage . . .	Ditto	Muhalla Dhamawala, Dehra Dun.	3	...
2	Qasari Islamia Orphanage . . .	Ditto	Agra . . .	7	6
3	Islamia Orphanage . . .	Ditto	Bareilly City . . .	35	3
4	Sunni Muhamnadan Orphanage . . .	Ditto	Jahanabad City, Rai Bareilly District.	6	...
5	Anjuman Yateem Khana Rashid Hasan. (Muhamnadan Orphanage.)	Ditto	Muhalla Moghalpara, Moradabad.	37	...

List of Hindu and Muhammadan Orphanages—*conold.*

Serial No.	Name of Orphanage.	Name of Province.	Where situated.	NUMBER OF INMATES IN EACH INSTITUTION.	
				Boys.	Girls.
6	Hivzul Quran Yateem Khana Mussalmanan.	United Provinces . . .	Bazar Faisganj, near Shankat Bagh, Moradabad.	12	...
7	Yateem Khana Hivzi-Quran (Muhammadan) Orphanage.	Ditto . . .	Muhalla Asalatpura, Moradabad.	6	4
8	Anjuman Maawan-ul-Islam (Muhammadan) Orphanage.	Ditto . . .	Mohalla Nakhson Sambhal, District Moradabad	6	...
9	Islamia Orphanage . . .	Ditto . . .	Colonelganj, Cawnpore . . .	26	7
10	Islamia Orphanage . . .	Ditto . . .	Allahabad . . .	34	3
11	Anjuman Islamia Orphanage . . .	Ditto . . .	Ghaziipur . . .	9	...
12	Sunni Muhammadan Orphanage . . .	Ditto . . .	Aminabad, Lucknow . . .	44	1
13	Shia Muhammadan Orphanage . . .	Ditto . . .	Gali Shah Chora, Thana Chauk, Lucknow.	144	...
1	Hindu Orphanage . . .	Punjab . . .	Muzaffargarh . . .	36	...
2	Hindu Orphanage . . .	Ditto . . .	Dera Ghazi Khan City . . .	12	...
3	Hindu Orphanage . . .	Ditto . . .	Rahon . . .	16	...
4	Hindu Orphanage . . .	Ditto . . .	Jullundar City	19
5	Hindu Orphanage . . .	Ditto . . .	Ferozepore Cantonment . . .	99	78
6	Hindu Girls' Orphanage . . .	Ditto . . .	Ferozepore	56
7	Hindu Orphanage . . .	Ditto . . .	Bhiwani (Hissar District).	25	3
8	Khalsa Orphanage (Hindu—Sikh).	Ditto . . .	Gujranwala . . .	60	...
9	Arya Orphanage (Hindu) . . .	Ditto . . .	Ditto . . .	23	...
10	Khalsa Orphanage (Hindu—Sikh).	Ditto . . .	Amritsar . . .	119	3
11	Hindu Orphanage . . .	Ditto . . .	Ditto . . .	8	3
12	Hindu Orphanage . . .	Ditto . . .	Lahore . . .	31	...
1	Muhammadan Orphanage . . .	Ditto . . .	Kot Abdul Khaliq . . .	48	4
2	Islamia Orphanage . . .	Ditto . . .	Sialkot . . .	42	...
3	Muhammadan Orphanage . . .	Ditto . . .	Near Baghbanpur, Lahore	100	...
4	Muhammadan Orphanage . . .	Ditto . . .	Lahore . . .	32	...
5	Islami Orphanage . . .	Ditto . . .	Ditto . . .	3	15
6	Muhammadan Orphanage . . .	Ditto . . .	Ditto . . .	225	15
7	Talim-ul-Quran (Muhammadan) Orphanage.	Ditto . . .	Ditto . . .	12	1
1	Hindu Orphanage . . .	Bihar and Orissa . . .	Dinapore . . .	11	...
2	Hindu Orphanage . . .	Ditto . . .	Madhupur . . .	13	9
1	Muhammadan Orphanage . . .	Ditto . . .	Dilwarpur . . .	29	...
1	Dharmadaya Sabha (Hindu) Orphanage.	Central Provinces and Berar.	Saugor town . . .	2	1
2	Doctor Ramprasad's Memorial (Hindu) Orphanage.	Ditto . . .	Narsinghpur . . .	5	6
3	Boys' (Hindu) Orphanage . . .	Ditto . . .	Tajnepath, Berar . . .	2	...
1	Anjuman Islamia Orphanage . . .	Ditto . . .	Jubbulpore . . .	5	2
2	The Tayabi (Muhammadan) Orphanage for Bohra Orphanage.	Ditto . . .	Burhanpur, Nizam . . .	44	...
1	Sheva-Azram (Hindu-Brahmo) Orphanage.	Assam . . .	Laban, Shillong . . .	18	...