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PREFACE.

The papers in this book have not been arranged on any particular plan, nor do they all lay claim to an exhaustive treatment of the subjects dealt with in them. They are, for the most part, reprints of essays and articles contributed to Indian journals and submitted to the Indian Industrial Conference during the last four years.

India's industrial and economic problems are many and varied, and though no definite system has been followed in their selection and treatment in the following pages, the more urgent and important among them find a place in the book, which, as a whole, has thus a sort of unity of its own. In one of the chapters the author has attempted a realistic picture of the present economic situation in India and the lineaments have been drawn with a careful and impartial hand. There is usually much loose thinking upon the subject and the critics veer between two extremes. Here the author has tried to strike a correct balance. In another chapter, the slow but steady progress made by the indigenous industries during the last generation, has been traced, and in another place, the right attitude which people ought to take up in the matter of the Industrial revival, has been clearly indicated. The recent rise in the level of prices has caused an amount of anxiety and speculation as to its probable causes. The paper on high prices sets forth the various theories

propounded with regard to that economic phenomenon and states the several factors that are held to be involved. The author feels that the currency policy of Government has probably to do something with the almost sudden jump which prices took about seven years ago and he has explained this connection in a note, which has been submitted to the Prices Inquiry Committee. The attitude with the State takes up with regard to the nation's industries, determines in many cases, the rate of the progress which those industries make. This truth requires special emphasis in a country like India and in the chapter entitled "National Economics and India," the development of economic thought on the subject has been traced and the moral pointed out. No question in economic science has given rise to a greater divergence of opinion and a more bitter controversy than that relating to the doctrines of free-trade and protection. England is, to-day, the main battle ground of the two theories and the conflict has been raised even in this country. The author is a moderate though a staunch protectionist, and has taken a calm and dispassionate view of the whole question. While he condemns unmitigated free-trade as an unsuitable economic policy for India, and puts in a vigorous plea for the protection of indigenous industries by the State, he is careful in pointing out the real scope and limitations of Indian protectionism. The status of India in the British Empire has much economic significance which has been brought out in not a few of the chapters. The plausible schemes of Imperial Preference adumbrated by British tariff reformers have been dissected and their illusive and chimerical character has been exposed. This problem as well as that of the

State's duty by its people, are particularly important at the present moment and have therefore been dealt with at some length. The author's conclusions are throughout based upon a close study of facts and figures and upon careful deliberation. No effort has been spared to procure and make use of all available information.

This *resume* will convey to the reader an idea of the wide ground the book covers and of the many pressing problems that have been tackled. It is hoped that the book will assist the student of Indian Economics in the formation of a correct estimate of India's economic situation and of the various complicated questions involved therein. A fair and faithful representation of India's case has become necessary also in view of the interest which has been roused in her problems in England and the peculiar views that are often entertained there with respect to them. The book is calculated to meet this want, and the author will feel amply rewarded if his expectations are even partially fulfilled.

FERGUSON COLLEGE, POONA, }
23rd June, 1912

V G KALE.

NOTE TO SECOND EDITION.

Advantage has been taken of the issue of the second edition of this book for including contributions on the following subjects :—Prospects for Technically Trained Indians ; How may the Industrial Conference be Organised ; Popular Control in Indian Finance ; The War and Indian Trade and Indian Trade After the War.

PUBLISHERS' NOTE.

In this, the Third Edition, the Hon. Prof. Kale's Speech in the Council of State on the Exchange situation has also been included.