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Indian Industrial Commission

— 1916-18 —

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The Indian Industrial Commission was appointed by the Government of India by order conveyed in Resolution No. 3403 (Industries), dated the 19th May 1916 in the Department of Commerce and Industry, the full text of which is reproduced as Appendix A-1. The Commission was "instructed to examine and report upon the possibilities of further industrial development in India and to submit its recommendations with special reference to the following questions :—

- "(a) whether new openings for the profitable employment of Indian capital in commerce and industry can be indicated ;
- (b) whether and, if so, in what manner, Government can usefully give direct encouragement to industrial development—
- (i) by rendering technical advice more freely available ;
 - (ii) by the demonstration of the practical possibility on a commercial scale of particular industries ;
 - (iii) by affording, directly or indirectly, financial assistance to industrial enterprises ; or
 - (iv) by any other means which are not incompatible with the existing fiscal policy of the Government of India."

In addition to the exclusion of the tariff question from the scope of the Commission's enquiries, it was also stated to be unnecessary for it to undertake the examination of those aspects of technical and industrial education which had recently been dealt with by the Atkinson-Dawson Committee, appointed in 1912 to enquire into the means of bringing technical institutions into closer touch with employers of labour in India, and by the Morison Committee which reported to the Secretary of State in 1913 on the system of State technical scholarships established by the Government of India in 1904.

The Commission was composed of the following Members :—

- (1) Sir T. H. Holland, K.C.I.E., D.Sc., F.R.S., President of the Institution of Mining Engineers. (President.)
- (2) Mr. Alfred Chatterton, C.I.E., B.Sc., F.C.G.I., A.M.I.C.E., M.I.M.E., Director of Industries and Commerce in Mysore.
- (3) The Hon'ble Sir Fazulbhoj Currimbhoy Ebrahim, Kt., Messrs. Currimbhoy Ebrahim and Company, Bombay.
- (4) Mr. Edward Hopkinson, M.A., D.Sc., M.I.C.E., M.I.M.E., M.I.E.E., Managing Director, Messrs. Mather and Platt, Ltd., Manchester, and Vice-Chairman, Chloride Electric Storage, Ltd.

- (5) The Hon'ble Mr. C. E. Low, C.I.E., I.C.S., Secretary to the Government of India, Department of Commerce and Industry.
- (6) The Hon'ble Pandit Madan Mohan Malaviya, B.A., LL.B., of Allahabad.
- (7) The Hon'ble Sir Rajendra Nath Mookerjee, K.C.I.E., Messrs. Martin and Company, Calcutta.
- (8) The Right Hon'ble Sir Horace Curzon Plunkett, P.C., D.C.L., LL.D., F.R.S., K.C.V.O.
- (9) The Hon'ble Sir F. H. Stewart, Kt., M.A., C.I.E., Messrs. Gladstone Wyllie and Company, Calcutta, President, Bengal Chamber of Commerce.
- (10) Sir Dorabji Jamsetji Tata, Kt., J.P., Messrs. Tata, Sons and Company, Bombay.

Secretary.—Mr. R. D. Bell, I.C.S.

Unfortunately Sir Horace Plunkett was unable to join the Commission, owing at first to ill-health and subsequently to other duties of high national importance. Dr. Hopkinson submitted his resignation during the second season's tour, having been debarred under medical advice from coming out to India in November 1917, though during the first year we received great assistance from the advice which his range of experience both as a manufacturer and as a scientist enabled him to furnish. In October 1917, Mr. G. H. W. Davies, I.C.S., was appointed Joint Secretary, as Mr. Bell, whose services had some months previously been transferred to the Indian Munitions Board, could not be spared for the forthcoming tour, though he continued to assist the Commission by supplying information on various points and afterwards in the preparation of the report.

It was arranged that the President should come to India some months before the Commission assembled, in order to acquaint himself with the existing industrial position. He arrived in India in May 1916 and proceeded to Simla; whence, after making preliminary investigations, he started on tour at the end of June and visited Bengal, Bihar and Orissa, Madras, Bangalore, Bombay, the Central Provinces and the United Provinces, returning to Simla towards the end of September. The scattered information available was marshalled in the form of a preliminary note by the President on the scope of the Commission's enquiry, and placed before the Members at a meeting held in Calcutta in July 1916, when the methods of procedure to be adopted in the formal collection of evidence were discussed and decided. This note is printed as Appendix A-2.

At the end of September 1916 we assembled at Simla and prepared a list of questions covering, as far as possible, the scope of the Commission's enquiry, in order to assist witnesses in focussing their attention on those parts of it of which they had special knowledge, or in which

Preparation of a list of questions.

they were specially interested. This list, as subsequently revised consisted of 113 questions under 10 main heads (*vide* Appendix A-3).

Our enquiry included the personal inspection of industrial enterprises, the examination of witnesses, and discussions with representatives of local committees and institutions. We had also the advantage of conferring with the Provincial Industrial Committees which existed in some provinces and with some of the Local Governments and Administrations. In all we recorded the written statements of 472 witnesses, and 342 appeared before us for oral examination.* In deference to the wishes of witnesses or from other considerations, it was considered advisable to treat as confidential some of the matter brought before us, and we have accordingly prepared one volume of confidential evidence, which will not be available to the general public. In view of the fact that the Commission was freely admitted to inspect industrial concerns, and that information, often of a confidential nature, was placed at our disposal on these occasions, our inspection notes also will not be published.

We met at Delhi on the 26th October 1916, with the exception of Mr. Low who joined the Commission at Bankipore, and, after taking evidence in the Delhi Province, we visited the United Provinces, Bihar and Orissa, Bengal, the Central Provinces, Madras and Bangalore. Details of our itinerary with a list of institutions visited are given in Appendix A-4. In January 1917, in consequence of the increased difficulties of obtaining from Europe stores for war and essential purposes, the necessity of stimulating the local manufacture of munitions became a matter of vital importance. Taking advantage of the experience already gained by the Commission, the Government of India summoned Sir Thomas Holland to Delhi at the end of the month and requested him to organise a new department for the purpose. This decision—although the resulting organisation was in its final form precipitated by the conditions developed during the war—was welcomed by us as a practical anticipation of many of the conclusions which had been forced upon us by evidence that began to repeat itself most strikingly before we reached Madras. For the newly formed Indian Munitions Board, as the central authority controlling the purchase and manufacture of Government stores and munitions of war, became, in effect, an experiment on a large scale designed to test the value of many of our conclusions regarding not only the manufacturing capabilities of the country, but also regarding the kind of administrative machinery most suitable to carry out our proposals. The Munitions Board is thus our principal witness,

* The evidence is printed in six volumes :—

- Volume I. Delhi, United Provinces and Bihar and Orissa.
- Volume II. Bengal and Central Provinces.
- Volume III. Madras and Bangalore.
- Volume IV. Bombay.
- Volume V. Punjab, Assam, Burma and General.
- Volume VI. Confidential.

and we have had the benefit of information regarding some of its activities. After the departure of Sir Thomas Holland from Madras, Sir Francis Stewart acted as President for the remainder of our visit to Southern India. On the conclusion of the tour Messrs. Low, Chatterton and Bell assembled at the office of the Munitions Board to summarise the results of the first year's enquiries.

When the Commission re-assembled on the 7th of November 1917,

Tour of 1917-18.

Sir Thomas Holland rejoined and presided over our enquiries in the Bombay Presidency. Pandit Madan Mohan Malaviya was unable to take part in our sessions at Bombay, but accompanied us for a portion of the ensuing Punjab tour. Mr. Chatterton was compelled to be absent during our tour in this province. The Commission afterwards visited Assam and Burma. Pandit Madan Mohan Malaviya, Sir Fazulbhoj Currimbhoj and Sir D. J. Tata were unable to take part in the Assam tour, and the two former were also prevented from visiting Burma. As the President had to revert to his duties with the Munitions Board after the Bombay tour and was only able to join us for special discussions on one or two subsequent occasions, Sir R. N. Mookerjee was appointed to act as President of the Commission until its re-assembly at Simla for the preparation of the final report.

During the tour the personnel of the Commission was strengthened by the inclusion of an officer with local knowledge in each province, nominated by the Local Government to help in our enquiries, and co-opted by the Commission. The following gentlemen, to whom our thanks for their ready help are due, assisted in our proceedings :—

- (1) Mr. G. A. Thomas, I.C.S., Secretary to Government, Bombay.
- (2) The Hon'ble Mr. H. J. Maynard, C.S.I., I.C.S., Financial Commissioner, Punjab.
- (3) The Hon'ble Lieutenant-Colonel P. R. T. Gurdon, C.S.I., I.A., Commissioner, Assam Valley Districts, Assam.
- (4) The Hon'ble Mr. H. Thompson, C.S.I., I.C.S., Financial Commissioner, Burma.

In conducting our enquiries and even more so in drafting our report, we found it impossible to treat at length all the very numerous questions involved; and we were compelled to dismiss somewhat briefly many subjects of importance, in order to avoid loading our report with a mass of detail which would have delayed its issue very seriously, while not adding materially to its practical usefulness.

Moreover, although much information of technical and industrial value will be found in the evidence of some of the expert witnesses, our report is not intended as an industrial survey of India, and we have, therefore, concentrated our attention on the machinery which we propose should be set up to effect industrial development generally, rather than on the particular industries to be improved. This machi-

nery will, we believe, do what is needed for all industries, and it would be useless for us to attempt to frame detailed recommendations for which technical enquiries by experts are required. We have carefully studied the position of certain important industries and the proposals which have been made for their improvement; but we have used the knowledge so obtained as a basis for our recommendations for the technical and administrative equipment which Government will require and for the financial facilities it should provide. In a few cases, however, when we deemed an industry of sufficient importance to deserve special treatment, we have had notes prepared in greater detail: these will be found as appendices. We have dealt at length with the important questions of the organisation of the scientific and administrative services, with technical education and industrial finance; and have, we hope, worked out a scheme which will enable Government to keep in touch with; and assist, industries of all classes, whether domestic or organised. But the reader must not expect to find in this report the practical information which would enable a particular undertaking to be started; such, for instance, as would be furnished by an expert when reporting on the prospects of a proposed industry. Still less must he regard it as an industrial *vade mecum* to guide him by short cuts to fortune. Even had we attempted to describe the general principles determining the success or failure of any particular industry, this would still be of no use to the would-be industrialist, without knowledge of local details regarding the supplies of raw material, the markets for the finished article, and the cost of labour, information which it would be impossible to give in a report of this nature. We hope, however, that in the imperial and provincial Departments of Industries, when in working order, will be found an organisation for collecting such information.

We feel it necessary to refer to the considerable change in public opinion regarding industrial questions brought about by the war, a change which we also see reflected clearly in the policy of Government.

We have explained in our report the deadening effect produced by Lord Morley's dictum of 1910 on the initial attempts made by Government for the improvement of industries; but a change of sentiment was gradually coming about, and a considerable step in advance was marked by the appointment of our Commission, with liberty to discuss the question of the direct participation of Government in the industrial development of the country. Since then, the views of Government and of the public have been further modified under the stress of war necessities, which have led to a still more definite adoption of the policy of State participation in industrial development, and to the grant of State assistance to several industrial undertakings, of which the scope is not in every case limited by the possible duration of the present war. The working of the Indian Munitions Board has shown several examples of this policy, and we trust that care will be taken to preserve such features of this organisation as are properly adaptable to peace conditions. We desire here to refer to the

extent to which the action taken by Government and private industrialists under conditions created by the war has assisted us, by furnishing actual examples of schemes which we had been contemplating; though some of our conclusions have thus been forestalled, we have been enabled to present them with more certainty and completeness. Finally, we may claim that the public discussions called forth by the activities of our Commission and the evidence taken by it have also borne their part in this movement, and have led to proposals being put forward or action being taken by Local Governments for the improvement of technical education, the employment of experts, the creation of official organisations, and assistance to individual industries which clearly evidence the widespread desire for progress in the direction indicated in our report.

It is our pleasant duty gratefully to acknowledge the generous assistance and hospitality which we received from officials and non-officials throughout the course of our work. We wish in particular to record our sense of the help which we received from representatives of the numerous industrial firms to whom we applied for advice and information. We derived much encouragement from their readiness to place at our disposal the results of their valuable experience. We desire also to express our thanks to the Local Governments and Administrations for their cordial co-operation in our enquiries.

We have now only to place on record our appreciation of the services of Mr. R. D. Bell, I.C.S., our Secretary, and of Mr. G. H. W. Davies, I.C.S., who joined us as Joint Secretary in October 1917. The former rendered valuable assistance in working out the detailed lines on which we subsequently conducted our work; and his service with the Indian Munitions Board gave him most useful experience which was freely placed at our disposal. Mr. Davies, who had previously acted as Secretary to the Bengal Provincial Industries Committee, lightened our labour materially by his willing help.