

Sir Charles McLeod, the Chairman, had spoken, the discussion showed inadequate recognition of the changes the war has brought and of the certainty that India is on the threshold of a new era in economic development. For its full realisation, as Mr. Chadwick said, close co-operation is necessary between British and Indian firms. Yet the wider application of the shrewd observations of Sir Charles McLeod respecting the unwillingness of some English firms to admit to their works Indian students desiring to learn industrial methods was not sufficiently appreciated. He said that it had been thought by some that if they obtained these facilities the students would make use of their knowledge to the detriment of the export of this country. Sir Charles is convinced that this is a mistaken view. If British manufacturers do not welcome these students, as he said, they will go in increasing numbers to America, Japan, and other places and open connection with those countries to the detriment of our own industries. It is no less obvious that an attitude of cold negation on the part of our East India houses in respect to the participation of Indians in the establishment and control of new or developed industries will lead them to seek the co-operation of other countries, and especially of America."

48. The Times of India Year Book, 1918, at page 529 says:—

Inherent difficulties in the problem.

"Whatever may be done to meet real grievances, there are inherent difficulties in the whole problem; but happily no in-

superable obstacles of race arise. Sir T. Morison's Committee on State Technical Scholarships reported in 1913 that the difficulties encountered by young Indians in supplementing academic instructions by technical experience in factories and workshops are general in character, being also applicable to their English contemporaries and that there is on the whole very little evidence of a racial prejudice against Indians."

49. In the Industrial Conference at Bombay in 1915 Dr. Harold Mann moved the following resolution which was adopted :—

(a) Having regard to the fact that the progress and prosperity of every nation depends in these times on industrial and technical education, this conference earnestly recommends the establishment of a technological faculty at principal Indian Universities and the development of the already existing technical institutions and the opening of new ones and the gradual introduction of technical instruction in primary and secondary schools.

Dr. Harold Mann on
technological faculty
at different university

(b) Recognising that no system of industrial and technological education, however, developed it may be, can be successful without sufficient encouragement being given to persons who have received such education, this conference appeals to men of capital and industry to help young Indians, technically trained, in finding practical work and employment.

50. (Here we find that) from the year 1904 and

All attempts to secure remedy in vain. No remedy without fiscal autonomy.

1905 Indian students in large numbers began to go to foreign countries for technical educations for want of proper technological institutions in India. In 1910, the Viceroy Lord Hardinge drew attention to the grievances of the Indian students at a public dinner in London. In 1913, the Morison Committee reported on the same. In 1915 the Indian Industrial Conference drew attention to them and complained that the grievances up to then had not been removed. The same Conference passed a resolution for the establishment of technological faculties. On the 10th March 1917 Mr. Srinivasa Sastri moved :—

‘This Council recommends to the Governor General in Council that a sum of Rs. 30 lakhs be added to the provision made under the head 22—Education in the Budget for 1917—18 for the extension of elementary education.

Said Mr. Sastri :—

“The Council will remember that (1) many days ago a similar question on the subject of elementary education was brought forward but negatived. Thrust out at the door on that day, I venture to come in again at the window this morning ; but I have a reason. For some years, Sir, there has been a standing dispute between the Government and the non-official public as to which is the most efficacious means of making elementary educa-

(1) On 28th February, 1917, Sarma's Resolution on Primary Education was negatived.

tion universal in the land. We have had it put forward on our side that compulsion is the only means to achieve that object. When last it was brought forward in this Council, Government countered the proposition by claiming for voluntarism equal possibilities. I contend, Sir that by doing so Government pledged themselves practically to carry forward the work of extending elementary education through good seasons and through bad. At that time it was believed that although the main purpose of Mr. Gokhale's Bill was defeated, he had elicited from Government promises of financial support for liberal schemes for extending elementary education. These promises were never really fulfilled. The appointment of the Minister of Education was followed by what I may call a triennium of hope and advance along all lines in the field of education. Sir Harcourt Butler took charge of the Department, and although he is not here, I think he will be glad to learn that the non-official public welcomed the way in which lakhs and tens of lakhs rained on his auspicious head, while his successor unfortunately has not even a drizzle of poor thousands. In this triennium, I believed the story is not altogether apocryphal that Sir Harcourt Butler ventured to envisage a scheme of educational expenditure which at its culmination would have gone up to ten crores a year. Well, we were soon to welcome a promise made, both in Parliament and in India by the Government, that 91,000 schools would be added to the system of elementary education, and that the school going population actually in attendance would be

doubled in no long time. Apparently to fulfil this programme the Government of India called last year for schemes from all the local Governments which were summarised in a statement placed on the table of this councils at the end of last year. Nothing has come, however, out of all these schemes, and speaking in this council on the last occasion the Hon'ble Mr. Sharp nearly admitted that the Department had been occupied in making plans and shelving them.

Sir William Meyer objected to this motion, Pandit Malaviya supported it but ultimately the motion was put and negatived. The Indians would have got remedy long before if they had fiscal autonomy. In future no remedy can be expected without fiscal autonomy.

51. The Hon'ble Mr. Sarma on the 9th March 1918 moved this resolution in the Imperial Council :—

“ That this council recommends to the G. G. in council an increase in the recurring appropriation from the Imperial Revenue of 30 lacs of rupees towards primary education by another 30 lacs for expenditure from the year 1918-19 onwards on the development of education in—
 (a) Mechanical, electrical and sanitary engineering.
 (b) Metallurgy. (c) Mining (d) Forestry. (e) Agriculture.’

Mr. Sarma on technological education

Mechanical, electrical and sanitary engineering and Metallurgy Mining Forestry and Agriculture

52. In moving this resolution he drew the attention of the authorities to what the Public Service Commissioners have said in their report on these branches of education.

“ On Agriculture they say :—

“ Practical agricultural experience, however, is not demanded of candidates for the highest post on the research and teaching sides of the department. In these branches, the chief requisite is a good science qualification supplemented by a term of post graduate training in agricultural research. We accordingly recommend that facilities for such training be developed in India, and that the standard be brought up to the level of the best equipped agricultural institutions of Europe and America. The training classes should be established at Pusa, such additions being made to the staff of the institution as may be necessary for the purpose.

“ With regard to forests this is what they say :— Direct recruitment should be made to the Imperial branch in India, with this object a course of training up to the highest European standard should be instituted at Dehra Dun

“ In regard to Geological Survey the following statement is made :—

“ A school of Geology should be developed in India which will rank with similar institutions in Great Britain. It is desirable that at one centre at least in India advanced study of this subject should be possible.”

“ In regard to Mining the following recommendation is made :—

“ Facilities for instruction in Mining should be developed in India, and every effort should be made to utilise the services of Indian inspectors. One reason

for urging this is, that there is a considerable Indian element among mining managers.'

"Then with regard to civil, mechanical, and electrical engineering and kindred branches they say generally :—

"With regard to the needs of the Public Works Department we are satisfied that the training now given in each of the four colleges is adequate to the needs of the higher branches of the public service"

"But the evidence suggests improvement in mechanical, electric and sanitary engineering."

"With regard to the locomotive and other departments they say that —

"Arrangements should also be provided by which statutory natives of India with suitable educational qualifications would be able to serve as apprentice pupils in the shops and running shades of the State railway, and so to reach the standard of professional training prescribed for direct recruitment'

"With regard to Metallurgy, the report of the Committee on Technical Education, which sat more than 14 or 15 years ago, recommended a school for metal working, but nothing seems to have come of that recommendation. There is no doubt, therefore, that from the point view of equipping educational institutions and workshops for the recruitment of the higher branches of the Indian services, there is ample justification for the expenditure of the money I ask for.

"Sanitary Engineering is one of the subjects which has to be taken up in India, and I hope that special attention will have to be paid to it.

"The recommendations of the Universities' Commission with regard to London University, show that they have there an Imperial College of Science and Technology in Metallurgy, Mining, and in Civil and Mechanical Engineering, and that it was hoped to secure professors with the highest qualifications at a salary of £1,000, and that £500 was sufficient for Readers. Therefore, the expenditure need not be very prohibitive in the matter of equipping Indian colleges, and besides, we already have in this country institutions in Agriculture, in Forestry, in Mining and in Mechanical, Civil and Electrical Engineering at Roorkee, Sibpur, Poona and Madras. All that is needed, is to further equip them with superior professional staff and the necessary scientific appliances."

53. Sir W. Meyer said that Mr. Sarma wanted the expenditure to be incurred on technical education including Forestry and Agriculture but the financial position was not a hopeful one. Besides care should be taken to see that what is spent is spent to the best advantage to meet actual, immediate or prospective demand. Then he quoted the following from paragraph 86 of the recent report of the Public Works Reorganisation Committee :—

"We are not convinced, however, that the annual output of engineers is less than the existing demand, and this view receives support from the fact that 46 per cent of the upper subordinate posts in Bengal are filled by Bachelor of Engineering, that 60 per cent of the products of the engineering class at Madras

Government holds out its hope after defending its position.

accept subordinate positions, and that posts as upper subordinates are guaranteed to and accepted by the students from Poona passing second and third in the Bachelor of Engineering examination. It is obviously uneconomical for Government to provide, at considerable expense, an engineering education of the highest standard for a man who will remain for the greater portion of his life in an inferior position and will never have the opportunity of exercising the knowledge gained during his college course."

He then continued -- "Similar remarks were made in respect of electrical and mechanical engineers in the report of Colonel Atkinson and Mr Dawson on Technical Institution. I sincerely hope and I yield to none in that hope that our industrial development will hereafter justify provision for a much larger output of technically trained men, we must not let the supply exceed the demand."

But he held out a hope that the matter would be attended to after the guidance that he hoped to obtain from the report of the Industries commission and that the money if allotted could not be utilised now on account of war conditions.

54. In reply Mr Sarma said --

"A passage was quoted from the report of the Public works department Reorganisation Committee that even at the present, the output of engineers is not small and perhaps exceeds the requirements and the fear was expressed that the supply might exceed the demand, May I say,

Sarma controverts Government position

sir, that in the following paragraphs the commissioners state that, if their recommendations are accepted and the Indian agency be increased, the management being handed over to the local boards, there would be a demand for a large number of qualified engineers and better arrangements will have to be made to enable the engineering colleges to increase the output. "But the point really is not as to whether the output of engineers educated on the present lines is sufficiently large; the point is as to whether the highest type of teaching open to candidates in the rest of the world is open" to students seeking education in these various branches in India; and it is for that higher teaching on which stress was laid by the Public Service Commissioners, it is for the Development of that higher education that I have sought this money and therefore, I think, Sir, that the money can be well utilised at an early date.

"Then with regard to the second point that was put to me, that we must not unduly hasten the pace of making large advances to Provinces unless we had properly considered schemes, may I say that "this subject of technical education has engaged the attention of Government for more than 20 years past," that the Public Services Commission's recommendations have been before them for the last two and a half year, and there is a limit to the patience even of the Indian community, I hope, therefore, that there will be more driving power in the various administrations towards advancing the cause which we all of us have at heart."

The motion was then by permission withdrawn.

55. On the 13th March 1918 Mr. Sarma moved in the council the following resolutions which were negatived :—
Motion for free and compulsory education.

"This Council recommends to the Governor-General in Council that one of post war reforms should be the introduction through British India of free and compulsory education immediately after the war."

"This Council recommends the G. G. in Council that if the land revenue be not wholly provincialised the Government of India should undertake to finance free and compulsory primary education out of Imperial revenues."

In moving this resolution Mr. Sarma observed :—

"My justification for bringing up this resolution is, that two or three important events have occurred since I last moved the resolution (1) in which I pleaded for a scheme of financing primary education in a definite period. The Home Government had declared, we all gratefully acknowledge, that self Government is to be the goal of Indian administration, and we are at present engaged in the task of settling the particular rate at which progress can be evolved during the next few years. Well, whatever may be the changes immediately ahead of us, there cannot be the slightest doubt that we are in for a democratic form of Government, and I do not think that any very lengthy reasoning is necessary to show that we shall have to educate our future masters.

(1) Sarma's Resolution re Primary Education moved on the 28th February 1917.

That alone is a sufficient reasoning for putting the educational problem in the fore-front of our administrative problems—perhaps only next to the military problem.

. . . . The whole question is really one of finance as has been admitted on more than one occasion by responsible members of the Government. Now, Sir I humbly submit that unless extraordinary unforeseen circumstances intervene the recent development in the growth of revenue is ample justification for my approaching the Council with the suggestion that finance can amply meet my request that free and compulsory education should be imparted throughout British India. We have increased the revenue from 82 millions in 1913-14 to 110 millions in 1917-18* (revised estimate) or about 28 millions or 42 crores of rupees."

56. The Education Member Sir Sankaran Nair in opposing the motion pointed out that Srijiut Gokhale calculated the cost of educating the boys between 6 and 10 at $4\frac{1}{2}$ crores. "That was shown to be a serious underestimate and the cost is much more likely to be 7 or 8 crores, and indeed a scheme of this kind could scarcely be carried out without ultimately landing us in some 10 or 12 crores of annual expenditure. Can we expect to get this money or anything like it immediately after the war."?

Government opposition for free and compulsory education

* Banerjee supports the motion.

57. Srijiut S. N. Banerji spoke out the mind of the country. He said :—

"I think what is uppermost in the mind of my friend

(Srijut Sarma) and I believe that in the feeling of most of us here, I mean the non-official Indian Members, is that primary education, free and compulsory primary education, should be regarded as part and parcel of the post-war reforms. Sir, we are looking forward to a responsible electorate; we are looking forward to industrial development and industrial efficiency. For both these purposes I venture to assert that primary education is the first, the foremost, the most indispensable condition. If you want a responsible electorate that electorate would best do its duty if it were more or less literate. If you want industrial development, you would secure industrial efficiency if the artisan and other people engaged in our industries were literate. Therefore, it seems to me that the question of constitutional reforms which will be uppermost immediately after the war, is indissolubly bound up with the question of primary education, free and compulsory."

58. Srijut Malaviya pointed out :—

"He (the Education Member Sir Sankaram Nair) pointed out that at the end of the war there will not be sufficient money available to promote education in the manner suggested by the Resolution. Ten or twelve crores a year was the amount estimated to be necessary for the purpose. I never thought, Sir, any body suggested that ten or twelve crores of rupees should be spent all at once from the beginning of the first year after the war, I expected that in any scheme of general primary education, there would be a graduated scale, that it would be worked out

Malaviya's support.

in the course of a certain number of years, and that the demand on the public exchequer would not be so very heavy at the outset as to make it impossible to be met. In other countries where primary education had been introduced it has been introduced in a graduated manner. That is what we look for in India, but we want to know that such a scheme is in contemplation, and that the period which has been fixed for attaining the object which the Hon'ble the Education Member has rightly said to be a period of years, that the period which has been fixed is not an unduly long one. In this matter the people of India have been in a peculiarly unfortunate position. The need for primary education was pointed out in this country long before such need was recognised even in England. In England the primary Education Act was introduced in 1870. In India so long ago as 1845, the question of extending education to the mass of the people was taken up, Parliament considered it and approved it, and a scheme was embodied in the Education Despatch of 1854. Since then, we have had on numerous occasions very eloquent expressions of sympathy of the Government to the masses of the people and of their desire to extend such education. But, unfortunately, the sympathy has not been translated sufficiently into action. From the time that the Government recognised the need of extending elementary education among the masses, the Government revenue has expanded like anything. Sums, enormous sums, have been found for expenditure on general administration, on the Army and on every other subject which the

Government thought it fit to spend money upon : but education has not received its proper share, and I submit, Sir, that what we want to be sure of is, that the Government should even now recognise more fully than they have done in the past that this matter of primary education has to be practically carried into effect.

".....But we must point out—it is our duty both for the Government and the people to point out—that what has been done is very inadequate as compared with what requires to be done. Therefore.. while we recognise all the difficulties that have been referred to by the Hon'ble Member, the Government ought to prepare a scheme and put it forward at the earliest possible opportunity before the Council and the public in order that we should feel that the matter is going to be dealt with in a bolder, in a more comprehensive, and a more definite manner than it has been dealt with in the past.

59. Srijut K. K, Chanda said :—" When we ask for self government the answer we get is, that the people are illiterate, and therefore it cannot be granted. When we ask for universal education, we are met with the objection that it will cost a mint of money, and therefore it cannot be granted. That is our position. How are we to get out of the circle ? As we know, in 1880, the system of making education compulsory was completed in England and we know the results. Cent per cent of the people are literate. About the same time, that is in 1882, the Government resolved that an attempt should be made to secure the fullest possible provision for the expansion of

K. K. Chanda's support.

primary education by selection suitable to the circumstances of each Province.....

"Now, what has been done since then? Are we any nearer the goal. I fear, Sir, that the speech of the Honourable Sir Sankaran Nair is only a paraphrase of the above resolution (Resolution of the Government of India 1882 relating to education), expressing a pious hope that it is the aim of the Government that it will one day be reached".

60. In the 4th Session of Congress in 1888 the Congress under the Presidency of Mr. George Yule passed the following resolution :-

First duty of Government to foster general and technical education : Without fiscal autonomy Indians will not be able to get that education.

"IX Resolved :- That this Congress being of opinion that it is the first duty of the British Government in India to foster and encourage education, as well general as technical, in all its branches and that the declaration made in the recent resolution of the Government of India on the subject of education is calculated to encourage the tendency to reduce imperial expenditure on education, and to withdraw from the control of it, respectfully urges upon Government the extreme importance of increasing, or at any rate of not decreasing, the present expenditure on education, and of the Government continuing to control the Educational Institutions of all kinds now".

The above resolution was moved by Mr. Adams, the Principal of Pachaiyappa's College who complained of the retrograde policy pursued by Government in Education and seconded by Hon'ble Sriji K. T. Telang who

proved that Government could find money for all its undertakings but could not afford to spend more than one per cent of its revenue on education. Mr. Subramania Iyer who supported this resolution hinted that there were some people who believed that Government adopted the retrograde policy in education because of the Congress demands but this opinion Mr. Iyer did not share.

In the fifth session of the Congress in 1889 practically the same resolution was moved by Sriyut Kali Charan Banerji and seconded by Sriyut N G Chandravaskar (afterwards Sir) and supported by Sriyut S. B Sankaram.

The Congress in all its subsequent sittings passed the same resolution.

It is to be regretted that up to this time there has been no definite policy of asking the people to associate themselves with the Government saying to them. 'We will raise so much money for the definite purpose of improving and organising your resources, intellectual or economic Will you agree to our proposals?' We hope that a departure must be made in this direction.

Here we find that all prayers, petitions and memorial from all quarters and from all sorts of persons have not been able to secure for India universal education and scientific and technical training Without fiscal autonomy Indians will never be able to get them. Those to whom the British people have entrusted the task of administering the affairs of India have shown no zeal in performing their duties in the light of the declared wishes of the British people nor have they up to this time been able to tell the British public that their centuries of

administration have enabled the natives to enjoy full self-government. The Civil Service opposition to the reform scheme ought to dispel all illusions from the mind of the British people that they will be able to work out their goal in India through the members of that service. They have not up to this time been able to achieve that goal nor is there any guarantee that they will be able to achieve it in near future. Hence some real control should be given to the Indians and without fiscal autonomy there will be no real control.

61. The following statement was laid on the table in reply to Maharaja Sir Manindra Chandra Nandi's question asked in the Imperial Council on the 20th March 1917. The information, so far as concern the the staff and maintenance of primary schools was laid on the table.

Statement showing expenditure incurred by Government on primary schools

Province	1909-10 R	1910-11 R	1911-12 R	1912-13 R	1913-14 R	1914-15 R	1915-16 R
Madras	10,79,039	11,63,818	13,96,957	15,37,793	17,14,600	20,50,846	20,17,598
Bombay	18,95,276	20,17,180	22,83,380	25,75,320	30,26,311	33,50,507	33,41,821
Bengal	3,64,315	3,56,221	2,41,528	3,22,833	2,95,869	3,23,646	3,77,287
United Provinces	37,470	65,398	49,668	49,064	45,210	47,806	52,005
Punjab	35,945	33,409	32,272	35,746	24,737	26,420	32,686
Burma	2,54,201	1,79,410	1,54,878	1,83,564	2,13,883	2,47,873	2,55,115
Bihar & Orissa	...	...	19,0473	2,03,705	2,37,794	2,66,823	2,91,276
Central Provinces & Berar	1,55,620	1,54,597	1,27,426	1,36,596	1,39,941	1,50,307	1,67,613
Assam	1,02,034 (E. B. included)	1,11,032 (E. B. included)	41,335	37,641	39,809	56,244	67,927
North-West Frontier Province	1,841	1,516	1,403	1,576	980	953	1,098
Coorg	8,082	9,519	9,447	13,534	18,023	20,476	22,173
Delhi	...	...	...	1,682	1,503	2,352	1,455
Total	39,34,823	40,92,097	45,28,767	51,99,044	57,58,660	65,44,253	66,14,054

N. B.—These figures do not include all the grants made by Local Governments to local bodies for the purpose of primary education and they do not include the sums spent upon primary education in secondary and other kinds of institutions. But the figures are suggestive of the rate of progress in the expenditure on primary education.

62. On the 5th September 1917, the Hon'ble Maharaja Sir Manindra Chandra Nandi asked in the Imperial Council : " Will Government be pleased to state the amounts of money spent on education per capita of population in India annually and to state the corresponding figures for England, France, Germany, United States, Russia, Italy and Japan ? In reply the Hon'ble Sir Sankaran Nair said :—

" The total amount of money from all sources expended upon education in British India amounted in 1915-16 to Rs. 0.456 per head of the population. It is impossible to give corresponding figures for the other countries named because figures for elementary education only are generally available and it is uncertain whether the method of calculation is the same as that adopted in India. The expenditure per head of the population on primary education in the countries specified has been reported to be as follows :—

	Rs.
India, 1911	0.79
England and Wales, 1911-12 ...	10.000

	Rs.
France, 1911 ..	3 364
German Empire, 1911 ...	7 910
Japan, 1911	1 667
United States, 1913 ...	16 57

The total direct expenditure in British India upon primary schools in 1915-16 was Rs. 0'115."

Deprived of fiscal liberty and consequently deprived of the means of fighting other people the Indians have been compelled to compete with them in the field of arts and manufactures without any regard for the fact that how much those people have the backing of educational and other facilities. No wonder that the Indians have been worsted in this unequal contest! There would have been some consolation if the Indians had to fight the unequal contest with the help of the sovereign people who are protecting them from the aggression of other peoples. It is cruel that other nations beside the sovereign nation have been allowed to compete in the Indian market with the Indians on equal terms when those nations have superior educational facilities, superior organisation, superior banking facilities, and superior means of production and transportation. Without fiscal liberty the Indians will never be able to rise nor the sovereign nation will be able to regenerate them. The Industrial Commission has made many suggestions of help without considering the question of fiscal autonomy but in the long run the suggestion will prove a failure unless the situation is improved by tariff reform. Here it will be useful to quote the conditions on which the United

Tanners' Federation of Great Britain and Ireland proposed to take up the Indian hide trade after the war. Thus the Bulletin of the Imperial Institute Vol. XVI No. 2 (April-June 1918) says, —

“ Proposals for dealing with the post-war trade problem were made by the Imperial Institute Committee on Hides and Tanning Materials, after consultation with the United Tanners' Federation of Great Britain and Ireland, and with representatives of British firms in India, who were ready to enter the trade on certain conditions. Lecturing before the Indian Section of the Society of Arts on the Indian Hide and Leather Trade on February 14th, 1918, Sir Henry Ledgard, a member of the Committee and lately President of the Upper India Chamber of Commerce, stated that the Tanners' Federation were prepared to handle increasing quantities of kips up to 4,000,000 in the third year after the conclusion of the war, subject to —

- (1) The imposition in India of an export duty on raw hides, to be remitted in the case of hides tanned within the Empire
- (2) The eliminations of firms with German or Austrian connections from the trade
- (3) The granting, where necessary and advisable, of financial assistance to tanners adapting their yards or building tanneries to deal with the East Indian hides.

“ Sir Henry Ledgard added that in their report the Committee of the Imperial Institute ‘ also laid stress on the importance of the fullest development possible of the

tanning of kips in India which shall involve the employment of Indian labour and capital in the manufacture of leather goods from Indian tanned leather."

The inability of India to supply her own needs in her own market in the face of foreign competition is illustrated by the trade figures of the war time when exports from Germany and Austria—Hungary stopped and from Great Britain fell down. The United Kingdom figure of shipments to India is Rs. 7,695 lakhs (hundred thousands) in 1918-19 as compared with Rs. 8,177 lakhs in 1917-18 and Rs. 8,778 lakhs in 1916-17. "The aggregate for the British Empire, Rs. 9,705 lakhs, does not show marked diminution as compared with 1916-17 and is somewhat larger than in 1917-18. The Indian exports to this country (United Kingdom) were last year Rs. 6,994 lakhs, as compared with Rs. 6,923 in the previous year, and Rs. 7,907 lakhs in 1916-17. The total for the British Empire, Rs. 12,640 is somewhat larger than in either of the preceding years. The growth of Japanese and American trade may now be shown in the tabular form⁽¹⁾.—

Imports from		1916-17.	1917-18.	1918-19
		Rs. lakhs.	Rs. lakhs.	Rs. lakhs.
Japan	...	1,333	1,826	3,360
United States		1,075	1,181	1,613
Exports to				
Japan	...	2,813	3,409	2,914
United States		3,119	3,046	3,306

India could not manage to supply her own wants as she is without education, without organisation and.

¹, See Times Trade Supplement 1919 p. 414

without proper equipment. The field vacated by the Germans and Austrians could not be occupied by Britain as she was engaged in war. America and Japan stepped into the shoes of Austria and Germany. Both America and Japan are better equipped than the Indians and hence they occupied the place vacated by the Austrians and Germans. The Indians should be first educated and then equipped and organised so as to be able to supply her own wants. She is lacking in education. She has implored the authorities for education but the authorities are moving slowly and, in the meantime, other nations, too wide awake, have occupied the field. Without fiscal autonomy no education is possible, without fiscal autonomy no recovery of ground is possible.

63 In his able note already referred to in paragraph 29 of this Chapter which
Every civilised country has its Technical Institutes in members Sir Harcourt Butler prepared in 1907 on Technical education for the Government of the United Provinces he wrote :—

“Every civilised country has its Technological Institutes in numbers, and in almost every country except England the foundation of these institutes were laid in the earliest stages of technical education. In America the *Rennselaar* Polytechnic Institutes was established in 1824, the Massachusetts Institute in 1865; the Worcester Polytechnic in 1868, *Lehigh* University in 1866; the *Steven's* Institute in 1871. The *Paris Ecole Polytechnic* was opened in 1795, the similar institute at Vienna in 1815. The German Technological Institutes date from the end of the eighteenth and the beginning

of the 19th century, Brunswick 1745, Berlin 1799; Carlsruhe, 1825; Munich, 1827, Dresden, 1828; Stuttgart 1829. Japan commenced with higher technical schools. In the beginning all these institutions were doubtless, humble, but it is still true that in countries yearning to be industrial, technical education has begun largely at the top. Technical education lower down followed as a rule after the spread of general education."

This exposition of Sir (then Mr) Harcourt Butler refutes the view frequently stated that great technical and scientific institutions follow, not precede, the establishment of great industries.

Sir Dorabji Tata Kt in his presidential address in 1915 at the Bombay Industrial conference refuted this view and stated that Industrial Education in the widest sense of the term, is primarily the function of the state and that the scientific research needs such large endowment that only the state can provide them. But to our misfortune it must be said that Sir Harcourt Butler who pointed out the importance of the establishment of Technological Institutes could not succeed in establishing one in India up to date although he filled the important post of education Member, and Lieutenant governor of Burma and now occupies the Lieutenant governorship of United Provinces

64. A press communique dated August 19, 1919 states :—

Prospects of Indian students getting education in the United Kingdom timely warning.

The government of India have learnt from the Secretary of State

that many Indian students are now proceeding to the United Kingdom for the purpose of prosecuting their studies at British Universities without first securing their admission and that they are most likely to meet with disappointment as Universities in that country are at present being overcrowded by men demobilised from the army. Moreover lodgings have become very expensive and exceedingly difficult to obtain. The Government of India therefore desire to warn all students intending to proceed to the United Kingdom and especially those who wish to study medicine, engineering or agriculture that in order to avoid disappointment they should in all cases make sure of being admitted to the institution they may desire to join before leaving this country."

The Secretary of State and the Government of India must be thanked for this timely warning. But the position is this that India is not only afflicted by famine of food but famine of education and there is very little prospect of getting proper education in the institutions of the guardian nation and any student who gets education outside the British Empire becomes more favourably disposed towards the people and manufactures of the country where he gets education and becomes practically a canvasser of them. This is a serious loss to the Empire and we are sorry to say that the gravity of the position has not been realised in the competent quarters in spite of the prolonged protest of the authorities and without fiscal autonomy there will be no remedy.

CHAPTER II.

Old Method of Administration and its change for the better.

1. So early as May, 17th, 1818, the Marquis of Hastings while Governor-General of India wrote in his Private Journal :—
East India Company and production of raw silk Policy to render india a field for the produce of raw materials subservient to the manufacture of Great Britain
 A time not very remote will arrive when England will, on sound principles of policy, wish to relinquish the domination which she has gradually and unintentionally assumed over this country, and from which she cannot at present recede. In that hour it would be 'the proudest boast and most delightful reflection that she had used her sovereignty towards enlightening her temporary subjects so as to enable the native communities to walk along in the paths of justice. and to maintain with probity towards their benefactors that commercial intercourse in which we should then find a solid interest "

Those who established the Empire were generally men of higher order with higher ambition but those who were benefitted by the establishment of the Empire were ordinary men with ordinary human instincts. The East India Company was a trading concern and when they found themselves master of provinces after provinces of India, they availed of their administration and political power to improve their trade and income.

So early as 1767, Governor Verelest personally exhorted the zemindars who had assembled at Murshidabad at the time of the Punya ceremony to turn their personal attention to the production of raw silk (¹)

In their letter to Bengal, dated 17th March 1769 the East India Company expressed their desire that the manufacture of raw silk should be encouraged and that of silk fabrics should be discouraged. With this end in view they recommended that the silk winders should be forced to work in Company's factories and be prohibited from working in their own houses. About the effect of these regulations we read in the ninth report of the House of Commons 1783 at page 64 as follows —

"This letter contains a perfect plan of policy both of compulsion and encouragement, which must in a very considerable degree operate destructively to the manufacturer of Bengal. Its effect must be (so far as it could operate without being eluded) to change the whole face of that industrial country, in order to render it a field of the produce of crude materials subservient to the manufactures of Great Britain."

2 In appendix 37 of the same report, we find the effect of the regulation as produced in Bengal by the Company's servants in obedience to that letter described in these words —

"This regulation seems to have been productive of very good effects, particularly in bringing over the winders, who were formerly so employed, to work in the factories. Should this practice (the winders working

(¹) See Encyclopedia Britannica 9th Edition Art. India.

in their own homes) through inattention have been suffered to take place again, it will be proper to put a stop to it, which may now be more effectually done, by an absolute prohibition under severe penalties, by the authority of the Government.

3 In his letter to the Court of Directors dated 26th September, 1767, Governor Verelest compared the Mahomedan regime with the *present regime and said : " Whatever sums had formerly been remitted to Delhi were amply reimbursed by the returns made to the immense Commerce of Bengal.How widely different from these are the present circumstances of the Nabab's dominions ! (under the Company's rule)..... Each of the European Companies, by means of money taken up in the country, have greatly enlarged their annual Investments, without adding a rupee to the riches of the province"

4 In a subsequent letter, dated March 24th, 1768, he complained about the *exportation of money from this country in these words.—

" The great demands which have been made on this Presidency for supplies of money from every quarter have reduced your treasury to a very low state, and alarm us for the consequences which must inevitably attend such a vast exportation from this country

5 In another letter, dated September 26th 1768 he expressed his inability to increase rents in these words :—

increase of rent impossible

"It was therefore to be wished and was more than once proposed, that when their lands came under our management, we had lowered for a time the stated rent of most districts, as an incitement to cultivation and improvement, rather than have made the smallest attempt to increase..... 'Permit me to give you my most serious opinion, founded on almost nineteen years' experience in the various branches of your revenues, and in various districts of your possessions, that it is totally beyond the power of your administration to make any material addition to your rents.'"

6. He then explained the effect of this administration on the country in his letter, dated April 5th, 1869:

Riches of the country diminishing

"It will hardly be asserted that any country, however opulent, could long maintain itself, much less flourish, when it received no material supplies. and when a balance against it, of above one-third of its whole yearly value, was yearly incurred. But besides this, there are concomitant circumstances, which have contributed to diminish the riches of the country, and must, if not remedied soon exhaust them. I have observed that one great advantage, the country formerly reaped was the diffusion of its revenues by large grants to different families, and by the expensive luxury of its governors. But now the whole amounts of the lands is swallowed up in one gulf—your treasury; nor does any part of it return into the circulation, except the sum issued from our investment and necessary expenses."

7. In pages 54 and 55 of the Ninth Report, 1783, we read. "A certain portion of the revenues of Bengal has been for many years set apart for the purchase of goods for exportation to England, and this is called the Investment. The greatness of this Investment has been the standard by which the merit of the Company's principal servants has been too generally estimated, and this main cause of the impoverishment of India has been generally taken as a measure of its wealth and prosperity. Numerous fleets of large ships, loaded with the most valuable commodities of the East, annually arriving in England in a constant and increasing succession, imposed upon the public eye, and naturally gave rise to an opinion of the happy condition and growing opulence of a country whose productions occupied so vast a space in the commercial world. This export from India seemed to imply also a reciprocal supply, by which the trading capital employed in those productions was continually strengthened and enlarged. But the payment of a tribute, and not a beneficial commerce, to that country, wore this specious and delusive appearance."

"Notwithstanding the famine in 1770, which wasted Bengal in a manner dreadful beyond all example, the Investment, by a variety of successive expedients, many of them of the most dangerous nature and tendency, was forcibly kept up . . . The goods from Bengal, purchased from the territorial revenues, from the sale of European goods, and from the produce of the monopo-

lies.....were never less than a million sterling, and commonly nearer £1,200,000. This million is the lowest value of the goods sent to Europe, for which no satisfaction is made. About £100,000 a year is also remitted from Bengal on Company's account to China, and the whole of the product of that money flows into the direct trade from China to Europe. Besides this, Bengal sends a regular supply, in time of peace to those Presidencies (in India) which are unequal to their own establishment.

" When an account is taken of the intercourse, for it is not commerce, which is carried on between Bengal and England, the pernicious effects of the system of Investment from revenue will appear in the strongest point of view. In that view, the whole exported produce of the country, so far as the Company is concerned, is not exchanged in the course of barter, but it is taken away without any return or payment whatever.....

8. " But that the greatness of these drains and their effects may be rendered more visible, your Committee have turned their consideration to the employment of those parts of the Bengal revenue which are not employed in the Company's own Investment, for China and Europe...From the portion of that sum which goes to the support of Civil Government the natives are almost wholly excluded, as they are from the principal collections of revenue. With very few exceptions, they are employed as servants and agents of Europeans, or in the inferior departments of collections, when it is abso-

Natives almost wholly excluded from public service

lately impossible to proceed a step further without their assistance."

9. In the famous report of Mr. Shore, dated June 18th, 1789 we read ;—

Shore's report . changing character of the Indian trade : specie rarely imported : continuous exhaustion of the country of its silver

" Para. 131 : The Company are merchants as well as sovereigns of the country. In the former capacity they engross its trade, whilst in the latter they appropriate the revenues. The remittance to Europe of revenues are made in the commodities of the country which are purchased by them.

" Para. 132. Whatever allowance we make for the increased industry of the subjects of the state, owing to the enhanced demand for the produce of it (supposing the demand to be enhanced), there is reason to conclude that the benefits are more than counterbalanced by evils inseparable from the system of the remote foreign dominion... ..

" Para. 135. Every information from the time of Bernier to the acquisition of the Dewani shows the internal trade of the country, as carried on between Bengal and Upper Parts of Hindusthan, the Gulf of Moro, the Persian Gulf, the Malabar Coast, to have been very considerable. Returns of specie and goods were made through these channels by that of the foreign European companies, and in gold dust for opium from Eastward.

" 136. But from the year 1765 the reverse has taken place, The Company's trade produces no equivalent returns. Specie is rarely imported by the foreign com-

panies, nor brought into Bengal from other parts of Hindusthan, in any considerable quantities.

"140. Upon the whole, I have no hesitation in concluding that since the Company's acquisition of the Dewany the current specie in the country has been greatly diminished in quantity, that the old channels of importation by which the drains were formerly replenished are now in a great measure closed, and that the necessity of supplying China, Madras and Bombay with money, as well as the exportation of it by Europeans to England, will continue still further to exhaust the country of its silver."

"10 From the Resolution of the Committee of the whole House 1812, we read —
Commodus provisions for investment

"The whole or part of any surplus that may remain of the above described rents, revenues and profits, after providing for the several appropriations, and defraying the several charges before mentioned, shall be applied to the provision of the Company's Investments in India, in remittances to China for the provision of Investments there or towards the liquidation of debts in India, or such other purposes as the Court of Directors, with the approbation of the Board of Commissioners, shall from time to time direct."

11 The monopoly of the East India Company in the Eastern trade was abolished with the renewal of their charter in 1813 and India came to be flooded with independent British merchants. The

Transit duties and Holt Mackenzie's Minute: Effect upon the trade of the country. Monopoly of the company abolished.

internal trade of India was even then languishing under the obnoxious transit duties which had been handed down from the preceding century. The East India Company obtained an exemption of their export and import from those duties from the Nabab's time. Nabab Mir Kassem abolished them and this cost him his throne. The transit duties became more obnoxious during the Company's rule. Mr. Holt Mackenzie's memorandum, dated June 23rd, 1823 exposed the ruinous character of these duties :—

“ Some articles have to run the gauntlet through ten custom-houses, passing at each several subordinate Chowkis, before they reach the Presidency and little or none of the great staple commodities of the country escape from being subjected to repeated detentions.

“ Even supposing that there were no exactions and no delay, still the system would seriously hinder the commercial intercourse of the country, since no interchange of goods can take place between districts separated by a line of Chowkis, unless the difference of price shall cover not only the cost of transportation and the other charges of merchandise, but also the duty of 5 or 7½ per cent. levied on by Government. Thus also the natural inequalities of prices aggravated, and contrary to every principles justly applicable to a consumption tax, the burden falls on the places where the consumer would, independently of duty, have most to pay.

“ But when to the Government demand are added those of the custom-house officers, it appears to be

certain that much trade that would be carried on by persons of small capital must be absolutely prevented. The rich merchant can afford to pay the utmost demand likely to be made upon him, because a considerable *douceur* will not fall heavy on a large investment, and because his rank and wealth secures him from any outrageous extortion. But to the petty trader a moderate fee would consume the probable profit of his adventure, and he has little or no security for moderation...

"Hitherto the attention of the authorities at home, and of the mercantile body generally in England, would appear to have been directed chiefly to the object of finding a market for the manufactures of the United Kingdom. They have consequently looked more to the import than to the export trade of India. The duties prescribed by Regulation IX of 1810 have accordingly taken off a great number of articles sent from England hither, while of the exports, only indigo, cotton, wool, and hemp have been made free, and this more with a view, I apprehend, to English than to Indian objects....

"The results of a pretty careful consideration of the articles which constitute the trade of Calcutta, and a consideration of the rate of duty which each could bear, have led to the conclusion that the country might be relieved from the mischief of our inland customs without any very considerable sacrifice, at least if the salt duties levied on our western frontier are, as would seem necessary for the protection of the Bengal monopoly, maintained....

"Were Inland duties abolished, without any change

in the export and import duties, the immediate sacrifice of revenue would be about 33 lacs (£330,000), and even though the duty on western salts were maintained, there would still be a loss of 22 lacs (£220,000). The whole of this, I fear, cannot be immediately replaced by the imposition of new duties on imports and exports by sea, but a considerable part may certainly be so, and in as much as the proposed arrangement will operate, as I hope, to extend trade, and will enable us to reduce establishments, the balance cannot be reckoned as a net loss."

12 The East India Company were not ready to sacrifice this revenue only on account of the memorandum of Holt Mackenzie, although they professed utmost concern for the welfare of the Indians. Sir John Malcolm, Governor of Bombay in his minute, dated November 30, 1830, thus recorded his view —

Policy of Government to look to India for raw produce.

' In the despatch of the Court (of Directors) it is observed that their attention has been directed in a special manner to this subject, and to look to India for the means of rendering Great Britain independent of foreign countries for a considerable portion of raw material upon which her most valuable manufactories depend

" I must add, that it is only by the introduction of produce like silk, by our improvement of the staple of cotton, and the success of our recent efforts to make and refine sugar, that we can restore hearts to many of our districts, and maintain our territorial resources.....

" It is only by encouraging richer produce, such as that to which I have alluded, and other articles besides grain, reviving commerce, and inducing men of wealth and enterprise to remain or settle in the interior, that we can give heart to the country, and enable it to pay its revenue. There is no want either of talent or spirit among the native population subject to our rule and control to accomplish this object, but it requires to be drawn forth, and to effect this it is necessary to exert all the activity, energy or enlarged policy of a Government which understands how to combine its own prosperity with that of the community subject to its authority "

13. A great deal of evidence on the trade of the East India Company and their administration of India was recorded by the Lords' Committee of 1830 and Commons' Committee of 1830, and 1831 and 1832. The Lords and Commons inquired into the industries carried on by the British people and the enquiries were mainly directed to see whether the abolition of the company's trade would encourage and benefit private traders and manufacturers of Great Britain. As a result of this enquiry we find that the Company's Charter of 1833 abolished the company's trade.

Enquiry by Lords and commons whether abolition of company's trade would benefit private trade.

14. The East India Company, after the abolition of its charter for trade, turned their attention to the material welfare of the Indians. But they found it very difficult to help the Indians

The East India Company and the invidious duties. Enquiry by the Lords and Commons Committee.

because of many invidious duties which used to discourage and repress Indian industries. With the view of getting the removal of these duties on February 7th, 1840 they presented two petitions, one to the House of Commons and another to the House of Lords. Accordingly two Select Committees were appointed to report on this petition—one of the House of Commons and another of the House of Lords. Mr. Brocklehurst was on of the House of Commons' Committee representing the interests of the British manufacturers. Mr. Montgomery Martin, the author of the first complete History of the British Colonies in five large volumes and the editor of the voluminous and valuable statistical account of Eastern India left by Dr. Francis Buchanan, who had lived in India and studied Indian questions thus answered in reply to Mr. Brocklehurst

“ Question 3918 . Mr. Brocklehurst The fact being that weavers, either in the one country or the other, must be sacrificed, and that sacrifice having already taken place in India, you wish to revive the population of India at the expense of this country ?

*Brocklehurst for British and
Martin for Indian manu-
factures*

Mr. Martin :—“ I do not wish to revive it, but I wish to prevent continued injury to India. But it does not necessarily follow that the weavers of England would be destroyed by admitting the natives of India to compete with them in this country, because the natives of India have no power looms, and no means of employing skill and capital to the extent that the manufacturers of Glasgow and Manchester have.”

Question 3919 : Mr. Brocklehurst.—The questions that have been asked refer entirely to fine fabrics which cannot be woven by power. The question is, whether we are to give up fine weaving in this country, or to retain it ?

Mr. Martin :—If it is only to be retained at the expense of injustice to India, my answer is, that England ought to act with justice, no matter what the result may be. That she has no right to destroy the people of a country which she has conquered, for the benefit of herself, for the mere sake of upholding any isolated portion of the community at home.

“ Question 3920 Mr. Brocklehurst.—When the transfer of India to the Government of this country took place in 1833, the destruction of weaving in India had already taken place, and therefore it is not a question of destruction, for that is past, and we have it in evidence that India is an agricultural rather than a manufacturing country, and that the parties formerly employed in manufactures are now absorbed in agriculture. Does it occur to you that there is an opening in this country, if manufactures are displaced, for the people to turn to agriculture ?

Mr. Martin.—I do not agree that India is an agricultural country ; India is as much a manufacturing country as an agricultural ; and he who would seek to reduce her to the position of an agricultural country seeks to lower her in the scale of civilization. I do not suppose that India is to become the agricultural farm of England ; she is a manufacturing country, her manu-

facturers of various descriptions have existed for ages, and have never been able to be competed with by any nation whenever fair play has been given to them. I speak not now of her Dacca Muslins and her cashmere shawls, but of various articles which she has manufactured in a manner superior to any part of the world. To reduce her now to an agricultural country would be an injustice to India."

15. Mr. G. G. De H. Larpent, chairman of the East India and China Association formed in 1836 with the object of rendering assistance to all parties concerned in the East India and China trade, in his deposition before the Committee pleaded for the equalisation of duties between Great Britain and India with regard to silk goods as he shewed by figures that Indian silk piece goods in the grey were imported into England mainly for being printed in England and then exported to other European countries. Mr. Brocklehurst who represented Macclesfield, then a great centre of British silk manufactures desired the continuance of the unequal duties to the advantage of England and had this passage-at arms with Mr. Larpent.

"Question 2750: Mr. Brocklehurst.—you give your opinion without reference to the effect it would have on the British produce ?

Mr. Larpent: I have no doubt there would be, to a certain extent, a rivalry in competition with the silk manufactures of this country; but I submit on principle that India ought to be admitted as one of our own possessions. The argument has been used that while

our manufactures are allowed to go into India at a very reduced duty, we ought to have admitted theirs on as low a duty.

Question no 2751 Mr Brocklehurst—Is there any colony of this country whose manufactures are admitted on as low a scale as those of India ?

Mr. Earpent—There is no colony of this country whose manufactures are in a magnitude calling for it. We have destroyed the manufactures of India [The witness then quoted the views of the Court of Directors stated in Lord William Bentinck's minute of May 30, 1829: "The sympathy of the court is deeply excited by the report of the Board of Trade, exhibiting the gloomy pictures of the effect of a commercial revolution productive of so much present suffering to numerous classes in India, and hardly to be paralleled in the history of commerce."]

Question no 2763 Mr Brocklehurst—Are you aware that they have already so far displaced silk handkerchief made in this country, that attempts are now making to introduce a spurious article from waste silk as a substitute ?

Mr Larpent.—I have heard that an article is introduced made of waste silk, and that as I stated before, the ingenuity and science of the parties who are making those goods, will probably introduce into the home market a quantity of goods at a low price, which will be in very general use

Question no. 2764 Mr Brocklehurst—Driving the British manufacturers to make inferior articles to main-

tain his ground in competition ?

Mr. Larpent.—The articles alluded to are those made here, the British manufacturers have made those inferior articles

Questions no 2771 Mr Brackeburst.—It would be more desirable perhaps that India should produce the raw material, and this country should show its skill in perfecting that raw material ?

Mr Larpent—The course of thing in India is decidedly leading to that, and it is in the main articles such as we have already alluded to, that we should do think every assistance should be given to the agricultural produce of India, that I submit that as this is the last of the expiring manufactures of India, the only one where there is a chance of introducing the native manufactures, at least let it have a fair chance, and not be oppressed with the duty of 20 per cent. in favour of the British manufactures "

17 John Francis, a silk manufacturers of Norwich
India to send raw material
 and England to work
 upon it thus gave his deposition

Question no 6814 Mr Elliot (a member of the Committee) —In leaving off the silk trade in which you were formerly engaged, were you induced solely by the state of the trade, or were there any other circumstances ?

Mr Francis—Solely from the state of the trade, I can go to the India House, when their sales of corahs (silk pieces) are on, and buy a piece for a less price than I can now buy a pound of silk to make it.

Question no. 6815 . Mr. Irving . (a member of the

Committee). How do you account for that ?

Mr. Francis.—Only from the cheapness with which the Indians can send their goods here.

Question no. 6836 . Mr. Brocklehurst.—Would you think the best remedy for this state of things would be to encourage India to send the raw material and let the British industry work upon it ?

Mr. Francis.—Te be sure.

Question 6889 : Brocklehurst.—You do not suppose that they (Indian manufacturers) are uncomfortable ; they live according to what they have been accustomed to all their lives ?

Mr. Francis.—Certainly not.

18. Question no. 6890 : Mr. Bracklehurst.—It may be comfort if they have no better ?
Starving no comfort.

Mr. Francis.—Yes it may be comfort to be starving but I cannot think so.

19. J. C. Melvill, in course of his examination thus said .

Great distress was the consequence of the interference of British manufactures with those of India

Question 577 . Native manufacturers have been superseded—by British ?

Answer : Yes, in a great measure.

Question 578 . “ Since what period ?

Answer : I think, principally since 1814. ”

Question 583 : “ The displacement of Indian manufacturers by British is such that India is now dependent mainly for its supply of those articles on British manufacturers ?

Answer : I think so.

Question 584 : " Has the displacement of the labour of native manufacturers at all been compensated by any increase in the produce of articles of the first necessity, raw produce ?

Answer . " The export of raw produce from India has increased since she ceased largely to export manufacturers : but I am not prepared to say in what proportion.

Question 633 : " Have the natives of India, weavers, for instance, when thrown out of employment, the same facility in turning their attention to other matters as people in this country have, or are particular trades at all mixed up with the peculiarities of caste ?

Answer . " Particular trades are, I believe, mixed up with the peculiarities of caste, I have no doubt that great distress was the consequence, in the first instance, of the interference of British manufactures with those of India

20. Thomas Cope, a silk-weaver of Macclesfield,
Cope pleads for British interest. also gave his deposition before the Committee.

Question 6483 : " What would be the effect upon this branch of your trade if the present duty on East Indian silk goods were reduced from 20 to 30 per cent ?

Mr. Cope.—In my opinion, it would have the effect of destroying this branch of trade ; and if so, it would rob of their employment, and consequently of the means of living honestly by their labour, all those parties which I have before named, and would make them destitute and reckless, and cause them to become a burden to

the rest of society, whose burdens are already too heavy. It would throw out of employment a large amount of capital, and would give into the hands of foreigners that employment by which we ought to be supported.

Question 6582 : Mr. Elliott (a member of the Committee).—Do you think that a labourer in this country, who is able to obtain better food than that, has a right to say, we will keep the labourer in the East India in that position in which he shall be able to get nothing for his food but rice ?

Mr. Cope.—I certainly pity the East Indian labourer, but at the same time I have a greater feeling for my own family than for the East Indian labourer's family; I think it is wrong to sacrifice the comforts of my family for the sake of the East Indian labourer because his condition happens to be worse than mine ; and I think it is not good legislation to take away our labour and to give it to the East Indian because his condition is worse than ours ”.

21. We do not know what specific recommendations were submitted by the Select Committee of the House of Commons but we know that the Select Committee of the House of Lords presided over by Lord Ellenborough in their report professed utmost concern for the people of India upon the justice and generosity of Parliament without making any specific recommendation for the redress of the grievances mentioned in the petition.

Lords' Committee urged
the peculiar claims
of India.

22. After this in 1845 we find two private associations were formed in England called the East Indian Railway Company and the Great Indian Peninsular Railway Company for starting railways in India and as they found much difficulty in raising the fund the East India Company consented to give guarantee of 5 per cent. profit on their capital outlay charged on the revenues of India. (1) Before we proceed further in the history of Railway construction it will be useful to refer to the proceedings of two other Committees of the House of Commons formed in 1848 to deal among others with the East India trade.

23. In 1846, the contest between the landed classes in England who wished to keep up the price of corn and the manufacturing and working classes who wanted cheap bread was settled by the repeal of the "Corn Laws" and we find that in 1848 two Select Committees of the House of Commons were appointed—one under the Chairmanship of Lord George Bentinck to enquire into the condition and prospects of "Sugar and Coffee Planting in Her Majesty's East and West India Possessions and the Mauritius" and another under the Chairmanship of Mr. John Bright to enquire into the growth of cotton in India. The enquiry was directed to stimulate production of raw materials in the Empire. In course of the enquiry, by these two Committees, the question of "Home charges" and "Land Revenue"

(1) See Book III. on Transportation, Railway, Irrigation and Famine

cropped up. John Bagshaw, a member of Parliament and a witness before the first Committee thus spoke of the disadvantages under which India suffered in competing with other British Possessions :

"First : Three millions sterling and upwards annually taken from the revenue of India towards the payment of the Home charges of the East India Company without any return whatever ,

"Second . Fortunes accumulated in India by the Civil and Military Services, seldom if any remaining in that country annually increase the capital of Great Britain from the resources of India ,

"Third . The well-known fact that of the revenue raised in British India, the largest portion of it is from the land, by which its produce is necessarily burdened ; this amounts to nearly thirteen and a half millions sterling.

Fourth The difficulties which importers are subject to from the way in which duties are levied at the Custom Houses of England "

24. Colonel Sykes a distinguished Director of the East India Company estimated the

*Economic Drain from
India*

Economic Drain from India at
£3,300,000 to £3,720,000 a year

and pointed out , 'It is only by the excess of exports over imports that India 'can bear this tribute.' Henry St. John Tucker then chairman of the East India Company regretted that the economic drain was an increasing quantity, "because our Home-charge is perpetually increasing." Nathaniel Alexander deposed that if trade in sugar declined it was difficult to conceive how the

country would draw its annual tribute from India : "I may say generally that up to 1847 the import (into India) were about £6,000,000 and the exports (from India) about £9,500,000. The difference is the tribute which the company received from the country which amounts to about £4,000,000."

25. England could not produce Sugar but she consumed it in large quantities. India, Mauritius and West Indies among her possessions produce sugar. In 1836 the duties on sugar were equalised and the export from India increased. Thus Mr. Larpen^t deposed : "The equalisation of duties in 1836 became profitable solely because the quantities from the West India had, during that period, greatly declined, from 200,000 tons, I think, in the year 1831 to 110,000 tons in 1840 and 1841. It was that which gave an impetus to India, it is nothing but the high prices of sugar here that can lead to a profitable exportation from India."

26. Many witnesses complained that the system of assessing land, according to their estimated value had the effect of discouraging the cultivation of sugar. Henry St. John Tucker deposed : "Sir Thomas Munro's plan was to obtain as much revenue from the country as possible ; and he assessed different articles of produce according to his idea of their probable values. He raised the assessment upon articles of produce which were expected to be very productive. Whether he succeeded or failed in that I will not undertake to say, because

Equalisation of duty and
increase of export of
Indian sugar.

Land assessment discour-
ages sugar cultivation.

a reduction of the produce may have taken place from other causes; but certainly in consequence of the assessment upon sugar, I think a great check and discouragement was given to the cultivation of the article in the Madras Presidency."

27. The miserable condition of the cultivators of India about whose capacity to grow cotton the Cotton Committee examined, did not fail to attract their attention. They observed that the great mass of cultivators of Bombay and Madras "were almost wholly without capital, or any of those means which capital alone can furnish, by which industry may be improved and extended. They are in reality a class of cultivators in the most abject condition." Although there was difference of opinion on the question as to how far this depressed condition of the ryots were due to the Government land Revenue demand, the Committee recommended the two principles "of moderation in the Government demand and certainty as to the amount and tenure" as the basis of land settlements in India. The Committee also drew attention to the lamentable want of roads in India. Some of the witnesses examined before them had also recommended the construction of railways in India from the centres of export and import to the interior. These depositions and the observations of the Committee at the lamentable wants of roads in India helped the construction of railways in India. As the railways began to penetrate into the interior of India,—British manufactures were also easily carried there to supplant.

Cotton Committee notices the miserable condition of the ryots.

what remained of the Indian manufactures and in this way with the extension of the railway system in India. India had been literally turned into an agricultural country. If the Indians had voice and control over the house, this condition could not have been brought about.

28. In a celebrated book, *The Present Land-tax in India* by John Begg's published in London in 1830 we read :

" The flourishing condition of the country under the Moghal Emperors is recorded by all European travellers who have visited the East within the last three centuries and the wealth, and the population, and the national prosperity of India, far surpassing what they had seen in Europe, filled them with astonishment. That the condition of the people and the country under our Government presents no such spectacle, is every day proclaimed by ourselves, and we may therefore assume it to be true . . .

" If I have proved that we have departed from our predecessors, that we have established a system far exceeding theirs in rigour, even in the worst of their regular Governments, then indeed there is some reason to call for a reform, and to hope at least for investigation . . .

" I conscientiously believe that under no Government whatever, Hindu or Mahamedan, professing to be actuated by law, was any system so subversive of the prosperity of the people at large as that which has marked our administration

" Although we have everywhere confessed that the

heavy pressure of taxation was the most cruel injury they sustained, we have in no instance alleviated that pressure. So far from it, we have applied a false measure for fixing the impost, that of money instead of produce ; we have pretended to abolish minor taxes on other classes, but have laid the amount on the landholder ; and by minute scrutiny into every individual's concerns, have, under the plea of justice to ourselves, in many instances deprived the cultivators of the means they enjoyed of paying the heavy taxes from which they sought relief under us, till by rigid exactions we have increased our own revenue and reduced the people to the condition of mere labourers. This is the professed maxim of our rule, the certain and inevitable result of taking the whole surplus profit of land."

29. But as we shall see later on, the spirit of getting increased revenue from the land has all along influenced the Land Revenue Policy of the Government and Mr. Bazley, President of the Manchester Chamber of Commerce, explained an Englishman's idea of the trade between England and India in these words in his deposition before the Common's Committee of 1848 :

"In India, there is an immense extent of territory, and the population of it would consume British manufactures to a most enormous extent. The whole question with respect to our Indian trade is whether they can pay us by the produce of their soil—for what we are prepared to send them as manufactures."

In the East India Papers of 1820 Volume II we get

the report of Sir Henry Strachey of Bengal in answer to the queries by the Court of Directors, issued in 1813 :

“ The trade of Bengal has been for the most parts in the hands of Europeans for half a century and longer.

“ It was not till the Courts, Civil and Criminal, some time established under their present form and in full operation that oppressions committed by European traders were put an end to. Labourers and manufacturers in the employment of the Company and of private European traders, were imprisoned and beaten and harassed by peons.

“ This I conceive to have been the ancient custom of the country, and not invented by Europeans, but that agents of the Company had most powers, and were, of course, the worst tyrants.

“ In the salt department a shameless system of cheating and severity was universally practised. Many thousands of men were compelled to work, and allowed a most scanty substance. Some hundreds were pressed every year into their service. They were in some instances, bound hand and foot, and sent off to the most unhealthy parts of the Sunderbans, to manufacture salt for the Company's monopoly.

“ All these practices remained till the Courts were established in 1793, and then it was soon discovered that they were wrong. They prevailed till that time; not that we made laws to authorize them, but because the people seldom complained of them. Because, if they had been in the habit of complaining, the collector could not have heard the hundredth part of the com-

plaints, and because their practices were conformable to the custom of the country.

"Generally speaking, in the commercial transactions carried on by the company and by Europeans out of the service, the Natives were treated ill, though signal acts of cruelty would occasionally be punished by the Collector.

"The decisions of the Civil Courts, and the sentences of the Magistrates in petty Foujdari (Criminal) cases, which last are speedy and expeditious, have produced, since 1793, a great change for the better."

29. English character abhors injustice and hence

Elphinstone's estimate of
the effect of administra-
tion

so early as 1792 we find protections were being given to the natives against European traders. Had this protection being given in the shape of instructing the natives to enable them to compete with the British traders on equal terms, India would have been a great source of strength to the British Empire. Hon'ble M. Elphinstone, Governor of Bombay, in his Minute of 1824 wrote :

"It has been urged against our Indian Government that we have subverted the States of the East, and shut up all the sources from which the magnificence of the country was derived, and that we have not ourselves constructed a single work, either of utility or of splendour. It may be alleged with more justice that we have dried up the fountains of native talent, and that from the nature of our conquest, not only all encouragement to the advancement of knowledge is withdrawn, but

even the actual learning of the nation is likely to be lost and the productions of former genius to be forgotten. Something should surely be done to remove this reproach ”

30. From the celebrated Address to Parliament by
Cameron's Address Mr. Cameron on the Duties of
 Great Britain to India (1853) we
 give the following quotation (from the correspondence
 of the Hon'ble M. Elphinstone).—

“We . . . must apply ourselves to bring the natives into a state that will admit of their governing themselves in a manner that may be beneficial to our interest as well as their own and that of the rest of the world, and to take the glory of the achievement and the sense of having done our duty for the chief reward of our exertions ”

31. In vain Colonel Walker of the Bombay service
Colonel Walker pleaded for the Indians in vain wrote this reply to the query of the
 Court of Directors, • 1813, East
 India Papers, London, 1820, Vol II. page 185-186 :—

“The most prominent feature in the Civil Government of the Company is the almost entire exclusion of the native agency. The offices held by Natives are only those of the lowest description, such as could not be the object of ambition to any European, and the salary attached to these appointments is such as barely affords to themselves and families the means of subsistence. To Natives of rank and liberal education no temptation is held out which can induce them to engage in the service of the Company. Not only are the

emoluments offered scanty, but the want of confidence reposed in them, the general light in which they are received, cannot fail to inspire them with insurmountable disgust.

"The admission of the Natives to offices of honour and profit is the only mode by which they can be effectually conciliated. It is in vain to expect that men will ever be satisfied with merely having their property secured, while all the paths of honourable ambition are shut against them. This mortifying exclusion stifles talents, humbles family pride, and depresses all but the weak and the worthless. By the higher classes of society it is considered as a severe injustice, but these are the men of influence and consideration in the country, the men by whom the public opinion is formed. So long as this source of hostility remains, the British administration will always be regarded as imposing a yoke.

"The Romans, whose business was conquest and who extended their yoke over the greatest part of the civilized world, may safely be taken as guides in the art of holding nations in subjection, that wise people always left a great share of the administration of the countries they subdued in the hands of the natives."

32. The Europeans on the spot even then used to undervalue and misrepresent the Indian character and Colonel Walker warned the Court of Directors

European under estimate
and mis representation
of Indian character.

against this evil in the same letter :—

"There is no source of deception against which it

would behove the Company to guard than the reports which they receive concerning the capacity of their native subjects. They are, of course, transmitted through the medium of Europeans holding employments in that country; but they often undervalue the qualifications of the Natives from motives of prejudice or interest. There are many, indeed, who would be superior to such motives, and few, perhaps, who would act upon them deliberately. But still the principle is secretly active, and will always have a powerful effect, though perhaps unfelt influence, on men's views and opinions."

33. Sir Henry Strachey wrote in reply to the queries of the Court of Directors, 1813 —

Natives are depressed and humiliated "I think no superintendence of Europeans is necessary. I have already in my reply to question 4th offered my opinion on this subject. If the Natives are not qualified for these or any other offices, I conceive the fault to be ours, and not theirs. If we encourage them, if we allow them to aspire to high office, if we pay them well, if we raise them in their own estimation, they will soon be found fit for any official employment in India.

"I beg to repeat what I long ago said in substance upon this subject, that the Natives are depressed and humiliated, being confined by us to subordinate and servile offices. Although their education is most defective, and ignorance and credulity pervade all ranks, especially among the Hindoos, they are nevertheless found to acquire easily the requisite qualifications for

the duties which we are pleased to entrust to them. From temper, habit, and peculiar circumstances, they are in many respect fitter for the office of a Judge than ourselves.

"But we place the Europeans beyond the reach of temptation. To the native, a man whose ancestors perhaps bore high command, we assign some ministerial office, with a poor stipend of twenty, or thirty rupees (£ 2 or £ 3) a month. Then we pronounce that the Indians are corrupt, and no race of men but the Company's European servants are fit to govern them " (1)

34 Thomas Munro, in reply to the said query wrote :

"In a civilised, populous country like India, justice can be well dispensed only through
 Munro pleads for the Indians the agency of the natives themselves . . . Most European Governments have deemed it advisable to purchase integrity in high public officers by honours and emoluments. If we want it in India, we must adopt the same means ; and if we pay the same price, we shall find it among the natives of that country as ready, I am affraid, as among Europeans Under the sway of every Mohamedan conquerer, the natives of Indian have been admitted to all the highest dignities of the State ; it is only under the British Government they have been excluded from their advantages, and held in a condition, even when employed in the public department, little superior to that of menial servants " (2)

(1) East India Papers (London, 1820,) Vol II page 67.

(2) East India Papers (London, 1820) Vol II page 110.

35. In course of the desposition of Sir George Clerk before the Common's Committee of 1853, the following facts were elicited :—

Sir George Clerk
pleads for the adequate
pay of the natives

Mr. Cobden : you have stated that one difficulty attending the Roytwari system in Bombay arises from this widespread and general corruption of the native population, and that when you lose the services of Europeans you find it impossible to obtain faithful administrators. How do you reconcile that with the statement you made in the former part of your evidence as to the general morality and truthfulness of the population of India ?

Sir George Clerk : I do not think I made use of the term widespread corruption of the population , I certainly meant nothing of the kind. I meant that the underpaid native agents whom you must use, in consequence of the want of funds to obtain others, are not to be trusted with the disposal of the money remitted from the revenue, or to carry out the Ryotwari system in all its minute parts.

Q. If the mass of the population be truthful and honest, where is the difficulty in finding honest agents among them ?

A. You impose laborious duties upon them, and do not give them adequate salaries to maintain themselves.

Mr. Hume : You have stated that the present Ryotwari system leaves the cultivators in a state of

beggary and you have expressed a doubt how far the village system could be adopted. Is there any other step which you can recommend as a means of improving the condition of the cultivators of Bombay?

A. I do not think I expressed a doubt as to the village system, It is the system I have always advocated and adopted.

36. Before a House of Commons Committee Robert

Richards, a servant of the Company

Robert Richards: Injustice of commercial relation between the governor and governed in Ryotwari settled lands.

deposed as follows:—

“Where the revenue is collected, as it is in India, on the principle of the Government being entitled to one half of the gross produce of the soil, and vast numbers of officers, whose acts it is impossible to control, are also employed in the realisation of this revenue, it is a moral impossibility for any people whatever to leave or prosper so as to admit of very extensive commercial intercourse being carried on with them.....

‘It may be may be done (i. e. manufacture of articles for foreign exportation) in lands not subject to the aforementioned exorbitant tax. It may also be the case in Bengal, where the Permanent Settlement had been enforced for many years, and where its original ruinous pressure is no longer so severely felt, but it would be impossible in lands, for example, subject to the Ryotwari tax, or from lands wherefrom 45 per cent. to 50 per cent. of the gross produce is actually levied as revenue.....’

“I am personally acquainted with instance where the revenue assessed upon certain lands has actually exceed-

ed the gross produce. I have also known other lands in India where a revenue have been assessed as being specially desirable from rice lands, plantations of fruit trees, pepper, vines, and other articles, and each portion particularly described, but on comparing the assessment with the lands in question, those very lands have been found to be nothing but jungle within the memory of man".

37. When the time came to consider about the revision of the Company's Charter which was to expire in 1853, the Committees of the House of Commons and House of Lords took evidence to determine what form of administration should be introduced in India. To these Committees various Associations from India sent memorials. The British Indian Association and other Native Inhabitants of the Presidency of Bengal memorialised on the propriety of constituting a Legislative Council at Calcutta composed of seven members—three selected from among the most respectable and qualified Native inhabitants of each Presidency to represent the natives thereof—one member appointed by the Governor of each Presidency from among the senior Civil Officers on its establishment to represent the interests of the Government—and one member appointed by the Crown." (1) The Madras Native Association and the Native Inhabitants of Madras in their memorial (1) went further and submitted that the Council of Madras "be composed of officials and non-officials in equal numbers, six or seven of each; the

Indians claim representative Government before the Parliamentary Committees

(1) Common's First Report, 1850, Appendix 7.

former to be nominated by the Government.....and the latter to be selected by the Governor out of list of 15 or 21 persons chosen by the votes of rate payers in Madras, and of persons eligible to serve on the grand and petty juries, or in such other manner as your Hon'ble House may deem preferable. That as the official members in conjunction with the casting vote of the Governor when requisite, could always carry any point of absolute importance, there could be no hindrance to the safe working of the suggested plan, while a sufficiency of of information on all subjects would be afforded.

The Bombay Association and other Native Inhabitants of Bombay also made similar demands and reminded the house of the similar suggestions of Lord Ellenborough, Elphinstone and others.

"The Court(1) receives this section to mean that" there shall be no governing caste in British India, that whatever other tests of qualifications may be adopted, distinction of race or religion shall not be of the number; that no subject of the King, whether of Indian or British, or mixed descent, shall be excluded from the posts usually conferred on uncovenanted servants in India, or from the covenanted service itself, provided he be otherwise eligible."

37.(a) It will be useful to read some of the speeches delivered in the House of Parliament in connection with the above Act. The Marquess of Lansdowne said :

Lord Lansdowne on the charter and the duties of England

(1) The Court of Directors' explanatory despatch to the Charter Act of 1833.

"But he should be taking a narrow view of this question, and one utterly inadequate to the great importance of the subject, which involved in it the happiness or misery of 100,000,000 of human beings were he not to call the attention of their lordships "to the bearing which this question and to the influence which this arrangement must exercise upon the future destinies of that vast mass of people." He was sure that their Lordships would feel, as he indeed felt, that this unprecedented dominion which they exercised in India was in the happiness which they communicated to the subjects under their rule, and in proving to the world at large and to the inhabitants of Hindustan that the inheritance of Akbar (the wisest and most beneficent of Mahomedan Princes) had not fallen into unworthy or degenerate hands. Hence it was important that when the dominion of India was transferred from the East India Company to the King's Government they should have the benefit of the experience of the most enlightened councillors, not only on the financial condition of our Empire in the East but also on the character of its inhabitants. He stated confidently, after referring to the evidence given by persons eminently calculated to estimate what the character of the people of India was that they must, as a first step to their improved social condition be admitted to a larger share in the administration of their local affairs. On that point their Lordships had the testimony of a series of successful experiments, and the evidence of the most unexceptionable witnesses who had gone at a mature period of their life and with much

acquired knowledge to visit the East. . . . But, however much civilisation had been obscured in those regions, whatever inroads foreign conquest and domestic superstition had made upon their moral habits, it was undeniable that they had still materials left for improving and ameliorating their condition, and their lordships would be remiss in the performance of the high duties which devolved upon them if they did not secure to the numerous Natives of Hindustan the ample development of all their mental endowments and moral qualifications.

"It was a part of the new system which he had to propose to their Lordships that every office in India every Native, of whatsoever caste, sect, or religion, should by law be equally admissible, and he hoped that Government would seriously endeavour to give the fullest effect to this arrangement, which would be as beneficial to the people themselves as it would be advantageous to the economic reforms which were now in progress in different parts of India"

"And without being at all too sanguine as to the result of the the following of those principles without calculating upon any extension of territory through them, he was confident " that the strength of the Government would be increased by the happiness of the people over whom it presided, and by the attachment of those nations to it"(1),

38. These demands of the Indian people were not complied with. Now let us hear the demands of the people of the trade

Representation from British public

(1) Hansard Vol. XIX Third Series p. 169, 174 (July 5, 1833).

centres of England and see how they fared at the hands of the Government in Britain so far as the interests of English manufacturers and merchants were concerned. The Liverpool East Indian and China Association urged on the necessity of "improved means of internal communication for produce and merchandise to and from the sea ports of India" (1) and "would in all humility suggest the expediency of extending to India in some form the immediate authority and supervision of the Board of Control" (2) The City of Manchester and Birmingham in public meetings resolved on the abolition of the Company's Government and administration by a minister and a council appointed by the crown and directly responsible to the Parliament.

39. John Stuart Mill who was examined before the House of Lord's Committee 1852 thus opposed the Government of India from England through a Secretary of State - -

Mill opposes Government from England through a Secretary of State as tending to despotism

"It is next to impossible to form in one country an organ of Government for another which shall have a strong interest in good Government, but if that cannot be done, the next best thing is, to form a body with the least possible interest in bad Government, and I conceive that the present governing bodies in this country for the affairs of India have as little sinister interest of any kind as any Government in the world,"

"The Court of Directors who are the initiating body, not being the body which finally decides, not being able

to act but by the concurrence of a second authority, and having no means of causing their opinion to be adopted by that authority except by the strength of their reasons—there is much greater possibility that a body so situated will examine and weigh carefully the grounds of all proceedings, than if the same body which had the initiative gave the final order.

To carry on the Government of India solely through a Secretary of state "would be the most complete despotism that could possibly exist in a country like this ; because there could be no provision for any discussion, or deliberation, except that which might take place, between the Secretary of State and his subordinates in office, whose advice and opinion he would not be bound to listen to, and who, even if he were, would not be responsible for the advice or opinion that they might give.

40. 'Here we' must remember that the merchants and manufacturers, capitalists and traders of Britain wanted the abolition of the East Indian Company. Who can protect them ? With the Sepoy Mutiny the pretext for abolishing the Company came. It was quickly availed of. In 1857, Lord Palmerstone who had returned with a large majority in the election of 1857, intimated to the Chairman of the East Indian Company that it was the intention of the Government to propose to Parliament a Bill for placing the Government of India under the direct control of the Crown. In their letter dated December 31, 1857, the Company objected to the trans-

Representation from British
public and the
Company abolished

fer and submitted that an independent, non-political and intermediate body like the Company was indispensably necessary for the good Government of India and that they could not conceive that the formation of such a body was impossible if the members of that body were to be nominated by the Crown. In their formal petitions to both Houses of Parliament they observed on their point :

"That your petitioners cannot well conceive a worse form of Government for India than a Minister with a Council whom he should be at liberty to consult or not at his pleasure . . . That any body of persons, associated with the Minister, which is not a check will be a screen . . . That your petitioners find it difficult to conceive that the same independence in judgment and act, which characterises the Court of Directors, will be found in any Council, all of whose members are nominated by the Crown , . . That your petitioners are equally unable to perceive how, if the controlling body is entirely nominated by the Minister that happy independence of Parliamentary party influence which has hitherto distinguished the administration of India and the appointment to situation of trust and importance in that country can be expected to continue."

41. The East India Company was abolished, the Secretary of State for India and Council were appointed to govern India, in the place of the dual system of Government previously existing but the policy of administration continued to remain the same.

Policy of administration remained the same after the abolition of the Company.