

V.2
F2.1
4800

**ESSAYS ON
INDIAN ECONOMIC PROBLEMS**

Printed by L. Diwan Chand at the Mercantile Press, Lahore.

INDIAN ECONOMIC PROBLEMS

PART I

ESSAYS ON INDIAN ECONOMIC PROBLEMS

BRIJ NARAIN, M.A.,

*Professor of Economics,
Sanatana Dharama College, Lahore*

**THE PUNJAB PRINTING WORKS,
KATCHERI ROAD, LAHORE.
1922.**

Price Rs. 5

X.2

F2.1

4800

PREFACE

The present volume includes some of the essays on Indian economic problems which I published in book form in 1919 and three papers on Indian prices, Indian currency and exchange in 1920 and the development of Indian industries which I wrote for the *Weltwirtschaftliches Archiv* of Kiel. I am much indebted to the Editor of the *Weltwirtschaftliches Archiv* for permission, very cordially given to me, to use these papers for the purposes of this book. The papers on "Protection for India" and "An export duty on wheat" are largely based on a statement on the Indian tariff problem which I submitted to the Fiscal Commission.

I wish to take this opportunity for thanking Mr. Manohar Lal, my old teacher, from whom I have received much encouragement and guidance in my studies. He read the entire manuscript of this book and criticised it, and at his instance I recast several passages. My thanks are also due to my brother, L. Raj Narain, who has assisted in

the collection of material and in preparing the manuscript for the press. To my friends, Professors Chiranjiva Lal and Bhupal Singh, my indebtedness is of a special kind and cannot be adequately expressed in words. They have helped me constantly in my work and both the form and the substance of the present volume owe much to them.

Maclagan Road,
Lahore, } BRIJ NARAIN
1st October, 1922. }

ESSAYS ON INDIAN ECONOMIC PROBLEMS.

Table of Contents.

I.—APPLICATION OF THE PRINCIPLES OF ECONOMICS TO INDIAN CONDITIONS 1—20

The old political economy ; Ranade's view, 1. The reaction against the old political economy ; the Historical School, 3. Economics as " a study of mankind in the ordinary business of life " ; economic transition in India. 5. The influence of custom on wages and rent, 6. Rent does not form part of the price of agricultural produce, 11. The influence of cost of production on value, 13. The inter-provincial trade conforms to the law of comparative costs, 17. The principles of the science of Economics are of universal applicability, 18. Meaning of " Indian Economics," 19.

II.—INDIAN *versus* WESTERN INDUSTRIALISM, 21—34

Examination of the position that Western industrialism is not suited to the conditions of India, 22—27. Exploitation in the agricultural industry, 27. Instability of Indian economic organization, 29. The economic salvation of India lies in the gradual assimilation of what is best in Western industrialism, 32.

III.—A GENERAL VIEW OF INDIAN PRICES ... 35—52

The rise of prices in India from 1861 to 1873, chiefly owing to the large influx of silver, 35. The effect of the fall in the gold value of silver on Indian prices, 1873—1885. 36. The fluctuations of prices in India between 1886 and 1896 were much affected by scarcity conditions. 38. The effect of raising the rupee to 1s. 4d. on Indian prices, 39. The rise in European and Indian prices between 1896 and 1912, 40—45. The diminishing importance of custom as a factor introducing economic friction in India, 45. The effects of the rise of prices, 48. Index numbers of prices in India, 1861—1918, 51.

IV.—PRICES BEFORE 1861 ... 53—88

Low Prices in the Punjab in Sikh times, 53. Price movements were irregular. 55. Prices in times of famine; the heavy fall of prices in the Punjab in the first three years after annexation, 57. The causes of the fall of prices. 58. The gradual rise of prices after 1860 and its causes, 60. The improvement of communications, 61. Increase in the circulation of money, 62. Increase in the cost of cultivation. 63. Agricultural Wages, 67. The substitution of money wages for grain wages. 68. Agricultural wages in the Gujrat district of the Punjab, 72. Tables of prices 76—88.

V.—THE RISE OF PRICES IN INDIA BEFORE THE WAR AND THE REPORT OF THE PRICES ENQUIRY COMMITTEE ... 89—125

The year 1905 marks a new epoch in the history of Indian prices, 89. The inelasticity of the Indian currency system regarded as a cause of the rise of prices, 90. The appointment of the Prices Enquiry Committee of 1910 and a summary

of its main conclusions, 91—97. Examination of the Report of the Prices Committee; the influence of credit on prices in India, 99—104. Whether the gold exchange system works automatically, 105. The effect of hoarding and melting of rupees in reducing the volume of the circulation before 1893, 107. A token currency tends to become redundant, 109. The Ricardian theory of the distribution of precious metals through changing prices 112. The exchange and the level of prices, 114. The increase in the rupee circulation as compared with the growth of business, 1890—1911, 118—126.

VI.—EFFECT OF THE RISE OF PRICES ... 127—133

Examination of the view that the rise of prices is an unmixed blessing to an agricultural country.

VII.—THE BEST INDEX OF PROSPERITY ... 134—143

Neglect of the study of consumption, 135. The national dividend, the real dividend and the human dividend, 137. Has consumption increased? 139.

VIII.—UNREST IN THE PUNJAB—ITS ECONOMIC CAUSES ... 144—151

The unrest in the Punjab which led to the disturbances of 1919 was largely due to the fall in real wages of large masses of the people.

IX.—PAPER CURRENCY DURING THE WAR ... 152—163

The discount on notes during the war was the result of overissue and the failure of Government to maintain convertibility in the full sense of the term.

X.—PRICES DURING THE WAR ... 164—203

Inflation : increase in monetary circulation,

165. Government borrowing, 166 Increase of currency as compared with the growth of business, 167-169. Relation of production to consumption : the shortage of imports, 170. Cotton goods, 170-174. Food, 174. Raw materials, 175-178. The quantity theory of money : no fixed relation between changes in monetary circulation and changes in prices, 179-183. Statistical tables, 184-203.

XI.—INDIAN CURRENCY BEFORE THE WAR... 204—223

The state of Indian currency before 1835, 204.

The Coinage Act of 1835, 207. The position of gold in the currency : the proclamation of 1841, 208. The withdrawal of the proclamation of 1841, 209. The fall in the price of gold owing to

increased production and the demand for the introduction of a gold currency, 210. James Wilson's view, 211. Sir Charles Trevelyan's minute, 211. The fall in the gold value of silver : causes of the fall, 212. Its effect on Indian finance, 213. The proposal to secure stability of exchange by closing the mints to the coinage of silver and giving the rupee an artificial gold value, 215. Government disapproval of the scheme, 217. Failure of the International Monetary Conference and the closing of the Indian mints to the coinage of silver, 219. India's foreign trade, 1873-1895 : imports increased by a larger percentage than exports in spite of a falling exchange, 220. Indian Currency, 1893-1898 : causes of the continued fall in exchange after 1893, 222. The appreciation of the rupee in terms of commodities, 223. The proposal to reopen Indian mints to the coinage of silver, 224.

The Fowler Committee, 225. The gold exchange standard, 229. Indian currency from 1898 to the outbreak of war, 231. The Chamberlain Commission, 234.

XII.—INDIAN CURRENCY SINCE THE WAR... 238—279

The successful operation of the gold exchange system depends upon steadiness in the value of silver, 239. The effect of the rise in the price of silver in 1906-07 upon the currency systems of the Philippines and the Straits Settlements, 240. The causes of the rise in Indian exchange during the war, 241. Examination of the report of the Indian Currency Committee, 1920 : effect of high exchange on the level of prices in India, 248. Effect of high exchange on India's export trade, 247. "Gains by exchange," 254. Indian exchange in 1920 : the failure of the attempt to maintain exchange at 2s. (gold) ; Reverse bills, 257. Indian exchange since 28th September 1920, 260. The increase in imports in 1920-21, 261. Broken contracts, 264. Connection between the fall in the rupee exchange and the fall in the price of silver, 267. Need for reconsideration of the Indian currency problem : the heavy fall in European prices, 269. Rupees and sovereigns cannot be used concurrently as legal tender at Rs. 10 to the Sovereign, 271. Statistical tables, 273-279.

XIII.—A GOLD CURRENCY FOR INDIA, ... 280—311

Government advocate a gold standard for India, 281. Attempt to introduce gold into circulation, 282. Increase in the annual absorption of gold, 283. Evidence of increase in the use of gold as currency, 285. The fear of a drain of gold to India, 287. The Council bill system, 289. A system of money which rests on suspicion and which excites distrust is a bad system, 290. Examination of the case against a gold currency for India : hoarding as an obstacle to the establishment of a gold circulation, 291. The effect of

establishing a gold circulation on exchange, 292. Instability of exchange has never the effect of bringing the export or import trade of a country to a standstill, 293. A gold exchange system does not secure a stable exchange, 294. The success of a country in maintaining a stable exchange must depend upon the nature of the foreign demand for its principal exports, 295. A system of money in which token coins are not fully convertible for all purposes causes the currency to become redundant, 300. The working of the system of redemption in the United States and France, 300. 'Back to the Fowler Committee' should be the watchword of Indian currency reform, 304.

NOTE ON PROFESSOR JEVONS' PLAN FOR THE STABILIZATION OF INDIAN EXCHANGE ...305—311

XIV.—INDIAN BUDGETS. 1914-15 TO 1920-21
312—346

The chief features of Indian finance during the last nine years : the growth of revenue, 313. The growth of expenditure 314. Military expenditure, 314. The growth of National Debt, 317. The effect of the fluctuations of exchange on Indian finance, 319. The effect of the outbreak of war on Indian finance, 321. The Budget for 1916-17 : increase in taxation, 324. Ways and Means, 327. The Budget for 1917-18 : India's financial contribution to the war. 329. The new taxes 330. The Budget for 1918-19, 334. Characteristics of the year 1918-19, 336. The Budget for 1919-20 : how a small anticipated surplus was converted into a big actual deficit, 338-342. Gains by exchange, 342. The Budget for 1920-21 : general characteristics of the year, 344. A deficit year, 345.

XV.—INDIAN FINANCE SINCE 1ST APRIL, 1921
347—377

The separation of Imperial from Provincial finance, 347. The reasons for this important change, 348. The recommendations of the Meston Committee, 349. The Budget for 1921-22 : the new taxes, 353. A heavy deficit, 356. The Budget for 1922-23, 357. Increase in taxation, 360. Refusal of $9\frac{1}{2}$ crores of additional taxation by the Legislative Assembly, 362. The need for increasing revenue, 368. Tariff as a source of revenue, 364. Inequitable distribution of the existing burden of taxation in India, 365. Special taxation of large agricultural incomes according to a graduated scale suggested, 366. Borrowing and taxing powers of Local Governments, 369. Financial statistics, 372-377.

XVI.—INDIAN BANKING SINCE THE WAR,... 378—402

The history of Indian banking during the war is a record of progress and prosperity : Exchange Banks, 378. Indian Joint-stock Banks, 381. The Presidency Banks (now amalgamated into the Imperial Bank of India), 384. The growth of banking deposits, 385. Inadequacy of banking facilities, 386. Comparison with England, 386. Bank amalgamations in England ; the danger of over-centralization, 387. Banking amalgamations in India, 388. The Indian bank rate, 388. The Imperial Bank of India, 390-395. Banking statistics, 396-402.

XVII.—THE DEVELOPMENT OF INDIAN INDUSTRIES,
403—440

The weakness of India's industrial position, 403. Causes of India's industrial backwardness, 407. Dangers of industrial deficiencies, 408. Govern-

ment assistance to Indian industries during the war ; the work of the Indian Munitions Board, 409. The rise of prices due to the shrinkage of imports gave a great stimulus to Indian manufacturing enterprise, 410. Particular industries: Cotton, 411. Metallurgical industries, 418. Iron and steel, 421. Jute, 430. Wool, 432. Paper, 433. Tanning and Leather, 435. Financial assistance to new industries, 437. Recommendations of the Stores Purchase Committee, 439.

XVIII.—INDIA'S FOREIGN TRADE DURING THE WAR, 441—457

The effect of the outbreak of war on India's foreign trade, 441. Scarcity of tonnage and the rise in freights, 444. The balance of trade during the war, 445. Effect of the rise in prices, 446. Causes of the unfavourable balance of trade in 1920-21, 446. Increase in trade with the British Empire, 448. Statistical Tables, 449-457.

XIX.—PROTECTION FOR INDIA ... 458—488

The belief in the universal harmony of interests is 'psychologically insupportable,' 459. The idea that the affairs of a country should be managed like those of a private family is altogether wrong, 461. Diversity of occupations will diminish the numbers dependent upon agriculture, 461. Would a tariff assist the development of Indian industries? The result of the protectionist experiment which we were forced to try during the war, 463. The claims of various industries for protection : Industries of national importance, 464. Oils and medicinal drugs, 466—Paints and Varnishes ; brushes, buttons, glue and gelatine, glass, hardware, cutlery and paper, 467. The Bombay Cotton industry, 468. Some objections consider-

ed: Protection raises prices, 469. Protection encourages the growth of combination, 473. Protection will encourage British firms to establish themselves in India in order to get the benefit of the tariff, 474. The growth of power industries under Protection will injure the cottage industries, 475. Export duties, 475. Imperial Preference, 478. British Competition, 479. The question of retaliation, 480. Recommendations of the Indian Fiscal Commission, *foot note*, 482. Statistical Tables, 484—488.

XX.—AN EXPORT DUTY ON WHEAT ...489—513

The effect of export on the price of wheat, 490. The question of a 'surplus,' 491, Arguments against an export duty on food grains generally, 493—502. Suggested remedies against the high price of wheat: Raise the level of incomes, 502. Deflation, 503. Increased production, 504. The view that the fall of prices would injure the cultivator as he would have to sell a larger proportion of his crop in order to pay the land revenue, 505. It is wrong to think that the income of our large agricultural population cannot be increased "otherwise than by an increase in the price of produce," 507. Statistical Tables, 509—513.

XXI.—INDIAN LABOUR ... 514—527

The causes of labour unrest in India, 514. The rise in industrial wages as the result of strike, 516. The increase in the cost of living 518. Number and result of industrial disputes, 519. Causes of disputes; industries affected and the numbers involved, 520. Trade Unions in India, 522. Government's interest in labour questions, 523. The Washington Conference, 524. Table showing Industrial Disputes during the fourth quarter of 1921, 526—527.

**Note on the Periodicity of Famines in India,
528—537.**

An examination of figures of food prices over a long period of time shows that we have very little ground for thinking that famines occur at regular intervals.

INDIAN WEIGHTS AND MEASURES WITH THEIR BRITISH AND METRICAL EQUIVALENTS.

A sicca tola = '99814 standard tola = '8743 oz troy ('4107 oz. avoirdupois).

A standard tola = '4114 oz. avoirdupois = 11'664 grammes.

16 chittacks or 80 tolas = 1 (standard) ser = 2'057 lbs = '933 kilgrammes.

40 (standard) sers = 1 (standard or bazar) maund = 82'286 lbs. = 37'325 kilos.

A factory pucca ser = 1'86 lbs. = '844 kilos = 72½ tolas approximately.

A factory maund = 74'67 lbs. = 33'87 kilos = 36½ (standard) ser.

A maund of wool = 82 lbs. = 37'195 kilos = 1 (standard) maund.

A bale of jute contains 400 lbs = 181'44 kilos = 5 maund.

INDIAN MONEY.

3 pies = 1 piee.

12 pies = 1 anna (= 4 piee).

16 annas = 1 rupee.

15 rupee (pre-war) = 1 sovereign.

ERRATA.

Page 257, 15 lines from bottom, *for* 1915, *read*, 1920.

Page 273, 11 lines from top, *for* escuds, *read*, escudos.

Page 273, 11 lines from top, *for* Lisben, *read* Lisbon.

Page 278, 5 lines from top *for* 1919-20 in the 4th column, *read*, 1920-21,

Page 381, 14 lines from top *for* eliminate, *read*, eliminated.

Page 368, 16 lines from top *for* latter, *read*, later.

Page 476, 12 lines from bottom insert, 'and' before scientists.

Page 476, 9 lines from bottom insert 'The prices of' before 'sacks'.

Page 484, last line, *for* Indian *read* British.

INDEX.

- Abrahams, Sir Lionel, on inflation 105, on exchange 116, 117.
- Afghan War, the cost of 341.
- Agriculture, a school of virtues, 24, 27, and poverty 33, taxation of large agricultural incomes 364-68.
- Ainscough, on high exchange, 255, 256, import of cloth 416, 418, on iron industry 422, 423, 424-26.
- Akbar. 505.
- Alauddin, Khilji, land revenue, under 504.
- America, redemption of tokens 300-1.
- American Commission, price of silver, 239-40.
- Arthashastra*, 505.
- Assignats*, 159.
- Atkinson, F. J., redundancy of currency 90 melting of rupees 107, small coins 120.
- Babington Smith Committee, on rise of prices 48, 49, 242, 2s. rate 264-65, 2s. rate and trade 268-69, 2s. rate and import of gold into India 289-91, 447.
- Bagehot, 8.
- Baker, Sir Edward, rupee coinage 105, 117.
- Baldwin, 458.
- Bail, V. 418.
- Banking, Indian, exchange banks 378-80, joint-stock banks 381-84, Presidency banks 384-86, compared with English, 386 amalgamation 387-88, bank rate 388-89, Imperial Bank of India 390.95.
- Banks industrial, 437, 438.
- Bank of France, 302.
- Bannerjee P. N., influence of custom on wages 6, 7.
- Barbour, A. R. 434*n*.
- Barrow, O. T., on drain of gold from England 288, 289.
- Bastable, 11
- Begbie, Sir James, 289.
- Boards of Conciliation and Arbitration 524.
- Boycott, of foreign cloth 469.
- Brussels, International Conference at 346.
- Budgets:—Effect of war on Indian Finance 312, compared with pre-war 313, increased expenditure 314, growth of military expenditure 314-317, classification of military expenditure 316, National Debt 317-19, loss by exchange 319-21, effects of the outbreak of

- war 331-34, 1914-15b. 321, 1916-17b. 324-328, 1917-18b. 329, war contribution, 329-30, 334, super tax 331, import duty on cotton 331, war loans 334, 335, 1918 19b. 334-35, 1919-20b. 338, deficit due to military expenditure 341 gains by exchange 342-43, 1920-21b, 343, trade depression 344, financing deficits 345, effect of Reforms 346, 352, separation of Provincial finance 347, 348, Provincial contributions 349-52 1921-22b. 353-55, 1922-23b. 357, big deficit 358, how to meet it 359, increased taxation 361-62, need for increasing revenue 363, tariff as a source of revenue 364, taxation of large agricultural incomes 364-368, borrowing and taxing powers of local governments 369-71, table of revenue and expenditure, 372-77.
- Bulletin of Indian Industries and Labour.* 414
- Bullion Committee, on inflation 109.
- Casell, Gustav, on gold production 272.
- Chamberlain Commission, 101, 105, 116, 117, invested portion of Paper Currency Reserve 154, recommendations 234-37, State Bank 390.
- Chapman, R. B. on fall in the exchange value of the rupee, 213, on gold standard without a gold currency 217-18.
- Charkha*, 469.
- Chatterton, Sir Alfred, 436.
- Cheques, use of in England 100, in India 101-103.
- Cliffe, Leslie*, 3, 4.
- Cottage industry, and protection 475.
- Cotton, imports of 170-71, home production of 171, 176, development of cotton industry 411-16, 463-63, import duty on 440.
- Council bills, policy governing the sale of 288.
- Coubrouz, A. C. on handloom production 414, on cotton industry 438, on tariff, 471, 472.
- Credit, influence on prices 96, 99-104.
- Crops, yield of crops in India 188 89.
- Currency, redundancy of, and prices 40-43, 47, 90, 96-97, 105-126, paper c. 153 *et seq.*, note circulation 152-53, paper currency reserve 153-58 depreciation of paper c. 158-63, before 1893, 204, *et seq.* and gold 207-217, despatch of Directors 1806, 204-5; Act of 1835, 208; proclamation of 1841, 208, 209; Notification of 1842, 209; Wilson's mints 210, Notification of 1864, 212; Resolution of 1874, 212, 280, gold value of silver 212-27, Despatch of 1876, 218-19; Herschell Committee 230, 281, Act of 1893, 220; closing of mints 222-24, Fowler Committee 225-29, Gold exchange standard 220-31, gold standard reserve 231-32 Railway Committee 232, Crisis of 1907 and Chamberlain Commission 234-

- 37, since the war 238 et seq.; break-down of G. E. S. 241-42, Babington Smith Committee 242, exchange and prices 243-47, exchange and trade 247-54, 261-67, exchange in 1920, 267-60; Fowler Committee 281, opposition of the British Treasury to a gold 281-82, attempts to introduce gold 283, popularity of sovereigns 284-87 Lindsay Scheme opposed to a gold *c.* 287-88, 2*s.* rate and India's demand for gold, 289-91, objections to a gold *c.* 291, hoarding 292, weakening of reserves 292-93, stability of of exchange 293-98, G. E. S. an inconvertible system 298-303, 'Back to the Fowler Committee' 304, defects of G. E. S. 304, ultimate goal of Indian *c.* 305.
- Custom, influence on prices 44-46.
Customs, income from 313.
- Datta, on theory of value, 13, 14; 16, on effects of the rise of prices 91-97, 104, on currency and prices 106, 108, 114, 116.
- Debt Ordinary, 302. See *National Debt*.
- 'Demonstration' factories, 437.
Divided heads of revenue 346.
Dyes, synthetic, 466.
- East India Company 204, Despatch of Directors 204-09.
- Economics, application of the principles of, 1, Ranade's views 2, Historical School 3, Cliffe Leslie 3, 4, 'economic' man 4, changed India 5, 21, wages and profits 6, influence of custom on wages 7, Ricardian theory of rent 8-13, rent and price 13-14, cost of production and price 16, inter-provincial trade 17, connotation of the term Indian Economics 18-20.
- Economic Geology of India* 418.
Economic Journal 90, 109.
'Economic Man' 4.
Economic Studies 16.
Excess profits 243.
- Exchange—and prices 47, 114-118, 243-247, gold exchange, standard 229-31, rise in 241, and trade 247-54, 261-67, 2*s.* rate and trade 268-69, 2*s.* rate and India's demand for gold 290, during 1920, 267-60, cancellation of contracts 268-64 foreign 278 (T), Indian 276-79 (T), stability of 298-6, Jevons' note on 305-11, and National Debt, 319-20, loss due to 320, gains by 342-43.
- Expenditure, increase in 314, growth of military 314-17, military *c.* classified 316, civil departments 317.
- Explosives manufacture of 466.
- Export, from India 186-7, and production 190-91 and stability of exchange 296-98, (T) 298, trade (see trade), duty on wheat (see wheat).
- Export duty, 475-78, on jute 476 and footnote on wheat 499-506, arguments against an, on wheat 492-501.
- Factories Act, Indian, revision of 525.
- Famine, *San Chalisa* 57, *Das*

- Maha* 57, *Gharoshune* 57, 60, and agriculture 461-62, in tonnage 444, periodicity of 528-32, *Satha* 531, *Unhattra* 531, *Nawia* 531.
- Fanshaw H. C. 531.
- Forishta, 503.
- Finance, Indian, leading features of 312, (see budgets), Provincial finance 312, 347.
- Financing of industries 437.
- Fiscal policy, and industries 439-40 (see Protection).
- Fisher, Irving, on Indian prices, 85, credit and prices 101, quantity theory 179, 182.
- Food, during the War 174-75.
- Foundations of Indian Economics*; 22, 23, 24, 25.
- Fowler Committee, appointment of 225, 226, main recommendations 227, 228, attitude of the British Treasury 281, on hoarding 291, on convertibility of rupee 304.
- France, redemption of tokens, in 302.
- Future of Exchange and Indian Currency, The*, 306, 307, 308, 310.
- Gangetika 411.
- Gokhale, G. K. 90, 105.
- Gold, production of 271-72, drain of 288, and *2s.* rate 290.
- Gold and Silver Commission 120.
- Gold Exchange Standard, mainly based on Lindsay's scheme, 229-31, an artificial system 238, and price of silver 239, in the Philippines 240-41, avowed object of 290, a 'managed' system 291, and stability of exchange 292-95, and convertibility 298-303, features of 303, defects summarised 304.
- Gold Standard Reserve, investment of 231, 232, limit of 236, weakening of 292-94.
- Greenbacks 159.
- Groundnuts 178.
- Grundriss der allgemeinen Volkswirtschaftslehre*, 459.
- Gujrat, agricultural wages in, 72-75.
- Gur 175.
- Hailey, Sir Malcom, 340, 359, 440.
- Hamilton George 282.
- Herschell Committee 281.
- Hoarding 291.
- Hobson, J. A. 136.
- Holland, Sir Thomas 522.
- Home charges 213-14, 254, 288.
- Hooker, 123.
- Howard, H. F., on a State Bank 391-92.
- Hugel, Baron, 53, 54.
- Human dividend 137.
- Imperial, Bank of India, 390-95, formation of 392, Act 393, constitution 393, and exchange banks 394, governing body of, 395.
- Imperial Gazetteer* 411.
- Imperial heads of revenue 347.
- Imperial Preference 439, 478-79.
- Imports, of cotton goods 170-71, of piece goods 171, into India 184-85 (T.)
- Income-Tax Act, of 1886, 313 325-26.

- Index numbers of food grains
38, 39, of wholesale prices 41,
42, of prices in India and Eng-
land 51, 52, of growth, of busi-
ness and currency 167, of goods
170.
- India and the Empire* 478, 479,
Indian Currency and Finance
281.
- Indian economics, connotation of
the term 18, 19, 20.
- Indian Famine Commission 461,
462.
- Indian Finance and Banking*
167.
- Indian Fiscal Commission 439,
440, recommendations 482-84n.
- Indian Industrial Commission
405, 407, dangers of indus-
trial deficiencies 408, 436, 487,
439, 464.
- Indian Piece Goods Merchants
Association, cancellation of
contracts 265.
- Indian Stores Purchase Commit-
tee 439.
- Indigo 179.
- Industrialism, Western, not
suited to India 22, Mukerjee's
view 22-25, criticism of 25-33,
western attitude towards the
satisfaction of wants 23, 26
Indian economic organization
based on land 24, 27, 29, dis-
tribution subject to production
24, 30, agriculture and poverty
33.
- Industrial, disputes in India 24,
29, 519-21.
- Industrial Handbook* 418, 467.
- Industrial organization of India
24, 27, 62.
- Industries, development of In-
dian 408, effect of war 403, de-
pendence upon foreign countries
405, causes of backwardness in
407, dangers of deficiencies,
408, and Munitions Board
409-10, and rise of prices 410,
cotton 411-16 metallurgical 418,
iron and steel 421-30, jute
430-32, wool 482-98, paper
483-85, tanning and leather
485, chemical 436, Govern-
ment's industrial policy after
the war 436-87, 'pioneer' and
'demonstration' factories 437,
financial assistance to new in-
dustries 437-38, fiscal policy
and the development of 439,
463-469, cottage 475.
- Inflation, and prices 40-43, 45,
effect on prices 105-126, causes
of 109, and the price of wheat
502.
- International conference at
Brussels 346.
- International Price comparisons
44, 45.
- International Trade 16, 18.
- Iron and steel, industry 419,
421-30.
- Irrigation as a source of increase
of income 506.
- Investigations in Currency and
Finance* 528.
- Jevons, W. Stanley, 528.
- Jevons H. S. on the stabilization
of Indian exchange 305.
- Joshi, N. M., 522, 524.
- Journal of Indian Industries
and Labour* 519.
- Journal of the Royal Statistical
Society* 90, 107, 123.
- Jute 176, industry 430-432, and
export duty 476, 'Ersatzstoffe',
416, n.

- Kaschmir und dass Reich der Siak* 54.
 Kautaliya 505.
 Kammerer, E. W., on gold value of silver 37, on the purchasing power of rupee 39, 40, on custom and prices 45, 46, on the currency system of the Philippines 241, on exchange 252-53.
 Keynes, 102, on gold currency 281, on State Bank 390.
 "Khaddar" 469.
 Kinley, 112.
- Labour Bureau 517, 524.
 Labour Conference, International 523, 524, 525.
Labour Gazette 518.
 Labour, Indian 518 *et seq.*, causes of industrial unrest 516, rise in the cost of living 517-19 industrial disputes 519, 520, strikes 520, frequency of strikes in textile industries 521, organisations 522, 523, Government interest in l. movement 523, hours of work 525, Factories Act 525.
 Land revenue, a tax 12, State's share of, Manu 504, Kautaliya 505 Alauddin Khilji 505, Akbar 505.
Land Revenue in British India, 8, 11, 12.
 Latin Union 213.
 Laughlin, 118, 179 on redemptions of tokens 300, 302, 303.
 Laurence, Sir Henry 305.
 League of Nations 523.
 Leather and Tanning industry 435.
 Lindsay, A. M. 238, on hoarding 292, on exchange 294.
 Lindsay Scheme 229-31, opposed to a gold currency for India 287.
 List, 461.
 Loans, War, 324, 325, 339.
London Times 252
 Lubbock, Sir John 100.
 Lucas F. H., on high exchange and gold 290-91.
- Macnaghten 205.
 'managed' system. A, 291.
Manchester Guardian Commercial 264.
 Manu 504.
 Marshall, Dr. 14, 120.
 Mc. Robert, Sir Alexander 103.
Meaning of Money 100.
 Megasthenes 418.
 Meston, Sir James 165, 336, 341, 342.
 Meston Committee 352.
 Metals, precious Ricardian theory of the distribution of 111-13, production of 420 (T).
 Military expenditure 314-17.
 Mitchel, W. C. on custom and prices 44, 45, 134.
Modern Currency Reforms 37 39, 43, 252.
 Monetary Commission 219.
Money, 112, 113.
Money and Prices 180.
 Moreland, W. H. on wheat 491, on export duty 492-94, 493.
 Morison, Sir Theodore 62.
 Montagu, E. S. 439.
 Montgomery, J. A. L. 70.
 Mukerjee, R. K. 23, 23, 24, 25, 26, 27, 29.
 Munitions Board, 409, 410.

- National Debt, two parts 317, increase in 318 and expenditure 319-20.
- National dividend 134, 137.
- 'Nations' economic use of the word 18.
- Nature* 528.
- Nicholson, Prof. 109.
- Notes on Indian Pisco Goods Trade* 468, 471.
- Ollershaw, J. C. 528.
- Paper industry, 433-35, need of protection to 467.
- 'Pioneer' factories 437.
- Pioneer*, the, on Lindsay Scheme 229.
- Powell Baden, on rent 8, 11, on land revenue 13.
- Preferential trade 250.
- Prices, general view of 35 *et. seq.*, comparison 35-38, periods, 1861-73, 35; 1873-85, 36; and gold value of silver 36-37; 1886-95, 38; purchasing power of the rupee 39-40; 1897-1914, 40; and Indian monetary system 40-43, during the war 44, 184-83 Mitchell's views 44, and custom 44, 45, 46, and inflation 45, effect of the rise of 48-50, before 1861, 55 *et. seq.*, irregular p. movement 5b, after the annexation of the Punjab 57, fall in 58-60, rise in, after 1865 due to improved communications 60-61, and circulation of money 62, increased cost of cultivation 63-64, rise of pp. and cost of cultivation 66, summary 67, tables of 76-87, p. of bullocks at Sirsa 88, before the war 89 *et. seq.*, and redundancy of currency 90, appointment of the Pp. Committee 90, their conclusions 97-104, causes of the rise of 91, shortage of supply 92-95, increased demand 95, development of communications 95-96, credit 98, 99-104, and currency 96-97, 105-126, examination of the report 97-99, use of cheques 100-104, and exchange 47; 114-118, 243-47, and growth of business 118-122, 167-69, effects of the rise of on small farmer 129-130 agricultural labourer 131-133, production and consumption 169-74 home production 171, rise in the p. of cotton goods 172, of food 174, raw materials, 175-79, index numbers of 42, 43, 194-95, p. of silver 240, table of wholesale 274-75 and currency 298-300, rise of, and industries 410, rise of, and India's foreign trade 446, and import of cotton 463 rise in pp. and protection 469.
- Principles of Money* 113, 300, 302, 303.
- Prinsep, 57, 58, on the periodicity of famines 531.
- Production increase or decrease in 192-93.
- Proposals to Introduce a Gold Currency in India* 210.
- Prosperity, national dividend 134-35, consumption as index of 135-143, distribution 136-137.
- Protection, England's reversion to 438, free trade arguments 459, Schomoller's view 459, Adam Smith 460, 461, and

- development of industries 463-64, 465, synthetic dyes and explosives 466, Alkalies 466
 paints 467, industries that would gain by protection 467, glass, paper, 467, cotton 468-69, objections considered 469-75, raises prices 469-73, leads to monopoly 473-74, growth of British firms in India 474, injury to cottage industries 475, export duties 475-78-
 Imperial Preference 478-79, British Competition 779, re, retaliation 480, balance of trade 482-84, summary of the conclusions of Indian Fiscal Commission 482-84n.
- Provincial, Finance, separation of 347, contributions 349-52, borrowing and taxing powers of Local Governments 369-71.
- Quarterly Review* 492.
- Quantity theory of money, and rise of prices 179-188.
- Ranade, 1, 2, 3, 5, 11.
- Railway Committee 232.
- Railway rates 436.
- Reforms, effect of, on Indian Finance 347, 348.
- Rent—Ricardian theory of 8-12 and prices 11
- Reports, Settlement, Jhang 60, Ludhiana 61, 68, Shahpur 62, Karnal 62, 68, 70, Jhelum 63, 69, 86, Gujrat 63, 65, 72-75, Hoshiarpur 70, Hazara 84, 85, 87, Simla 81, Mamdot 82-83, Rohtak 88, 681, Sialkot 67, 68, 681, ; Punjab Administration 68, 69, 68, on British Trade in India 255, Wages Surveys 6, 7, 131, 146-47, on Inquiry into the Rise of Prices 90-99, 489, 490, 492.
- Retrenchment Committee 360-363
 Revenue, divided heads of 347, 348.
- Review of the Trade of India* 360, 363.
- Ricardo's Exchange Remedy* 287, 294.
- Roes, H. M. on the use of cheques 101.
- Runjeet Singh 205.
- Rupee, (see currency), *nanakshah*, *chulme*, *poraneh*, *chilla* 205, 206, Sicca. Arcot 206, weight of 206-7, and sovereign 271, convertibility of 300-303, 304.
- Sabai*, grass 484.
- Sacks, paper 476n.
- 'Safeguarding' industries 440, 458.
- Salt duty 314.
- Farma on State bank 391.
- Schmoller 409.
- Shawls, import of 433.
- Shirras, F. 112, 167.
- Silver, gold value of 212-220, price of 240, 241, 273, and rupees 267, production 272.
- Slater, on rent 10, theory of value 15, 20.
- Smith Adam 459-60.
- Some Aspects of the Tariff Question* 470, 473-74.
- Stabilizing the Dollar* 35.
- State bank 390, 391.
- Steedman E. B. 60.
- Strathey, R. 216-17.
- Strikes 519.
- Super tax 313.

- Tanning and leather industry 435.
- Tata Industrial Bank 437-38.
- Tata Iron and Steel Company 421.
- Taussig, Prof. 470, 473-74.
- Tea 176.
- 'Textilosegarne' 477n.
- Times Trade Supplement* 256.
- Trade and exchange 247-54, 261-65, foreign 220-21, during the war 441 effect of war on 441-43, restriction of 443-44, causes of unfavourable 446, increased \pm with British Empire 448.
- Treasury British, opposition to gold currency for India 282.
- Trevelyan, Sir Charles 211.
- Unions, Trade, registration of 522, 523.
- Unrest in the Punjab 144-51.
- Value, theory of 13-16.
- Wages, Census 6, Survey 121, 146-47, and custom 7, real 149-51, in Sikh times 67, substitution of cash for kind 68, effect of cash 68, 69, rise of 69-71, Agricultural w. in Gujrat 72-75
- Walker, Gordon 61.
- War, financing of 317, India's contribution to 318, 329-30, 334, 337, budgets (see Budgets) effect on Indian finance 321-24, effect on India's foreign trade 441-43 loans 334, 335, and industries 403, 467, 513.
- War and the Indian Wheat, The* 491.
- Waziristan 348.
- Webb, M. de P., 478.
- Wealth of Nations The* 459, 461.
- Wheat, an export duty on, rise in the price of 489, European demand for 489-90, 498, 503-4, surplus 490-91, arguments against an export duty 492-501, necessity of increased production of 503-6.
- Willms, Dr. Magdalena 476n.
- Wilson Sir James 210-11.
- Withers Hartley 100.
- Wood pulp 484.
- Work and Wealth* 136.
-