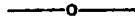


AN INTRODUCTION
TO THE STUDY OF
INDIAN ECONOMICS.
Vol. I

BY THE SAME AUTHOR.



- 1 INDIAN ADMINISTRATION**
- 2 GOKHALE AND ECONOMIC REFORMS**
- 3 INDIA'S WAR FINANCE AND AFTER WAR PROBLEMS**
- 4 CURRENCY REFORM IN INDIA**
- 5 INDIAN INDUSTRIAL AND ECONOMIC PROBLEMS**
- 6 THE REFORMS EXPLAINED**
- 7 THE DAWN OF MODERN FINANCE IN INDIA**

INTRODUCTION
TO THE STUDY OF
INDIAN ECONOMICS
(*FIFTH EDITION*)

Vol. I

BY
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PREFACE.



THE warm reception which the first four editions of this book met with at the hands of University students and the general public all over the country, testified to its having satisfied a real want, and the author felt encouraged to bring out a fifth edition in an enlarged and thoroughly improved form. The opportunity has been fully availed of to give effect to many of the suggestions which had been received. The desire was generally expressed that ampler information and more statistics bearing upon the various topics dealt with should be supplied and that the treatment of all the important problems handled should be more comprehensive. The text has, therefore, been revised throughout, and considerable additions have been made to it in several places. The fundamental principles underlying economic phenomena have been explained in each chapter and the working of economic laws in relation to collective and individual activities in India has been indicated so as to assist the pursuit of fruitful study. The elements of diversity and unity in the conditions prevailing in the country, will be apparent from descriptions occasionally given.

The effects of the war and the depression succeeding it, upon capital, labour, finance, currency, exchange, banking, prices and consumption, have been of a far-reaching character, and they have been appropriately pointed out. And the problems of food supply, population, poverty, protection, Imperial preference, agricultural indebtedness, railway management and finance, trade unionism, international labour organization, public debt, provincial finance, foreign exchanges, increased taxation &c. have been exhaustively dealt with. The latest available facts and statistics have been given everywhere; and divergent views on controversial questions have been referred to and discussed. And no

pains have been spared to bring the book up to date and to render it helpful to different classes of readers. The summaries and the tables introduced for the purpose of effective illustration and added in the copious Appendices, will not fail to enhance the utility of the book. The bulk of the text has increased a great deal as a result of the improvements mentioned above, and the book is now issued in two volumes of convenient size.

Almost all the Indian Universities have prescribed, in one shape or another, the special study of the economic conditions and problems of India, and these two volumes are calculated to provide adequate guidance for the purpose. The University of Bombay has recently expanded its Indian Economics course in B. A. Honours, and this book will be found fully to cover that and the M. A. course in the subject. The general reader will benefit by the help the book will render in understanding the public questions of economic interest which arise from time to time and call for early solution. This new edition, it is hoped, will better facilitate the attainment of the Author's object in writing the book.

V. G. KALE.

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APPENDIX I.

Report of the Indian Fiscal Commission. (1921-22.)

Questions relating to the right fiscal policy for India, Indian fiscal autonomy and Imperial Preference, have been discussed at considerable length in the body of this volume. The Indian Fiscal Commission has dealt exhaustively with this whole problem, and its Report was published towards the close of September. As we suggested in the Chapter on Commercial Policy, complete unanimity among the members of the Commission was not possible, and a minority of five, including the President, has appended to the Report, a Dissenting Minute emphasising their points of difference with the majority. The dissent has caused surprise to some, among them being members of the Commission, who think that a unanimous report could and should have been sent forward—and had in fact been prepared after a good deal of discussion, and that the dissent is nothing more than an after-thought so far as the main recommendation is concerned and only a supplementary explanatory note in other respects. We felt it would be instructive to our readers if we gave a brief summary of the recommendations and views of the majority and the dissenting minority with the object of bringing out clearly the main lines of fiscal policy chalked out by the Commission and the specific points stressed by the dissenting minority. First of all, we extract a summary of the recommendations of the Commission as given in its Report :—

REFERENCE.

“To examine with reference to all the interests concerned the Tariff policy of the Government of India, including the question of the desirability of adopting the principle of Imperial Preference, and to make recommendations”.

PRELIMINARY CONCLUSIONS.

That the industrial development of India has not been commensurate with the size of the country, its population, and its natural resources, and that a considerable development of Indian industries would be very much to the advantage of the country as a whole.

PRINCIPAL RECOMMENDATIONS.

1. (a) That the Government of India adopt a policy of Protection to be applied with discrimination along the lines indicated in this Report ;
 - (b) That discrimination be exercised in the selection of industries for protection and in the degree of protection afforded, so as to make the inevitable burden on the community as light as is consistent with the due development of industries ;
 - (c) That the Tariff Board in dealing with claims for protection satisfy itself ;
 - (1) That the industry possesses natural advantages ;
 - (2) That without the help of protection it is not likely to develop at all, or not so rapidly as is desirable ;
- AND
- (3) That it will eventually be able to face world competition without protection ;
 - (d) That raw materials and machinery be ordinarily admitted free of duty, and that semi-manufactured goods used in Indian industries be taxed as lightly as possible ;
 - ✓(e) That industries essential for purposes of National Defence, and for the development of which conditions in India are not unfavourable, be adequately protected if necessary ;

- (f) That no export duties be ordinarily imposed except for purely revenue purposes, and then only at very low rates but that when it is considered necessary to restrict the export of food grains, the restriction be effected by temporary export duties and not by prohibition ;
- 2. That a permanent Tariff Board be created whose duties will be, *inter alia*, to investigate the claims of particular industries to protection, to watch the operation of the Tariff, and generally to advise Government and the Legislature in carrying out the policy indicated above ;
- 3. (a) That no general system of Imperial Preference be introduced ; but,
 - (b) That the question of adopting a policy of preferential duties on a limited number of commodities be referred to the Indian Legislature after preliminary examination on the several cases by the Tariff Board ;
 - (c) That if the above policy be adopted, its application be governed by the following principles :—
 - (1) That no preference be granted on any article without the approval of the Legislature ;
 - (2) That no preference given in any way diminish the protection required by Indian industries.
 - (3) That preference do not involve on balance any appreciable economic loss to India ;
 - (d) That any preference which it may be found possible to give to the United Kingdom be granted as a free gift ;
 - (e) That in the case of the other parts of the Empire preference be granted only by agreements mutually advantageous ;
- 4. That the existing Cotton Excise Duty in view of its past history and associations be unreservedly

condemned, and that Government and the Legislature start again with a "clean slate" regulating their excise policy solely in the interests of India.

SUBSIDIARY RECOMMENDATIONS.

5. That the proviso to Section 20 of the Sea Customs Act be repealed, and that Customs Duty be ordinarily levied on goods belonging to Government.
6. That difficulties in the shape of shipping rebates or unfair advantages like dumping, depreciated exchanges, bounty-fed imports from abroad, be investigated and, where possible, removed ;
7. That industrial development be promoted by giving a more industrial bias to primary education and providing opportunities for training apprentices, and organizations for increasing the mobility of labour ;
8. That no obstacles be raised to the free inflow of foreign capital, but that Government monopolies or concessions be granted only to companies incorporated and registered in India with rupee capital, such companies to have a responsible proportion of Indian Directors, and to afford facilities for training Indian apprentices ;
9. That the tariff be not ordinarily employed for retaliation, or as a means of aggression ;
10. That the Tariff be elaborated with a view to remove ambiguities, and that the system of specific duties and tariff valuations be cautiously extended ;

SUMMARY OF VIEWS EMBODIED IN THE REPORT.

After a few introductory observations, the Report proceeds to trace the history of the Indian Tariff from the time of the Mogul Empire. In those days customs duties were low, rarely exceeding 5 per cent. *ad valorem*, though there prevailed an elaborate system of internal trans-^{it} duties which

impeded trades. In the early years of the East India Company's rule, a low tariff was maintained and inland duties were abolished. Until 1848, goods imported in foreign ships had to pay double duty. After that date and until 1859, foreign goods had to pay that penalty irrespectively of the nationality of shipping. Immediately after the Mutiny the tariff was raised, and in later years there was a gradual reduction. Export duties had been an integral part of the country, being generally levied at the rate of 3 per cent. *ad-valorem*. Improvement of the financial position of Government was utilized to lower and finally to abolish the customs duties altogether. "The partial abolition of the cotton duties in 1878 and 1879 led on in 1882, to the abandonment not only of the remaining cotton duties, but of the whole of the general customs duties, the Government of India concluding that the duties still existing caused an amount of friction, scrutiny and interference with trade quite incommensurate with the net revenue they produced." In 1867 the export duty schedule was reduced from 97 items to 9, and after 1880, 3 annas per maund on rice was the only lingering duty on exports. "From 1882 to 1894, no import duties were levied in India with the exception of the duties on arms and ammunition which were retained for administrative purposes, the duties on liquors, opium and salt which were complementary to the excise policy, and a duty of $\frac{1}{4}$ anna per gallon on petroleum which was imposed for revenue purposes in the year 1888." Financial embarrassments forced Government to reimpose a low tariff in 1894, and on the pressure of Lancashire, the duty on cotton piece goods was lowered two years later, to $3\frac{1}{2}$ per cent. and an equivalent excise duty was levied on Indian mill-woven cloth.

This low revenue tariff remained in force till the outbreak of war which necessitated a revision and a considerable enhancement of the customs duties. Export duties too had to be revived, to be imposed on jute, tea and hides, and a high revenue tariff was found to be financially indispensable even after the close of the war. "It is obvious that the 1922 tariff has travelled a long way from the tariff in force before

the war. The general rate of duty is no longer low, and wide-breaches have been made in the old principle of uniformity. Omitting a free list, we have now an important class taxed at $2\frac{1}{2}$ per cent. a second important class at 10 per cent. and a third at 30 per cent., while such largely consumed commodities as cotton piece goods, cotton yarn, sugar, petroleum and matches in addition to liquors and tobacco are taxed at special rates". Increasing reliance is being placed upon customs revenue which now bears a higher proportion to the total revenue than it used to do before.

The third chapter of the Report is devoted to a description of the economic position in India. An account is given of the principal crops and of their exports, and the possibilities of an improvement of the yield are indicated. The position with regard to the manufacturing industries is then reviewed and special mention is made of such factors as power, resources, labour, means of transport, supply of capital and the dimensions and distribution of foreign trade. The general conclusion drawn from the survey of the trade position is that "the United Kingdom still stands easily first among the countries supplying goods to India. She also takes more Indian goods than any other single country, though the proportion seems to be diminishing. The two next most important countries in the matter of trade relations are the United States and Japan while the imports from Java and the exports to Germany are not inconsiderable.". The general conditions in India are characterised as quite favourable to the steady growth of industries.

The importance of industrial development forms the subject of the fourth chapter. The advantages which the establishment and promotion of industries will bring to agriculture, labour, public revenues and to national character, are pointed out, and the report goes on to consider the fundamental question underlying the fiscal policy of India viz. the choice between Free Trade and Protection. The fifth chapter opens with a statement of the pros and cons of the Free Trade vs. Protection controversy, and the Commission.

lays down the conditions under which a policy of protection is justified and is calculated, all things considered, to prove beneficial. The general principle evolved out of the discussion is then applied to the special conditions obtaining in India. The chief question that required an answer was whether the industrial development universally desired in India could be attained without the stimulus of protective duties, and if not, whether the advantage to the country arising from this industrial development would out-weigh the burden which protective duties would impose. On a consideration of the different factors involved in the problem such as the industrial aptitude of the people, the abundant natural resources of the country and the difficulty of new industries being able to face outside competition without assured Government aid, the Commission came to the conclusion that protection was calculated to bring a very material gain to the country, in view of the desirability of industrial development and the impossibility of its taking place without the stimulus of protective duties. The Commission was strongly influenced in this connection by their belief that the limits of direct taxation had been reached in India and that the existing rates of the Income tax were detrimental to the progress of industries, and therefore by Government's necessity of deriving a high revenue from the Tariff. Since 1916, the tariff had become less and the less consistent with purely free trade principles. It gives protection but it does so in the least convenient and the least beneficial way. "It is casual and halfhazard." It appeared to the Commission, therefore, that "the necessity of raising a large revenue from customs duties and the obvious inexpediency of ignoring the effect of those duties on the industries of the country, must inevitably lead India to the adoption of a policy of protection as they led Germany in 1879." The disadvantages and the losses of protection are then set against the gains. The burden on the masses of enhanced prices due to protective duties is considered and the loss entailed by protection on the agricultural and the middle classes in particular, is given due weight.

This danger of undue burden being thrown on the producer and the consumer, will not be serious, in the opinion of the Commission, if protection is applied with discrimination along the lines recommended. Balancing all the factors of the problem, favourable and otherwise, the Commission comes to the conclusion that the advantage lies heavily on the side of protection, provided it is discriminately applied.

The subject of the disadvantages of protection and the need of discrimination, is further considered in chapter VI. The danger of political corruption will be overcome by the variety of interests represented in the Legislature and the proposed preliminary inquiry by an impartial body. The proper remedy against a combination of manufacturers will have to be devised and applied, when these dangers incidental to protection, raise their heads. Very great stress is laid on the principle of discrimination, adoption of which is calculated to restrict the rise of prices, to curtail the period during which the community will have to bear the burden of protection, to serve the best interest of industries by ensuring a steady and healthy development, and to minimise any adverse effect on the balance of trade.

The seventh chapter gives the outlines of the scheme of protection and draws a clear line of distinction between duties levied for purely revenue purposes and those fixed on protectionist principles. The former may be varied according to the revenue needs of Government but the latter must be modified only strictly according to the principles of protection. If the latter have to be enhanced to yield more revenue, the excess should be obtained by means of an excise duty plus an additional import duty. The proposed Tariff Board is to be an integral part of the whole scheme of protection, and that body must satisfy itself as to certain favourable conditions before it may recommend the imposition of protective duties. If protection given to one industry affects prejudicially the interests of others, an open public inquiry should be made of the whole question and the decision should be guided by the principle that "an industry should receive protection, even if it adversely affects the

development of other industries, provided this results in a net economic advantage to the country." The rate and period of protection, the location and the national and basic importance of industries must be carefully considered, and protection by means of bounties may, in certain cases be found preferable, especially when different interests are found to conflict with one another. Raw materials, machinery, coal and partly manufactured goods are specifically discussed. The question of the import duty on cotton yarn recently imposed, should be considered in all its aspects by the Tariff Board, as it involves keen divergence of interests and opinion.

The principal points in the eighth chapter, which deals with supplementary measures required for the development of industries, relate to the Railway rates policy and the proposed Rates Tribunal, improvement of railway facilities, lowering of coastal shipping rates, shipping rebates and measures against dumping. Anti-dumping legislation is recommended after a full enquiry by the Tariff Board. The next chapter is devoted to a discussion of the general principles governing the imposition of excise duties, and illustrations are taken from the tax systems of foreign countries. The justification and limitations of these duties are stated. They are to be ordinarily confined to industries concentrated in large factories or small areas, to be imposed for checking the consumption of injurious articles or otherwise to be levied for revenue purposes only. These principles are applied, in chapter X, to the Indian cotton excise duties. The history of these duties is then briefly reviewed, and the story of the selfish agitation of Lancashire against cotton import duties and the Secretary of State for India's surrender to it, is related in some detail. The strong feeling of resentment in India against the excise, though there is now a difference of 4 per cent. between it and the import duty on piece goods, is brought out, and it is recommended that the Government of India should "clean the slate" and take action with respect to the absolute repeal or retention of the duty, with the consent of the Indian Legislature.

The question of export duties forms the subject of the next chapter. The imposition of these duties for protection is deprecated and it is stated that even for revenue purposes they should be but sparingly used. Small cesses are an exception to this general rule. A duty on jute which is an Indian Monopoly, is perfectly justifiable : one on raw cotton is not. Export duties on tea, rice, wheat and hides are examined on the basis of general principles and the abolition of the first of these is recommended. The twelfth chapter deals with restrictions on the export of food grains. In view of the contention that India's production of food is insufficient, it is maintained that the real problem in that connection is one of poverty and prices. Increased production is the true remedy, and artificial depression of prices will have a detrimental effect on the agricultural industry. Abnormal conditions may, however, be met by the imposition of an export duty. Imperial preference is discussed in the thirteenth chapter, which begins with a history of the problem. The question is dealt with in all its aspects and particularly with reference to India's trade with the Empire ; and the conclusion is deduced that the actual and possible gain to India from preference is small. Objections to Imperial preference are examined in detail, such as the fear that they may diminish protection, throw undue burden on the consumer and may affect Indian fiscal autonomy ; and the Imperial aspect of the problem and the sentiment of Empire are given considerable weight. The view that India can not grant extensive preferences without serious loss to herself and without increasing the burden to the consumer, is emphasised. Great stress is, however, laid, on the other side, on the services of the United Kingdom, the heart of the Empire, in maintaining the vast Commonwealth of Nations together and on the importance of India's co-operation with the Dominions in helping England to keep up its industrial and commercial prosperity so as to be able to defend and strengthen the Empire in the interest of all the constituent parts of the organization. The Commission wishes India not to "turn her back on the principles of preference which

have been adopted in the greater part of the Empire and are rapidly being extended to the remainder," and would not have India standing in a position of moral isolation within the Empire. It is stated that a free gift of preference from India, however small, will be welcome by the United Kingdom as a gesture of friendship and as a proof that India realized her position as a member of the Empire.

The fourteenth chapter is concerned with the discussion of questions relating to the form and application of the Tariff and examines the comparative advantage of specific and *ad valorem* duties. It also suggests various improvements in the existing practice in connection herewith. Foreign to capital is the subject of the next chapter. The advantages India of the import and the use of foreign capital are pointed out, particularly for the rapid industrial development of the country which is to be effected with the help of protection. Foreign capital means the most up-to-date methods and the newest ideas and its free use would accentuate increased industrialization. The existing distrust of foreign capital in India is referred to, and various suggestions put forward for the restriction of its use, are examined and rejected as impracticable and injurious. Only in the case of Government concessions should stipulation be made with respect to rupee capital, Indian directors and so forth. It is believed that the present prejudice in India against foreign capital, will die out, and it will be recognized that there is enough room for the Indian and the British in the field of industrial development in the country. The sixteenth and the seventeenth chapters deal with the relation of Indian States and the tariff and the constitution and functions of the Tariff Board respectively. Representation of the States on the Board is considered unnecessary, and their interests, it is believed, will be sufficiently guarded by the Board. An effort is made in the brief concluding chapter to remove the inevitable British feeling that the Commission's recommendations are calculated to prove detrimental to the industries of the United Kingdom. No real conflict of interests exists, it is said, between the two countries, and even in the cotton trade and piece goods.

industry British manufacturers will gain rather than lose if India becomes more prosperous as a result of a policy of protection.

MINUTE OF DISSENT.

The signatories of the Dissenting Minute disapprove of the halting nature and the apologetic tone of the majority report, and would have liked the Commission to make a more emphatic, determined and enthusiastic pronouncement on the question of protection in accordance with the almost unanimous wishes of the Indian people. The reasons which necessitated the Minute are given thus :—

(a) The main recommendation has been hedged in by conditions and provisos which are calculated to impair its utility.

(b) In places the language employed is half-hearted and apologetic.

(c) We are unable to agree with the views of our colleagues on Excise, Foreign Capital, Imperial Preference and the constitution of the Tariff Board.

While the majority recommend a policy of protection to be applied with discrimination "along the lines of the Report", the dissenting members recommend that "a policy of protection should be adopted in the best interest of India". The importance of discrimination is indeed admitted and the need of safeguarding the interests of the consumer is fully recognized. There is no difference of opinion as to the desirability of trying to attain the object of protection with the minimum of national sacrifice. But it is felt that the conditions laid down as governing the application of protection, are too stringent such as will entail considerable delay and will not produce adequate result. Fault is found with the statement of the majority that "India for many years to come is likely to concentrate on the simpler forms

of manufactured goods" as one that will fetter the discretion of the Government of India and the Indian Legislature. An intense policy of industrialization is, therefore, recommended, and immediate steps are to be taken to give effect to it. The discrimination that will have to be inevitably exercised, may be safely left in the hands of the Government and the Legislature.

After showing this fundamental difference with the majority report, the dissenting minute proceeds, in the second chapter, to discuss the question of Excise Policy. The view taken in this regard is that "excise duties should be restricted to such articles as alcohol and tobacco which are regarded as injurious to public health and to public morality and the consumption of which it is desirable to check and to a few luxuries". This is the system adopted in the U. S. A. and the British Colonies. The examples of France and Japan, quoted on the other side, are examined and shown to be inapplicable to the case of India. Stress is laid on the fact that England did not impose an excise on motor cars though there was a heavy import duty on foreign motors during the war. The burden of an excise duty on Indian cloth is shown to be undesirable from the poor consumer's point of view. It is finally said that the exercise of discretion by the Legislature in the matter of cotton excise, as recommended by the majority, does not arise because the policy recommended is unsound in principle and the vote of Assembly has no binding effect.

The question of cotton excise is discussed at length in the third chapter, and very great importance is attached to its proper solution. Exception is taken to the recommendation of the report that the British Government should announce its intention of allowing the Government of India to decide the question of cotton excise duties in agreement with the Indian Legislature, as casting a doubt on the fiscal freedom conferred on India. The dissenting members fail to understand why financial difficulties of Government should have been pleaded against the repeal of the excise duty,

which was imposed not for the purpose of revenue but only to satisfy Lancashire, when the majority did not hesitate to recommend the reduction or abolition of many export duties specifically levied for revenue. If there is to be "a clean slate" as suggested by the majority, the cotton excise duty must go, especially as the country unanimously demands its abolition.

In the fourth chapter, the Minute comes to Imperial Preference, and its conclusion with respect to it is that "India can not accept the principle until she has attained responsible Government and is able to regulate her fiscal policy by the vote of a wholly elected legislature." The question can become a matter of practical politics when the promised goal of responsible government is reached. It may be contended that this would mean the indefinite postponement of the application of the principle of preference. To this the minority replies that it is prepared to recommend that the power of initiating, granting and withdrawing preference should be vested in the non-official members of the Legislative Assembly. The difficulties involved in the granting of preference to a country, from the point of view of a combination among the favoured manufacturers and the high non-competitive prices charged to the consumers, are pointed out. Objection is taken to the majority report pleading for Imperial Preference on the ground, amongst others, of Great Britain's sacrifices in maintaining the British Navy. The naval defence of the Empire stands on a different footing altogether, and no useful purpose is served by mixing it up with the question under consideration. Preferential trade with the Dominions must be considered from a different angle of vision. Unless the claim of Indians to equality of status is conceded there can be no reciprocity in trade relations with the self-governing Colonies.

The question of foreign capital is treated in the fifth chapter. The distinction drawn by the Majority between companies getting Government concessions and establishing themselves behind the tariff wall created under a policy of protection, is not appreciated. It is pointed out that there

is really no distinction between Government granting subsidies or bounties out of taxation money and allowing an industry to tax the people directly by means of higher prices resulting from protective duties. In both cases it is the people of India who have to pay the price either as taxpayers or as consumers. The fallacy underlying the argument of the Majority that "whether the immediate profit goes to a foreign or an India capitalist, the main and ultimate end, namely the enrichment of the country, will be attained", is exposed. The confusion between loan and ordinary capital made by the Majority is referred to and it is stated that there would be no objection to foreign capital receiving the advantage of protective duties provided the suitable conditions are laid down to safeguard the essential interests of India. If the Majority recommendations in this behalf are accepted, it will be open to every foreigner to establish industries in this country "by means of companies incorporated in their own country and currency". This danger did not exist under a policy of free trade, but is bound to materialise when the benefit of protective duties is available. Foreign firms may be allowed to be established in India on condition that they have rupee capital, that they have a reasonable proportion of Indian directors and that proper provision is made by them for the training of Indian apprentices.

The sixth chapter considers the constitution of the Tariff Board. The Board should consist of three members. The chairman should be a trained lawyer of the status of a High Court Judge and the two remaining members should be men elected by the non-official members of the Legislative Assembly and "men of ability, of integrity and of impartiality". To the three members should be added two assessors representing trade, commerce and industry and elected by the leading mercantile chambers and associations. The Conclusion emphasises that no limitations such as those hinted in the main report, should be placed in the path of India's industrial development and that her economic problem, at least after the experience of the war, must be examined in a spirit of broadminded statesmanship.

APPENDIX II

PROTECTION FOR CEMENT AND PAPER.

Tariff Board's Report.

The conditions in which the cement and the paper industries are carried on in India and the circumstances in which they asked for Protection as revealed by the Tariff Board are extremely interesting. The trouble in the case of cement is not that the industry is not developed but that its productive capacity is greater than the Indian demand. Internal rather than external competition is the predominant factor. Indian consumption must increase to enable the industry to increase its output and to lower costs of production and this increase will not take place unless cement is sufficiently cheap. The paper industry presents different problems for solution. The following newspaper summaries of the Board's reports will prove useful.

The report of the Indian Tariff Board regarding the grant of protection to the cement industry in India, shows the Board to be in favour of extending certain bounties to the industry and also of a specific duty on imported cement.

The conditions of manufacture are examined first and the Board comes to the conclusion that the cement industry in India possesses natural advantages in an abundant and easily accessible supply of all the raw materials required and is at no disadvantage so far as labour is concerned but owing to nearly all the works being remote from the coal fields, the freight on coal is a heavy item in the cost of production. They hold that the consumption of cement in India has grown with great rapidity during the last quarter of a century, and a further increase may be expected. But the productive capacity of the Indian works has far outstripped the demand. This is the principal reason for the

difficulties under which the industry is suffering. A rapid growth in consumption is its chief need but this is not likely to occur unless the price remains relatively low.

INTERNAL COMPETITION.

The Board then goes to say:—"The present price of cement in India (excluding Burma and Madras) is unremunerative and barely covers, or does not cover, the works costs. It is due entirely to internal competition between the Indian companies and not to foreign competition. Indian cement already holds the up-country market over a large part of India, but this market is relatively small and does not account for more than a quarter of the demand. The principal market for cement in India at present is in the great ports and especially in Calcutta and Bombay. Four-fifths of the cement imported into India is British, and the only formidable foreign competition is from the United Kingdom. Owing to the excellent quality and the established reputation of British cement and the newness of the industry in India many consumers will not purchase Indian cement unless the price is markedly lower. This feature of the situation is likely to continue for several years. Cement can be produced in India equal in quality to British cement in every respect, and the product of the Indian factories is usually up to this standard. Occasional failures must be ascribed to the inexperience inevitable in a new industry."

COST OF PRODUCTION

The Board next examines the cost of production and what should be a fair selling price and concludes thus:—"The Indian manufacturer can sell cement at about Rs. 53 a ton in Calcutta and Rs. 57 a ton in Bombay and still earn a reasonable profit, provided he can obtain a full output. A price of Rs. 53 a ton would suffice in Bombay and if the Katni group of factories received for the whole journey to Bombay the same freight concession which they receive for the 616 miles from Jubbulpore to Bombay, and the question whether

this concession could not be given might well be considered when the Great Indian Peninsula Railway comes under state management, as the East Indian Railway has already done. Karachi is as easily accessible as Bombay from the Kathiawar factories and the sea freight is the same, so that whatever price is fair in the one port is reasonable also in the other. No factory now working except South India Industrials, Limited, is in a position to supply Madras as the distances are too great, but the new Shahabad factory will be only 425 miles from Madras, and as soon as it is opened, it should be able to lay down cement in Madras at about the same price as the Katni group of factories can do in Calcutta. If the cement companies can establish their position in Calcutta, Bombay, Madras and Karachi they command the Indian market, with the exception of Burma."

BOARD'S PROPOSALS.

Finally the Board considered their recommendations and made the following proposals :—

(1) A bounty of Rs. 8 per ton should be paid on all cement consigned from an Indian factory through or *via* Calcutta, Bombay, Madras or Karachi, or to any Railway station not more than 75 miles from these ports.

(2) A bounty of Rs. 4 a ton should be paid on all cement consigned from an Indian factory to any railway station more than 75 but not more than 150 miles from any of these ports.

(3) No bounty should be paid to any factory on cement delivered under the contract between certain cement companies and the Bombay Development Department, or to the Sone Valley Portland Cement Company Limited.

(4) In place of the present revenue duty of 15 per cent. *advalorem* a specific duty of Rs. 9 a ton should be imposed on imported cement and declared protective.

(5) If the cost of proposals (1) to (4) is considered excessive, the scheme may be modified as follows :—(a) The

bounty to be fixed at Rs. 5 a ton at the ports and at all Railway stations not more than 50 miles distant from the ports. (b) The bounty to be fixed at Rs. 3 a ton at all Railway stations more than 50 but not more than 100 miles distant from the ports. (c) A specific duty of Rs. 12 a ton to be substituted for a specific duty of Rs. 9 a ton.

(6) Whichever scheme may be adopted it should not come into force until the Government of India are satisfied that the price of Indian cement in the ports is in such a relation to the price of imported cement that the payment of bounties would not lead to a reduction in the price of Indian cement.

BOUNTY ON SALES.

(7) If any cement factory is situated at a port, the bounty should be payable on the whole of its sales.

(8) Every cement factory receiving the bounty should submit half-yearly returns of its output and sales to the Government of India. The return of sales should show the average price at which orders were booked during the half year, both for works and including freight to destination, the figures being given for—(a) Sales in the Calcutta area to which the bounty extends. (b) Sales in the Bombay area. (c) Sales in the Madras area. (d) Sales in the Karachi area. (e) Sales under the contract with the Bombay Development Department. (f) Other sales.

(9) Every cement factory receiving the bounty should submit quarterly samples of the cement manufactured to the Government Test House, Alipore, and a report as to the result of the tests made should be submitted to the Government of India.

(10) Arrangements should be made to remit, or reduce to a nominal amount the fees ordinarily charged at the Government Test House when cement is tested for private persons.

Mr. Ginwalla does not concur in recommendation No. 6.

The Board conclude their report thus :—"In addition we desire to put forward a supplementary proposal in which the President is unable to concur. Our recommendation is that on all cement consigned from the Indian factories to Burma a bounty of Rs. 11 a ton should be paid in addition to the bounty payable on cement consigned to Calcutta, Madras and Bombay. The chief need of the cement industry at present is to raise its production in order to enable it to reduce its costs, and therefore of the utmost importance for it to secure a wider market."

Government of India's Attitude.

The Government of India's resolution giving its reasons for not acting on the Tariff Board's report on the cement industry says :—The main fact brought out by the report is that the present demand for cement in India approximates to 390,000 tons per annum or, if Burma be excluded, to 355,000 tons per annum, whereas Indian factories can already produce 550,000 tons per annum, and this figure may rise in the near future to 600,000 tons per annum. The industry, therefore, is suffering from over-production with the result that the price of cement in India is governed not by the price at which it can be imported but by the internal competition among Indian manufacturers.

The finding of the Tariff Board is that as long as these conditions subsist there is no action that the Government can usefully take to assist the industry, and the Governor-General-in-Council accepts this finding. The Tariff Board, however, consider that the present conditions in the industry must necessarily be of a temporary character, and that the time can not be long delayed when as a result either of the operation of economic forces, or of concerted action by Indian manufacturers, the price of cement in India will again be governed by the price at which it can be imported. They have examined, therefore, the question whether there is any

action which the Government can properly take to assist the industry when the conditions have become stable.

BRITISH COMPETITION.

There is a difference of opinion among the members of the Board whether anything can be done to assist Indian manufacturer to capture the Burma market. If Burma be excluded from consideration the salient facts are that in 1924 Indian production amounted to 264,000 tons and imports to 89,000 tons, and the problem before the Indian cement industry is how it can capture for itself that portion of the Indian market which is still held by the cement imported almost entirely from the United Kingdom. British cement finds its market mainly in the ports and in South India. It commands a premium over Indian cement by reason of its established reputation (in which respect this report should be of assistance to the Indian industry), and Indian cement is further handicapped by the long distance of most of the factories either from the coal-fields or the ports.

In order to remove these disabilities the Tariff Board recommend that legislation should be introduced to authorize the Government to pay bounties on cement consigned from the Indian factories to the ports of Calcutta, Bombay, Madras, and Karachi, or to railway stations within a specified radius of these ports. But they add a rider that the Act should not come into force until the Governor-General-in-Council is satisfied that the price of Indian cement is in such relation to the price of imported cement that the payment of the bounties will not lead to a reduction in the price of Indian cement, and that the Act should lapse if this result is not attained within one year from the date on which the Act becomes law.

OBJECTIONS OF PRINCIPLE.

The Governor-General-in-Council acknowledges the care and thoroughness with which the case has been investigated by the Tariff Board, but he considers that there are

objections of principle to conditional legislation, and he thinks it premature to discuss what action might properly be taken if an entire change were to come over the conditions of the industry. As things are at present, however, he is satisfied that there is no justification for the intervention of the Government, and as at present advised, he proposes to take no action on the report.

PROTECTION OF PAPER.

Future of Bamboo.

RECOMMENDATIONS OF THE TARIFF BOARD

The comprehensive report of the Tariff Board recommends, after a thorough examination of the position, protection only for all writing paper, and for printing paper other than newsprint containing sixty-five per cent. or more of mechanical pulp. Protection is recommended in the form of a specific duty of one anna a pound in place of the existing fifteen per cent. duty, and is to last five years. Special assistance is recommended to explore the possibilities of the manufacture of paper from bamboo. No protective duty is recommended on imported pulp.

The original proposal of papermaking firms was that all kinds of paper without discrimination should be subjected to a duty of twenty-five per cent. The Board examined this claim closely and found that it could not stand. For instance newsprint, which was the paper used by the important Indian newspapers, could not be made available in India at the same price as imported paper, even if a twenty-five per cent. protection duty was imposed. The firms admitted this difficulty, and were in favour of issuing licenses to newspapers to import newsprint at a lower duty, but as this would have hit those who bought from dealers in India, the Board has decided to exclude newsprint from protection. On examination the Board found that the imports of paper that might compete with Indian paper according to the 1924-25 figures were as follows :—Printing paper other than newsprint 11,700 tons, writing paper and envelopes 8,300 tons,

packing paper, 7,000 tons, other kinds of paper 2,000 tons, Government stores 1,000 tons. The total imported paper which competed with Indian paper was thus thirty thousand tons. Imported paper, pasteboard, etc., which did not compete with Indian paper amounted in 1924-25 to 56,200 tons spread as follows:—Newsprint 17,800, old 25,700, paper manufacture 1,600 tons, paste board, mill-board, etc., 10,800, Government stores 300 tons.

DUMPING NOT INJURIOUS.

The Board further opines that out of 30,000 imported tons which competes, Indian paper might conceivably under the scheme of the protection proposed hope to capture 20,000 tons. The Board saw no ground to support the contention that dumping was proving injurious. In fact dumping so far as it existed was proving ineffective. Regarding the cost of production the Board opines "The lowest works cost at which paper has been made in India since the war by mills using grass as their staple material is Rs. 490 a ton. The high costs are due in parts to the fact that the mills have been working only to five-sixths of the capacity and if a full output could be attained the works costs could be brought down to Rs. 480 a ton. Further economies are possible, and in the course of time the works costs in a reasonably equipped mill near Calcutta or in the coalfields might be reduced to some figure below Rs. 420, but not below Rs. 400 a ton. The manufacture of paper from bamboo is a novelty in India and the lowest works cost attained by the pioneer firm is Rs. 440 per ton. It does not appear likely that works can be brought much lower, so long as the mill though designed for two machines eventually possesses only one, but if a second machine were added it is probable that in the course of four or five years the costs could be brought down to Rs. 360 per ton. Any mill established after the war must be prepared to meet overhead charges amounting to Rs. 85 per ton, while the return of capital will require Rs. 64 a ton so that the total addition to the works costs is Rs. 150 a ton in round numbers. These are the figures which must be borne in mind when the ability of the

industry to dispense with protection eventually is considered."

IMPORTED PULP.

The Board next examines the proposal for a protective duty on imported pulp and rejects it "We believe that as the world's supplies of timber diminish a continuous increase in the cost of wood pulp is inevitable and that bamboo is likely to become a very important material to the paper-maker, but though the development of an export trade in bamboo pulp in future is probable the prospects of its coming about at an early date are not assured. It is not possible to forecast with any certainty the date when the price of wood pulp will advance materially and a premature investment of capital in pulp mills might entail heavy losses to investors. The imposition of a protective duty on imported pulp might compel Indian paper mills which use grass as their staple material to substitute bamboo pulp for wood pulp, though it is not yet clear that they could do so completely, but is not likely that a separate bamboo pulp industry would come into existence, for the grass mills would almost certainly make their own arrangements to supply themselves. The proposed duty therefore would not achieve the object sought to be attained and it can not be recommended.

After surveying the evidence the Board holds that "(1) Existing paper mills which use sabai grass do not satisfy the conditions laid down by the Fiscal Commission and their needs are therefore irrelevant. In considering the claim to protection there is, however, one locality in the north of India where the conditions are unusually favourable for the manufacture of paper from sabai grass for sale in the markets of upper India and a moderate amount of protection at the outset might facilitate the establishment of the industry there. Subject to this exception the claim to protection depends entirely on the possibility of manufacturing paper from bamboo."

"(2) It has been proved that paper of excellent quality can be made from bamboo, and there is good ground for

hoping that a paper industry using bamboo could ultimately dispense with protection but the manufacture of paper from bamboo is still at the experimental stage, in the sense that there is much work to be done before a possible reduction in manufacturing costs can be obtained and before it can be determined whether the sulphite process or the soda process is likely to be the cheaper.

"(3) World supplies of coniferous wood are steadily diminishing while the demand for such woods, whether as timber or for pulping, is increasing. As a paper making material wood must become more and more expensive and an increase in the price of paper seems inevitable, but it is impossible to forecast the date when the price of imported paper will go up substantially, and it may not take place for several years to come.

"(4) It is very desirable that the work already done on bamboo should not be wasted and that further exploratory work should be encouraged. The principal points are (a) manufacture of paper from bamboo by the sulphite process should be continued on a scale sufficient to ascertain its possibilities ; (b) the manufacture of paper or pulp from bamboo by the soda process with fractional digestion should be fully tested on a commercial scale."

BAMBOO OR GRASS.

The Board was first in favour of a bounty on manufactures from bamboo, but on examination found that as sabai grass at Saharanpur could produce paper as cheaply as bamboo at Cuttack the two materials must be treated alike and left to fight their battles on an equal footing. The Board thinks that some or all of the grass mills are likely to survive for the next five years. It deprecates indiscriminate investment in a new paper making enterprise at present, because it thinks that the protection given would greatly fall short of the amount required to make paper-making profitable, but would be glad if the Punjab Paper Company is enabled to raise its capital. The

Board emphasises that the industry will have no chance against foreign competition unless every possible step is taken to minimise the disadvantage which results from the long distances which divide coal and raw materials. The Board emphasises strongly the necessity for training Indians in paper manufacture and urges the formulation of an organized scheme of training if necessary. The training should preferably be given in Europe and America through a system of state scholarships.

In conclusion the Board observes "Any increase in the cost of paper inevitably makes books more expensive and so impedes the spread of knowledge and the progress of education and an extra payment of between Rs. 15 lakhs and Rs. 20 lakhs a year by the consumer is not negligible even though the burden is ultimately borne by a large number of persons. We should have been glad if it had been possible to make recommendations which left paper as cheap as it was before, but for reasons already explained we are unable to do so. We have found that if the paper mills had to depend solely on sabai grass as their staple material they could not in the long run hold their own in competition with imported paper, except in one region of upper India. In bamboo, however, Indian papermaker has a raw material which is much more abundant and widely distributed and holds out the promise of cheaper production if cheap coal were to be found in all provinces instead of in one restricted area, or if India's potential resources in hydro electric power were greater than they appear to be. The manufacture of bamboo paper might be firmly established in a very few years.

SUPPLY OF FUEL.

"As things are, the development of the paper industry as of several others is likely to be retarded by the long distances which separate the raw materials from the supplies of power and fuel. Nevertheless, notwithstanding this natural disadvantage India's abundant supplies of bamboo are likely to become the basis of a considerable industry

capable not only of meeting the country's requirements of paper but of exporting substantial quantities of paper pulp. If the world prices of paper were likely to remain at their present level it might be many years before Indian bamboo could profitably be developed as the raw material of pulp and paper, but the rapid diminution both in Europe and America of the supplies of coniferous wood suitable for pulping justifies a belief that an increase in price of paper is inevitable, though it may be slow. It is this most important factor which makes it worth while for the Government of India to take action now to assist the manufacture of paper from bamboo, but the situation demands careful handling both because an increase in world prices may come about slowly and because there is much preliminary work still to be done before the process of manufacture most likely to lead to cheap production can be determined and costs reduced to a minimum by perfecting the processes in all their details. An immediate and final decision in favour of protection might lead to a premature development entailing great expense to the tax-payer or a heavy burden on consumers of paper for a number of years. What is essential at present is that the manufacture of bamboo paper should be continued and exploratory work be completed, so that when the opportunity comes it will not be necessary to spend years on investigation before the development of the industry can begin. It is on this basis that our proposals have been drawn up.

TEMPORARY SACRIFICE.

"In effect what we propose is that consumers of the commoner kinds of printing and writing paper should forego for the next five years the advantage they derive from the rise in the rupee sterling exchange from 1s. 4d. to 1s. 6d. In addition we have recommended that Government should assist the industry by taking upon its own shoulders liability for additional capital, which must be found if the possibilities of the two alternative processes for making bamboo pulp are to be fully explored. When account is taken of the increased revenue

likely to be drawn from the custom duties on paper and the value of fixed assets which would be pledged as security for Government loan or guarantee it seems probable that at the end of five years, even if the manufacture of bamboo pulp and paper were finally abandoned there would be no actual loss to the tax-payer. We believe that the advantages likely to accrue from the eventual establishment of the manufacture of bamboo paper and pulp as a considerable industry are sufficient compensation for temporary sacrifice which the country is asked to make, and we are satisfied that nothing less will suffice to secure the object in view. The issue which the Government of India and the legislature will have to decide is clear and well defined. If no assistance is given it is probable that the manufacture of paper in India will cease with a somewhat remote prospect of revival when wood pulp has grown very dear. The question for decision, therefore, is whether it is worthwhile to keep the industry going, and what in all the circumstances is a moderate cost, or whether it must be left to its fate. For our own part we feel strongly that the disappearance of the industry at the moment when the use of bamboo opens up fresh avenues of development in the future, would be very regrettable and we believe that the proposals we have made are in accordance with national interest."

BOARD'S PROPOSALS.

The Board's proposals signed by the three members are :—

"(1) In order that the possibilities of the manufacture of paper in India from bamboo may be fully explored the Government of India should provide the capital required, about Rs. 10 lakhs, in order to enable the India Paper Pulp Company to increase the output of its mill at Naihati from 2,500 to 5,000 tons a year. This might be done either by an advance of capital secured by mortgage on the fixed assets of the company or by the guarantee in respect both of the principal and interest of a public issue of debenture. We prefer the latter alternative because it would permit the immediate participation of Indian capital in the enterprise.

"(2) We recommend that the payment of interest should be waived during the first two years if the capital is advanced by the Government of India or in the alternative if the capital is guaranteed that interest due to debenture-holders should actually be paid by the Government of India irrespective of the ability of the company to meet these charges.

"(3) The India Paper Pulp Company use the sulphite process for the manufacture of paper. There is an alternative process which has not yet been applied to bamboo on a commercial scale, viz, the soda process and it is desirable that its possibilities also should be fully investigated. The Carnatic Paper Mills Limited apparently intend to make paper from bamboo by the soda process, but at present their equipment is incomplete, and they are not in a position to commence manufacture. At the stage which this project has reached it is not possible for us to make a definite recommendation, but it is desirable that this scheme should be examined by the technical advisers of the Government of India, and that if the company are able to show reasonable prospects of success they should be assisted to raise the additional capital required in the same manner as the India Paper Pulp Company.

"(4) We think that total capital in respect of which Government of India will incur liabilities may reasonably be restricted to Rs. 20 lakhs in all.

"(5) We recommend that in place of the existing 15 per cent. *ad valorem* duties on printing paper and writing paper a specific duty of one anna a lb. should be imposed on all writing paper and on all printing paper other than newsprint containing 65 per cent. or more of mechanical pulp. No change is proposed in the duties on other kinds of paper."

The Board recommends that the projection should last five years, after which the position should be reexamined.

APPENDIX III
POPULATION STATISTICS.

I

Towns and Villages Classified according to Census of 1921.

Class.	India		Provinces		States	
	No.	Population.	No.	Population.	No.	Population.
Under 500 inhabitants	517,036	95,983,313	364,138	69,541,218	152,898	26,442,095
500-1,000 "	105,017	73,008,797	82,205	57,341,489	22,752	15,667,308
1,000-2,000 "	47,242	64,296,223	38,313	52,212,170	8,929	12,084,053
2,000-5,000 "	15,965	45,085,271	13,195	37,371,593	2,770	7,710,678
5,000-10,000 "	1,871	12,428,336	1,500	9,903,639	371	2,525,697
10,000-20,000 "	517	6,996,301	401	5,443,433	116	1,552,868
20,000-50,000 "	198	5,866,532	158	4,694,815	40	1,171,717
50,000-1,00,000 "	55	3,609,189	43	2,688,054	12	921,135
1,00,000 & over "	34	8,053,124	29	7,156,078	5	897,046
Encampments and population unclassified	...	3,690,665	...	5,19,211	...	141,454
Area in which village statistics are not recorded	46	2,924,729	46	99,593	...	2,825,136
Total.	687,981	318,942,480	500,088	247,003,293	187,893	71,939,187

II

*Distribution of Population by main Provinces
according to sex and civil condition.*

Province	Sex	Civil condition			Total population
		Un-married	Married	Widow-ed	
		(Lakhs)	(Lakhs)	(Lakhs)	(Lakhs)
Madras	Males ...	110·8	98·6	9·1	208·7
	Females ...	79·9	64·0	40·4	214·4
Bombay	Males ...	48·9	45·9	6·9	101·7
	Females ...	30·5	44·3	16·8	91·7
Bengal	Males ...	125·1	107·3	9·0	241·5
	Females ...	77·2	103·7	44·4	225·4
U. P.	Males ...	107·6	108·5	21·7	237·8
	Females ...	68·6	109·8	47·4	215·8
Punjab	Males ...	61·1	42·1	6·7	113·0
	Females ...	38·4	43·0	12·3	93·7
Burma	Males ...	37·6	26·2	3·4	67·5
	Females ...	32·7	24·2	7·3	64·5
Bihar and Orissa	Males ...	74·4	82·7	10·5	167·6
	Females ...	54·6	85·6	32·1	172·3
C. P. and Berar	Males ...	30·9	34·2	4·7	69·5
	Females ...	23·0	34·9	11·5	69·6
Assam	Males ...	22·0	15·5	2·0	39·6
	Females ...	15·5	15·1	5·7	36·4
N. W. F. Province	Males ...	7·6	4·6	·6	12·2
	Females ...	4·4	4·5	1·1	10·2
Total British Provinces	Males ...	62·9	55·9	78·2	1268·7
	Females ...	42·7	56·2	210·3	1301·3

III

Distribution of Population according to Residence and Education.

(BRITISH PROVINCES)

Province,	Males.			
	Total Population	Illiterate	Literate	Literate in English
Madras ...	20,870,749	17,702,676	3,158,073	354,594
Bombay ...	10,176,969	8,746,402	1,430,567	239,777
Bengal ...	24,151,222	20,300,571	3,850,651	728,441
United Provinces ...	23,787,745	22,231,119	1,556,626	156,900
Punjab ...	11,306,265	10,550,921	755,344	128,242
Burma ...	6,756,969	3,709,179	3,026,337	92,207
Bihar and Orissa ...	16 763,866	15 281,315	1,482,551	123,915
Central Provinces and Berar ...	6,951,399	6,367,771	583,628	56,612
Assam ...	3,961,109	3,523,715	437,394	67,253
North-West Frontier Province ...	1,229,316	1,151,232	78,084	15,857
Baluchistan ...	255,014	227,181	27,833	8,330
Ajmer-Merwara ...	269,569	224,908	44,658	8,792
Coorg ...	89,501	72,542	16,959	2,389
Delhi ...	281,633	236,244	45,389	14 271
Andamans and Nicobars ...	20,793	15,687	4,606	613
Total, British Provinces ...	126,872,116	110,341,463	16 508,700	1,998,103

III

*Distribution of Population according to Residence and
Education*

(BRITISH PROVINCES)

Province	Females.			
	Total Population	Illiterate	Literate	Literate in English
Madræs ...	24,448,236	20,994,401	453,835	44,239
Bombay ...	9,171,250	8,945,737	225,513	39,737
Bengal ...	22,544,314	22,140,364	403,950	44,720
U. P. ...	21,598,042	21,455,796	132,246	18,339
Punjab ...	9,379,759	9,300,611	78,148	11,293
Burma ...	6,435,223	5,807,877	625,706	21,206
Bihar and Orissa ...	17,238,323	17,134,617	103,706	8,147
Central Provinces and Berar ...	6,961,361	6,911,696	49,665	6,124
Assam ...	3,645,121	3,599,510	45,711	3,556
North West Frontier Province ...	1,022,024	1,013,055	8,969	1,301
Baluchistan ...	165,634	163,220	2,414	836
Ajimer-Merwara ...	225,705	220,601	5,104	1,113
Coorg ...	74,337	70,653	3,684	417
Delhi ...	206,555	199,486	7,069	1,816
Andamans and Nicobar bars ...	6,293	5,657	184	57
Total British Provinces ...	120,131,177	117,963,181	2,145,904	202,951

IV.

Mortality and Birth Rates

(per 1,000)

Year	Mortality Rate		Birth Rate	
	British India	Bombay Presidency	British India	Bombay Presidency
1900	38.91	70.07	36.58	26.87
1903	34.91	43.91	38.95	31.22
1906	34.83	35.06	37.80	33.84
1909	30.91	27.38	36.65	35.59
1912	29.71	34.68	38.95	34.97
1915	29.94	26.12	37.82	37.10
1918	62.46	88.05	34.52	31.61
1921	30.59	26.00	31.97	32.59
1922	33.67	36.26	31.85	32.39
Average	33.67	36.26	36.94	33.39

APPENDIX IV

Indian Production and Imports of Cotton Yarn and Cloth.

(000's omitted).

1923-24

Yarn (lb.)	Production.	Imports
Nos. 1-25	536,510	7,331
Nos. 26-40	77,044	20,800
Above 40's	3,261	7,739
	<hr/>	<hr/>
Total	617,329	44,575

Cloth (yds.) :

Grey & bleached	1,197,654	1,119,313
Coloured	503,920	347,493
	<hr/>	<hr/>
* Total	1,701,574	1,466,806

1924-25.

Yarn (lb.) :	Production.	Imports.
Nos. 1-25	624,482	7,647
Nos. 26-40	88,509	28,621
Above 40's	5,822	7,659
	<hr/>	<hr/>
Total	719,390	55,907

Cloth (yds.) :

Grey & bleached	1,382,368	1,394,386
Coloured	588,078	406,971
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* Total	1,970,574	1,801,357

*Excluding Fents,&c.