



REPORT
of the
PUNJAB
UNEMPLOYMENT
COMMITTEE
1937-38

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REPORT OF THE PUNJAB UNEMPLOYMENT COMMITTEE (1937-38).

CHAPTER I.

Preliminary.

Appointment of the Committee.—Speaking in the Punjab Legislative Assembly at Simla on 24th June, 1937, during the general discussion of the Budget, the Premier Hon'ble Major Sirdar Sir Sikander Hyat-Khan said :—

“ Immediately on assuming office, on behalf of the Cabinet, I announced the intention of the Government to appoint two Committees, one to explore avenues of further retrenchment and fresh sources of revenue and the other to suggest means of tackling the problem of unemployment.

The Unemployment Committee will consist of :—

1. Khan Bahadur Sardar HABIB ULLAH, Bar.-at-Law, Advocate, Lahore.
2. Khan Bahadur Sh. NUR ELAHI, M.A., I.E.S., Principal, Central Training College, Lahore.
3. Rsi Bahadur S. BASAKHA SINGH, Government Contractor, New Delhi.
4. Diwan CHAMAN LALL, M.L.A., Bar.-at-Law, Lahore.
5. Professor GULSHAN RAI, B.A., LL.B., Sanatan Dharam College, Lahore.
6. Maulvi GHULAM MOHY-UD-DIN, M.L.A., Advocate, Lahore.
7. Khan MUHAMMAD YUSAF KHAN, M.L.A., Pleader, Rawalpindi.
8. Ch. ANANT RAM, M.L.A., Pleader, Karnal.
9. Syed AFZAL ALI HASNIE, M.L.A., Lahore.
10. Sh. KARAMAT ALI, M.L.A., Pleader, Sheikhpura.
11. Mr. LEWIS, New Egerton Woollen Mills, Dhariwal.
12. Bhagat HANS RAJ, M.L.A., Sialkot.”

Of the members originally nominated, Mr. Lewis of Dhariwal was unable to take up his duties as he was shortly leaving the country and Bhagat Hans Raj had to resign on his appointment as Parliamentary Secretary. Mr. P. H. Guest of the Jallo Resin Factory who replaced Mr. Lewis, had to resign later on medical grounds, and was succeeded by Mr. B. E. Buckwell of Buckwell Compony, Lahore. Mr. (now Diwan Bahadur) S. P. Singha, M.L.A., succeeded Bhagat Hans Raj.

Mr. S. K. Kirpalani, I.C.S., Settlement Officer, Lyallpur, was appointed Secretary to the Committee. He took charge of his duties in addition to his work as Settlement Officer on 25th August, 1937, and became full time Secretary to the Committee from 1st December, 1937. He again combined this duty with the duties of Secretary to Government, Punjab, Electricity and Industries Departments from 14th April, 1938.

2. Terms of reference.—The scope of work was defined by the Premier. “The terms of reference will be to advise and report on the best means of coping with the problem of unemployment.”

“ In this connection the attention of the Committee is particularly invited to the report of the Unemployment Committee appointed by the Punjab Government in 1927 and the report of the Unemployment Committee appointed by the United Provinces in 1934.”

“ The Committee will have the power to record such evidence as it considers necessary for arriving at reliable conclusions. ”

The terms of reference as outlined by Hon'ble the Premier were probably couched in general language so that the Committee might not find the scope of its work restricted to an enquiry into the unemployment of educated persons alone. But we had to bear in mind that a detailed and elaborate enquiry on the large question of general unemployment would take a very long time and might well frustrate the object which Government had in view in appointing this Committee, namely to make a rapid survey of the many aspects of the problem of unemployment as it exists now and to suggest remedies which may either be effective immediately or others which might be explored further, both to mitigate existing unemployment and to prevent, in so far as it is possible, its increase.

3. Questionnaire and evidence.—The first plenary meeting of the Committee was held at Simla on 31st August, 1937, to determine the lines on which work was to proceed. A sub-committee, consisting of Diwan Chaman Lall, Khan Bahadur Sardar Habib Ullah, Professor Gulshan Rai and Mr. Kirpalani, was appointed to draw up a suitable questionnaire. A draft was submitted to the Committee at its meeting held in Simla on 25th September, 1937, and was approved with slight modifications. The questionnaire is reproduced in Appendix I. Four thousand and ninety-two copies in English and 6,096 copies in Urdu were issued to the Press, the general public and various associations and organisations as detailed in Appendix II. Every effort was made to give the questionnaire as wide publicity as possible. Considering the seriousness of the existing problem and the grave implications of increasing unemployment in future, the immediate response by the public in general was discouraging and the period for receiving replies was extended from 15th November, on two occasions, up to the end of December, 1937. Although the questionnaire provoked much distinctive criticism of Government policy and work generally yet we received many useful constructive suggestions for correcting defects and initiating new programmes of beneficent and productive activity. Still we are constrained to record our opinion that the public at large did not evince as much interest in the work of the Committee as we anticipated. To supplement the information received, it was decided that panels of the Committee, consisting of two members and the Secretary, should visit important centres in the Province to collect further material and survey local problems on the spot. The following places were visited by such panels :—

- | | |
|---------------|-----------------|
| 1. Dhariwal. | 7. Gurgaon. |
| 2. Gurdaspur. | 8. Ambala. |
| 3. Batala. | 9. Ludhiana. |
| 4. Karnal. | 10. Hoshiarpur. |
| 5. Panipat. | 11. Lyallpur. |
| 6. Rohtak. | 12. Amritsar. |

13. Dayalbagh, Agra (United Provinces).

Subsequently, meetings of the full Committee were held at Lahore to record oral evidence of prominent public men, representing industry, agriculture, education and other fields of social and economic activity.

During the visits of the panels to different places no attempt was made to record evidence of individual witnesses. The method of approach to the problem was to hold round-table discussions of as large and as representative gatherings as possible. Attendance at these meetings varied from 50 to 500. We do not consider it necessary that the replies received to the questionnaire, the minutes of the meetings held at various places in the Province and the oral evidence recorded at Lahore need be published separately. The list of witnesses examined at Lahore is, however, given in Appendix III of this Volume. Altogether there were 22 plenary meetings of the Committee and panels of the Committee spent 26 days on tour.

4. Expenditure.—The Committee worked from 31st August, 1937, to 31st January, 1939. Details of expenditure are shown in Appendix IV.

CHAPTER II.

General Survey.

5. Nature of unemployment:—Uneducated classes.—Before we could study with advantage the causes of existing unemployment, the factors which are operating to increase unemployment in various professions and walks of life, and explore remedies, it was necessary for us to obtain some idea of the quantitative extent of unemployment both amongst the educated and the uneducated classes. In the comparatively short time at our disposal it was not possible to make an accurate survey of the extent of unemployment in these two classes. Apart from this, the very definition of the word 'unemployment' presented many difficulties. For instance, in the case of uneducated persons engaged in the pursuit of agriculture or manual labour or in the case of a substantial portion of skilled and unskilled factory labour, unemployment is necessarily of a seasonal, casual or fluctuating character. Further, in the case of agriculture periods of seasonal unemployment differ considerably. In the canal irrigated tracts agriculturists are engaged in the pursuit of their vocation for a very considerable part of the whole year, covering nine or even ten months. It is very difficult to say whether such persons can be considered unemployed for the remaining two or three months. In tracts subsisting on well irrigation it may be said that persons engaged in agriculture are employed more or less throughout the year. Against this in dry tracts where agriculture depends entirely on rainfall, tillers of the soil are compelled to remain idle for a large part of the year covering from six to even nine months, depending on different localities. Again, in the case of agriculture, in this Province where the zamindar population consists largely of peasant proprietors and holdings are small, pressure of population on land makes it difficult to define the word "unemployment" with any degree of accuracy. A holding of say ten acres in a canal colony which suffices to afford employment and maintenance to a family of six members, may actually be supporting 12 persons, consisting of both children and adults, who are deriving some sort of livelihood and are all employed in the pursuit of agriculture; but this will distinctly be a case of under-employment.

6. Educated classes.—As regards educated persons there must be quite a large number belonging to agricultural classes who, after receiving education up to the Middle standard, naturally reverted to their ancestral occupation. There must be many others who on account of comfortable family circumstances or disinclination to work would not normally seek employment. In the case of the landless manual labourers, artisans and other skilled workers, it is comparatively easy to define unemployment as absence of a paid job. But periods of employment alternate with periods of enforced idleness. In view of these difficulties in defining 'unemployment' and the limited time at our disposal, no serious attempt was made to collect elaborate statistics of unemployed persons subsisting partly on agriculture or of manual workers and artisans or yet of money-lenders, petty traders and other miscellaneous classes to enable us to make an accurate quantitative analysis. In the case of factory labour an attempt was made to collect statistics through the Chief Inspector of Factories, the Director of Industries, as well as by direct approach to factory owners and managers, but the response was so poor that the results obtained are not of much value. An organised effort, however, was made to collect statistics of all educated unemployed persons, who were unemployed in the sense that they had not obtained any remunerative employment.

7. Census of the educated unemployed.—For practical purposes of a summary census we decided to define 'educated person' as one who has passed the Vernacular Middle Examination, its equivalent or a higher examination. Considering the large area that had to be covered, as also the difficulty of getting in touch with educated persons living in rural areas at great distances from district or tahsil headquarters or from post offices, it was decided to enlist the co-operation and active help of the revenue staff from the Deputy Commissioner of the district down to the village patwari. Deputy Commissioners were requested to organise district committees, on which the interests of the educated unemployed were represented, to collect statistics. Appeals were issued through the press and subordinate local officials, inviting members of the educated

unemployed fraternity to register themselves with the patwari or tahsil officials or district headquarter committees. In spite of the fact that all possible efforts were made to register all unemployed educated persons, it is clear that even on an optimistic estimate not more than 50 per cent. of this class have cared to enlist themselves. Non-registration on a large scale was due either to apathy or to the natural feeling that registration would not secure a Government job, nor yet a grant of land and not even a dole.

Appendix V contains three statements. The first furnished by the Director of Public Instruction, shows statistics of boys and girls who passed the Vernacular Final and Middle School Examinations and of those who further obtained teaching diplomas like J. V., J. A. V., S. V. and S. A. V. during the ten years from 1928 to 1937. The second, compiled from records of the University of the Punjab, shows statistics of persons who appeared for and passed the Matriculation and higher examinations conducted by the University in the same decade. The third shows statistics of educated persons who have registered themselves as unemployed during the special census conducted by the Committee through the agency of the Deputy Commissioners.

In this decade 152,612 persons, including 21,572 girls, passed the Middle School examination. It is interesting to note that the number of boys who passed this examination, after reaching the peak figure of 16,790 in 1932 has come down steadily to only 10,732 in 1937. The case of girls is entirely different. In 1928 the number of girls who passed this examination was 871 only. The number has steadily increased until in 1937 it is 3,347.

As against the total of 152,612 persons who passed the Middle School examination, 196,402 appeared for the Matriculation examination. The difference of about 44,000 is accounted for by the practice of a large number of persons to study privately apart from recognised schools and appear direct for the Matriculation examination. Only 127,093 persons passed the Matriculation examination, showing approximately 70,000 failures. This would suggest that either there is some serious defect in the system of teaching or that the standard of marking is, if not stiff, at any rate not unduly lenient. From Statement II it appears that a very large number of young persons close their career at the Matriculation examination stage whether they pass or fail.

Out of 127,000 persons who passed the Matriculation examination only about 56,000 went up for the Intermediate examination. Some 29,000 passed the Intermediate examination and practically all of them appeared for the B. A. or B. Sc. examination. Only 15,315 passed the degree examination. The number steadily declines in the case of degrees higher than B. A. or B. Sc.

On the basis of these figures it may be fairly affirmed that, according to the definition of 'educated person' adopted by us, 196,402 persons qualified in the last ten years. Within the short time at our disposal it has not been possible to ascertain the number of educated persons recruited in the public services in various departments of Government or in local board offices during this period, nor has it been possible to ascertain the number who have secured employment in private offices, institutions or concerns. For practical purposes it may be assumed that all educated persons who qualified more than ten years ago, *i.e.*, before 1928, have taken up some employment or vocation. The struggle for existence suggests this for in the present circumstances of our competitive economic organisation of society it does not appear likely that an educated person should survive for ten years without securing any employment whatever. There may, of course, be exceptional cases.

8. Incidence of unemployment in educated classes.—In the summary census now conducted by us about 71,000 persons have registered themselves as unemployed. Assuming that in the last decade 30 to 40 thousand persons have definitely found employment either in Government or in private service—the figure is necessarily guess work—it would appear that in the present census only about 50 per cent. of the actually unemployed persons have registered themselves. In other words, 150,000 educated persons are unemployed. Some few out of this number may not have sought employment on account of comfortable family circumstances or other reasons. There is however no doubt that the problem is serious. Equally there is little doubt that the problem is becoming aggravated when we find that the number of persons passing through the University is steadily increasing every year. In 1928 the total

number of persons who appeared only for the various University examinations was 26,315 of whom 14,346 passed. In 1937 the figures have risen to 38,020 and 26,247 respectively.

The Report of the Punjab Unemployment Committee (1927) reviewing the statistics of students for Matriculation examination and in various Arts Colleges states:—" From these figures it is clear that the annual addition to the 'educated classes' has more than doubled in the last five years, and though there has in the same period been a considerable expansion of some departments of Government, the increase in the number of posts thus made available for the 'educated classes' cannot have been commensurate with the increase in the number of competitors for such posts, and there has certainly not been any such expansion of the commerce and industry of the province as could absorb the surplus.....It must, however, be observed that this general conclusion that there is unemployment on a large scale among the educated classes relates to those whose education has been for the most part purely literary and who have proceeded to higher education through the anglo-vernacular course." The position is immeasurably worse now. The high pressure output of the University continues unabated, while far from there being any expansion in the scope of employment in commerce, industry and government departments proportionately, there has been a decrease owing to a number of causes which we shall examine in detail later.

Sir George Anderson, who was originally President of the 1927 Punjab Unemployment Committee in a note discussing the extent of unemployment amongst educated persons, observed:—" It is easy to exaggerate the extent of unemployment. The mere fact that there are often hundreds of applicants for a specific appointment does not necessarily prove the existence of widespread unemployment, for it is by no means improbable that a large proportion of these applicants are already in some form of employment, and are anxious merely to improve their position."

We must emphatically differ from this view expressed by Sir George Anderson in 1927. It is every day experience that literally hundreds of applicants scramble to secure every single vacancy that occurs in government service or in commercial and industrial spheres. In a certain district not so long ago for 25 posts of patwaris there were nearly 700 applicants—90 per cent. of them being matriculates and not a few being M. As., double graduates and graduates. The Chief Secretary to Government, Punjab, states:—" As many as three hundred applications are received annually for approximately twenty-five clerical vacancies. The majority of these applications is from graduates and under-graduates."

The Inspector-General of Police says:—" The fact that widespread unemployment exists amongst educated men is shown by the very considerable number of applications received from youths who have passed the First Arts standard or have even taken degree for enrolment in the Police as constables on a starting pay of Rs. 17 a month."

From 1932 to 1937 there was substantial recruitment in certain departments of Government. The number of superior and clerical posts filled and the number of applicants who applied for these posts is shown in the statement below. Figures speak for themselves:—

(From 1932 to 1937.)

Department.	Number of posts filled in which special qualifications were necessary.	Number of applicants.	Number of clerical and other posts.	Number of applicants.
1. Electricity Branch (Public Works Department) ..	97	532	114	1,108
2. Irrigation Branch (Public Works Department) ..	280	2,154	780	8,842
3. Buildings and Roads Branch (Public Works Department)	41	134	61	475
4. Medical ..	422	1,899	545	995

It may be mentioned here that recently Government invited applications for 56 posts of Assistant Panchayat Officers. The number of applications received so far is no less than 5,000 of whom 3,000 are graduates.

The General Secretary of the Punjab Educated Unemployed League forwarded a memorial to us signed by 878 educated unemployed young men. Analysis of this number shows that 843 have received a purely literary education, 19 are Law graduates, mechanical or civil engineers, etc. Fifteen are professionally trained persons with high Indian degrees and one young man has very good foreign qualifications to his credit.

Malik Arjan Dass of Rai Sahib Munshi Gulab Singh and Sons says :— “ I have been living in Lahore for the last seventeen years and have been all through this period in charge of the management of two well-known business concerns which employ hundreds of people. This long and close association with these concerns has afforded me the fullest opportunity to gauge the existence and extent of unemployment. Both the concerns where I have worked, namely the *Tribune*—newspaper, and the firm of Rai Sahib Munshi Gulab Singh and Sons have to maintain what may be called ‘ public counters’. As Manager of the *Tribune* I was expected by applicants for service even to advise them as to how they could get service. The fact of a very large number of advertisers, advertising under a box number care of the *Tribune*, led the applicants to imagine that these advertisers were likely to be guided by my recommendations. The fabulously large number of applications received in response to “ wanted advertisements ” was a sure index to the number of unemployed. I remember that in reply to an advertisement inviting applications for the post of a head constable of police in Africa, the number of applications received was so large that the advertiser after three or four days totally refused to come and receive his dāk and I had to send the hundreds of letters not taken delivery of by him personally to his house. I understand that the number of applications received in reply to advertisements in the *Tribune* about clerical jobs exceeds, even to-day, several hundreds ; this in spite of the fact that applicants have come to know that very few jobs can be secured by this method of sending applications and the glamour of these ‘ wanted advertisements ’ has completely disappeared.”

The Deputy Commissioner, Lahore, says :—“ Even in the absence of statistical proof it is impossible to deny the existence of unemployment amongst the educated persons of the province to an enormous extent.”

While the cultural gain from education to larger numbers should not be minimised we cannot overlook the economic loss resulting from the forced inactivity of a large number of persons who are *prima facie* qualified to become productive units of the economic organisation. Apart from the economic loss we cannot under-estimate the potential political danger that must become more tangible and more acute if present conditions of unemployment in educated classes persist.

9. Incidence of unemployment in uneducated classes.—The position regarding unemployment amongst agriculturists, petty tradesmen and artisans both skilled and unskilled, is no less serious, although this aspect of the problem is apt to be overlooked or not sufficiently emphasised because this section of the population is less vocal. In 1921 the population of the Punjab (British territory) was 20,685,478, representing an increase of 5·7 per cent. on the figure of 1911. In the next decade population rose to 23,580,852, making an increase of 14 per cent. on 1921. The average rate of increase was 1·4 per cent. per year.

The Census Report of 1931 shows that in the past decade there was substantial increase in the percentage of population subsisting on agriculture which is the basic industry of the province. Measures for birth control being practically unknown and in any case being generally opposed to sentiment and religion the tendency to steady increase in population has remained unchecked. Wastage from epidemic diseases has been small. According to the records of the Public Health Department in 1937 the population of the Punjab (British territory) was just over 25,500,000 representing an increase of nearly 13 per cent. on the figure of 1931—in just seven years. There being no appreciable increase in industrial and commercial activity it is reasonable to hold that the percentage

of population subsisting on agriculture is to-day considerably higher than that revealed in the Census of 1931. Pressure of population on land is increasing rapidly.

Enquiries show that in irrigated areas $12\frac{1}{2}$ acres and in unirrigated areas 25 acres is an economic holding for a family of 6 persons. Taking the irrigated and unirrigated areas of the province as approximately equal the average economic holding comes to 18.7 acres. In 1931 the average holding per agricultural worker was 6.4 acres. Assuming an average of 2 workers per family the actual average holding per family comes to 12.8 acres as against the economic holding of 18.7 acres. On this reckoning it would appear that at least one-third of the population subsisting on agriculture is for practical purposes unemployed. These figures pertain to 1931; to-day 7 years later the position is undoubtedly worse, because new cultivation has not kept pace with the increase in population.

10. General causes of unemployment :—Predominantly agricultural economy.—At this stage it may be of advantage to examine in some detail certain general causes which have aggravated the problem of unemployment. Almost all witnesses have emphasised the unbalanced nature of our national economy, that is the increasing tendency towards ruralisation and poor growth of industrialisation as the main cause of unemployment. White and Shanahan in "The Industrial Revolution and the Economic World To-day" (1932) remark :—"Only in the non-industrialised, poverty-stricken countries of the East does the land hold and gain in population"; and again "Non-industrialisation and poverty go together and excessive dependence on land is a phenomenon noticed only in the poverty-stricken countries of the East." Mr. Robertson Taylor, Chairman of the Punjab Chamber of Commerce, at an annual meeting of the Chamber remarked :—"India possesses in abundance all the conditions natural for a great industrial future..... Unless the country in the years to come can provide a wholly unprecedented industrial development, the level of subsistence of the country, which is now dangerously low, will become much worse."

The Annual Review of Trade (1936-37) by the Department of Commerce, Government of India, says :—"The main feature to be remembered in the case of India is that.....she still remains predominantly an agricultural country.....(and) depression hit agricultural countries with special severity." India is in the throes of an agrarian crisis and not a mere general depression.

The Deputy Commissioner, Amritsar, writes :—"So much attention has been given to the problem of unemployment of middle classes in India that it has come to be regarded as an isolated phenomenon..... But the economic inter-dependence of the various classes is so great that any measures adopted to relieve unemployment within one class must prove futile unless the economic circumstances of other classes are also improved. Industrially the Punjab is undeveloped and though here agriculture is more advanced than that of any other province, her economic structure is so one-sided as to be precarious. The Province depends upon agriculture to such a great extent that any thing which affects agriculture adversely affects her prosperity unfavourably everywhere. There is no shock absorber in the shape of large scale industries. Even commerce and distributive trades which are as a rule employers of the educated persons, suffer when the purchasing power of the agriculturist is damaged. Our educational development in recent years has far outstripped industrial development." It is this mal-adjustment between the small volume of total available employment and the ever increasing volume of persons fit to secure remunerative work that is the principal cause of unemployment. Until and unless we build up a more balanced economy by developing our industries we cannot hope to alleviate the problem of unemployment to any appreciable extent.

11. Reduction in family incomes.—Reduction in family incomes may also be ascribed as a cause of unemployment. It is true that at first it is an effect and not a cause of unemployment, but once family incomes are reduced unemployment tends to grow. A vicious circle is created in which the two evils strengthen each other. In an agricultural country reduction in family incomes becomes an important cause of general unemployment. This

cause is viewed from a slightly different angle by Malik Arjan Dass of the Rai Sahib Munshi Gulab Singh and Sons. He thinks that reduction in family incomes is only partly responsible for unemployment. What is responsible to a greater degree is the division of family into a large number of smaller families, due to the migration of members of these families to other places or due to disappearance of the joint family business. "Everyone knows that there are a number of items of family expenditure which remain constant and are independent of the numerical strength as a family. The splitting up of families has led to the increase of these items of expenditure without corresponding increase in the family income and has made the plight of these families more miserable. It is a matter of experience that the reduction in family incomes is resulting in a large number of youths being thrown in the unemployment market practically without any means of subsistence."

12. Rise in standard of living.—The question whether rise in the standard of living operates as a cause of unemployment has elicited divergent views. Mr. Macdonald, the Deputy Commissioner, Amritsar, says:—"It is difficult to see how a rise in the standard of living can be a cause of unemployment. It is on the contrary a healthy symptom and acts as a brake on unemployment. In the face of falling family incomes and diminishing employment people will the more readily fall back on their savings in order to maintain their standard of living. The fall in purchasing power, therefore, is less than if the standard of living were immediately lowered."

Mr. Lincoln, the Deputy Commissioner of Jullundur, is of opinion that the desire for a higher standard of living has led the young men to go out to towns in search of employment to supplement their incomes. They have added to the number of unemployed there.

Khan Bahadur Shaikh Nur Muhammad, the Deputy Commissioner, Sheikhpura, remarks:—"Rise in the standard of living should reduce unemployment. But it has the contrary result as educated people do not take to professions yielding low incomes for the simple reason that their standard of living is high."

The Assistant Registrar, Co-operative Societies, Hissar, thinks that unemployment is not due to rise in the standard of living.

We are of opinion that in our present economic conditions, rise in the standard of living is an important contributory cause of unemployment. It should not be forgotten that rise in the standard of living means the purchasing of articles which are generally not produced by the family and are largely of foreign manufacture. Not so long ago most agricultural families used to spin enough cotton and woollen yarn to provide cloth not only for ordinary wearing apparel but also for durries, quilts, pillows, bed covers, etc. Now most villagers purchase mill made and in many cases foreign cloth. The use of boots, hurricane lanterns, crockery, umbrellas, etc., is creating large scale unemployment for village shoe-makers, potters and other artisans. Even cheap jewellery is being imported from big cities like Calcutta and Bombay thus depriving the local goldsmith of his daily bread. Some years ago a single marriage provided occupation for scores of people in one form or another while now most of the money spent on food, dowry, etc., goes into the pockets of foreign manufacturers. All these changes in the habits of the general masses are contributing to the prosperity of foreign countries and are swelling the ranks of unemployed in our own country. In our opinion Malik Arjan Dass has correctly diagnosed the situation. He writes:—"It should be remembered that the rise in the standard of living is not an evil by itself. In fact it may be a blessing in disguise provided every article used by our people is manufactured in our own province preferably in the locality in which we live. There is no harm if our rich people begin to wear shirts woven with threads of gold or if they ride in magnificent carriages drawn by six horses or if their tables are laden with the most costly utensils, provided only that all these articles are made by our own people. Because in that case the expensive habits of our rich would directly provide means of livelihood for hundreds of poor people. But the position becomes entirely different if the same people surround themselves with luxuries imported from abroad."

13. Social customs.—Another cause of unemployment is our social customs and conventions. They breed in the minds of young men a disinclination

and even contempt for manual labour. Our system of literary education, divorced as it is from any vocational bias, has emphasised these hereditary tendencies. It is true that educated youths here and there have taken to manual labour but, speaking generally, adoption of an occupation involving manual labour spells loss of dignity and a degree of social ostracism. Until there is a change in this general outlook of the middle classes this cause must continue to operate as a powerful factor in creating and increasing unemployment.

14. Summary.—To sum up, the unbalanced nature of our economy is the primary cause of unemployment. General depression for us means an agrarian crisis. The fall in prices of agricultural produce has severely curtailed the purchasing power of the peasant. This, in turn, has retarded economic development in many spheres. It has affected public services, industry, trade and professions in varying degrees. Most of the income of Government is derived from land. Reduced revenues mean reduction in personnel of Services and less expenditure on beneficent activities. Reduction in the purchasing power of the major portion of consumers has acted as a brake on industry and trade. For the same reason professional incomes have gone down. Retrenchment in services and staff reductions in private offices, mills, factories, etc., have reduced avenues of employment not only for educated persons but for artisans, both skilled and unskilled. There is no single cause of unemployment. The malady is the cumulative result of a number of causes. But the problem viewed as a whole comes to this : The number of potential workers is very much greater than the total volume of available employment and the disproportion is increasing at an alarming pace. If this process is not checked betimes, it will endanger the social and economic structure of society. The prospect is one which no Government can afford to view with equanimity.

CHAPTER III

Unemployment amongst the uneducated classes.

15. Extent generally:—1927 and now.—In terms of reference our particular attention has been directed to the Report of the Committee appointed by the Government of the United Provinces in 1934 and to the Report of the Committee appointed by the Punjab Government in 1927. So far as unemployment amongst uneducated classes is concerned the United Provinces Committee did not consider the matter. The terms of reference of that Committee as outlined in a letter of the Secretary to the Government, U. P., dated 5th October, 1934, are clear on the point. "I am directed to say" so runs the letter, "that the Governor, acting with his Ministers, has been pleased to appoint the following Committee to go into the question of unemployment among educated young men, and to suggest practical ways and means for reducing the same." Our own Committee in 1927 dismissed the matter quite briefly. "The replies received from most Deputy Commissioners confirmed our preliminary view that there was no unemployment worthy of mention among the uneducated classes..... The only case of unemployment in the true sense of the word that has been brought to our notice is the unemployment among men formerly employed in the Railway Workshops at Lahore." In passing they referred to unemployment amongst weavers in some districts, unemployment among ex-soldiers who were not disposed to return to agriculture after leaving the colours, seasonal unemployment of cotton ginning factory hands and distress among the classes who formerly subsisted on money-lending and petty shop-keeping. But the Committee were of opinion that these problems were of very minor importance.

As regards agriculture in relation to unemployment the opinion of our 1927 Committee was equally brief. "Here again we feel that it is not for us to attempt to make any detailed recommendation. In our questionnaire indeed we mooted the question of the establishment of certain industries subsidiary to agriculture but on all such matters authoritative recommendations will no doubt be made by the Royal Commission on Agriculture and we would submit for consideration of Government only certain general aspects of the question."

The term "uneducated classes" must not be interpreted on a strict test of literacy. According to our definition of "educated person" uneducated classes will include not only the 93 per cent or more of the masses who have acquired no literacy at all but also other persons who have acquired some literacy by going through the primary education course. For our purposes, therefore, the term "uneducated classes" means not only the vast majority of the population generally living in rural areas and mainly subsisting on agriculture or allied callings but other classes like petty tradesmen, hawkers, village money-lenders, domestic servants, factory workers of all kinds, skilled and semi-skilled artisans and manual labourers. Unemployment amongst some of the latter classes can be more suitably dealt with in the Industrial section. Here we shall mainly confine ourselves to agriculturists and other classes who are not covered by the phrase "industrial labour."

In the decade that has elapsed since the Report of the 1927 Committee was published the position regarding unemployment in relation to agriculture has changed, or to put it differently, has become more acute. In fact, we feel that the question of unemployment amongst uneducated classes generally, including the vast majority of those subsisting on agriculture, is of fundamental importance and cannot be dealt with summarily as in 1927.

16. Extent of unemployment amongst agricultural classes.—A rough estimate of the extent of unemployment amongst classes subsisting on agriculture has already been made in paragraph 9 *supra*. It has not been possible to collect any statistics which may assist in making an accurate quantitative appreciation of unemployment in relation to agriculture. Evidence before us suggests an apparent conflict of opinion on the subject. Sir William Roberts, who was for many years Principal of the Punjab Agricultural College, Lyallpur, and is now Managing Director of the British Cotton Growing Association, Khanewal, speaking with all the weight of his authority states:—"We have no definite figures regarding agricultural unemployment. We feel that

there is not a great deal of this. Distress and want, due to poor prices and catastrophes...yes, but not a great deal of unemployment." Mr. Stewart, Director of Agriculture, Punjab, who can claim considerable experience of agricultural classes in the Province states :—"So far as agricultural classes are concerned unemployment, I think, is more seasonal than permanent." Mr. R. Branford, a retired senior officer of the Veterinary Department and now a big lessee of Government land in Lyallpur says :—"I cannot supply figures but from nine years' personal experience of four villages on 2,800 acres of land leased to me I am sure that there is much seasonal unemployment in this district." Professor Muhammad Hassan of the Hailey College of Commerce, Lahore, states :—"In the case of landless classes unemployment is both seasonal and casual, while in the case of land-owners there is chronic under-employment which grows in proportion to the size of holding." The Deputy Commissioner, Amritsar, writes :—"In rural areas the problem is not of unemployment but of under-employment." Lala Kirpa Ram, Advocate, Sialkot, says :—"I do not think there is any increase of unemployment among the agricultural classes. In fact, I am strongly of opinion that this section has been introduced (in the questionnaire) merely to mislead or side-track the question of unemployment." Mr. Wace, Registrar, Co-operative Societies, Punjab, states :—"It is probable that such unemployment as exists is among young men of agricultural classes who have received an education which makes them disinclined to live in the village and follow the calling of agriculture..... This unemployment is more or less permanent. A certain amount of unemployment may also be caused among the uneducated agriculturists by reduction of holdings." Khan Bahadur Shaikh Nur Muhammad, Deputy Commissioner, Sheikhpura—a canal colony district—taking half a square of land (approximately 13½ acres) as an economic holding, says :—"It is common to find half squares crowded with more families than one They do not fall under the description of unemployed, as they have something to do but in any strict numeration the supernumeraries should be classed as unemployed." Mr. H. G. Sadik, Deputy Director of Agriculture, Gurdaspur, who conducted a minor *ad hoc* census, writes :—"The data collected from 11 villages shows that 432 out of every 1,000 adults are unemployed and the figures of permanent, seasonal and casual unemployed are 29,151 and 252, respectively." The Census Report of the Punjab, 1931, states :—"The over-whelming importance of agriculture as an occupation in a province like the Punjab is self-evident. The disconcerting feature is that the number of workers engaged in cultivation has increased from 560 *per mille* of workers in 1921 to 608 now..... Besides this 24 *per mille* as against 23 in 1921 are engaged in stock rearing. Further analysis of the census figures shows that in the decade from 1921 to 1931 non-cultivating proprietors taking rent in money or kind decreased by 5·1 per cent; estate agents, managers of owners, rent collectors, clerks, etc., decreased by 1·57 per cent. The number of workers actually engaged in these categories was never large at any time. Cultivating owners and tenant cultivators which is by far the largest category registered an increase of 24·7 per cent. The next largest category is agricultural labourers which has registered an increase of as much as 58·7 per cent. The Report goes on to say :—"The main reason for the total increase no doubt is that in this country agriculture is the mainstay of the people. The other sources of the province are obviously not keeping pace with the rate of increase in the population. Agriculture when pressed beyond a certain limit is said by economists to give diminishing returns for the capital and labour spent on it. The increasing pressure on land, unaccompanied by any great advance in the methods of agriculture or introduction of improved implements resulting in increased output must react on the economic condition of cultivators."

The evidence before us points to the conclusion that there is no permanent unemployment amongst agricultural classes in the narrow meaning of the term, but there is no doubt that owing to pressure of population and consequent reduction in the size of holdings, absence of any marked improvements in the methods of cultivation and sharp fall in prices of agricultural produce, there is chronic under-employment of varying degrees in different tracts. For the rest it is clear that there is much seasonal unemployment everywhere in the province. In the canal irrigated tracts—and more than half the total area of the province is irrigated,—the question of seasonal unemployment is probably not very acute. According to some witnesses agriculturists of these tracts are

busy the year round, except perhaps for a month or two in the winter. In the barani tracts, however, the problem of seasonal unemployment is very serious. These tracts may be divided into two classes; the sub-montane where rainfall is plentiful and dry areas where rainfall is both deficient and fitful. The Deputy Commissioner, Jullundur, thinks :—" There is seasonal unemployment amongst agriculturists for nine months in the year during the slack season." The Deputy Commissioner, Mianwali, writes :—" The nature of unemployment amongst these classes so far as this district is concerned is that they have nothing to do for about nine months in a year and then they depend mostly on timely rains." The Deputy Commissioner, Ludhiana, writes :—" There is seasonal and casual unemployment especially in the winter after the Rabi sowing."

17. Problem of relief.—That at present there is no absolute permanent unemployment in agricultural classes is no cause for gratification. The processes which have led to more or less chronic under-employment amongst agriculturists will in course of time lead to total permanent unemployment of an appreciable extent. Punjab is a land of peasant proprietors. These small farmers are passionately attached to the land by instinct and tradition. They will not desert their ancestral calling except as a last resort when their holdings become altogether uneconomic and they are driven away by sheer hunger and absolute resourcelessness. For the present, so far as owners and tenants are concerned, there is no exodus. But agricultural labourers and perhaps to an increasing extent artisans are migrating to urban areas, thereby accentuating unemployment conditions in towns and cities. We must, therefore, take steps at once to prevent further deterioration of the position or else there is serious danger that the industry of agriculture will break down. The problem before us is twofold :—Agricultural holdings must be protected from fragmentation beyond the economic margin and means must be devised to make agriculture a more profitable business than it is at present.

18. Fragmentation of holdings.—In a province where agriculture is the mainstay of the people reduction of holdings beyond the economic margin is a matter of the most serious import. The Census Report shows that in 1931 the cultivated area per worker engaged in cultivation was only 6·4 acres. But in that year in 13 out of 29 districts the cultivated holding per worker was less than 6 acres. In Gurgaon and Amritsar it was 4·5 acres, in Jullundur 3·7 acres, in Hoshiarpur 2·4 acres and in Kangra 1·7 acres only. Amongst a people where the rule of succession is based on deep-rooted customs and religious precepts, it seems impossible effectively to arrest this process of progressive reduction in the size of agricultural holdings. Some of the baneful results of this process may be checked and counteracted for some time and up to a point by consolidation of holdings. Much valuable work is being done in this connection and it should receive every encouragement but this is not a permanent solution. The Punjab peasants are characterised by a sturdy independence which militates against co-operative or collective farming. We do not think that the remedy lies that way. In his evidence before the Royal Commission on Agriculture Rao Bahadur Chaudhri Lal Chand, then President, State Council, Bharatpur, and now a Member of the Punjab and North-West Frontier Province Joint Public Service Commission, said :—" I would have an economic enquiry made to find out what is the size of an economic holding just sufficient to support a family of six persons and also to notify for each district the size of the economic holding below which nobody should be allowed to sell his property either to a zamindar or to a non-zamindar." It is a matter for consideration whether in the interests of the smaller landholder it is not worthwhile to undertake an amendment of the existing legislation so as to make an economic holding inalienable and indivisible. It may be urged that such restriction interferes with rules of succession sanctioned by religious dogma or practice. We do not suggest that succession to title should be interfered with but in the interests of the agricultural classes as a whole we do think that the economic loss caused by fragmentation of holdings beyond the economic limit should and must be prevented. To this end, we endorse the suggestion of Rao Bahadur Chaudhri Lal Chand that Government should immediately institute an enquiry to determine the size of economic holdings in different districts of the province. Alienation by sale or mortgage and partition of economic holdings should then be prohibited, as a rule,

19. Conservation of soil.—Protection of small holdings by restrictions on fragmentation will not by itself solve the problem of unemployment in agricultural classes. Measures must be taken to increase the productivity of land and explore possibilities of expanding cultivation through new schemes of colonization. The first step in this connection is to prevent destruction of the available cultural land. We have reason to think that large areas in sub-montane districts are being progressively destroyed by denudation and erosion. From time to time this serious matter has engaged the attention of Government and an Erosion Committee presided over by Sir Miles Irving was appointed in 1931 to examine the position. The Forest Commission presided over by Mr. C. C. Garbett, Financial Commissioner, has recently examined the matter afresh. In Hoshiarpur district where there are many *chos* (hill torrent) and where excessive damage has been caused, a responsible and representative gathering of zamindars made some concrete suggestions which we wish to submit for serious consideration by Government. Grazing in the catchment areas of *chos* and hill torrents must be strictly controlled. There are some tribes in and outside the Punjab like *Odes* and *Goddis* who maintain enormous flocks of sheep and goats without owning a single yard of pasture land. These tribes come down mountain slopes, visit various parts of the province during certain seasons in the year and cause great havoc not only to pasture lands but to crops. Stern legislative and executive measures must be taken to stop these visitations. Action must also be taken to restrict holdings of these animals in sub-montane tracts. Further, damage by denudation and erosion will not be checked by voluntary efforts of zamindars either by persuasion or co-operation. Most of the culturable area now being destroyed is *shamlat* holding in which individual shares are small. Government should compulsorily acquire these areas and carry out reforestation on a large scale. Compulsory acquisition we were told would not mean exchange of lands in the colonies. In any case individual holdings are so small that exchange will not be a practical proposition. Compulsory acquisition will mean cash payment. The present market value of this land is so low that acquisition should not present any major financial difficulty. We have not the exact figures of the area which has been destroyed or which is in the process of destruction but from the evidence before us, collected on tour, we are inclined to think that this area is by no means small. Even if the financial implications of acquisition are great we recommend that this expenditure should be undertaken because we feel that in course of time it must become productive. Probably the expenditure will have to be spread over a number of years, but we do wish to emphasise that the object in view should not be defeated by a lukewarm beginning or by spreading the expenditure over such a long period that further damage exceeds the gain. Incidentally, we may point out that denudation is causing serious reduction in rainfall and possibly recession of the sub-soil water level. In Hoshiarpur and some other districts the problem is already grave. We are persuaded to believe that afforestation in *cho* beds and denuded areas in the foot hills will increase the rainfall and possibly arrest further fall of the sub-soil water table.

20. Canal irrigation and colonization.—The Land of the Five Rivers is justly proud of one of the most efficient irrigation systems in the world. But water is the gift of Nature and Nature is sometimes bountiful and at other times miserly. Generally speaking, in summer a plentiful supply of water is available for irrigation. It is the winter supplies that present difficulties and the present canals consume practically all that is available. In years of deficient rainfall we have to resort to the expedient of running canals by rotation. Mr. Jones of the British Cotton Growing Association, Khanewal, who has 14 years' practical experience of agriculture and is in a position to give sound advice has stated :—“The introduction of tube-wells where the water is suitable for irrigation ; the supply of cheap electric power ; the utilisation of bigger kharif supplies in existing channels and the enlargement of existing channels to take bigger kharif supplies are all schemes whereby the agricultural potentialities of the Punjab could be vastly increased. A great deal of valuable water and silt annually runs away to the sea.” This opinion was referred to Mr. S. H. Bigsby, C.I.E., Chief Engineer, Irrigation, who is provisionally of the opinion that “If we were to increase our channels to take the extra kharif supply it would mean that the period of rotational closures in the rabi would have to be extended.

He has discussed the matter with Mr. Jones, who has agreed to send a detailed note to the Chief Engineer. Mr. Bigsby thinks that it will be necessary to examine the matter in considerable detail before forming a final opinion. This examination is not likely to be concluded before four or five months. We recommend that the matter should be taken up by Government with the Irrigation Department.

The Punjab canals constitute a productive enterprise of the first magnitude. Taking the figures from 1901 to 1934 it has been calculated that the Punjab canals 'productive works' as distinguished from 'unproductive works' have involved capital outlay, direct and indirect, of Rs. 33,70,57,000. After accounting for interest charges the accumulated profits amount to over Rs. 74 crores. Extension of the canal system not only brings the blessings of irrigation to thirsty lands but adds substantial sums to the public exchequer. As far as we have been able to ascertain there are only two schemes of canal extension under execution or consideration. One major scheme, the Haveli Project, is in the course of execution and another scheme a smaller one, the Thal Project, is under examination. It would appear that when these two projects are completed there are no immediate prospects of further extension.

The cultivated area of the province has not expanded in proportion to the increase in population. In 1921 the total cultivated area of the province was 29,493,000 acres. In 1931 it rose to 30,771,000 acres and in 1935 it was only 31,124,000 acres. Apparently, the area now cultivated does not exhaust the agricultural resources of the Punjab. In 1935, excluding the area not available for cultivation for one reason or another, there was a balance of 14,216,000 acres of culturable waste. In the absence of any survey it is not possible to say how much of this culturable waste could be profitably brought under cultivation with the help of canal or well irrigation or otherwise, but the area so available cannot be small. Recently a survey was carried out in the Lyallpur district and it appears that in that one district alone, which is entirely canal irrigated excluding the new tract irrigated by the Pir Mahal and other extensions of the Lower Chenab Canal, an area of over 116,000 acres of good and average land is available for cultivation. It appears to us that this is a source which can at once alleviate, to a very considerable extent, the problem of unemployment amongst agricultural classes, as well as bring a substantial return to the public revenues. The matter will doubtless require close examination, but assuming that 12 acres is an economic unit for cultivation purposes some 10,000 landless families could be settled in Lyallpur district alone. We recommend for the earnest consideration of Government that culturable waste should be given out for temporary cultivation for a period of say five years on a nominal rate of rent provided the lessees agree to cultivate the land with their own hands. Obviously the lease must be given for at least five years and the rate of rent must be low because the poor people, amongst whom it is intended to reduce the incidence of unemployment, have no savings or other resources to fall back upon. They will have to incur initial expenditure on the purchase of bullocks and agricultural implements. Considering the present condition of the land market we do not think that this land could be profitably sold outright by public auction in the near future. After the lapse of five years *prima facie* this land should be more valuable than it is now. It will then be for the Government to decide whether the land should be sold by auction or should be sold to the lessees on reasonable terms. If such a large area is available in the Lyallpur district alone, we are persuaded to think that the total amount of culturable waste available in all the colonies must be a very substantial area.

21. Irrigation of dry tracts.—The problem of the dry tracts in the plains of the Punjab is a major one. During the course of our tours we have been struck with the misery of the agricultural classes in many districts of the Ambala Division. With the precarious and deficient rainfall the agriculturists of these unfortunate tracts have to witness repeated failures of their harvests. A bountiful harvest is comparatively a rare occurrence in these tracts. The agriculturists sigh wistfully at the prosperity of the canal colonies. They are always hopeful that one day the merciful Providence will bring them the blessings of irrigation through the agency of Engineers. For many long years they have placed their hopes on the execution of the Bhakra Dam Scheme. The execution of the

scheme does not present any insurmountable difficulty from the engineering point of view ; but it has not been possible to make any progress because the construction of the Dam and the reservoir involved inundation of a part of the capital of Bilaspur State and a number of adjoining villages. It has been argued by some that exchange of land in colonies may not prove a practical solution as hill people will find climatic conditions of the plains far from congenial and will in any case be averse to severing their home ties. We understand that Mr. Bedford, Chief Engineer, Punjab Irrigation, has now been able to effect a change in design which obviates the difficulties at least in so far as the capital itself is concerned. The prospects of the execution of this scheme, therefore, are much brighter now and we trust that the Punjab Government will be able to effect a speedy settlement of outstanding issues with the Ruler. We recommend that this project should be taken up as soon as work on the Haveli Project is completed.

Successful irrigation by tubewells across the Jumna in the United Provinces has fostered fresh hopes in the minds of zamindars of the dry tracts of the Ambala Division. The economics of tubewell irrigation will have to be closely studied. Government have already put an experienced engineer Mr. A. M. R. Montagu on special duty for the purpose. We understand that he has prepared a small experimental scheme for tubewell irrigation in the vicinity of Lahore and that it has been approved by Government. Mr. Bigsby, Chief Engineer, Irrigation, whom we have had the advantage of consulting says :—" From what I have seen so far my personal opinion is that tubewell schemes in even the more favourable districts in the Punjab are likely to be a border line case as regards being a profitable investment for Government money if only direct financial returns are taken into consideration. Owing to our rainfall being more spasmodic and more concentrated than in the United Provinces our tubewells will have to work longer hours than they do in the Meerut and Moradabad districts where they are estimated to work only 3,000 hours a year on the average. In our case it seems probable that they will work between 4,000 and 5,000 hours. This means that we will have to charge lower rates than does the United Provinces Government since the ability of the cultivator to pay is limited. Furthermore, the sucrose content of Punjab sugarcane is lower than that in the United Provinces and in the sugarcane-growing districts in the Punjab lower rates will probably have to be charged than in the United Provinces."

" Where Crown waste is available to back a tubewell scheme the position will be entirely different and big profits are possible if enough Crown waste which cannot be irrigated by other means can be found."

" While, therefore, I have no doubt whatsoever that the introduction of tubewells into the Punjab would confer very big benefits on the population I am not at present in a position to say that Government would find such an undertaking directly profitable except possibly in the most favoured districts and where Crown waste is available."

The opinion of the Chief Engineer is clear that tubewell irrigation is practicable. What is doubtful is the economics of such irrigation schemes unless they are backed by large areas of Crown waste. There is no doubt that such areas are available in the Punjab colonies and we strongly recommend that a large scale scheme of tubewells run by electric power should be tried at least in one colony, for preference the Lower Chenab Colony. It is probable that this additional supply of water will release some of the water in the Punjab canals. Perhaps some project could be worked out to divert this water to extend canal irrigation in the dry tracts of the Ambala Division. Tubewell irrigation is also likely to minimise the danger of waterlogging in colony areas.

Even if the dry tracts of the Ambala Division cannot be served by extending canal irrigation through saving of water elsewhere owing to additional supply from tubewells we recommend that Government should consider tubewell irrigation in the dry tracts of the Ambala Division as a separate project by itself. Possibly this project will not be directly productive. In that case, it should be considered as a protective measure. Hissar, Rohtak and Gurgaon are at present prone to suffer from scarcity conditions bordering on famine as a result of periodic failures of crops. On such occasions Government has to spend a great deal of money directly on relief measures and loses more money indirectly on account of

large scale suspensions and remissions. Tubewell irrigation will save these tracts from much hardship and will in the long run probably prove profitable to the public exchequer.

Elsewhere in the province chiefly in the Rawalpindi Division where hill torrents do considerable damage to arable land possibility of dam irrigation by training these hill torrents may also be usefully explored.

22. Colonization in Foreign lands and in Indian States.—Our colleague Rai Bahadur Sardar Basakha Singh has drawn our attention to the possibility of colonising Punjab peasants in some of the Indian States and British possessions beyond the seas, particularly Kenya in Africa and Guiana in South America. Our enquiries from the Government of India on this subject have not elicited any definite information. In Kenya only the lowlands are open to Indian settlers and we do not know how much land is available after meeting the demands of the local population. Perhaps the prospect is not very promising but it is worthwhile pursuing the enquiry.

As for Indian States, as far as we know, there are some prospects in Kotah, and Gwalior at least. Rai Bahadur Sardar Basakha Singh tells us that a company in which he is interested recently acquired a large area of land on long lease and constructed a dam to supply irrigation. We feel that it is not possible for individual settlers to venture so far away from home and settle in strange surroundings. Enquiry may be made from the Durbars concerned regarding the areas available and the possibility of irrigation. Should colonization appear feasible we suggest that Government should acquire large areas on long lease, construct irrigation works and make grants to enterprising Punjab peasants.

23. Agriculture as a profession.—With our principal crops wheat, cotton and oilseeds entering in international trade, agriculture has become a highly competitive industry. For various reasons the costs of production in this industry are inelastic and do not counteract in the same proportion as the fall in prices which are regulated by world conditions of demand and supply. With the continued fall in prices of agricultural commodities agriculture has become less paying and therefore less attractive. Unless steps are taken to make it a more profitable business than it is at present, there is grave danger that the peasantry of the province will gradually desert land and migrate to urban areas. There is already an exodus, though perhaps not on a large scale, in the case of agricultural labour and village artisans. Until there is large scale industrial expansion and as a result urban areas are able to absorb large numbers of workers any considerable shifting of the population from rural to urban areas will not only accentuate the problem of unemployment in towns and cities but is likely to result in undesirable economic and political agitation. Industrial development must of necessity be a gradual process and even when appreciable progress has been achieved a large percentage of the population must continue to subsist on agriculture. It is therefore of the first importance to explore all possible ways and means to increase the return from land not only with a view to keep the peasantry contented but with a view to attract educated youths, not necessarily of agricultural classes alone, to settle down in rural areas and pursue agriculture or some allied calling as a career in life. Many of our witnesses, who are qualified to speak on the subject with authority, are of opinion that education breeds a disinclination in the minds of young men to pursuing their ancestral callings, particularly agriculture. It is common experience that the son of a shopkeeper who becomes a graduate or even a matriculate is not content to become a shop-keeper. Examples could be multiplied. Agriculturists invariably complain that their educated sons have become useless. As they put it expressively *Munda nakara ho gaya*. If this feeling persists, there is danger that education will become unpopular in rural areas and progress of literacy will be retarded, thereby jeopardising the ultimate well being of the country.

Here we do not wish to digress into the question whether the present system of education is at fault, but we must recognise the fact that it makes educated young men at least in rural areas discontented with their surroundings and circumstances. On this point the evidence of Mr. Armstrong, Director of Public Instruction, is interesting: "That educated young men of agriculturist or other classes are averse from pursuing their ancestral calling is an

undoubted fact. Why it should be so is difficult to see. I do not believe that a general education in itself can unfit any young man of these classes for the pursuit of his ancestral calling, since it should in fact make him a better man at his job, whatever that job may be. It is understandable, however, that a parent who has made sacrifices for the education of his son should expect that son to do better in life than he himself has done, and it is also understandable that an educated young man should find life in the village somewhat dull. The cure for this state of affairs probably lies in the bringing of our education more and more into touch with the environment of the pupil and the actual realisation by all concerned that the opportunities of service in their ancestral callings and in the development and betterment thereof are as great as in any other field. For example, the great revolution which took place in the farming system in Denmark was brought about by men of the farming class. They were young men who had been trained in high schools in which they had learnt no agriculture and no vocational work but had been given a new stimulus to thought and action by a sound general educational course."

We confess that at present we do not discern any change in the psychology of educated young men similar to that which transformed Denmark. We think that, apart from the dullness and drabness of village life, the pure economics of agriculture are responsible for aversion amongst young men towards this calling. Even the very large percentage of the population of this province which is actually engaged in agriculture finds the business not very profitable. Generally speaking, the condition of agriculturists, apart from a few bright patches in the colonies, is dismal. This is not due to any one reason. The malady has been admirably diagnosed by Sir M. Visvesvarya who says :—"The outstanding defects of rural life are the excessive pressure of population on land, small-sized holdings and their progressive fragmentation, the primitive methods of cultivation followed, the ways of farm manures, the irregular hours of labour, insufficient and uneconomic utilisation of women's services, the lack of finances for farm work, the old-fashioned character of the subsidiary occupations pursued, the crushing indebtedness of ryots, short employment, universal illiteracy and phenomenal poverty." Perhaps, so far as this province is concerned this diagnosis may appear unduly pessimistic but, generally speaking, it contains a large measure of truth. Some of the points mentioned, *i.e.*, over-population and size of holdings have already been discussed. We may now proceed to examine what is described as "the primitive methods of agriculture," and see how agriculture can be made more profitable.

24. Work of the Department of Agriculture : Demonstration and Propaganda.—During the last ten years the activities of the Agricultural Department of this province have expanded very rapidly. In 1922 the total departmental budget was a little over 16 lacs, while the sanctioned expenditure for 1938-39 is well over Rs. 40 lacs. The activities of the Department are manifold, but may be briefly summarised as Demonstration and Propaganda on the one hand and Research on the other.

The valuable work being done by the Department cannot prove effective, until it is demonstrated to the agriculturist in the village ; but demonstration and propaganda require trained workers. The Department is taking more and more fresh recruits to give them the necessary training for the purpose. In the words of the Director Mr. Stewart "The activities of the District staff include demonstration on the cultivators' own holdings of the ways and means by which the return from the soil can be increased, such as growing of better yielding and more profitable varieties of crops, the use of improved implements, the use of manures and fertilizers, the control of insect and pests of fungal diseases, etc. In addition to giving lectures in villages on all the foregoing subjects agricultural shows are held on the occasion of district fairs and other public gatherings and all suitable occasions are used to bring prominently before cultivators the ways in which improvements can be effected, returns from the land can be increased and the cultivator's earnings be extended by such subsidiary industries as may be applicable to the tract in which he resides."

In his evidence before us the Director was asked if the majority of farmers were not still indifferent to the methods advocated by the Department. It was

pointed out that the district staff does not tour sufficiently in rural areas and is not known in the interior of the country far removed from roads and other communications. He pointed out that the scope of work is limited by the staff available. At present the demonstration and propaganda staff consists of only 88 Agricultural Assistants and 146 Mukaddams for the province as a whole. There are some 37,000 villages in the province and each Agricultural Assistant has in his charge an average of 422 and each Mukaddam an average of 254 villages. The Department is in a position to advise the cultivator in many directions as to ways and means to improving his economic position. For this purpose the cultivator must be visited in his own village and demonstration must be carried out on his own lands. With the present staff it is impossible for the Department to do this in every village. The aim is to have one Agricultural Assistant and two Mukaddams in each tahsil of the province. It may be pointed out that the autonomous provincial Government has created a Special Development Fund and a large grant has been voted for Agriculture. We hope that, so far as staff is concerned, the aim of the Department may soon be realised as a practical reality.

Here it may be of advantage to sketch briefly the work that is actually being done. Last year, the district staff laid down 4,866 demonstration plots in order to bring home to the cultivator the advantages to be gained by sowing improved varieties of seed and by following improved methods of cultivation. Illiteracy and apathy of the farmer hamper development. For instance, the departmental staff has been carrying on an intensive campaign for some years now for the eradication of Pohli weed. This weed deprives the land of a considerable amount of plant food and competes against cultivated crops which occupy the same land. But the average zamindar considers Pohli as part of Nature and does not recognise the direct loss caused to him by this parasite. In western countries weeds of this nature are controlled by legislation, eradication being compulsory by a certain date each year. Legislation will perhaps be unpopular here and in any case will not be effective without penal sanction.

For the rest each Deputy Director of Agriculture arranges a "Farmers' Week"; the usual custom being to allot one day of the Week for cultivators from each district in his charge. Lately, the attendance during these Weeks has been increasing. The Department also endeavours to establish Village Farmers' Associations. These are bodies into which cultivators in villages form themselves and agree to follow the advice and recommendations of the Agricultural Department in all matters connected with agricultural improvement. Many of these Associations are doing excellent work and some of them are real demonstration farms in every sense of the word. These Associations have now increased to 3,129 from 2,600 in the previous year. The Associations serve as centres for the activities of all departments dealing with village uplift. Then there are Agricultural Associations. Formerly, they were confined to District headquarters. Now branch associations are being established in tahsils with the result that membership has increased. In some of the newer colonies like the Nili Bar and Pir Mahal and Khikha Extensions of the Lower Chenab Canal an element of competition in the adoption of improved methods of cultivation has been introduced by offering as prizes half rectangles of land for three years to two cultivators in each village. This scheme may well be extended.

25. Improved implements.—The sale of improved implements through the agency of the Department has also been increasing rapidly. A number of useful implements which used to be imported from outside and were comparatively expensive are now manufactured locally in various centres like Batala at cheap rates. The advance made in this connection may be gauged from the figures given in the Annual Reports of the Department. In the year ending 30th June, 1937, over 65,000 improved implements of various kinds were sold in the province. Out of these over 60,000 were manufactured in India.

26. Better Seed.—One important work of the Department which is rapidly developing and which is receiving increasing recognition by the cultivators

is the distribution of improved seed. The following table shows the progress made in recent years :—

Crop.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
Wheat	25,375	88,150	101,200	145,000	220,500
Cotton	21,764	32,750	54,900	64,700	71,700
Rice	715	3,358	4,360	3,200	4,860
Gram	1,060	4,700	7,050	10,200	15,900

N.-B.—The figures denote maunds.

Even so the improved cotton seed that has been distributed is sufficient to sow only 25 per cent of the total cotton area and 40 per cent of the area under the American varieties. As regards wheat the position is still less satisfactory. If we take the area as 10 million acres and 24 seers of seed per acre we require six million maunds of seed. On the basis of present figures improved seed sold by the Department covers only about 4 per cent of the area. But it must be remembered that improved wheat seed has now been distributed for a considerable number of years and a large number of cultivators keep their own seed from the crop harvested. General observation shows that 8-A wheat seed recommended by the Department is now fairly common. This variety is now gradually being superseded by other improved varieties, namely C-518 and C-591.

27. Summary.—This brief résumé will show that very useful demonstration and propaganda work is being done and this activity is steadily on the increase. The Director has stressed the necessity for the appointment of a separate publicity officer of the department. He points out that although research workers of the department have produced valuable results, full advantage is not being taken of them because there is no arrangement for putting the results of research in popular language. Research workers and administrative officers have not the time to arrange and organise publicity to create and stimulate interest in the average zamindar. We do not think that there is any necessity for appointing a separate publicity officer for this department, for in that case many other departments, particularly the departments of Public Health and Industries, would also claim to have separate publicity officers. This is likely to result in lack of co-ordination in the publicity of the activities of Government as a whole. We recommend that the Department of Agriculture should do more publicity than it does at present through the Information Bureau and the Department of Rural Reconstruction. We would also like to emphasise the desirability of greater co-operation between the field staff of the Civil and Agricultural Departments. Officers and subordinates of the Civil Department are in an exceptionally favourable position for promoting and encouraging field work of the Agricultural Department. Much depends on the Civil head of the district. We note with pleasure that, at any rate, some Deputy Commissioners are already evincing a keen interest in this behalf.

28. Department of Agriculture : Research Work.—On the Research side, within limits, excellent work is being done. For detailed information reference is invited to the latest Annual Report of the Department for the year ending 30th June, 1937. So far as wheat is concerned the striking feature of the year's work is the discovery, by the Professor of Botany at the Lyallpur Agricultural College, of a natural method that is perfectly simple and costs practically nothing, of controlling Loose Smut. As regards cotton the Professor of Agriculture has recently discovered a new variety which is known as "L. S. S." The 48-F. variety of the American cotton is also establishing itself in areas where water is not plentiful. Among desi cottons 39—Mollisoni is rapidly spreading in the colonies but here again the Department will soon recommend a newer and possibly better variety. As for gram this crop has suffered from more or

less extensive blight during the last few years. Experiments have been conducted with over a hundred varieties and now a blight resistant variety of French origin, acclimatised in America, has been discovered by the Department. Work is still in the initial stages but it is hoped that by 1939-40, 20,000 maunds of this variety will be available for distribution to the cultivator.

Research is being done on practically everything that affects the cultivator. In the old days the Department had only one Botanist. During the last 12 years various crops have been split up among a number of botanists. Then research is proceeding on control of insect pests, diseases of crops, methods of cultivation, manure, animal nutrition, etc. It must, however, be recognised that no sensational results can be achieved in a month or a year.

We notice that formerly the report of the Agricultural Department used to be published in two parts: the first dealing with administration and the second giving statistical results of research work. The publication of the second volume was discontinued a few years ago, we recommend that this publication be resumed.

29. Crop planning.—Although much excellent work is being done, we are of opinion that one important branch of work, namely, crop planning is not receiving the attention that it deserves. Questioned on this point Mr. Stewart told us in evidence:—“ You can do that (crop planning) within limits. The Government of India called a Crop Planning Conference two years ago but after a very thorough consideration of the subject, the Conference did not make any recommendation as regards any radical change. But sometimes one can do such things as you suggest with particular crops. Take for instance, the Ludhiana district. The sandy part of it is particularly suitable for growing groundnuts and the cultivator is now getting Rs. 40 to Rs. 50 per acre from this crop when formerly he got practically nothing.” We think that this is not enough. Different tracts of the province are suited for growing particular crops. For instance, the colonies can grow excellent wheat giving a yield of as much as 15 to 20 maunds per acre. Kangra district soil on the other hand gives a wheat yield of only 5 to 6 maunds per acre; but here land is particularly suitable for growing potatoes. We suggest the examination of a planned economy by which, for instance, Kangra district should grow only potatoes and colonies grow only wheat and cotton or other crops which particularly flourish there. The requirements of potatoes for wheat and cotton growing areas should be obtained from Kangra and wheat requirements of Kangra should be obtained from the colonies. We think that if such planned economy were developed, it would add materially to the prosperity and welfare of the province, not only by increasing the total crop yield, but by fostering a substantial internal trade. In his evidence before us Khan Bahadur Nawab Muzaffar Khan, late Revenue Member of the Punjab Government, attached considerable importance to this matter.

In this planned economy particular attention should be devoted to the growing of more valuable crops like cigarette tobacco for instance. Many tracts of the Punjab grow tobacco successfully. This tobacco, however, is unsuited for the manufacture of cigarettes. We are told that research work is being done in this connection; but the matter requires more sustained attention and effort than is being given now. In this connection we would draw attention to the views recently expressed in a broadcast speech by Malik Sir Firoz Khan Noon, the High Commissioner for India in England. Some striking figures have been quoted in that speech, which show how many millions of rupees can be kept in the country by local manufacture of cigarettes alone. A planned economy requires expert examination but we are convinced that it has immense possibilities.

30. Subsidiary occupation.—So far we have confined our examination to making Agriculture more productive by increasing the yield by cultivation of newer and better varieties of crops, by the adoption of improved methods of farming, by the use of pure seed, by the destruction of weeds, pests and parasites; but agricultural development should not and does not stop there. There are many subsidiary occupations, germane to agriculture, which can be distinctly profitable and can be pursued as subsidiary to the main business of agriculture. Some of these are bee-keeping, poultry farming, lac culture, sericulture, basket

and rope making, dairy farming, sheep and cattle breeding and fruit farming. We shall presently deal with some of these occupations in detail; but we wish to make one preliminary observation. Different occupations are suited for different tracts on account of climatic considerations and inclination of the people to take up certain vocations which are suited to their habits and modes of living. For instance, bee-keeping, lac culture and sericulture can succeed best in sub-montane tracts. Poultry farming can be taken up with advantage by certain classes near cantonments and big towns where demand is keen and regular. Other subsidiary callings like sheep rearing, cattle breeding, dairy farming and fruit farming will make a much wider appeal and are suitable for adoption equally in the hills and the plains. We think that before useful work on a province-wide scale can be started it is absolutely necessary that there should be a survey of the problem by a small committee of agricultural and other experts. Haphazard progress will possibly result in loss of time extending to many years, loss of money on unsuitable experiments and retracing of steps from wrong lines of progress.

31. Bee-keeping, Sericulture and Lac culture.—In a memorandum submitted by the Director of Agriculture some valuable suggestions have been made for the development of bee-keeping, sericulture and lac culture. These occupations are suitable for sub-montane tracts. Observations of the Director may be reproduced *in extenso* :—

- “(1) *Bee-keeping.*—(a). Establishment of a number of demonstration bee farms in the localities where this industry is already in existence though in a primitive form, including such localities as are suitable for its development.
- (b) Provision of adequate facilities for practical training in up-to-date scientific methods of rearing bees for the rural population in Murree, Kangra and Simla districts, etc.
- (c) Organisation of village bee-keeping co-operative societies and granting of loans for the purchase of bee-keeping outfit to these societies on easy rates of interest and terms of repayment convenient to the societies.
- (d) Manufacture of comb foundation by a departmental agency for sale to the public on cheap rates.
- (2) *Sericulture.*—(a) Establishment of mulberry plantations in areas suitable for this industry for the supply of leaf to the rearers and of mulberry nurseries for the supply of plants to the public interested in sericulture free of cost.
- (b) Organisation of silk worm rearers into village co-operative societies for taking up this industry on co-operative basis.
- (c) Establishment of a silk seed producing house for the supply of healthy seed to the rearers at cheap rates.
- (d) Supply of silk seed to the societies of rearers on credit and recovery of its price at the time of sale of the produce.
- (e) Establishment of silk weaving demonstration and training village centres in important silk worm rearing localities.
- (f) Provision of facilities for the marketing of the cocoons and silk yarns reeled by the rearers in their homes.
- (3) *Lac cultivation.*—(a) Establishment of demonstration and training centres in lac growing localities.
- (b) Establishment of a Government *ber* plantation for the propagation of healthy lac seed for supply to lac growers at cheap rates.
- (c) Provision of facilities for the marketing of raw lac and for training in the method of converting raw product into refined lac which is more readily saleable and also fetches higher price.”

32. Poultry breeding.—Some useful work has already been done in poultry breeding at the departmental farm at Gurdaspur. Efforts are directed at producing suitable indigenous breeds. Poultry farming on a large scale requires capital, organisation, as well as expert knowledge. We do not think that

there is much scope for large poultry farms run on commercial lines. The objective should be to foster interest in peasant farmers and to demonstrate to them the profitable economy of the business. To achieve a measure of progress it is necessary to do demonstrative propaganda in villages possibly by advancing a few birds to selected peasant farmers and more particularly to kammiss. Simultaneously, it is necessary to provide medical aid for poultry diseases which cause heavy incidence of mortality and are likely to kill enthusiasm and enterprise. The departmental poultry farm at Gurdaspur is an expensive institution and we suggest that the objects for which it is maintained should be more clearly defined and a well planned programme of work should be drawn up before more money is spent by Government in fostering this occupation. We have not sufficient material before us to enable us to make any definite recommendation.

33. Sheep rearing.—The New Egerton Woollen Mills at Dhariwal is the only large scale concern of this type in the Punjab. Mr. R. S. Fairlie, the Manager of these Mills, in his evidence before one of our sub-committees gave the interesting information that only ten per cent of the total production of these Mills is consumed in the Punjab which represents but $\frac{1}{4}$ per cent of the total woollen goods consumed in the Province. According to him this is due largely to severe competition from Japan, to a lesser extent from Italy and to some little extent from other places in India. In Japan industry is so highly organised that it is found that imported woollen cloth is sometimes cheaper than raw wool in India. So far as other places in India are concerned, competition comes chiefly from Bombay, Baroda, Bangalore and Cawnpore. According to Mr. Fairlie labour is cheaper down south and wool is also cheaper there. As for the quality of goods from Japan and Italy Mr. Fairlie thinks and, from our inspection of his goods, we agree that the quality of Dhariwal goods is much better but in the matter of sale price is the guiding factor as the average consumer is inclined to purchase cheaper articles regardless of difference in quality. In regard to outside competition Mr. Fairlie suggested that the present statutory exchange ratio operated against the sale of Dhariwal goods. Apart from the fact that cost of production in Japan is low on account of labour being more skilled and cheaper there according to Mr. Fairlie Japan and also Italy heavily subsidize this industry. Although this remedy is beyond the power of the Provincial Government we would suggest that representation should be made to the Central Government to fix quotas for imported Japanese and Italian woollen goods.

Given favourable conditions we think there is scope for at least one other mill of the size of the New Egerton Mills at Dhariwal in this province. The capital outlay would amount to about Rs. 50 lakhs and the concern would give direct employment to about 3,000 men. A new mill could suitably be located somewhere in the Multan Division.

Although we could not get any exact idea of the amount of wool purchased by the New Egerton Mills during a year, we gather that the Mills carry large stocks of raw material at all times. Naturally, purchase is made in the cheapest market but may amount to as much as 5,000 maunds a day. Large purchases are made in Fazilka, Abohar and Multan. Local agents watch the market and make purchases. No attempt is made at grading in the local markets which is all done in the Mills. We found that all the requirements of the concern as regards raw material could not be satisfied in the Punjab because, generally speaking, Punjab wool is coarse. Kulu Valley wool is a little finer but is nothing like the Marino wool which is imported from outside the country. Mr. Fairlie was asked to suggest measures to improve the quality of wool in the Punjab, as he has been a member of the Government Wool Committee for a long time. He struck a somewhat pessimistic note and thought that the Wool Committee is doing very little useful practical work. The quality of wool can be improved by importing from outside animals of fine breed and doing sheep breeding on a large scale. Quality, however, largely depends on the nature of food available. For instance, animals grazing on natural stubble grow much finer wool than animals grazing on grown crops. Owing to reduction in agricultural income sheep breeding has received a great impetus in recent years but we fear that all this means increase in the production of coarse and inferior wool. We recommend a proper survey of wool producing centres in this province. Kangra and Kulu Valleys are there but there is scope in Hissar, Ferozepore, Gurgaon, Rohtak and Karnal

districts also. In the hills zamindars have no objection to rearing sheep. In the plains tribes like Jats and Rajputs are averse to taking up this occupation, but there are some others like *Rors* who, we understand, have no objection either on the score of dignity or sentiment. We recommend grant of taccavi to suitable breeders in the shape of imported sheep of prize breeds. We are persuaded to think that there is much money waiting to be earned in this business. It is for Government to demonstrate the profitable nature of this occupation and stimulate interest in agricultural tribes which are at present averse to taking up this work. The Punjab Government is doing something with the help of the Imperial Council of Agricultural Research but there is need for systematic breeding under Government control to improve indigenous breeds. The Hissar Dale variety bred on the Government Cattle Farm there gives promise of bright future. We believe that if Government experiments turn out successful sheep breeding has a very big future in the Punjab.

34. Cattle breeding.—If there is any objection to sheep breeding on the score of dignity and sentiment there is no such obstacle to cattle breeding. All agricultural tribes without exception take a passionate pride in their cattle. But this fact of itself, coupled with considerations, religious and sentimental, has led to deterioration in the quality of cattle. From our observations on tour, from the practical experience of some of us and from the evidence of witnesses, who are qualified to speak on the subject, we are convinced that the drain on the resources of agriculturists from the existence of sickly unfit and uneconomic cattle is colossal. Sir Edward Cole of the Coleyana Estate in the Montgomery district has expressed himself with great frankness on this subject. In his memorandum he says:—"Owing to pressure of population available land cannot support the agricultural classes. But it is the bovine population more than the human.....The veneration of the cow in India has created a vast bovine population far above the needs of the country. A bovine population eating the produce of the land, land which could and should produce food for humanity, but also eating food which should go to maintain a healthy and useful bovine population giving wholesome milk to humanity. Up and down India we hear of people meeting to consider how they can produce better cattle in India, meetings in Madras, Bombay, Bengal, Punjab consider how they can produce better fodder for cattle. Do such people ever look at a map of the world and think that the small area which is marked as India and which now holds 350 millions of humans has on account of the veneration of the cow in India to support a bovine population of more than half of the world's whole bovine population. The land cannot do this, it is an utter impossibility and at present humanity is being sacrificed to the veneration of the cow and most definitely so. No one would wish to disturb this veneration for the cow which is ingrained and part of the life of India, practically in all creeds, but to point out the economics of the situation and plead for the elimination of the useless unfit to enable the fit to live. Miserable old cattle are kept alive, starving under-sized, diseased animals wander over the land like a band of locusts eating what they can find. There is no more pleasing sight for the country man than a fine herd of dairy cattle on well kept pasture, but Oh the horror of watching starving diseased often maimed cattle wandering about the country which no one is allowed to destroy and so end their misery."

"Another point — Can such starving diseased cattle give milk fit for humans to consume, do they not spread T. B., abortion, sterility amongst humans. In western countries more and more precautions are being taken to keep dairy herds free of T. B. Is there no such need in India!"

"India now has some fine dairy cattle and there is no reason why India cannot breed and maintain as good cattle as any in the world, provided always that the total elimination of useless, unfit, aged is allowed. Castration, spraying is not sufficient as these animals still require food, grown on land which should grow food for humanity, or useful cattle. Some people give their aged useless cattle to wandering tribes, but surely such people have no pity in their souls."

"This truly difficult problem is for Indians to solve. One has only to go along any main road in the morning when the cattle are going out of their villages to graze, or in the evening when they return to see some beautiful cows with a miserable bull and surrounded by miserable starving cattle perhaps giving a seer of milk or less."

" There has been a certain amount of correspondence in the press and thoughts of some people have been directed to birth control, but at the present stage is not cattle control more necessary for humanity to enable the land to produce more food for humanity and allow the useful cattle to produce milk in plenty and fit for humans and humans fit for employment and able through physical fitness to earn their living and so reduce unemployment."

We apologise for this lengthy quotation but we feel that in spite of the strength of the language the problem is not over-stated. There is room for intensive propaganda here by all departments of Government, in fact by every single official high and low. We advocate an intensive campaign of 'better cattle' propaganda. A few co-operative societies are doing work on these lines but this is a mere drop in the ocean. A province-wide sustained effort is required to create any impression at all. From the very nature of the case results will be slow and it will be years before appreciable improvement is achieved, but the economic importance of the matter justifies a really big effort.

Rao Bahadur Chaudhri Lal Chand — a member of the Provincial Public Service Commission and a practical agriculturist of Rohtak district — has laid great stress on the importance of cattle breeding and dairy farming. In his memorandum he regrets that Government has not so far given proper attention to these two bye-professions. According to him for both to be popular two things are needed :

" Section 60 of the Civil Procedure Code should be amended so as to give exemption from attachment in execution of decrees to all classes of cattle of an agriculturist, for cattle breeding is still the bye-profession of poorer among peasants. But the difficulty they feel in keeping milk cows and buffaloes and in rearing young calves is that there is no exemption for these cattle against attachment by courts as is the case of plough bullocks. This small legislation will, I am sure, bring about a revolution in cattle breeding and dairy farming and must be taken in hand immediately. Till such amendment of Section 60 is effected, executive orders should be passed to secure the desired effect."

" My second proposal for this class is that taccavi loans should be made available for cattle breeding and dairy farming. One good milk buffalo can keep a small family busy and free from anxieties. At present taccavi is advanced only for purchase of plough cattle, seed and fodder. The only objection that can be advanced is about the security of this loan. I would suggest the formation of a Co-operative Cattle Insurance Society in each district where cattle which are purchased from this loan could be insured. In any case such cultivators can give their land in security besides providing personal security of one other person. These details should not stand in the way of proceeding with the scheme of advancing taccavi loans for this purpose at once."

We endorse these suggestions.

35. Dairy farming.—So far as dairy farming is concerned, we doubt if there is much scope for sale of by-products like cheese, cream and butter in places other than those situated close to big cities where there is a large and consistent demand for these things. Dairy farming is a very expensive business. Not only does it require an expensive plant but it requires breeding of valuable animals on a large scale and large pastures. The capital outlay and the high technical skill required to make dairy farming successful are not easily forthcoming. During our visit to Dayal Bagh, Agra, we saw one of the best dairy farms in the country. The equipment, the herd, the pasture grounds and the skilled workers all excite admiration and praise, but even here where workers are inspired by devotional zeal and monetary considerations play but a small part, we found that the dairy is not a paying concern. In view of this fact we doubt if we shall be justified in commending to Government the starting of large dairy farms in the province. However we think there is some scope for this near Ambala and Delhi. Be that as it may, there is one point regarding dairy farming which is of primary importance and this is the manufacture of ghee. Ghee is a commodity which is universally in demand but at present there is almost universal complaint regarding the quality of the commodity now sold in the market. The amount of adulteration that goes on is staggering. Some years ago it was easy enough to obtain pure ghee at least in villages, but now we find that even in villages far removed from urban areas the evil of adulteration has penetrated on a large scale. This is due to the fact that many cheaper

substitutes of doubtful quality have come on the market. There is no objection to cocogem or vegetable ghee (banaspati) of pure quality properly marked and graded. Those consumers who wish to use these articles in preference to ghee on the score of economy or individual taste may by all means do so, but the number of such consumers as compared to consumers of ghee is proportionately very small. Ghee consumers are, in the vast majority of cases, prepared to pay the economic price for the pure article. The difficulty is to obtain the pure article. This difficulty arises from the fact that noxious or other substitutes are either traded under false pretences as pure ghee or, what is more common, these substitutes are adulterated with pure ghee. We are convinced that there is immediate need for legislation on this point. The Pure Food Act does not meet the needs of the case adequately. A special staff should be appointed to check the quality of ghee all over the province and severe financial penalties should be prescribed for adulteration. Also there should be strict supervision on the use of trade-marks for sale of ghee substitutes. So far as cocogem is concerned it is sold in closed cans by a firm of repute. But for vegetable ghee we suggest that under a legislative measure it should be ordered that this stuff should be given a colour quite distinct from that of pure ghee. We do not necessarily advocate a lurid yellow or a crimson red or a deep green, but the colour should be pronounced enough to make the vegetable article easily distinguishable. Such legislation, we believe, will meet with public approbation. It will directly add to the income of the agriculturists and will foster cattle breeding. Incidentally, it will provide some employment to our unemployed educated young men on account of appointment of Inspectors under this legislation. Under the aegis of this legislation we advocate the formation of co-operative ghee depôts and even government depôts. There is no question of rivalry with the trade. These depôts could be opened almost in each zail. They may be opened immediately at headquarters of districts, tahsils and in mandis. Every agricultural family prepares and sells ghee. This could be brought to the co-operative or government depôt and after checking of quality paid for at the current market rate. Even accounting for over-head charges there should be no difficulty in marketing the article at a price, which, consistent with quality, will appear reasonable to the consumer. We feel that until this legislation is enacted dairy farming will make no headway. As things are, apart from adulteration in villages, the corrupt and improper practices by *gowalas* in towns are becoming more rampant much to the detriment of the health and well being of the country as a whole.

36. Fruit farming.—The latest annual report of the Department of Agriculture dealing with fruit states:—“No section of the Department has grown so rapidly in recent years as that which is devoted to the development of fruit growing and fruit preservation.” With all this development the total area under fruit gardens in the Punjab is under 70,000 acres. Sardar Sahib Sardar Lal Singh, Fruit Specialist of the Department, furnished some interesting statistics to compare conditions in the Punjab with some foreign countries. Egypt with only half the population of the Punjab is now spending almost Rs. 14 lakhs per year on its horticultural activities. Experimental and demonstration gardens covering several thousands acres are being established and lakhs of nursery plants are being supplied free of cost to the public. Palestine with a population of about five per cent of the Punjab exports annually several crore rupees worth of oranges alone. Its citrus area has increased 800 per cent within a short period of eleven years. In the Punjab there is one acre of fruit garden, and that also in a wretched condition, for every 400 men. In Palestine there is one acre of excellent garden for every 7 men. California with only about one-fourth population of the Punjab has about 20 lakhs of acres under fruits which means an acre for every 3 men. For every thousand acres of cultivated area California has about 250 acres under fruit gardens against two acres in the Punjab. Italy with a population of only about 75 per cent more than that of the Punjab has over 17 million acres under fruits. France a country of small holdings and with a population of about 77 per cent more than that of the Punjab has 3½ million acres under grapes alone.

According to our Fruit Specialist the Punjab has a variety of climate which is favourable for growing every kind of fruit. In places like the Kulu Valley we can and do grow, almost to perfection, cold region fruits like apples,

pears, cherries, persimmons, walnuts, etc. In the sub-montane tracts we grow fruits preferring more moderate climate like peaches, plums, apricots, almonds, loquats, etc. In the plains, canal colonies are particularly suitable for growing fruit of the citrus variety as also mangoes and guavas. Lastly, in the hot and dry districts in the south-western Punjab we can grow excellent dates. In a province having favourable conditions of climate, soil, irrigation and a hardy peasantry it is a matter for regret that we have not made more progress than we have.

But there is cause for some satisfaction that we are now making rapid progress and public interest has been greatly stimulated by holding fruit shows, by formation of district fruit growers' associations and the Provincial Co-operative Fruit Development Board, by giving addresses at meetings of various sorts and by production and supply of reliable fruit nursery plants on a large scale. In the past the Department has produced a relatively small number of nursery plants in comparison with the demand but about three years ago money was provided from the Rural Reconstruction grant made by the Government of India for the extension of existing nurseries and opening of new ones. In the coming year the Department will be able to supply half a lakh of fruit nursery plants and it is hoped to increase this production very considerably in the coming years. Even so the demand for reliable plants is far in excess of the supply. In his evidence before us Mr. Stewart hesitated to say that the Department is at present supplying even one-fourth of the demand; this in spite of the fact that the department's plants cost five annas each. In the absence of a greater supply people buy cheap Saharanpur plants of unreliable origin at three annas a plant. We view this position with anxiety because a mistake made in laying a garden with plants of doubtful origin and of inferior quality cannot be rectified for almost a generation. Disappointing results are bound to act as a brake on the newly created and growing enthusiasm for fruit gardens. We understand that the Department has recently put down a progeny garden of 25 acres at Risalewala near Lyallpur for the production on a large scale of budwood of the several good varieties of citrus fruits. We are of opinion that this is not enough. The Department should take steps to increase the supply of nursery plants very considerably over the present level and we strongly recommend that the price of plants should be reduced to about two annas per plant if indeed the supply cannot be made free. Free supply will be a kind of subsidy to the fruit industry. We feel that the importance of the industry justifies such action.

So far as research work on fruit is concerned, we note with satisfaction that experimental gardens have been laid down at Montgomery, Attari (Amritsar district) and in the Kulu Valley. Research work on grapes, phalsa, ber trees, maltas, grape-fruit, plums, etc., as detailed in the latest annual report of the department shows satisfactory progress.

If present progress is maintained, in a few years the production of fruit will be doubled and even trebled over its present level. We wish to strike a note of caution against too rapid progress without taking note of marketing conditions. There is reason to think that even with the present limited area under fruit a year of good crop means uneconomic prices. One of the principal matters under the consideration of the Punjab Provincial Co-operative Fruit Development Board is the establishment of a properly run whole-sale fruit market at Lahore. The existing market is most unsatisfactory in many respects and the Board feels that the establishment of a properly run market at Lahore is of fundamental importance to the fruit growers of the province. We understand that negotiations are proceeding at present between the Government and the Board for a site. We recommend that every facility should be given to the Board, so that the market may be established in the very near future. Here we would also like to note the difficulties of transport for marketing fruit grown in the Kulu Valley and Kotgarh areas. The matter requires sympathetic and early consideration.

Fruit growing by itself will not pay unless simultaneously we develop the fruit preservation industry. We observe from the report of the department that recently Government have erected and equipped a canning hall at Lyallpur where experiments on fruit preservation can be carried out on a semi-commercial scale and where instruction can be given to those who desire to take up fruit

preservation as a business. Government have also erected a small cold storage plant at Lyallpur. We understand from the Fruit Specialist that the orange and lemon squashes produced at Lyallpur compare very favourably with foreign squashes. Apart from squashes, tomato ketchup, tomato juice, mango chutney, pear jam, etc., of excellent quality have been produced. These articles have been prepared at well below the cost of imported articles of the same quality. Arrangements have been completed with a firm of repute to sell these products.

According to the Fruit Specialist the greatest scope on commercial lines lies in the manufacture of fruit juices. The Punjab is a hot province and the need for cold drinks is felt for the greater part of the year. The aerated waters now sold in the market contain artificial colour, flavour and saccharine none of which has any food value. If fruit juices could be substituted for these synthetic preparations it will mean good health for the consumer and prosperity for the fruit grower. There does not appear to be any justification for importing orange or lemon squashes or other fruit juices from abroad when very large quantities of fruit are available here and these juices can be prepared at a cost well below the price of the imported product. The Fruit Specialist is of opinion that in ten years' time 30 to 40 lakhs bottles of squashes should be produced in the Punjab every year.

Side by side with fruit preservation we should also develop vegetable preservation. At certain seasons in the year tomato and green peas are very cheap in the Punjab. In fact, the province is so favoured by nature that none of these products — fruits and vegetables — should be allowed to go to waste. Even common fruits like peaches, plums, guavas, apricots of very poor quality could be used for manufacture of vinegar. We are told by the Fruit Specialist that the cost of making vinegar from some of these fruits does not come to even one anna or so per bottle.

We are optimistic about the prospects of the fruit industry. At present, the headquarters staff at Lyallpur consists of the Fruit Specialist and half a dozen Assistants engaged in experiments. The district work of advice and propaganda is carried out by the ordinary field staff of the Agricultural Department. Lectures on fruit form part of the syllabus for the degree course at the Agricultural College. Young men passing out from here, on appointment as Agricultural Assistants, are equipped for their work in this branch. Older Agricultural Assistants are being given short courses at the College. In view of the growing importance of the industry we doubt if this is enough. The Fruit Specialist advocates the establishment of a separate department of horticulture. He said :—“ I do feel that if there were a Director of Horticulture with the necessary staff under him, *i.e.*, a self-contained unit of organisation, he would be in a better position to deal with the subject than he (Fruit Specialist) can do at present. There is not, however, much in the name. What is needed is an adequate staff for advisory work.” In the course of his evidence Mr. Stewart, the Director, was asked whether he was quite satisfied that whatever work on horticulture is being done at present or is likely to be done in the near future can be tackled by the present staff. He replied :—“ More staff is necessary. In the line of research we have extended our activities greatly and I think there is no other province in India which is giving as much attention to it as we do here. Field staff is totally inadequate.” Mr. Stewart would, however, give this work as part of duty to the ordinary Agricultural Assistants. On this point Sardar Lal Singh's opinion may be quoted. “ I may mention that we have already got district staff of the Agricultural Department. Agricultural Assistants are supposed to give advice on various aspects of agriculture, including horticulture. My view is that they know little of horticulture and are not of very great help to fruit growers. In order to overcome this difficulty to some extent we have started at Lyallpur a special course of six months in which we get one man from each of the seven Agricultural Circles in the province. After getting this short training these men may be in a position to give advice but the experience of other countries like California and Egypt shows that one man cannot do full justice to both agriculture and horticulture as there is very little in common between these two branches. Each branch must have a separate staff. I do not necessarily insist on a separate department of horticulture. For the present the Fruit Specialist as such may have a separate

district staff of his own. To start with there may be an horticultural assistant for say every two or three districts."

In view of the fact that fruit gardening is a long term investment and a very important industry we wish to lay great stress on the advisory aspect. Right advice and at the right time is essential. For the present we strongly recommend to Government the appointment of 10 to 15 Horticultural Assistants working directly under the Fruit Specialist ; but we suggest that the whole question of fruit industry should be examined by a small committee of experts not only to settle lines of progress but to consider the feasibility either of creating a separate department of horticulture or of allocating a specially trained staff for the purpose. We think that without special training for 18 months or two years it is not possible to have men who are fully qualified to give advice regarding fruit growing and fruit preservation. We suggest for consideration that at the Lyallpur Agricultural College, such students as desire to do this, should be permitted to devote the last two years of the four years' course to a special study of the fruit industry or alternatively study of fruit should be a major subject like Entomology, Botany, etc., for the Degree Course. Men so qualified could then function with advantage as Horticultural Assistants.

We are further of opinion that there is great scope for the development of fruit juice industry. Educated young men could take up this business with advantage to themselves. It does not require much capital and the products, if prepared with care, should command a ready sale. To give a fillip to the industry we recommend that such graduates of the Agricultural College as take up a special course in fruit should be given State aid to help them to establish small business for the manufacture of fruit juices, should they desire to do so. The State aid will take the form of a loan recoverable in easy instalments, the first instalment being payable after the lapse of a suitable interval during which business might establish itself.

We are informed by Mr. Stewart that large areas of land are available alongside the canals and this land can be utilised advantageously for planting fruit gardens. This land is in the possession of the canal department. We think the suggestion is a practical one. Small plots of suitable size could be given to unemployed educated young men. We suggest this, subject to the proviso, that no question of waterlogging or other danger to the canal system is involved.

Further, to encourage fruit growing we recommend extra allowance of water for irrigation. We understand that certain proposals for reducing assessment on garden areas are now under the consideration of Government. We recommend that these proposals should be considered very sympathetically in view of the importance of the industry to the future well being of the province.

37. Co-operative farming.—At this stage we may well consider whether the return from land or from subsidiary occupations allied to farming can be increased by work on a co-operative basis. We have had conflicting evidence on the subject of co-operation as affecting not only farming but marketing and many other aspects of agricultural life. But, so far as co-operative farming is concerned, all the evidence discounts the idea as a practical measure. Mr. Jones of the British Cotton Growing Association, Khanewal, says :—" I have little faith in co-operation as practised in India. It is not easy to get the agriculturist to co-operate anywhere. His calling and character are against this : agriculture tends to foster a sturdy self-confidence which is all against co-operation and mass production methods." The Officer-in-Charge of the Military Farms, Okara, writes :—" Co-operative farming will not fit in with the habits and customs of Punjabees." Mr. Branford of Lyallpur says :—" I have always thought that the best hope for the progress of agriculture in the Punjab lay in co-operative improvement. Progress is slow and in the present state of the agricultural population I fear little can be actually accomplished. Big landlords might help the movement by encouraging co-operative farming among their tenants." Mr. Wace, Registrar, Co-operative Societies, writes :—" It is doubtful whether co-operative farming is ever likely to be accepted by the agriculturists of this province." Mr. Muhammad Hassan of the Hailey College of Commerce is of the opinion that co-operative farming short of collectivisation seems to be the only way to agricultural progress in the province. The Deputy

Commissioner, Amritsar, endorses the opinion of the Principals of local Colleges and writes :—“ Considering the potentialities of co-operative farming it is surprising that no attempts have been made to popularise it.....Co-operative farming societies may be formed and given lands which members may cultivate collectively or individually..... Co-operative farming may also be extended to small holders whose holdings are uneconomic.” We are inclined to think that in present conditions co-operative farming on any large scale must remain a pious thought. At the same time we recognise that the peasantry of the province is losing very large sums of money because of lack of standardisation of agricultural produce. This can only come through the agency of co-operative farming societies. We would suggest that co-operative farming should be given a trial amongst educated unemployed persons. We recommend that by way of experiment half a dozen chaks should be given to educated unemployed persons in the Haveli Project area on the basis of co-operative farming under the guidance of experts of the Agricultural, Co-operative and Rural Uplift Departments. We do not think that there is any scope for co-operative farming amongst illiterate cultivators. We have recommended an experiment in co-operative farming only in the Haveli Project area. Possibly suitable blocks of land are available for the experiments in some districts of the Ambala division, particularly Karnal. We are disposed to think that the educative value of successful experiments will far outweigh any immediate financial loss that Government may sustain through inability to sell the land which we propose should be granted to educated unemployed persons. In this connection we would also invite attention to a scheme sponsored by Dewan Khem Chand of the Model Town fame. The scheme has been supported by some outstanding public men including Sir Abdul Qadir of the India Council. According to Dewan Khem Chand's scheme there should be agricultural colonies for educated unemployed persons, each colony extending over an area of a hundred and one square miles. The rough details of the scheme as put before the public do not make it clear that farming is to be done on a co-operative basis. Be that as it may, we do not feel justified in recommending an experiment on as large a scale as proposed by Dewan Khem Chand. We think that the experiment should be tried on a much more modest scale.

38. Marketing of agricultural produce.—Hitherto, we have been reviewing the problem of agricultural unemployment, with a view to exploring ways and means for increasing the return from land through the adoption of better methods of cultivation, use of newer and purer varieties of seed, use of better and more modern implements, adoption of a better rotation of crops and adoption of subsidiary callings which are germane to agriculture. But taking a larger view of the matter which is to increase the net income from agriculture, thus making it more attractive as a calling to both educated and uneducated classes, all these means form but a first step towards the solution. Assuming that all that we have advocated is achieved, the peasant farmer will not be benefited to any great extent, unless steps are taken to secure him the fruit of his labour at full economic prices. The question of marketing of agricultural produce is every bit as important as the problem of increasing the return from land. The problem is a comprehensive one. It involves consideration of communications, prices, marketing practices at mandis, weights and measures and last but not the least credit facilities.

39. Communications—(a) Road transport.—The question of communications resolves itself into two parts—road and rail. During the last 15 years the province has witnessed very fair progress in both these directions. The Punjab is justly proud of its roads as compared to other provinces of India, but so far as marketing of agricultural produce is concerned a great deal remains to be done and there is enormous scope for development. Rural areas can be said to have nothing but katcha roads and the transport problem here is a big one. The crying need for making better roads is obvious. The capital of the zamindars is largely locked up in working bullocks. Any project which will reduce the burden on the bullock will result in a lengthening of its working life and hence be of very great help to the zamindar. The carting of agricultural produce on katcha roads is a tremendous strain on the bullock. Transport facilities and development of communications will also bring the cultivator nearer to the

market and he will be saved a good deal of worry and anxiety in taking his produce to the mandi in uncertainty and ignorance of marketing conditions.

Comparatively speaking communications are more developed in the Punjab colonies than in the older districts. Lyallpur district, which forms a part of the Lower Chenab Colony, in many ways represents the high water mark of progress but even here conditions in two out of four tahsils are, to put it mildly, deplorable. We do not wish to convey the impression that road communications near big towns in colonies are any thing like perfect. In fact, this is far from being so. Mr. Branford, a retired officer of the Veterinary Department, is a lessee of a large area of Crown land close to Lyallpur town. He says :—

“ The land leased to me is on an average about six miles only from Lyallpur. Our nearness to the town is of little benefit to me or to my tenants. The roads are so bad that we cannot compete with farmers nearer the town or farmers with access to (good) roads. Every time we send a cart into Lyallpur we risk breaking an axle or serious damage to our bullocks from suffocation by dust or the strain of pulling through heavy sand.”

We recommend that Government should undertake a comprehensive programme for the development of rural communications. Half-hearted efforts will not help. What is required is a bold and large scale programme of work. We are of opinion that Government could and should create a separate Rural Road Development Fund to meet one of the prime requirements of agriculturists. The direct return to the peasant farmer from improvement in transport facilities, especially roads fit for wheeled traffic will benefit rural areas enormously and will secure an appreciable rise in the standard of living. A large scale programme of work will offer employment to a very large number of agricultural labourers who find it difficult to obtain work except in the harvest season. We strongly urge that this work should be undertaken without avoidable delay.

(b) **Rail Transport.**—Given better road facilities transport facilities by rail will come of their own accord. We do not wish to go into the question of competition between rail and road, but we do wish to emphasise that in the last few years feeder railway lines have been constructed without proper appreciation either of the benefit to the zamindars for transport of agricultural produce or of profit to the Railway authorities on the capital outlay. As an example we may quote the Lyallpur-Jaranwala Feeder Line. Another projected feeder line connecting Lyallpur mandi with Tandlianwala mandi was wisely given up. In view of the fact that Tandlianwala is connected both with Lyallpur and Gojra—two important mandis—by good metalled roads, there is no necessity for this feeder railway line. There is no prospect of adequate income either from passenger or goods traffic.

In the matter of transport of any produce to ports and distant markets in India, railway freight rates play a very important part and from this point of view the position is far from satisfactory. For the Punjab there are two ports for the export of produce to foreign countries, namely, Karachi and Calcutta. The freight charges to both of these ports have been the subject of heated criticism not only by associations like the Northern India Chamber of Commerce, but by the zamindar public in general. Mr. Branford of Lyallpur writes :—“ It always seems anomalous to me that the Australian farmer can send his wheat to Calcutta at about one-third of the railway freight from Lyallpur to Calcutta.” We quote this opinion only by way of example. The strength of feeling on the subject is great. In the last few years on the urgent representation of the Punjab Government the Government of India have now and again reduced freight charges as a temporary measure, but this is not a satisfactory solution of the problem. We feel that the importance of the matter justifies a comprehensive examination of the question by the Government of India, so that freight rates to ports may vary according to prices. This will to some extent encourage export and secure fair competition with other countries which at present dump the Indian market with staple produce, thereby depressing Indian prices and causing economic loss and misery to the peasant proprietors of the province. We have examined the matter in greater detail in paragraph 82.

40. Market Practices—Weights and Measures.—Marketing is a complex problem. It has acquired increasing importance in rural areas because of growing commercialisation of agriculture and widening of markets. The difficulties of the peasant farmer in marketing his produce have been admirably stated by Mr. Macdonald, Deputy Commissioner, Amritsar. He writes :—“ In marketing his produce lies a great weakness of the agriculturist, for he is an infinitely small unit as compared with distributors and consumers of his produce who in their respective fields become every year more highly organised and more strongly consolidated. In selling his produce the peasant is at the mercy of the money-lender, brokers and a host of other functionaries who take their pick out of his bag. The result is that there is an appreciable gap between the prices paid by the consumers and those received by the producers. The middleman pockets an unduly large share. The cultivator does not get a fair price for his produce owing to his ignorance, absence of quick transport, storage facilities and regulated markets, chaotic condition of weights and measures and absence of standardisation and grading. To meet the demands of his creditors and the Government he is forced to sell his crop as soon as it is ready and this happens just when the market is glutted and prices depressed.”

At present marketing is done in three ways :—

- (1) direct in the mandi,
- (b) to the peripatetic dealer, who tours in villages at harvest seasons, and
- (c) locally to the village (*bania*) shop-keeper.

It is a well recognised fact among zamindars that only the brave and the strong venture into the mandi. While we do not desire to stigmatise all mandis and every commission agent working in mandis we cannot escape the fact that there is very great abuse in most mandis both regarding marketing practices and regarding accuracy of weights and measures. No impartial observer visiting a mandi in colony areas during the harvesting season can fail to be impressed by the weak position of the producer. Loaded carts are kept waiting for several hours. Even when price is settled and unloading starts the commission agent more often than not refuses to complete the purchase on the plea that the quality of the top layer is better than the quality of goods inside. In the circumstances, it is impossible for the producer to reload his cart and seek another buyer late in the evening. He is compelled to accept a lower price. Then there are all sorts of irregular and varying charges for unloading, weighing, subscriptions to charity, deductions on account of impurities, etc. In all these matters the individual producer, who ventures into the mandi, is unable to resist what he knows to be unfair surcharges. As regards weights and measures the abuse is deep and widespread and exists not only in mandis but outside in villages. An example may be quoted. Samundri in Lyallpur district is a Small Town. There is no recognised mandi there. It lies midway between two big mandis—Gojra and Tandlianwala. Some years ago our Secretary, who was Settlement Officer at Lyallpur, discovered that the cotton price at Samundri was higher than either at Gojra or Tandlianwala. Naturally many peasant farmers went to sell their cotton at Samundri. Subsequently, it was discovered that the bania's maund weight at Samundri was actually something like 44 to 45 seers. The peasant selling his cotton at Samundri was flattered by the higher price without realising that for every maund he was giving away 45 seers and losing about ten annas in the bargain. On facts being brought to light the bania professed complete innocence. The maund weight was unstamped and locally manufactured. Therefore we are glad to note that the Provincial Government has undertaken legislation to check and prevent abuses in marketing practices. But legislation regarding regulation of weights and measures is equally urgent and necessary. We note that in other provinces such legislation is already functioning successfully. In Bombay Presidency, in particular, the legislation regarding weights and measures is operative throughout the Presidency. Apart from the fact that similar legislation will secure a fair deal for agriculturists it will offer scope for employment of a number of educated persons who will be appointed Inspectors and Sub-Inspectors of weights and measures.

41. Malpractices in villages.—Co-operative Commission Shops.—We are of opinion that legislation by itself will not solve the difficulties of the

individual peasant farmer. All of them cannot afford to go to the mandis. Many of them being illiterate have an instinctive fear of the commission agent. Some of them sell their produce to peripatetic dealers who, knowing the latest price at mandis and also knowing more or less accurately prospects of upward movement in the next week or so, often offer a price in the village which taking the mandi price less carting expenses is an anna or two annas more favourable. Here again, the peripatetic dealer strikes a hard bargain on the score of quality and impurities. Very often he also turns the scale in his own favour on account of biased weights and scales. The plight of the large number of peasant proprietors who sell their produce direct to the village shopkeepers chiefly on account of the fact that they have running accounts with them is still more pitiable. These producers are not at all free agents. The shopkeeper does the trade for the whole season on a single harvest price which is well below the mandi price minus transport charges. Although it must be said to the credit of the village shopkeeper class as a whole that there is no cheating on the score of gross weight the producer debtor is victimised by the low price fixed for the whole harvest. If through certain price fluctuations the bania is in any danger of losing on the basis of the single harvest price he makes up and more than makes up the actual or prospective loss by the settlement of the running account. The only escape from these difficulties is through co-operation.

Co-operative commission shops have been established in a number of mandis. In some places they have proved very successful while in other places success has been marred by defalcation in accounts. Furthermore, co-operative commission shops do not immediately give the money for the entire quantity sold. About $\frac{2}{3}$ of the price is given immediately while the remaining $\frac{1}{3}$ is given on actual sale of produce. The peasant who requires money urgently, not only to meet the revenue demand but to satisfy other pressing needs, cannot afford to wait. Furthermore, strict business deal at the commission shops does not appeal to the ignorant peasant as much as the commercial cordiality of the commission agent who offers food, smoke, etc., before the subject of sale is mooted. Also the commission agent, with a shrewd eye to future business, is not reluctant to advance money over and above the price of goods sold, no doubt on a very remunerative rate of interest. Still with more attention and rounding of details in the working procedure of the commission shops there is no reason why these shops should not flourish and increase. There is no excuse for bigger and more educated zamindars in not organising their marketing on a co-operative basis, on the lines of the Zamindara Co-operative Society Limited, Okara.

42. Village Co-operative Shops and Godowns.—Where small co-operative societies are formed the staff should be appointed by Government. Societies efficiently run and staffed by Government servants should definitely help standardisation of produce and secure a fair deal to the zamindar in selling commodities. Incidentally, they will absorb a certain number of our educated young men. Mr. Macdonald, Deputy Commissioner, Amritsar, thinks that co-operative sale societies should be established in every village to sell members' produce directly to the wholesale dealer or consumer. We think that the suggestion is worth consideration. Central commission shops in mandis could run branch shops in villages. The chief stumbling block in the way of co-operative marketing is lack of mutual confidence. The individual peasant in the village trusts the bania more than any one of his own fraternity, but this difficulty can be overcome in more intelligent village communities like Arains. In Arain villages agricultural skill is more or less uniform and quality of produce does not vary appreciably. At present each man stocks his produce as it is harvested gradually in his own *kotha*. If there is no space available he deposits it with the bania. Eventually most of the produce is collected in the godown of the bania. Under the aegis of the Co-operative Inspectors it should not be difficult to start village co-operative godowns for storage of produce. An educated person from amongst the village community could be appointed as store-keeper. If he is a smart young man he can easily keep in touch with market prices. Preferably he should be a servant of Government. From time to time he should market the produce at the commission shops established in the mandi, under instructions from members. Transport can be provided by bullock carts of members or of tenants who at present hire out their carts for the purpose. Details

will require examination but the idea is that the whole village or a large part of it should work as a unit for purposes of marketing. The village unit will be in a much stronger position than individual farmers. We are disposed to think that the greater gain from the co-operative marketing of this type will more than cover the overhead charge on the pay of the store-keeper. Villagers will have confidence in their own men. Incidentally, this scheme, if it becomes successful, should give employment to a large number of educated young men of the zamindar fraternity. The beginning must be modest and carefully supervised. A few successful experiments will induce a movement which we venture to think will soon function under its own power.

The scheme suggested in the foregoing paragraph is but a beginning. The idea is to develop village co-operative marketing societies which should be in a position to make advance against stock so that the producer is not compelled to sell in a low market to meet his immediate requirements of land revenue, etc. There is a possibility of loss arising from falling prices, but this must be borne by the members of the society because produce will be sold under instructions. The society's help will enable the members to hold up sale if they are so advised. Thus successful co-operative marketing involves credit facilities. Quite apart from the co-operative credit societies which are now functioning successfully all over the province we recommend that credit facilities for marketing should be provided by the State in the early stages. Eventually, we envisage a net work of central co-operative commission shops with branch shops in villages, financed on a running account basis by a Central Co-operative Marketing Bank.

The problem of rural indebtedness has demanded increasing attention in the last few years and the Provincial Government has enacted legislation from time to time to alleviate the burden of debt. We do not propose to go into the merits of this legislation, but we are convinced that no effort should be spared to reduce this burden. At present much of the fruit of the sweated labour of the agriculturist goes towards payment of debt due to village *sahukars*, a state of affairs which cannot be defended on grounds of equity and fair play. As an experimental measure Government has already appointed Conciliation Boards in various districts. The work of these Boards has invoked conflicting comments from different quarters, but we have no doubt that the principle is sound and that the work on these lines should be pushed on as much as possible. The only note of caution we would like to sound in this connection is that great care should be exercised in appointing members of such Conciliation Boards. They should be men who not only know rural debt conditions of the tract concerned but should be men of unchallenged probity in whose sense of fairness both the debtor and the creditor should have implicit confidence.

43. Rural indebtedness and finance : Co-operative Movement.— Question of rural indebtedness considered, the problem of current financing of agriculture remains. Village economy cannot be carried on without a village banker and the measure of this need is the measure of the hold of the village *sahukar* on the peasant. While we have no desire that any class of persons should be deprived of reasonable opportunities to pursue their ancestral calling, we have every desire that village banking should be placed on an economic and honourable basis. In spite of doubts and suspicions voiced in certain quarters both as regards the *bona fides* of, and the measure of success achieved by, the Co-operative movement, latest statistics show that the progress in recent years has been truly remarkable. We are gratified to learn that there are at present altogether over 23,000 co-operative societies in the province and of these nearly 17,000 are credit societies with a membership of over five lakhs spread over every single district. The figures become all the more impressive when we find that in 1911 there were only 1,071 agricultural credit societies covering but 23 out of the 29 districts, and in 1921 the number had risen to 7,605 societies with a membership of slightly under two lakhs. Encouragement of thrift and advancing of loans only for legitimate purposes are the principles which credit societies seek to observe. Every village society has its fixed maximum credit limit beyond which it cannot borrow. Loans are advanced to its members within their prescribed limits for the purpose of clearing debts or for the purpose of financing the calls of husbandry or meeting domestic expenses. Interest is normally charged at 9½ per cent. The agricultural depression of the last few years has

imposed very great strain on credit societies. The percentage of recoveries (principal) on the amount of loan outstanding at the beginning of the year reflects the economic strain which set in at the end of 1929 :—

1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1935-36.	1936-37.
85	84	83	28	28	16	13·6	16·05

The volume of substantial advances made in previous years began to make its cumulative effect felt. The depression which set in at the end of 1929 caused a big slump in recoveries. Still the achievement in the reduction and removal of debt is substantial. Early in 1930 when the Punjab Banking Enquiry Committee analysed the loan position in 3,341 societies it was found that only 13 per cent of the members were debt-free. In 1937, 27 per cent of the members were free of debt.

The owned capital of the societies has more than doubled during the last ten years. In 1927 this was Rs. 189 lakhs, whereas in 1937 it is over Rs. 416 lakhs. The "allocation reserve" is a powerful limb in the co-operative enterprise. In 1927 the reserve amounted to only 100 lakhs. In 1937 it is over Rs. 292 lakhs.

Before the economic depression set in the prospects of rapid expansion of co-operative credit were very bright. Circumstances having changed, consolidation rather than expansion has become the accepted policy. Mr. Wace, the Registrar, has summed up the position admirably. He says :—

"Co-operative credit does not necessarily mean cheap credit and nothing else. Since 1928 consolidation rather than expansion has been the accepted policy, and emphasis has been laid on the need of multiplying co-operators rather than societies, and avoiding too rapid and precarious expansion. The need for such consolidation has been accentuated by the unparalleled economic storm which commenced at the end of 1929. The Punjab Banking Enquiry Committee in 1930 envisaged the goal of co-operative credit being brought to the gates of every village in the Punjab within 15 years, but 60 per cent of the villages are as yet untouched, and straitened finances and depleted or dislocated resources have now made that goal more remote. Now about 45 per cent villages are without a society. Adjustments have become necessary and progress will be rather slow."

Co-operative credit does not exhaust the scope of the movement. There are many other types of societies. Stock breeding, better farming, consolidation of holdings, commission and sale shops, land revenue redemption, land holdings, crop failure relief, provident fund, better living, compulsory education and thrift are some of the other kinds.

No effort should be spared to extend the scope of this work. Mr. Wace tells us that the Department is trying to extend its activities as far as staff and other factors permit. We agree that forced and artificial expansion is to be avoided, but we wish to emphasise that co-operative work is of primary importance and recommend that Government should finance the movement liberally and otherwise give every encouragement as occasion demands. In co-operation lies the only hope of the redemption of the agriculturist from his present condition of more or less chronic insolvency.

44. Minimum Prices and Wages.—We have reserved for separate examination two important points affecting the industry of agriculture on which one of our colleagues has laid much stress. These are—

- (a) fixation of minimum price for the more important agricultural staples, and
- (b) fixation of minimum wages for agricultural labour.

We note that there is remarkable unanimity of opinion amongst our witnesses against these suggestions. Mr. Jones of the British Cotton Growing

Association, Khanewal, thinks that they are neither practical nor desirable. Mr. Stewart, Director of Agriculture, is of opinion (a) that the fixation of minimum price of staple commodities like wheat, cotton or sugar which are surplus to requirements will be impracticable since prices are controlled by world supply and demand; (b) that the fixation of minimum rates of wages would be a difficult and intricate problem as these vary from district to district; also they depend on the supply and demand in the proximity of towns and industrial works, etc. If fixed too high land would be driven out of cultivation as in England. Mr. Branford of Lyallpur writes:—“(a) I distrust Government interference with prices and doubt if fixing legally minimum prices would do good in the long run; (b) I do not approve of fixing of minimum wage. Wages could hardly be reduced and raising wages would increase unemployment.” Mr. Macdonald, Deputy Commissioner, Amritsar, is of opinion (a) that if the idea of fixing minima prices is to sustain the profits of agriculture the best method is to pay subsidies or reduce land revenue and water rates. Prices cannot be raised except by exchange depreciation because mechanization of agriculture all the world over has lowered costs and prices permanently; (b) that it does not seem to be necessary to fix minima rates of wages for agricultural labour. Owing to the fact that wages of rural labour are expressed both in kind and in money it will be impracticable to fix legal minima wages. In a recent address presented to His Excellency the Governor the Northern India Chamber of Commerce referred to the question of prices of agricultural produce. In his reply His Excellency remarked as follows:—“Generally speaking, the prices of agricultural produce are so linked with world movements and events that the extent to which a provincial government can influence the course of whole-sale rates is very small indeed. Nonetheless, they can do a good deal to see that the best is made of the world position, such as it is, and in particular, they can do something to help the producer to get a reasonable share of the profits.”

We are clear that it is not possible for the Provincial Government to control prices which are affected by world factors of supply and demand, but we are in agreement with His Excellency that something can be done by the Provincial Government to secure to the cultivator a reasonable share of the profits of his labour. In particular, we draw attention to the depression in prices on account of uncontrolled imports from foreign countries. Tariffs is a matter for the Central Government but the Provincial Government should lose no opportunity of making strong representations to the Government of India when occasion demands.

As for fixation of minimum wages of labour we think that the suggestion is altogether impracticable. The Northern India Chamber of Commerce has, however, pointed out that the depressed condition of agricultural labourers is aggravated by a large influx of labour at certain seasons from adjoining Indian States, particularly Jammu and Kashmir. A number of these States impose restrictions on migration of labour from British territory. In the absence of any reciprocal arrangement we are of opinion that influx of labour from Indian States into British territory should be checked by legislation, if necessary.

45. Agricultural Education.—The Punjab Agricultural College, Lyallpur, is the only institution in the province solely devoted to imparting training in agriculture. The Khalsa College, Amritsar, along with literary courses also provides training for the B.Sc. (Agri.) Degree Course. The College at Lyallpur is a Government institution. It is a combined research and Educational institution. Research in Agriculture, Chemistry, Botany, Entomology, etc., is carried on here. The College proper provides two courses—a two years' course for Leaving Certificate and a four years' course for B.Sc. (Agri.) Degree. Recently an M.Sc. (Agri.) class has been opened with a limited admission. The two years course provide practical training. The men, who qualified in this course, do not get any higher scientific education in Entomology, Botany, etc. During the last five years from 1933 to 1937, 164 men passed the Degree Examination and 109 found employment in Government service. In his evidence before us Mr. Stewart, Director of Agriculture, was definitely of opinion that the training imparted at the College is of a practical nature. Nine graduates have been given grants of Crown lands and are working as practical agriculturists. Furthermore, in 1930-31 when the staff of the Department was retrenched owing to financial

depression 40 retrenched Agricultural Assistants received grants of land. As far as is known, all these men are managing their grants successfully. From the last year the College has also instituted a course of one year for practical training in farm management.

The year 1929 just before the agricultural depression set in furnished the record number of 412 applications for admission to the Degree Course at the College. Since 1932, when they numbered only 75, applications have increased rapidly and in the present year there were over 300 against 180 a year ago. The standard of education of entrants is also steadily improving. Sixty-two per cent of the students admitted this year were 1st division matriculates and over, whilst probably for the first time on record not a single third division matriculate is attending the first year class. For courses other than the Degree the total applications for admission numbered well over 600, whilst the facilities available allowed the admission of 332 only.

Before the financial depression most of the students in the College were sons of small cultivators. In the absence of Government service they found it difficult to go back to their lands to work as practical agriculturists. During the depression most of the boys admitted were sons of non-agricultural classes. Cultivators had not enough money to spend on the education of their children, but with the coming of better times and better prices there is a change. Last year there were 337 applications for 82 seats in the College and out of these 67 boys admitted were from the statutory agricultural classes.

It will be observed that so far most of the young men who have qualified from this College have found employment in Government service. Although during the next few years Government is likely to continue to require a considerable number of graduates yearly in view of new schemes of rural development which are being inaugurated, Government cannot continue to absorb large numbers indefinitely. Unfortunately, so far big landlords have not evinced any desire to employ men trained in this College as Farm Managers nor is there any tendency amongst big landlords to send their sons to the College with a view to equip them for better management of their own lands. There are a few honourable exceptions. Mr. Stewart is of opinion and we agree that in the present circumstances there is no scope for enlarging the College to an extent which would have any appreciable effect in reducing the incidence of unemployment.

Apart from the regular courses the College provides a number of short courses, *e.g.*, a course of two weeks for estate managers, a course of two weeks in fruit preservation for sub-inspectresses and non-official female workers of the Co-operative Department, two courses of three and two months' duration, respectively in apiculture, a seven months' course in fruit and vegetable preservation and a Vernacular course which has recently been extended from six months to one year.

So far as regular courses are concerned, the College is a residential institute. It provides many other activities apart from the College training. An experiment has been started with the Tutorial Group system and also in teaching French and German. The College Detachment of the University Training Corps has had a very successful record having won many Trophies and Cups at the annual fortnight's camp for the Battalion. There is a Co-operative Supply Society run by students under the general supervision of the staff. The amount of business done in the year ending 30th June, 1937, amounted to Rs. 20,000, approximately. If there were proper housing arrangements the Society could do still better. It is hoped to begin building operations soon.

The College dairy boasts of a very fine herd of Montgomery cows. It started in 1914-15 with an average milk yield for the whole herd throughout the year of 5.6 lbs per cow per day. By a careful policy of selection and breeding this has risen to 18.9 lbs per cow per day. The average yield of all the cows now is just under 7,000 lbs per annum. Two cows have yielded as much as 10,000 lbs in one lactation period, one of them repeating the operation in two successive years, probably a record for indigenous cows in India.

Recently a small herd of ten Nili buffaloes and one buffalo bull has been added to the dairy in order to increase the facilities for teaching purposes. Students of the degree course spend one of their 4 years in the study of animal

husbandry. The dairy and dairy herd provide full facilities for study of this subject in all its aspects not only free of cost to Government, but yielding a substantial annual income.

We are of opinion that the College is doing very useful work but that more propaganda is necessary to attract in larger numbers sons of big landlords who may be free from the anxiety of earning a livelihood in Government service and who may, therefore, return to their lands as practical agriculturists. If this can be achieved the farms of bigger landlords will become useful demonstration centres. We suggest it for consideration that measures be devised to induce graduates of the College who are in a position to work on their own lands to settle down as practical farmers. If progress is to be made the farmer should be shaken out of his lethargy and this can be done efficiently only through sound education.

As for research, we think that there is a considerable number of well trained and fully qualified young men capable of doing valuable research work of a quality that will help in agricultural and industrial development of the province. This potential intellectual energy is being wasted for lack of opportunities. Research presents such a vast field for work that every ounce of available intellectual energy should be utilised. In this connection Khan Bahadur Mian Afzal Hussain, Principal of the College, has suggested the following scheme:—

“All M.Ses. qualified to carry out research work should be given a subsistence allowance of Rs. 50 per mensem and persons who have obtained foreign qualifications, studentships of Rs. 100—150 per mensem. They should be provided laboratory facilities and guidance. Recruitment to permanent government service in the research departments should be made from among such workers. Excellent research work will be done by men who are competing for securing permanent employment. This system will provide excellent training for future State employees. If a hundred people are engaged on research work the annual cost would not be more than a lakh and a quarter and the work they will bring out will be far more valuable.”

We think that the suggestion is a valuable one and we recommend that a tentative experiment may be tried for five years with 25 men. Research workers should be recruited from amongst M.Ses. not only in Agriculture but in all Sciences germane to Agriculture and allied callings.

46. Unemployment amongst uneducated classes other than agriculturists.—We have no evidence regarding conditions of employment amongst petty traders and manual workers. Except perhaps in big towns like Lahore and Amritsar there must be considerable unemployment among these classes also. This is a natural result of the reduced purchasing power of the peasants who are our primary producers and main body of consumers. Owing to recent debt legislation and appointment of Conciliation Boards, Panchayat Officers, etc., there is possibly some unemployment among money-lending classes also. In the absence of accurate data as to the extent of unemployment amongst uneducated classes other than agriculturists we are unable to suggest any definite remedies, but there is no doubt that any measures to secure the well being of the peasant must react directly on the prosperity of our people as a whole.

CHAPTER IV.

Unemployment amongst educated classes.

47. Present system of literary education.—In Chapter II we have already surveyed the extent of unemployment amongst educated classes. The fundamental cause of unemployment here is the increasing number of young persons who qualify themselves every year mostly in courses of literary education and the limited scope of opportunities for employment. So far as the public at large is concerned, the general aim of literary education is Government service and it is abundantly clear that scope for employment in this sphere must of necessity be restricted. As we see the matter, the mal-adjustment of supply, which far exceeds the demand, is inherent in our system of education. The Report of the 1927 Committee states:—"Not only does the present system of education produce nothing but clerks, but according to many of our witnesses it renders the unfortunate recipients of education unfit to follow even their ancestral occupations, let alone any other form of occupation." Opinions of certain witnesses before this Committee (1927) make interesting reading. One witness attributed the then existing situation to Lord Macaulay's system of education which "was meant to create a class of translators to serve purely as interpreters. Education has let these interpreters remain as interpreters and no more, with the addition that anything real is gone and the rest is all imitation and chaff where there is no place for anything conducive to make a human being of an Indian." This picturesque pronouncement contains a measure of truth. Sir George Anderson, the President of the Committee, himself admitted that the present system of education in its very inception was moulded with the special object of preparing boys for external examinations and of training them for clerical vocations and he described the matriculate product of the system as a "derelict, a wanderer on the face of the earth, unemployed because he is unemployable." Another witness stated:—"In India in the vast majority of cases education after the matriculation stage is not received for the sake of culture and enlightenment but merely because it is somehow supposed to be the magic passport to success in the way of obtaining Government service." Yet another witness stated:—"The desire for literary education is, of course, promoted by a desire for Government service. The present education turns out no better stuff than indifferent office babus." Before our own Committee Dr. Lucas of the Forman Christian College—an eminent educationist—says: "The peasant agriculturist of today is still living socially and economically in the 5th century A. D. His son is brought through this academic education into partial touch with the 20th century and that simply confuses him. He won't go back to the village and he in many cases cannot go on. He is made unemployable. The essential thing in education is to awaken the mind and so stimulate and draw it out by a varied and vigorous education, including manual training. The medium is secondary, but there must be an adaptation to modern needs and a clear view of the goal desired. The whole atmosphere and attitude of everybody connected with education should be changed. It is not merely a matter of legislation but it is a matter of revitalising the whole system from top to bottom." It was suggested to him that every country gets the education that it deserves and that its conditions demand. In reply to the question of Professor Gulshan Rai "Don't you think that this defective education has really to a very large extent met the demands," he replied "I have been in the Forman Christian College for 30 years. For the first ten years, I would say 'Yes' and for the last ten years 'No'".

As against this opinion, and we may say that its volume is very large, Mr. Armstrong, the Director of Public Instruction, emphatically stated:—"For many years it has been dinned into our ears that unemployment amongst educated persons is due to some inherent defect in our educational system and some sort of reform in that system has been advanced as a panacea for the cure of this unemployment. I entirely disagree with this point of view and am quite unable to see the grounds upon which it is advanced. Generally, we are told that if there were less literary education and more technical and vocational education, and that if our system of education were reformed in such a way as to bring this about, then our universities would be less crowded than they are, and our young men would readily obtain employment. What justification is there for this

assumption.... There can be no question that our literary form of education has in the past helped its pupils to secure a wide range of employment; . . . In the West where the system of education is highly organised and provides all possible types, unemployment is rife and is a problem the solution of which is not looked for in any reform of the educational systems prevalent there but is tackled from the point of view of economic development and the consequent provision of work. Merely to alter the educational qualifications of the unemployed without decreasing their number is no solution of the problem, and to give our youths technical and vocational education without ensuring that industry and agriculture can absorb them, when they have finished their training, is merely to have one type of unemployment instead of another."

We agree that in the past, say up to ten years ago, our system of education fulfilled its chief object which was to supply recruits for Government service. Government itself emphasised this object by making University Degrees the *sine qua non* for entry in its privileged ranks. But we cannot ignore the fact that this system of education does result in producing aversion to all manual work. The present literary education is designed to produce a special class of people for employment of a clerical nature, both in Government service and in other spheres.

48. Medium of instruction.—There are many other defects of this system. We strongly feel that the medium of instruction which, after the Primary stage, is English, imposes far too great a strain on immature youths and retards mental development. On this point Dr. Lucas is of opinion that "Vernaculars, at least in Northern India, are not fully adapted to the needs of modern life. They are rapidly becoming adapted. I doubt whether the vernaculars are capable to fit a person for the modern age. Vernacular vocabulary is limited and there are many modern terms for which there is no vernacular equivalent." We must differ from this opinion. The time has come when vernacular should be the medium of instruction up to the Matriculation stage. English must take the place of optional second language after the Lower Middle stage. Those boys, who wish to pursue University education, will of necessity acquire a working knowledge of this language. We strongly feel that development of the thinking faculty in terms of vernacular will equip the future university boy for more real cultural gain than he achieves under the present system.

It is of interest to note that the Compulsory Education Committee of 1930 while discussing the extension of the Primary stage of education from 4 to 6 years expressed the opinion that "When six-class compulsion becomes possible the Department must be prepared to consider in all its aspects the problem of postponing the teaching of English to the seventh class. This will give the province a vernacular system of education for six classes which in itself should make for a great development of intelligence amongst the mass of the people. The opinion of the Committee is unanimous on this point and educationists have assured us that a better grounding in the vernacular will make it possible for the pupil to grasp English more quickly. Though it is not within the scope of our terms of reference we wish to record our opinion that the postponement of English to the seventh class should lead to the abolition of the junior anglo-vernacular teacher who too often in the fifth and sixth classes implants bad habits of speech and pronunciation that cannot be eradicated later. . . . The conviction of the Committee is that English should be taught up to the tenth class as a foreign language and not used as a medium of instruction.

Presiding at the All-India National Educational Conference held at Wardha (22nd and 23rd October, 1937) Mahatma Gandhi observed :—"The present system of education does not meet the requirements of the country in any shape or form. English, having been made the medium of instruction in all the higher branches of learning, has created a permanent bar between the highly educated few and the uneducated many. It has prevented knowledge from percolating to the masses. The excessive importance given to English has cast upon the educated class a burden which has maimed them mentally for life and made them strangers in their own land." We agree with these observations.

49. Other defects.—Another defect is that the present system of education is not related to facts of life. Mahatma Gandhi says :—"Absence

of vocational training has made the educated class almost unfit for productive work and harmed them physically." Seventy-five per cent of our school and college boys are hereditary agriculturists and yet for 14 years of their early life they are completely divorced from their ancestral vocation. Agriculture should be made a compulsory subject up to the Matriculation stage and all boys should do practical manual work on farms attached to schools. Until Government can provide these farms, facilities should be arranged for training on adjoining lands of zamindars. We are hopeful that the making of these arrangements will not present any serious difficulty. Yet another defect is that the cost of the present education is very high. With all this we have low paid and ill-trained teachers who are not properly equipped for performing their most important duties. Our province is a land of peasant proprietors—on the whole a poor class. The standard of living of boys in schools and colleges in big towns is much too expensive for their parents. Luxuries of school and college life make boys ill-adapted for the drab and dreary conditions of village life. In particular, dress has become a very costly item of expenditure in school and college life in big towns. The evil is very pronounced in Lahore colleges and we commend the question of dress reform to the notice of the Syndicate of the Punjab University. We think that prescribing of a cheap uniform for college boys will appeal to the public and will assist in creating amongst classes of boys themselves a healthy *esprit de corps*. A check should also be exercised on messing expenses in hostels and other expenditure on luxuries like toilet preparations, cinemas, theatres and restaurants.

50. Career Guidance.—We are in agreement with Mr. Armstrong's opinion that, unless there are opportunities in other spheres as attractive as those of Government service, there will be no substantial change in pursuit of literary education. But even so at present there is lack of proper guidance in choosing careers. We recommend that the University should organise career lectures; different departments of Government and trade and industries should be encouraged to issue pamphlets and Government should also advertise, if possible, their requirements of staff of various classifications a few years ahead, so as to prevent a headlong rush *en masse* for a degree in arts.

51. Education for Women.—While on this subject we are of opinion that the system of education for girls requires a radical change. With the present system of college education our girls, on attaining maturity, remain in sublime ignorance of most matters which intimately affect them as mothers and housewives. They are ignorant of the most elementary rules of hygiene and principles of domestic economy. A small beginning has been made in this direction but it is for consideration whether the curriculum for the Degree course for girls should not include Hygiene, Maternity, Domestic Science, Cookery, Needle work, etc., in addition to the usual subjects, English, Mathematics, History and Geography.

We feel that the education of girls must be on quite different lines from the education of boys. In our present social structure girls are not and for many years to come will not be the principal bread winners in the family. There should be a different set of textbooks for girls from that for boys. There is an unhealthy tendency amongst girls, emphasised to some extent by textbooks at present prescribed by the University, to read fiction, particularly morbid novels on crime, sex and love. There is no dearth of books on philosophy, ethics and sociology and historical and religious drama which could be suitably prescribed as textbooks for girls. Our remarks regarding the dress of boys apply with equal force to that of girls.

52. Reform of educational system.—At present the Degree Course covers 14 years in four stages: Primary stage 4 years, Middle stage 4 years, High School stage 2 years and University stage 4 years. A large body of public opinion condemns the limiting of Primary stage to four years. Our colleague, Khan Bahadur Shaikh Nur Elahi, an eminent educationist, endorses this opinion. As things are, the education imparted at the Primary stage does not serve any useful purpose and those boys who stop their education after the Primary stage quickly unlearn what little they have learnt. The short period of four years is not enough to give a proper grounding even in the elements of the three R's.

The Compulsory Education Committee appointed by the Punjab Government in 1930 expressed the following opinion on the four-years Primary course:—

“ The number of witnesses who spoke against the four year primary school is very great ; yet certain others assured us that with regular attendance and good teaching in four years the average boy could cover the present six years' syllabus without any burden of overwork, or that the five years' syllabus could be covered in the present four years ; or, again, the present four years' syllabus could be completed in two and a half years. One witness estimated that with irregular attendance, holidays and so forth, the average boy actually attended school for two and a half years out of the four years But the general consensus of opinion among the witnesses was against these optimistic opinions and was strongly in favour of six years in spite of whatever might be covered in four years. No witness was in favour of limiting compulsion to a four years course. The Committee endorses this on the grounds, amongst others, that—

- (a) the average teacher is unlikely to achieve the task of six years' work in four ;
- (b) such an attempt would entail too great a strain on the boy ;
- (c) if some boys could without strain cover the course in less than six years they should have the chance of learning a little more than the present six-year course ; and
- (d) there is a serious danger of children lapsing into illiteracy after leaving school at such an early age.”

The Wardha Scheme of education evolved by the Zakir Hussain Committee under the leadership of Mahatma Gandhi has attracted very wide attention and in view of the fact that the destinies of many provinces in India are now controlled by the Congress Government is entitled to respectful examination. At the All India National Education Conference held at Wardha Mahatma Gandhi severely condemned the present system of primary education. He said :—“ Money spent on primary education is a waste of expenditure, as what little is taught is soon forgotten and has little or no value in terms of the villages or cities. Such advantage as is gained by the existing system of education is not gained by the chief tax-payer, his children getting the least.”

“ The course of primary education should be extended at least to seven years and should include the general knowledge gained up to the matriculation standard less English and plus a substantial vocation.”

“ For the all-round development of boys and girls all training should so far as possible be given through a profit-yielding vocation. In other words vocations should serve a double purpose—to enable the pupil to pay for his tuition through the products of his labour and at the same time to develop the whole man or woman in him or her through the vocation learnt at school.”

“ This primary education should equip boys and girls to earn their bread by the State guaranteeing employment in the vocations learnt or by buying their manufactures at prices fixed by the State.”

The idea of the new scheme is further explained in the Zakir Hussain Committee's Report. “ The object of this new educational scheme is not primarily the production of craftsmen able to practise some crafts mechanically but rather the exploitation for educative purposes of the resources implicit in craft work.”

The Wardha Scheme lays great emphasis on craft work right from the first year. In drawing up the curriculum out of a total period of 5 hours 80 minutes “ the basic craft ” occupies as much as 3 hours 20 minutes. They realise the obvious danger of this scheme. “ There is an obvious danger that in the working of this scheme the economic aspect may be stressed at the sacrifice of the cultural and educational objectives. Teachers may devote most of their attention and energy to extracting the maximum amount of labour from children whilst neglecting the intellectual, social and moral implications and possibilities of craft training.” In this connection it is interesting to recall the observations of Mr. Wood, Director of Intelligence Board of Education, England, who recently reviewed the system of education in India at the invitation of the Government of India. He says :—“ Indian children, like other children, have feelings and experience emotions. Like other children, too, they are by nature playful in

spirit intellectually curious and physically active. This is true even though disease, malnutrition or social or religious custom may reduce or mask the spontaneous expression of characteristics typical of the young. The education of infants should not take mere casual account of these phenomena of growth but be based upon them, and bring them under disciplines which will result in the children's enlightenment, health and happiness. It is vitally important that young children should not be required to sit still for long periods at a time. A young child needs rest it is true, but he must play, he must explore and he must be physically active if he is to derive a daily satisfaction out of his attendance at school. In short he needs experience more than instruction. It is no answer to reply, even if the statement be true, that the child has ample opportunity for play, exploration and physical activity out of school hours. That is to misconceive the nature of a child's growth and incidentally to undermine intelligent co-operation between home and school."

In discussing a suitable curriculum for infants Mr. Wood's Report reads as follows :—

" It would require a woman experienced in good infant school practice to make detailed suggestions for the training of children so young as the majority of those in Classes I and II. We can only broadly outline some of the studies and activities which we have in mind. In the first place necessary domestic duties should be brought within the child's daily training in orderly and hygienic habits. There must of course be formal instruction and even drill in reading, writing and speaking; and in counting and reckoning in numbers. But such instruction and drill should be for short periods and should be interspersed with opportunities for the use of these skills in activities which satisfy the child's wider interests. We envisage such activities as the following: acting and singing, physical exercises, games and dancing; nature study and the care for flowers and, it may be, animals; drawing and making things. These activities minister to one or other of the characteristic needs of children and provide them with experience which gives them confidence in their growing powers. Literacy comes incidentally as a child finds that he uses his knowledge of simple number relations or his ability to speak read or write in the process of doing day by day something which gives him satisfaction."

" Within commonsense limits, the smaller the child the bigger the materials he needs for expressing himself to his satisfaction. For instance, the infant does not as a rule get so much pleasure out of a pointed pencil and fine paper as from thick chalks or powdered paint for use on large sheets or rough paper on the floor or on wall blackboards. The same principle applies to stories and games for young children which should be generous in conception. Movement, colour, contrasts and the fundamental emotions are the things which appeal to them and which give them experience."

" It may be objected that activities of the kind described produce a mess and give the school an appearance of disorder. The answer is that cleaning up is a proper part of training children in orderly habits, and that a continuous passion for tidiness on the part of a teacher is not compatible with good infant school practice."

It will be observed that according to Mr. Wood whose opinion is entitled to very great respect it is not right to place great emphasis on the scientific training of a particular craft in the earlier stages of the child's education.

It is convenient here to examine the Vidya Mandir Scheme which is being introduced on a large scale in the Central Provinces. So far as the Wardha Scheme is concerned, the idea is that " The State should guarantee to take over the product of the work done by its future citizens in school. every school can be made self-supporting, the condition being that the State takes over the manufactures of these schools." But the authors of the scheme are careful to point out that " Even if it is not 'self-supporting' in any sense, it should be accepted as a matter of sound educational policy and as an urgent measure of national reconstruction." The Vidya Mandir Scheme will depend on grants of land. The Scheme is best explained in the words of the Honourable Pandit Ravishankar Shukla : " The present position in the Central Provinces and Berar is that the population is 15,567,723 ; the number of villages is 39,762 ; the number of villages having schools is 4,745 ; and the number of villages from which boys attend these schools is 9,762. This means that there are 25,254

villages which have no approach to any school. The present expenditure per head comes to Rs. 10-8-0. At the present rate, the total expenditure in educating all the boys would be Rs. 2,44,24,627. It is wholly inconceivable to get from the provincial exchequer and other sources, even half of the amount. The only way to achieve the end, therefore, lies in the adoption of the 'Vidya Mandir' scheme. The scheme contemplates that every village or group of villages within a radius of a mile having no schools and where about 40 boys and girls of school-going age are available shall have a Vidya Mandir. In all Vidya Mandirs education shall be through the medium of the mother-tongue. The name is attractive in more ways than one. To the 99 per cent of the population in the villages it will be a source of inspiration and it is hoped that it will appeal to their generous and charitable minds. Vidya Mandirs will be people's schools. They shall not be divorced from the environment. They will make the children realise the problems of village life and train them to take part in it. The welfare of the village community shall be one of the Vidya Mandir's principal aims, and there shall be close co-ordination between the school and the community life. It shall be an important social centre where teachers, parents, boys and girls shall meet and discuss and solve the problems with which they are faced. In fact a Vidya Mandir shall be a radiating source of light and learning in a village. Agriculture, Hygiene, Sanitation and all other things which make for the happiness of life will be taught there. The Vidya Mandir shall be established on a voluntary basis first and, if necessary, it would become a statutory obligation on each village or group of villages to have a Vidya Mandir. The grant of land will be the primary source of income for the support of a Vidya Mandir. Grant of land sufficient in area to give the teacher a living wage of Rs. 15 per month, and the net income of Rs. 200 per year to a Vidya Mandir will be necessary. There are other sources from which income can be augmented such as village charities, Dharmadao, Panchayati kothis, etc. A limited number of Vidya Mandirs shall be started in every tahsil in the first year at Government expense. It is estimated that a Vidya Mandir will require from 11 to 30 acres of land and a sum of Rs. 1,000 to Rs. 2,000 to start the school."

"An important, if not the most important, item in the Vidya Mandir scheme is the staff. A Vidya Mandir is generally expected to be a one-teacher-institution, inasmuch as only boys and girls of the village where it is situated shall join it. If the number exceeds 50 and goes even to 80, double shift system may be adopted. A teacher of a Vidya Mandir shall have to be of a different type. His minimum qualifications shall be the present vernacular middle school certificate. Higher the qualifications, the better. He shall be on probation for five years after which he shall have to serve for twenty years more. There shall ordinarily be no transfer from one Vidya Mandir to another. It shall be a life-long work for twenty-five years. After confirmation the life of the teacher shall be insured for about Rs. 500. The teacher shall reside in the Vidya Mandir and shall be *ex-officio* Secretary of a Vidya Mandir trust. He shall do such social service, village up-lift work, etc., as may be entrusted to him. Subjects of study shall be related to the environment of children and shall have an industrial and agricultural bias."

"I am not proposing the Vidya Mandir scheme in place of Mahatmaji's scheme. My scheme is only to prepare the ground for the inauguration of the scheme as outlined by Gandhiji."

53. Compulsory Primary Education.—At this stage we may well examine the demand which has been advanced by educationists and the general public from time to time for universal compulsory free primary education. We have no doubt that this should be the goal in every civilised country. Apart from the cultural gain which must remain invisible we are convinced that universal primary education will bring about a general rise in the standard of living of the peasant which in turn will give a tremendous fillip to industrial development. We admit that universal primary education by itself will not bring about prosperity. There must be a co-ordinated programme of development embracing all spheres of social and economic life, particularly Industries, if we are to achieve prosperity and banish unemployment. On this point the evidence of Dr. Lucas is interesting. He says :—"But the time is ripe now to take a different attitude towards the whole situation and I quite agree with you that if it is taken up piecemeal there is not much use in it. I want a national policy

starting with elementary compulsory education. Now in the Punjab instead of 6 millions, i.e., 20 per cent of the population, being in schools we have only one million in schools. Think of all the things which will be demanded if we sent the six millions to schools. That increases the demand for teachers, for school buildings, school supplies, books of all kinds, sports goods, etc., six fold. That in itself creates an economic demand which is not negligible demand and it creates greater circulation of wealth because these children are better fitted to become more effective members of the society. The demand for better living will also arise."

" *Professor Gulshan Rai.*—Have you considered the financial aspect of this question? I think we are now spending 50 lakhs on primary education and under your scheme we shall have to spend three crores.

Answer.—I have been teaching Economics for about 23 years. There is a certain measure of truth in the idea about credit being manufactured. It is in part an act of human will. Wealth is what we believe can exist and will exist. If we assume in the Punjab that this wealth will be made available, we can borrow in that faith and proceed step by step and as each step is taken it in itself creates additional wealth which will pay off the previous debt. The first step is an act of faith, the second is an act of faith plus educational resources created by the first step and the balance grows steadily towards ample resources.

Q.—Would you favour an education cess?

A.—You cannot impose additional cesses on poor people in villages. We are already over-taxed. I would suggest your borrowing a crore at least at the very start. Certainly I would not hesitate to invest my savings in such a Punjab Government loan say at 3 per cent. It all depends on the amount of confidence people have in Government and in its financial policy. If it is a policy of development the confidence ought to grow."

We regret we cannot share the optimism of Dr. Lucas — an American citizen — in his idea of credit being manufactured by an act of human will. According to the Report on the progress of education in the Punjab during the quinquennium ending 1936-37 (in the last year of the quinquennium) there were 717,980 boys and 168,664 girls in primary schools. The average expenditure per boy is Rs. 10-13-0 and per girl Rs. 10-9-0. Assuming an average of Rs. 10-8-0 per person the expenditure on 886,000 pupils comes to Rs. 93 lakhs in round figures. Including the expenditure on buildings, equipment, etc., the expenditure may be put down at a crore of rupees. According to the Director of Public Instruction the total number of school-going boys and girls between the age of 6 and 12 years is 15,46,000 and 12,84,000, respectively, or a total of 28,30,000. Roughly this number is 3½ times the number in schools at present. On this calculation the total cost of universal primary education will come to over Rs. 3 crores annually. If we take into consideration the extra expenditure that will have to be incurred in course of time on higher education the recurring cost will not be less than five crores annually. Our total Provincial Revenues at present amount to Rs. 11 crores. We understand that the Land Revenue Committee appointed by Government has made certain recommendations of a far reaching character which, if accepted by Government, will mean a loss of over 50 lakhs of rupees. It is not improbable that our income from water rate may decrease in the near future owing to the insistent demand of zamindars for reduction in abiana rates. Appointment of Conciliation Boards and recent debt legislation has affected and will affect to an increasing extent our revenue from sale of Judicial stamps. The loss under these heads may be put down at Rs. 50 lakhs. Government is also committed to an experiment in "Prohibition". Should this experiment succeed, it will mean not only loss of revenue but more expenditure on inspecting and detective staff. Altogether, it is perhaps not unreasonable to assume that well before the lapse of a decade, Provincial Revenues will be reduced by two crores. On the other hand, when the Neimeyer Award operates fully the Provincial share of income-tax and Central excise revenues, etc., may make up this deficiency and may even raise our revenues above the present level of Rs. 11 crores. Until Provincial Revenues stabilise in about ten years' time, we feel that we shall not be justified in recommending universal free primary education at a recurring cost of five crores annually. Elsewhere we are recommending for consideration of Government a ten per cent cut in salaries of public servants on the analogy of 1931, Leaving alone

the All-India Services and new recruits who have been engaged on lower rates of pay after 1931 we reckon that the cut on other Government servants as well as on servants of Local Bodies will result in a net saving of about Rs. 20 lakhs. We are recommending this 10 per cent cut on the definite condition that this money will be allocated for relief of unemployment by means of spread of compulsory primary education in backward areas. We propose that Government should start a programme of expansion costing Rs. 5 lakhs in the first year and increasing by five lakhs annually until the annual recurring expenditure at the end of five years is 25 lakhs. We further recommend that Government should give a definite undertaking that if at any time the total Provincial Revenues rise above the level of 11 crores then 25 per cent of the excess shall be devoted to expenditure on compulsory primary education over and above the 25 lakhs now proposed. Further, should the ten per cent cut be imposed at any time on the All-India Services the money saved should also be allocated to compulsory primary education.

We may briefly recount here the history of the compulsory primary education in the province. The first step was taken by passing the Punjab Primary Education Act of 1919 which applied only to boys not over the age of 11 years. This Act was based on the principle of local option. The Act was not a great success because compulsion applied only to areas within a distance of two miles from a school. It was mentioned in the Statement of Objects and Reasons that the object of the bill was to enable local authorities to make primary education compulsory in the areas under their control. The Act of 1919, though permissive, was of a wide character and was made applicable to District Boards, Municipalities and other similar local bodies. Although this Act has had a trial for more than 18 years, the main object of making provision for compulsory attendance of boys at primary schools has not been achieved to any material extent. It appears that in actual practice the Act has never been strictly or rigidly enforced. In fact the Education Department has chiefly relied not on prosecutions under the Act but on what has commonly come to be known as "voluntary compulsion" or "persuasive compulsion." The Compulsory Education Committee of 1930 pronounced the following verdict:—

"The Punjab scheme of compulsory education in rural areas has proved effective in increasing enrolment but has not been equally so in maintaining regularity of attendance. The increase in expenditure has been very small compared with the expansion achieved, a teacher added here, a room put up there being generally all that had to be done..... It is, however, true that in a number of cases compulsion has not produced any tangible results; but this is evidently because those responsible for its working have failed to do their duty.....The apathy and indifference of the people, especially in backward areas, and the difficulty of getting defaulters punished, have been some of the other impediments. Punishment to be effective should be swift and certain. In compulsory education prosecution cases, however, magistrates seem generally to have failed to realise the importance of the work and when, after a series of postponements of the case, the accused is let off with a fine of eight annas or simply with a warning, it does more harm than good. Sometimes the accused agrees in court to send his boy to school and even does send him to school, but afterwards takes him away again. For these reasons, school masters generally do not seek to have defaulters prosecuted..... There are also several general causes which militate against the success of compulsory education. In England young children are almost everywhere taught by women teachers, the most suitable agency for this work; but in the Punjab we cannot even get sufficient women teachers for our girls' schools. Again owing to rapid expansion during the past ten years or so, a large majority of the teachers working in village schools are raw, inexperienced youths, by nature not well suited for teaching little children or for exercising an influence on the countryside. Frequent changes among school masters is yet another cause, and so is the 'official' spirit shown by some teachers, which stands in the way of their assimilation in the village community."

The Punjab Government has now drafted another Bill which has been circulated for opinion. As the result of experience gained during the last 18 years it is widely felt that the Punjab Primary Education Act of 1919 needs radical amendment in certain respects. The new Act will be an 'enabling Act,'

but it aims at making compulsion real and effective and at making the machinery for its enforcement simpler and cheaper. A very important change is the provision which has been made for compelling all boys and girls of school age who have for such period as may be prescribed attended a primary school. The intention is that once a boy or girl has joined a primary school and has been on the rolls of a recognised school for one year he or she shall be compelled to remain at school until he or she has passed out of the primary stage. The Bill is divided into three parts. Part I, which becomes operative immediately on the Bill passing into law, enables local authorities to introduce compulsory education in the areas under their control, and to levy additional taxation to meet the cost. Part II, which only becomes operative in those areas in which compulsory education for boys is introduced by a local authority under the power conferred on it by Part I, describes the conditions of compulsory attendance of boys at school and the means which the local authority may use to enforce it. Part III, which only becomes operative in those areas in which compulsory education for girls is introduced by a local authority under the power conferred on it by Part I, describes the conditions of compulsory attendance of girls at school and the means which the local authority may use to enforce it. We are not very hopeful that local authorities will take advantage of the enabling sections of the new Bill to levy additional taxation to meet the cost of compulsion. At present the number of boys on rolls in compulsory areas, both rural and urban, is 345,832 and the expenditure on compulsion by District Boards and Municipalities during the year 1936-37 was Rs. 14,21,800 or roughly speaking only 14 per cent of the total amount of money spent in the province on primary education****. The new Bill represents an advance on the Act of 1919 but we are convinced that if universal compulsory free primary education is to become a reality the cost must be borne by Government. As we have shown above, the cost is prohibitive and accordingly we have recommended only a partial advance consistent with principles of sound finance.

54. Reorganisation of the present system of education.—Having considered all the evidence before us we make the following recommendations for reorganising the present system of education:—

(1) The present education degree course of 14 years should be split up as follows:—

Primary stage, 6 years .. .. .	.. .. .	.. .. .	Medium of instruction being Vernacular entirely.
Secondary stage, 4 years.. .. .	.. .. .	.. .. .	Medium of instruction being Vernacular but English being an optional subject.
University course, 4 years .. .. .	.. .. .	.. .. .	Medium of instruction being English as at present.

Slight vocational and technical bias should be given even at the primary stage. Children should be accustomed to do some manual work like clay modelling, making toys and developing hobbies. This vocational and technical bias should become much more definite at the secondary stage. There should be a definite bifurcation — some students, a small number, may pursue purely literary education while others should join vocational and technical institutes. We think that no machinery or artificial control is required to regulate the influx of boys into purely literary and vocational and other institutions. With greater industrial development and creation of proper atmosphere through guidance in the shape of pamphlets, career lectures, etc., things will adjust themselves of their own accord.

We might make the position clearer. Until we have an industrial plan and industries are developed, industrial and technical classes should be attached to cultural schools. The present industrial schools should continue to cater for purely technical education but we recommend that admission should be restricted to those boys who have passed the primary course. Later on, when our industries develop we should open purely technical schools as occasion demands. Advantage may also be taken of the existing industrial schools.

(2) In the University stage we have already a College of Commerce and a College of Engineering. There is no occasion as yet to open separate institutions for imparting training in journalism, secretarial work, etc., but we

recommend that the University should recognise a diploma in this course. This will mean that the existing cultural colleges will provide the necessary training. Training in secretarial work should also be imparted at commercial colleges.

Consistently with our other recommendations for changes in the educational system and with a view to obtain more efficient clerks as well as to prevent wasteful expenditure on college education we recommend that Government should prescribe by executive order that the qualification for clerkship shall be a diploma in secretarial work which can be obtained by graduates in one year and under-graduates and matriculates in two years. Such secretarial classes should be attached to colleges for graduates and to High Schools for matriculates and under-graduates.

(3) With a view to alleviate unemployment to some extent and also to give impetus to the movement for adult education through extra departmental agency we suggest that an experiment may be tried in selected areas through the agency of Collectors of districts to give a stipend of Rs. 10 per mensem to educated persons to impart adult education in villages. There is no idea to develop schools for adults with all the necessary paraphernalia. The idea is to foster education through non-official agency working under the official patronage of the Collector. The Collector of the district will and should consult the local representatives of the Education Department with a view to select suitable centres of training.

(4) We recommend that a corps of village guides be organised in suitable tracts in each district. Each guide should get a pay of Rs. 15 per mensem plus Rs. 3 bicycle allowance. The bicycle must be provided by the guide himself. These guides will be engaged in a comprehensive programme of rural uplift. They should work under the general supervision of the Panchayat Officers who in turn should work under the direct control of Collectors of the districts. All departmental officers visiting villages should be at liberty to use the guides for propaganda work of their departments.

The Education Department should issue a circular suggesting to head masters of high schools to take parties of boys during vacations to villages in order to enable them to learn practical agriculture and other rural work. Different parties could be put in charge of different villages to introduce an element of healthy competition.

55. Scope of employment in Government Service and Professions.—We may now proceed to examine the scope of employment for educated classes in Government service and in various professions. According to the latest figures available the total number of Government servants, excluding menials, is 76,755. We have not been able to obtain accurate figures of menial establishment but this figure cannot exceed 24,000 making a total of one lakh of persons employed by Government. The total population of the Punjab in 1937 was 2,55,00,000. According to these figures Government service cannot absorb more than 0·4 per cent of the population. The total number of unemployed young men now as stated in Chapter II is not less than 1,50,000. Therefore, even if all public servants were to be replaced immediately the problem of existing unemployment cannot be solved, and there is no doubt that unemployment is steadily on the increase. The total salary bill of public servants amounts to over Rs. 4½ crores or 42 per cent of the Provincial Revenues. Therefore, there is very little scope in Government service for reducing the incidence of unemployment. We shall refer to this matter further in a later Chapter on Services.

It has been suggested that restrictions should be placed on entry in certain professions as a measure for reducing unemployment. It is pointed out that many professions are so over-crowded that apart from a very few members the vast majority are unable to earn a reasonable living.

The idea behind this suggestion appears to be to secure a better wage for men already engaged in professions. We think that such an expedient, if adopted, will create an unfair monopoly and deprive the younger generation of the opportunity to compete in a fair field. Indeed it is calculated to increase rather than relieve unemployment. Amongst the younger generation who are about to enter into professions there must be many brilliant men who will make their mark in life in the profession which they have chosen to adopt as a career and there is no justification for compelling these young men to divert

their attention to other callings for which they will find it difficult to train and adapt themselves at this late stage.

56. We shall now proceed to examine conditions of employment in certain important professions.

Legal Profession.—During the years from 1927 to 1937 the total number of advocates, barristers, vakils, pleaders and mukhtars enrolled as legal practitioners is 6,890. Adding 3,478 practitioners enrolled up to the end of 1926 the total of lawyers on rolls in July 1938 is 10,368. The following statement shows the extent of Civil and Criminal institutions in courts subordinate to the High Court for the six years 1931 to 1936 :—

VOLUME OF LITIGATION.

Comparative statement of institutions in civil courts subordinate to High Court at Lahore within the six years ending 1936.

—	1931.	1932.	1933.	1934.	1935.	1936.
Total ..	295,918	305,252	290,092	272,238	236,921	221,978

Comparative statement showing the institutions in criminal courts subordinate to High Court at Lahore within the six years ending 1936.

—	1931.	1932.	1933.	1934.	1935.	1936.
Total ..	205,535	240,511	241,848	248,653	256,682	242,445

These figures reveal that civil litigation has decreased very appreciably. In all probability the recent legislation for relieving rural indebtedness and appointment of more Conciliation Boards will reduce the volume of this litigation still further. The volume of criminal litigation in 1936 represents a substantial increase on the figures of 1931, but there is a drop as compared to 1934-35. Another statement below shows institutions in the High Court of Judicature at Lahore for the same period of six years :—

Comparative statement showing the institutions of the High Court of Judicature at Lahore for the six years ending 1936.

Description of cases.	INSTITUTIONS.					
	1931.	1932.	1933.	1934.	1935.	1936.
1. Murder References ..	247	247	817	296	238	256
2. Criminal Appeals ..	1,537	1,644	1,647	1,701	1,427	1,432
3. Criminal Revisions ..	1,505	1,690	1,869	1,760	1,734	1,807
4. Regular First Appeals ..	403	252	346	295	332	303
5. Regular Second Appeals ..	1,207	1,173	1,077	1,392	1,853	1,487
6. Letters Patent Appeals ..	61	79	90	160	158	165
7. Miscellaneous Appeals ..	545	553	606	652	677	730
8. Civil Revisions ..	716	750	823	920	909	902
9. Original Regular Suits ..	34	40	80	55	145	293
10. Miscellaneous Original Suits	12	18	18	11	12	7
Total ..	6,267	6,446	6,818	7,242	7,090	7,332

It may be pointed out that the High Court of this province does not exercise original Civil or Criminal jurisdiction. Institutions in 1936 are well above the level of 1931, but it is to be remembered that this work is confined to only a section of the Bar in Lahore, the capital city of the province. Altogether litigation in the province shows a tendency to decline. With smaller volume of work and increasing number of practitioners reduction in fees is natural. In the case of mufasil Bars fees in ordinary civil and criminal cases have fallen to a very low level and even so it is probably not an exaggeration to affirm that 50 per cent. of the members of the Bar are practically unemployed. In this province the profession is not divided between solicitors and advocates as in Presidency towns. There is reason to think that division of legal work between solicitors and advocates will make litigation more expensive than it is under the present system. We realise that although the system of dividing the profession between solicitors and barristers is in the best interests of members of the profession as well as the clients yet in view of the greater expense involved we do not feel justified in recommending its introduction in the province, thereby imposing a greater strain on the peasantry and litigant public generally.

The Sapru Committee of the United Provinces suggested that a separate branch of lawyers should be constituted for drafting and conveyancing work. At present most of this work is performed by petition-writers who in many cases have a very indifferent knowledge of law. Although bad drafting and conveyancing leads to a certain amount of litigation we do not think that in this province there is any necessity for assigning this work to a separate branch of lawyers who will be precluded from doing other legal work.

We have already rejected the suggestion of restricting entry in professions. We may, however, point out that in the case of the legal profession the Law Course has recently been extended from 2 to 3 years and this measure will of itself, to some extent, decrease the number of future entrants. For the rest economic forces must ultimately prevail and if the profession becomes increasingly unprofitable the number of persons seeking to enter it will automatically decline.

A suggestion has been made that a superannuation age should be prescribed in the case of legal practitioners on the analogy of Government servants, so that junior members may be enabled to earn a better living than they do now. We think that the analogy between lawyers and Government servants is a false one. Lawyers and members of professions generally do not get the privileges of leave on average pay, provident fund and a pension. Therefore, there is no justification for prescribing a retiring age limit; but as a measure to ameliorate unemployment conditions in the profession we recommend that legislation should be undertaken to prescribe that members of the profession on attaining the age of 55 years must employ juniors as paid partners. We think that this measure, apart from securing a living wage for juniors, will help to equip them better for the performance of their work.

57. Medical Profession.—In the memorandum submitted by him Dr. K. R. Chaudhri, F.R.C.S. (Edin.), D.O.M.S. (London), etc., Provincial President, Indian Medical Association, states:—“In determining unemployment in a profession like that of Medicine, it should be borne in mind that the criterion to be employed is to be different than in the case of those who have received only a literary education. In this case unemployment can be considered only in a relative sense.....The difference in the standard is created by the disparity of training and the investment made in qualifying..... If the monthly income of a medical practitioner of the Licentiate class is less than Rs. 80 or 90 and that of an M.B., B.S. less than Rs. 175 they deserve to be considered among those whose standard of living has depreciated and who are unemployed in the relative sense.....In the light of the above explanation I maintain that 80 per cent. of the independent medical practitioners are on the unemployment list and if a system of ‘dole’ prevailed in this country, they would deserve to be put on the ‘dole’ by the State.”

“There would be no question of unemployment in the medical profession if the chances for all were fair and equitable and a small minority was not allowed, as under the prevailing conditions, to eat up a major portion of the emoluments earned by the profession as a whole.....”

“ Other causes of unemployment among the medical men are mainly the failure of the Government to prevent unqualified quacks from practising and allowing foreign doctors to migrate into the province.”

Dr. B. J. Sahni, another representative of the Indian Medical Association, Punjab Branch, said :—“ There are too many doctors in towns and urban areas and yet in rural areas there are none at all. This uneven distribution of medical men is due to the fact that there is no inducement or facilities in rural areas for the doctors to go and settle down there.”

In a memorandum submitted by them the Indian Medical Association, Amritsar Branch, write :—“ By unemployment amongst medical men we mean that the income of most of them is insufficient for the bare necessities of life. Approximately 60 per cent. of them are not able to earn enough to maintain themselves and their families.”

We are unable to appreciate the argument that the standard for assessing unemployment in the medical profession should be different from that applicable to any other profession. It is obvious that a professional man — medical or other — who is unable to earn an economic wage commensurate with his training and qualifications and is consequently not in a position to maintain himself in fair comfort is, strictly speaking, not unemployed but under-employed. Although the analogy is not complete, the large mass of people subsisting on agriculture are in much the same position. In the case of medical profession there is this difference that unemployment is not due to the fact that there is no work available. There is a good deal of scope for work in rural areas, but unfortunately medical men have a tendency to avoid rural areas and to congregate in towns, particularly Lahore — the capital city of the province. Dr. Sahni said “ Lahore has all the amenities of life, namely, electricity, theatres, clubs, etc., so people like to gather here. Of course, I am only speaking of medical men. Everybody who has not got Government or other job settles down in Lahore. They follow the line of least resistance.”

The Amritsar Branch of the Indian Medical Association is of opinion that the Punjab Registration of Medical Practitioners Act, 1916, is one of the foremost causes of the present deplorable condition of the medical man. “ Whilst the Act has put all sorts of restrictions and limitations on him it has afforded him no protection. On the one hand the code of medical ethics, rules and by-laws of the Punjab Medical Council firmly bind him and on the other hand the army of hakims, vaid, quacks and bogus doctors are besieging him and are carrying on their unprofessional activities unbridled and unhampered. Their vigorous propaganda, loud talks and ceaseless advertisements affect the minds of the simple and ignorant public who are unable to appreciate the difference between the scientific and unscientific methods of treatment. These people have no professional etiquette, no code of ethics and no standards. A clerk, a munim, a manager of a business firm and most often a compounder of an allopath gets a homœopathy certificate on payment of a nominal fee and passes off as a doctor. Similarly, anybody who knows the names of a few indigenous drugs and can sell syrup begins to pose as a hakim or vaid. Again, there is another class of hakims and vaid who use allopathic medicines in disguise ; they are able to purchase even dangerous and poisonous drugs that are licensed and as a rule are not sold to any one excepting registered medical practitioners. It is, therefore, absolutely essential that the present Act should be replaced by a new and better one.”

We think that this criticism of the Act has much force. While we have no desire to decry the Unani, Ayurvedic and Homœopathic systems of medicine which have produced some very distinguished exponents in the distant and near past, we cannot overlook the fact that the large army of quacks who pose as hakims and vaid are not only a source of danger to the public but add to and accentuate unemployment amongst properly qualified medical practitioners. We agree that legislation is necessary for registration of all medical practitioners whether following the allopathic or indigenous systems of medicine. There should be a simple rule that only registered men are allowed to carry on the profession. We realise that such legislation is likely to provoke much hostile criticism. It is not our intention that registration should become either expensive or difficult but we do intend that whatever the standard prescribed for

minimum qualification, registration should be a compulsory pre-requisite of a medical practitioner. Such legislation need not put restrictions on grocers and village shop-keepers selling harmless herbs and other well recognised indigenous drugs, the use of which is popular with and well understood by the average Indian.

On 1st January, 1938, there were 4,936 medical practitioners in the Punjab, including doctors practising in Indian States and the rural medical officers. We think that there are at least as many unregistered hakims and vaidas who are practising mostly in rural areas. Of late there has been a tendency for them to migrate to towns. Some evidence of this fact is afforded by the fact that towns, mostly in Central Punjab, are disfigured by hundreds of obscene advertisements advocating the use of cheap and often dangerous concoctions for curing all manner of venereal diseases. Apart from the fact that the large scale use of such medicines is dangerous to public health the prominent attention attracted to sexual matters must have a very deleterious effect on public mind. We consider it necessary that municipalities and other local bodies should frame by-laws penalising such advertisements.

The following statement shows the number of medical officers of various grades employed in Government service in the Punjab :—

Indian Medical Service Officers	..	..	20
Indian Medical Department Officers	..	..	17
Assistant Surgeons including salaried Medical Graduates	..	..	190
Sub-Assistant Surgeons including salaried Licentiatees	..	..	931
Honorary Medical Graduates	..	..	17
Honorary Medical Licentiatees	..	..	6
Total			1,181

Another statement below shows the number of persons who have qualified from recognised institutions of allopathic and indigenous systems of medicine during the ten years 1928-37 :—

ALLOPATHIC.

Year.	Women's Christian Medical College, Ludhiana.	Lady Hardinge Medical College, New Delhi.	King Edward Medical College, Lahore.	Medical School, Amritsar.	L.S.M.F.	Total.
1928—37 ..	172	108	335	688	859	2,157

INDIGENOUS.

	Tibbia College, Lahore.	Tibbia College, Delhi.	D.A.-V. Ayurvedic College, Lahore.	Total.
1928—37 ..	542	131	559	1,232

In this decade only 149 medical men have been recruited in Government service. Of them 69 are Civil Assistant Surgeons and 62 rural medical officers,

It is obvious that Government service does not offer much scope for relieving unemployment and under-employment in the medical profession. Other avenues must be explored.

Dr. Chaudhri is of the opinion, and other witnesses agree, that "The foremost step required to relieve unemployment in the medical profession is to disallow medical men and women in Government service to carry on any private practice, including insurance work, superintendentship of hospitals, medical officership of factories and other commercial concerns, etc. If any surgical or other sort of help which is only available at the Government hospitals and well-to-do people have to resort to the service of the Government medical officers, then in that case the fees charged should go to the State and thus any competition based on self-interest with the independent practitioner be allayed. Besides, the charges for X-Ray and laboratory work in the Government institutions for the well-to-do classes should be raised so as to encourage the establishment of private X-Ray clinics and laboratories by the practitioners. Government hospitals should not in any way be allowed to enter into competition with the independent medical man on any score."

It has also been urged that Government doctors should be allowed only consulting practice and even so the consultation should take place through the agency of an independent medical practitioner. We recognise that with their prestige as Government servants and with the facilities provided in Government hospitals, Government medical servants are placed in a somewhat privileged position in regard to private practice. Dr. Chaudhri says:—"This class constitutes roughly 25 per cent of the total strength of the profession but drains away something about 90 per cent of the total emoluments earned by the profession from the public. The members of the Government service have the initial advantage of receiving a subsidy in the shape of fat salaries and then the facilities they have at their disposal at the Government expense give them a handle by which they make things exceedingly difficult for the private practitioners. They provide facilities meant for the poor to the well-to-do and influential people free of charge and thus earn their patronage. The official class does not pay and, therefore, what is left for the private practitioner is to depend mainly on people who are financially unfit to pay even small fees."

The question of allowing private practice to Government doctors presents many difficulties. The Inspector-General of Civil Hospitals states:—"The general practice is that full and unrestricted private practice is allowed to all medical officers, except to those who have definitely been debarred for all kinds of practice (consulting and general) or the limits of whose practice have been restricted by general or special orders of Government, provided such practice does not interfere with the discharge of an officer's official duties. I have not yet been able to trace any orders of the Punjab Government specifically permitting private practice to their servants, but the special exception and restrictions together with the fact that Provincial Medical Service rates of pay are lower than those of other Provincial Services suggest that the right to private practice, unless debarred or restricted in specific instances, obtains for all Government medical officers."

Above all it must be recognised that calling in a doctor for professional service is a highly personal matter. Apart from the qualifications of a particular individual, there is the bond of faith between the patient and the doctor. Many Government doctors have established a reputation in different branches of medicine and we do not think that it would be proper to deprive the public at large of the benefit of their skill and experience. Having considered the matter in all its aspects, we recommend that doctors now in Government service should be allowed only consulting practice. We do not wish to interpose the link of the independent medical practitioner. Consultation with any member of the profession should depend on the exercise of free will by the patient and his friends and relatives; but if any patient is taken to a Government hospital or dispensary all fees for consultation and professional service should cease. No fees should ordinarily be realised from patients in Government hospitals or dispensaries, except for food, rent and miscellaneous expenses. But fees should be recovered from well-to-do patients, according to their income, for surgical operations and supply of medicines. No doctor in Government service should directly or indirectly maintain a private hospital or a nursing home or enter into any such arrangement with a private practitioner.

For existing Government medical officers the terms of service appear to debar Government from prohibiting private practice. Even if this were not so, any restriction in the case of existing Government servants would militate against principles of fairness and equity. We, however, recommend that for further entrants it should be a distinct condition of service that private practice will not be allowed but it shall be open to an independent medical practitioner to call any Government doctor at the request of the patient. We feel that the emoluments offered to new entrants in Government medical service are quite sufficient.

A suggestion has been made to us that fees charged by Government doctors in private practice should be regulated according to a scale prescribed by Government for men of different qualifications. As the fee of an individual doctor depends on his professional skill and the reputation he has established, it is not feasible to place any limit on the fee charged by him. We must let the fees be regulated by the economic law of demand and supply.

The evidence before us suggests that there is an unhealthy conflict between the independent medical profession and Government medical men. This conflict is unfortunate and in our opinion is detrimental to the larger public interest. It is highly desirable to secure co-operation between these two branches of medical men. In Europe and in Presidency towns in India it is the usual practice to appoint physicians and surgeons from the independent medical profession as honorary doctors attached to particular hospitals. This system might be adopted with advantage in the case of Government hospitals in Lahore and at all district head-quarters. We understand that the matter is already engaging the attention of Government. We recommend that private practitioners, both physicians and surgeons of British and British Indian nationality, should be attached to Government hospitals in an honorary capacity for a period of three years. It may be argued that this period is too short but the object is that as large a number as possible of competent members of the independent medical profession should be brought in contact with Government medical officers. Serving in an honorary capacity will give competent members of the independent medical profession a status and standing with the public and will secure to the public their services in an honorary capacity for a reasonably long time. It shall be in the discretion of the Local Government to select particular men and to determine the number of doctors attached to each hospital or dispensary.

Doctors Chaudhri and Sahni and some other witnesses have suggested the possibility of associating members of the independent medical profession with Government doctors in the case of medico-legal work. So far as complaint cases are concerned, any member of the public is at liberty to obtain a medical certificate of injuries, etc., from a member of the independent medical profession. In regard to chalan cases and *post-mortems* in murder cases, the Police is required by law to obtain the opinion of Government doctors. It has been suggested that independent medical practitioners engaged by parties should be permitted at least to be present at *post-mortem* and other examinations conducted by Government doctors in cases referred to them by the Police. We do not countenance this suggestion. Such a practice must inevitably result in conflict of opinion between Government doctors and independent medical men which must have a detrimental effect on the criminal administration of the province. Without desiring to cast any reflection, we feel that such practice, if adopted, may very likely result in corruption. The Committee, therefore, recommend that so far as medico-legal work is concerned conditions should stand as they are at present.

Members of the independent medical profession consider it both a grievance and humiliation that medical certificates required by Government for other than judicial purposes should be accepted only from Government doctors. It appears that the present practice is that if a certificate is obtained from a member of the independent medical profession it has to be countersigned by a Government doctor. We recommend that in such cases Government should accept certificates from the members of the profession without the formality of countersignature by a Government doctor. But such certificates must be signed by doctors who possess at least M.B., B.S. qualification. We do not wish to prescribe any period of standing for members of the independent medical profession in this behalf. If the privilege is abused it is open to Government to place an inhibition on offending individuals.

Apart from our recommendations in the matter of private practice, the other matters, which we have so far examined and in respect of which we have made recommendations, will not relieve unemployment in the independent medical profession to any appreciable extent. A larger field of work for medical men undoubtedly lies in the rural areas. Dr. Chaudhri says:—"There is a great dearth of medical men to serve the rural population because they are unable to support a properly qualified man. The practitioners serving these areas need to be subsidised, say at the rate of Rs. 75 per mensem in the case of medical graduates and Rs. 50 per mensem for a Licentiate. It is really the development of the rural medical relief work which is going to tackle the problem of unemployment in the medical profession somewhat effectively."

During the last decade the State has opened a large number of rural dispensaries but even so there are areas in this province where the nearest hospital is 8 to 10 miles away. In the evidence collected by us on tour the urgent need of extending medical facilities in rural areas was forcibly brought to our notice. It appears that some years ago as a result of the recommendations of the 1927 Punjab Unemployment Committee, the Punjab Government did formulate a scheme for subsidising independent medical men in rural areas. We understand that the scheme failed because the response was poor. Be that as it may, we are persuaded to believe that in the present acute condition of under-employment in the medical profession many men of suitable qualifications will be willing to accept a subsidy to settle down in rural areas. With our present limited revenues the Provincial Government is not in a position to undertake a large programme of starting rural dispensaries. Accordingly, we recommend that in areas not already served by rural dispensaries Government may organise medical aid by giving a stipend of Rs. 75 per mensem to medical graduates with at least M.B., B.S. qualifications. The allowance of Rs. 75 should allocate Rs. 50 to cover the maintenance expenses of the doctor and Rs. 25 for medicines which should be supplied free to patients. If the number of patients becomes so large that the sum of Rs. 25 is obviously not sufficient to cover the cost of medicines, the doctor may make a small charge with the previous approval in writing of the Inspector-General of Civil Hospitals. If particular areas require hakims and vaid, suitably qualified men with recognised diplomas may be appointed. At least 100 such doctors may be appointed and the experiment should be tried for at least five years. These doctors should be allowed private practice and their consulting fee should be fixed at Re. 0-8-0 per visit in the village in which they reside and Re. 1 per visit outside the village. They will be under the general supervision and control of the Inspector-General of Civil Hospitals. If the scheme proves successful and we do not see any reason why it should not, it could be usefully extended.

Further scope for medical work in rural areas lies in the appointment of medical men as Health Officers for schools. It is a matter of common observation that a large percentage of children in primary and secondary schools in rural areas are under-developed and generally of poor physique. Eyes, teeth and ears all require periodical examination and attention. So far as Government schools are concerned, the Education Department should be required by executive order to arrange such periodical inspections. In the case of private schools recognition should be granted only if these arrangements are made to the satisfaction of the Department. We feel that the expense involved will not be prohibitive and in any case the advantage achieved will be much greater. If on examination it is found that the expenditure involved cannot be met by Government from existing funds, a nominal fee may be recovered from each boy on the analogy of schools in certain urban areas to cover part of the expenses. The State must not overlook its responsibility in securing the health of children of to-day who are to become citizens of to-morrow. The recovery of fees on account of medical attendance must be subject to very strict Government control, so that this item does not become a source of profit to cover general expenditure on educational institutions.

58. Public Health.—Apart from medical aid, which aims at curing disease, Government has provided machinery for preventing disease through the Public Health Department. District Medical Officers of Health are entrusted with the task of securing sanitary conditions in rural areas generally and

preventing outbreaks of epidemics like smallpox, cholera and plague by an intensive programme of vaccinations, inoculations and rat destruction campaigns. In his evidence before us Dr. Sahni did not attach much importance to the work now being done by this Department. He states :—“ At present the Public Health Department works chiefly on collection of statistics. They do very little practical work. District Medical Officers of Health have to administer such a large area that it is impossible for them to do any practical work. They do a little bit of propaganda, collect statistics, sign and initial papers and that is all. They do very little practical work. The separation of the Medical and the Health Departments has increased the expenses and restricted the usefulness of medical men.” It was pointed out to Dr. Sahni that the experience of district officers who have had opportunities to watch the work of the District Medical Officers of Health and their subordinates closely was at variance with his opinion that no practical work was done. It was pointed out that incidence of mortality from epidemics had been very substantially reduced through sanitary and other work carried out by this staff. He states :—“ I disagree when you say that work is being successfully done. It is not successful because the subordinate staff are not sufficiently trained. For instance, my point is that vaccination is not being done properly. If my compounders are doing their work under my nose, they will do it in a different way from what they do independently. But the real kind of work which is necessary and which is expected of Health Officers is not being done, because they are too busy otherwise. In England a medical man gets 1s. 6d. for every vaccination he does. He sends his stamped post-card to the Ministry of Health and at the end of a month he gets his cheque for all the vaccinations he has done. I do not suggest the same system being introduced here but at the same time vaccination should be at least supervised by special Rural Medical Officers of Health.”

We are unable to endorse the opinion that the staff of the Public Health Department is not doing any practical work. On the contrary, we affirm that very useful work has been and is being done in many directions. As proof of the efficiency of the Department we may refer to the large number of fairs which take place periodically all over the province at which outbreaks of epidemics have been successfully controlled for years by the Public Health Department in spite of unfavourable climatic and other conditions. But we are inclined to agree that there is scope for the expansion of more regulated activities. Government have recently initiated a programme of intensive rural development to be financed from a Special Development Fund. As one item of expenditure under this head we suggest for consideration the appointment of Assistant Medical Officers of Health, preferably one for each tahsil, to work under the direct control of the District Medical Officer of Health.

Although work in rural areas offers much scope of employment of medical men yet conditions of employment in urban areas, where large numbers of medical men have a tendency to settle down, will not improve without some organisation of medical aid on a regular basis. Dr. Chaudhri says :—“ The establishment of a Health Insurance Scheme and Panel System at first confined to the urban areas and factory workers and later extended to the rural population would be steps, the usefulness and importance of which could not be over-stressed. Any Government with the policy of ameliorating the condition of the masses should not lose time in promulgating such schemes. This would prove to be a very effective method of dealing with the problem of unemployment.”

The Amritsar Branch of the Indian Medical Association estimate that in the towns there is one medical practitioner for every 1,200 persons approximately. They write :—“ We demand that some sort of Public Health Insurance Scheme be started for the urban areas. To start with, an experiment should be made with the big towns like Lahore, Amritsar, Ludhiana, Rawalpindi, Multan, Ambala, etc. We are convinced that the scheme will be very much welcomed by the public who are sure to derive great benefit from it. It will also help the medical practitioners in the towns, most of whom live on the verge of starvation to earn their livelihood.”

There is no doubt that on account of the large expense involved in securing the services of a competent medical man an average patient is unwilling to call in a doctor either for minor ailments or in the initial stage of a serious

disease. With the poorer classes a doctor is called in as a last resort, in most cases at a stage when the patient is very nearly beyond help. A system of securing medical aid in all contingencies by means of small regulated payments, preferably on a monthly basis, should prove welcome to the lower middle classes in towns. We propose that Government should undertake legislation to organise a Panel System, as an experiment, in urban areas, on the lines of the system prevailing in England. The idea is that panel areas be demarcated and panel doctors be appointed by Government but not paid by Government. All persons in demarcated areas will be eligible to join the panel at a fixed fee per mensem of annas four per adult and annas two per child. Fees will be recovered in the form of stamps. The panel doctors shall be under the control of Government generally, so as to secure that patients get proper attendance and suitable medicines. The panel doctor will supply inexpensive medicines free of charge. He will also have the right of private practice in the panel area but not outside for non-panel residents. We may make it clear that it is not intended to give him the monopoly of private practice but his special position as a panel doctor should help him in building up a lucrative private practice with the higher classes of people living in the panel.

As regards factory workers we suggest legislation to secure medical aid to be paid for on a contributory basis. Permanent and seasonal workers should contribute a small percentage of their daily wage, say anna one per day for workers getting more than annas eight and six pies per day for workers getting less than annas eight, and the factory owners should contribute twice the amount contributed by workers. Factory owners can easily bear this small charge. We recognise that it is not possible to engage wholtime doctors for individual factories, nor does the number of factories justify such action. Factories are nearly all located in towns and it should be possible to obtain part-time services of doctors on the basis of honoraria. Such doctors will work under the control of the Chief Inspector of Factories and the Inspector-General of Civil Hospitals in regard to their work connected with factory labour.

59. Medical Education.—The King Edward Medical College at Lahore and the Medical School at Amritsar are the only two Government institutions in the province for imparting general medical knowledge. A limited number of women students are admitted to the King Edward Medical College, Lahore. The training imparted at the Medical School, Amritsar, prepares students for the Licentiate Course and that at the Medical College, Lahore, for the Degree Course. The Women's Christian Medical College, Ludhiana—a Mission institution which receives a grant-in-aid from Government—prepares women students for the Licentiate Course. Outside the province some women students from the Punjab receive education at the Lady Hardinge Medical College, New Delhi. The diploma, L.S.M.F., is recognised only in India, while the Degree M.B., B.S. is recognised by the General Medical Council of England and foreign universities. Although this has no direct bearing on the problem of unemployment the Indian Medical Association, Amritsar Branch, has represented that diploma-holders are penalised because there is no opening for them for higher study and, so far as Government service is concerned, the only avenue of employment is the subordinate service. It is true that there is a provision in the King Edward Medical College, Lahore, for a six months' course but this is considered useless because for purposes of service claims of the diploma-holders remain practically the same. It is suggested that post-graduate teaching should be on lines similar to those adopted in England or Europe. The Punjab University conducts examinations for M.S. and M.D. degrees, but there are no arrangements for coaching in these examinations. Similarly, there are no refresher classes in our teaching institutions which medical men could attend to improve their knowledge. There appears to be need for organised post-graduate courses, so that practitioners of all ranks may obtain the necessary instruction and experience to enable them to keep abreast with modern methods of diagnosis and treatment.

At the King Edward Medical College students seeking admission far exceed the number which the College can take in. The minimum qualification is F. Sc. examination. Candidates who fail to obtain admission have then to proceed for the B. Sc. examination and again try for admission. This results in extra expenditure and waste of two years. Perhaps the College could be enlarged.

There is no institution in this province for imparting instruction in practical pharmacy as a separate course. Pharmaceutical chemist and chemist druggists are not licensed either. We think it is necessary that such training should be imparted in a separate institution. The enactment of a Pharmacy Act is an urgent necessity. The mushroom growth of unqualified chemists constitutes a great danger to the public. A number of persons now practising as chemists and druggists are no better than quacks.

The province, however, boasts of a unique institution, the deMontmorency College of Dentistry, Lahore. The main course at the College is a four years' one and is open to F.Sc. (Medical Group) students. On passing the final examination students obtain the degree of B.D.S. There is also a two years' post-graduate course for persons holding the degree of M.B., B.S. or the diploma of L.S.M.F. M.B., B.S. students are eligible for the degree of B.D.S. and L.S.M.F. men for the diploma of L.D.S.

At present there is no legislation governing the practice of dentistry. We recommend that steps should be taken to introduce legislation similar to that in England and other countries to register qualified persons and to limit the practice of dentistry to those on the register. Many practising dentists are not properly qualified men or registered practitioners.

So far we have dealt with institutions imparting knowledge in the Allopathic system of medicine. For the teaching of indigenous systems of medicine there are two institutions in the province, namely, the Tibbia College, and the Dayanand Ayurvedic College at Lahore. Some Punjab students also have recourse to the Tibbia College, Delhi.

It is not in our province to review the working of hospitals and dispensaries maintained by Government in the province, but there is one aspect of the matter which has an indirect bearing on unemployment. Very many people all over the province who for one reason or another cannot obtain suitable medical aid in rural areas or outlying stations come to Lahore. The Mayo and the Albert Victor Hospitals for men and the Lady Willingdon and the Lady Aitchison Hospitals for women are the only institutions available in the capital city of the province. The demand for admission to these institutions far exceeds their capacity. We commend to Government the question of opening another up-to-date medical hospital for men and the removal from its present site and enlarging of the Lady Aitchison Hospital for women. There is urgent need for these extensions and should our suggestion find favour, we think that it will relieve, to an appreciable extent, the acute unemployment conditions among medical men in the capital city of the province.

60. Veterinary Profession.—The only institution for imparting Veterinary knowledge in the province is the Punjab Veterinary College, Lahore—a Government institution. There is a four years' course for the L. V. P. diploma (Licentiate of Veterinary Practice). The institution attracts students from Indian States and other provinces, particularly the North-West Frontier Province, but these outside students can only be admitted if the Governments of their States or Provinces pay a premium of Rs. 1,000 per student over and above the tuition fees, etc., which are payable by the students themselves. There is no likelihood of unemployment amongst the men qualifying from this College. The latest annual report of the Civil Veterinary Department shows that there is a big demand for L. V. P.'s in the Punjab and Indian States and that the supply is quite unequal to the demand. As a temporary expedient suitable ex-military men and retired veterinary assistants are being re-employed to help in filling vacancies in the Punjab. With the programme of veterinary expansion still incomplete the requirements of Government will absorb all the men from this College for many years to come.

61. Engineering Profession.—The Maclagan Engineering College, Moghalpura, and the Government School of Engineering, Rasul, are the only two Government institutions in the province imparting training in different branches of engineering. A limited number of Punjab students were hitherto admitted with the aid of a provincial subsidy to the Thomason Civil Engineering College at Roorkee. From 1939 Punjab students will no longer be subsidised for admission to this institution and arrangements will be made for higher training in civil engineering at the Maclagan Engineering College, Moghalpura.

At present the Moghalpura College imparts training in mechanical and electrical engineering. Four hundred and fifty-seven students have passed out from this College during the last ten years. The Principal tells us that there is practically no unemployment amongst the successful past students of the College. Experience shows that every successful student of the College gets remunerative employment within twelve months of completing the course.

The Rasul Engineering School turns out overseers and sub-overseers and draftsmen. During the last ten years 734 students qualified, 627 as overseers and 107 as draftsmen. Present information shows that out of this number only 67 overseers and 7 draftsmen have not been able to secure employment.

The Irrigation, Roads and Buildings and Electricity Branches of the Public Works Department of the Provincial Government and the North-Western Railway which is a State Department of the Government of India employ persons with engineering qualifications. In the Irrigation Branch there are 733 posts—262 gazetted rank and 471 subordinates. During the last five years 280 posts requiring engineering qualifications were filled up. There were as many as 2,154 applications for these posts. In the Buildings and Roads Branch altogether there are 178 posts of engineers—76 of gazetted rank including Professors of the MacLagan Engineering College, Moghalpura, and the Rasul Engineering School and 102 subordinates. During the last five years 49 posts were filled up and for these there were 134 applicants. In the Electricity Branch there are 353 technical posts. During the three years 1935—37, 97 posts were filled up and for these there were 592 applicants.

Most of the persons applying for gazetted posts in the different branches of the Public Works Department have obtained engineering qualifications in Great Britain and foreign countries.

Apart from the figures quoted above, we have not been able to collect statistics which may show accurately the extent of unemployment amongst engineers, but general experience points to the fact that there is substantial unemployment amongst civil engineers. It is, however, difficult to suggest remedies for a situation which cannot be accurately gauged. So far as Government works are concerned, it does not seem feasible to prescribe by rules that contractors should employ engineers for their execution. In fact contractors are nothing more than capitalists who finance labour. They do employ qualified mistries for supervision but in practice Government engineers supervise the execution of works to see that they are carried out according to specifications. We are of opinion that it should be possible to work out a plan according to which contractors securing contracts of different amounts should be required to employ qualified overseers and sub-overseers. We further suggest that municipal and town committees should be required by rule to insist on proper building plans prepared by qualified engineers. At present these local bodies are content to accept more or less rough sketches prepared by draftsmen.

As regards mechanical engineers, again, we have no reliable data but we fancy that there is not much unemployment in this class. In the allied profession of architects there is no question of unemployment in this province. There are only a few qualified men in the capital city and they have enough work and more to occupy them.

62. Profession of Teaching.—Soon after the introduction of the Montague-Chelmsford Reforms the Provincial Government embarked on a large scale programme of educational expansion. After a few years it appeared that expansion was outstripping provincial resources and soon a stage arrived when the object of the Department of Education became restriction and consolidation rather than expansion. As early as 1928-29 Mr. Parkinson, Principal, Central Training College, Lahore, wrote :—"I am of opinion that the province cannot now absorb this number (243) of senior teachers annually. For the last two or three years a fairly large number of men have not obtained posts at the end of their course of training." In the report of the next year 1929-30 the position was further clarified :—"Last year all principals and inspectors were in agreement that only a small proportion of the students under training obtained posts as teachers. This year the question of unemployment is more serious still. Few new schools have been opened, indeed there is a tendency for the

number of pupils in anglo-vernacular middle schools to fall on account of political troubles and the feeling amongst zamindars that the present system of English school education produces unemployables and unemployment. In the present financial stringency it is unlikely that any wide expansion of anglo-vernacular education will occur. The time seems to have arrived for a reconsideration of the numbers of undergraduates to be trained as teachers Mr. Parkinson reports that only a small proportion of the men students obtained posts at the end of their period of training. He believes that it is unwise to train more senior teachers than can be absorbed..... His opinion in regard to the difficulty of finding employment is supported by figures of demand from each division and by the unanimous agreement of all the divisional inspectors that they have no difficulty whatever in finding suitable candidates for any vacancy that arises..... A striking commentary is the fact that several trained graduate teachers have accepted posts on Rs. 55 per mensem."

In 1931-32 the position had become so acute that the abolition of J. A.-V. examination was under contemplation. Actually the classes were suspended from 1st April, 1932, and the examination was abolished with effect from 1933-34.

The Report of the Education Department for the quinquennium ending the 31st March, 1937, says:—"It is disturbing to note that the supply of trained graduates during the quinquennium has outstripped the demand. Owing to all round retrenchment in schools as a result of financial stringency and due also to an abnormal fall in enrolment owing to economic depression, fresh recruitment of trained graduates or the replacement of superannuated teachers has naturally been restricted during the period to the barest minimum. This has caused considerable unemployment among the newly trained graduates. The Principal of the Central Training College is of the view that the College should train only such a number as would be sufficient to meet the annual leakage among trained graduates. The Department looks upon this matter with serious concern and hopes to devise measures for eliminating this unemployment."

In the year 1927-28 there were 31,687 male teachers in all schools—Government and other— of whom 20,272 were trained and as many as 11,415 were untrained. Five years later in 1931-32 the total number had risen to 34,376 of whom 28,467 were trained and only 5,909 were untrained. This means that in the quinquennium trained teachers had increased by 8,195, while untrained teachers had decreased by 5,506. But during the same quinquennium the total number of teachers trained, who qualified as B.T., S.A.-V., J.A.-V., S.V., or J.V., was as high as 16,158. Therefore, the position regarding employment of trained male teachers had already been acute in that year.

In the next quinquennium far from expansion there was some reduction in education activities. The total number of male teachers in 1936-37 was only 33,760 as compared to 34,376 in 1931-32. The number of trained teachers had increased from 28,467 to 29,322 while the number of untrained teachers had declined from 5,909 to 4,438. During the second quinquennium, however, the total number of male teachers trained came down to only 2,898 as compared to 16,158 in the previous quinquennium. The Director of Public Instruction says that the output of trained teachers now, restricted as it is, is more than sufficient to meet the requirements of service due to normal leakage on account of retirement, death, etc. Even now the position is somewhat unsatisfactory. The Director of Public Instruction maintains a waiting list of teachers for employment. If a teacher whose name is borne on the list and is unable to secure employment during three years his name is struck off. At present there are as many as 329 teachers on this list.

The position regarding female teachers is very different. In 1927-28 the total number of female teachers in all institutions was only 3,413 of whom 1,452 were trained and 1,961 untrained. Five years later in 1931-32 the total number rose to 4,467 of whom 2,230 were trained and 2,237 untrained. During this quinquennium 1,552 teachers were trained. It is clear that the difficulty was to get adequate number of trained women teachers. At the end of the second quinquennium in 1936-37 the number of female teachers had risen from 4,467 in 1931-32 to 5,703 of whom 3,561 were trained and 2,142 untrained. During the second quinquennium 2,401 female teachers were trained as compared to 1,552 in the previous quinquennium. Therefore, it is clear that the

Province still wants more female teachers than we are able to train at present. Here it may be of interest to quote some remarks from the report of Messrs. Abbott and Wood—two eminent educationists who recently surveyed the system of education in this country at the invitation of the Government of India. The report says :—“In any case it is extremely important for India to concentrate on the education of girls and women. It is desirable in the interests of women themselves and because educated mothers may be expected to care about the education of their children. It is necessary because of the demand for women teachers, doctors and social workers. It is also of great significance because educated women are one of the most powerful factors in civilising men ; and it is sometimes the manners of men which make the employment of women in schools and elsewhere so hazardous an undertaking, particularly, in rural areas”. Apart from the desirability of educating women in order to make them better mothers and social workers the Report lays great stress on the importance of securing women teachers for infant classes in primary schools. “In general women have a wider sympathy with young children and a deeper understanding of their needs than men have and in consequence women are better fitted than men to undertake the school education of children up to say 7 years of age, irrespective of the fact whether the children are boys or girls.” We recommend that the Punjab Government should immediately embark on a bold programme of training more women teachers. We recognise that this recommendation does not directly spring from our terms of reference because there is no unemployment amongst women teachers but we feel that the importance of the subject justifies us in making the recommendation.

As regards male teachers we must recognise that normal leakage is not sufficient to absorb all unemployed teachers. We have not been able to secure any accurate figures of leakage but Mr. Armstrong, Director of Public Instruction, thinks that it may be placed at 4 per cent. Be this as it may, we recommend :—

- (1) That all untrained teachers in Government and private schools should be replaced by trained teachers. As regards private schools Government can exercise some influence on policy by prescribing this course as a condition for a grant-in-aid or recognition.
- (2) That in private schools also teachers must be made to retire at the age of 55 as in Government schools.
- (3) That all teachers in Government or private recognised schools and Professors in Government and affiliated colleges must be immediately debarred from undertaking private tuition. As matters stand at present, teachers and professors in Government institutions are, like Government doctors, in a privileged position and nearly monopolies the lucrative business of private tuition.

63. Professions pertaining to Commerce and Trade.—We regret to say that we have not received co-operation in full measure from commercial, business and trade circles and consequently we are not in a position to judge whether there is unemployment in these spheres or to make any useful remarks or suggestions to meet or improve the situation. So far as commercial training is concerned, the Hailey College of Commerce,—a University Institution—is the only one of its kind in the province. This College provides a four years' course. It turns out 30 to 40 graduates a year. Mr. J. W. Thomas, the Principal of the College, tells us that there is no unemployment amongst the products of this College although for some of them it takes time to be absorbed. Only about 20 or 30 per cent of these men are taken in Government service for posts for which their special training fits them, e.g., in the Income-tax and Co-operative Departments. For the rest these graduates find employment in banks, insurance companies and other commercial firms. Asked if there was scope in the province for other institutions of this kind Mr. Thomas replied :—“Not, until industrial development takes place on a much larger scale. Our present supply is adequate for the demand.” His attention was invited to the evidence of the Director of Public Instruction, United Provinces, before the Sapru Committee where he said :—“It seems that B. Coms. who think that they may get jobs

in commercial concerns and cannot get any, not that there are no jobs but there is nobody to back them and there is a strong prejudice amongst Indian merchants and Indian businessmen against these young men partly because the former feel that they have not got the necessary knowledge and partly because they can get their work done cheaply by engaging semi-educated men." Mr. J. W. Thomas replied :—"That is not our experience. In fact, we get most offers for services of our graduates from business men." We, however, realise that there is a great deal of truth in the remarks of the Director of Public Instruction, United Provinces. The training imparted in commercial colleges is apt to emphasise theory more than practice. We, therefore, recommend that Government should make arrangements with business firms for practical training of graduates from the Hailey College of Commerce. This is bound to increase knowledge and experience of these young men and is calculated to instil confidence in them regarding their ability and usefulness.

CHAPTER V.

Industries.

64. Need for industrialisation : Suggestions.—Throughout the course of our labours we have been faced with a persistent and widespread demand that the State should embark on a well-planned and large scale programme of industrialisation. In every memorandum that we have received in reply to the questionnaire, in every meeting that we attended on tour and in the evidence of every witness whom we examined orally at Lahore the chief demand is for industrialisation. We have been impressed with the depth of feeling on the subject and the lesson has been driven home to us that if we want to compete and exist in the modern post-war world we must make a striking and basic departure from our present economy which for all practical purposes is an entirely pastoral economy. We must not be misunderstood to mean that we advocate desertion of agriculture as a profession ; indeed this is not possible. But what we wish to say clearly and emphatically is that the root cause of our growing unemployment is our unbalanced economy which places far too much emphasis on agriculture and far too little on commerce, trade and industry.

We have received a bewildering mass of suggestions regarding industrialisation. Witnesses have talked of capital industries, large scale industries, small scale industries, major industries, minor industries, cottage industries and village industries. We recognise the keenness of desire but we feel that the public at large and even representatives of such established industries as we have have not shown proper appreciation of the exact lines on which progress should be made in the province. But there is one central fact on which there is striking unanimity and that fact is that it is for the State to devise a practical plan and programme which should take into consideration our natural resources, the aptitude of the people to develop certain industries more than others and the possibilities of efficient marketing of manufactured goods. It is equally important to appreciate that in the initial stages, development of large scale industries, involves organisation and capital enterprise which can only be provided by the State. The Deputy Commissioner, Amritsar, says :—“In the development of industries lies our principal hope of removing unemployment both amongst educated and uneducated persons. Though it is becoming common to advocate a policy of industrialisation as the chief means of relieving unemployment yet the exact nature of industrialisation which the province needs is not fully realised.....Industrialisation would be a boon, which it is supposed to be, only when we manufacture capital goods within the country. In every industrial country the number of workers employed and the amount of capital invested are greater in capital goods producing industries than in industries producing consumption goods. Unless we set the course of our industrialisation in the direction indicated above the hope of relief which we place in increasing the pace of industrial growth of the present type cannot be realised.”

Professor Bhatnagar, an eminent industrial-scientist of the Punjab says :—“It is only after the Great War that England realised that if she wanted to maintain her position as the premier Power in Europe the only method was to build up industries which did not exist, either assisted by a Government subsidy or by actual co-partnership as in the case of the Dye industry. Nothing of this nature on a large scale has so far been done in India. As a matter of fact it is natural that any industry which is likely to lead to cut-throat competition with empire industries would not find favour with the Government and I am of the opinion that we should develop such industries as are not likely to excite the jealousy of our sister Dominions..... There are two methods of improving the general economic condition of this province. One is by agricultural development and the consequent development of cottage industries. But it is futile to anticipate that the standard of living is going to rise appreciably by this method although it may lead to some improvement. The other method which is the only successful method is to develop large scale industries.”

65. State enterprise : Industrial Survey.—We shall presently examine the suggestions made by industrial research scientists, representatives of Chamber of Commerce and prominent promoters of existing industrial enterprise regarding the development of major and minor industries which they consider particularly suitable for establishment in this province. Although

we are impressed with some of these expert opinions we feel that we have not sufficient data before us to justify definite recommendations in regard to particular industries. No programme or plan can be drawn up and no concrete progress of an abiding nature can be achieved until a comprehensive industrial survey is carried out. A small beginning has been made in this direction in the current year. But we consider that this kind of half-hearted effort will not produce any fruitful results. Accordingly, we recommend that Government should immediately set up a small committee of experts representing industrial, economic and agricultural interests to study our resources and requirements and draw up practical schemes for the establishment of large scale industries through direct State enterprise. It should not be difficult for a Committee of the kind we advocate to submit proposals in six months' time to enable Government to make a start.

But for further development there is a need for more sustained efforts. Progress will be retarded if Government is not in possession of upto date information regarding industrial research and survey. We, therefore, further recommend that Government should set up a permanent Industrial Economic Bureau whose function would be to collect and co-ordinate upto date data regarding survey, research, manufactures, marketing and in fact all matters which have a bearing on the establishment and successful operation of major industries.

We are convinced that without State initiative on the lines indicated there can be no sure and abiding industrial development. In this connection we should like to draw attention to the success that has been achieved in certain Indian States chiefly Hyderabad (Deccan), Mysore and Travancore, through State initiative and enterprise.

Assuming that our recommendation regarding the establishment of major industries through direct State enterprise is accepted, we must proceed to consider the important question of capital required to finance such enterprise. Some of our colleagues are emphatically of opinion that all new major industries should be owned entirely by the State. They feel that in certain directions success is certain and profits are sure. It is pointed out that some new private concerns, particularly in the textile industry, e.g., the Lyallpur Cloth Mills, Limited and the Sutej Textile Mills, Okara, have earned enormous profits right from the very beginning. It is argued on this analogy that although profits from major industries set up by State enterprise may not come to the high level of profits earned by private concerns, there is no reason why the entire profits should not be available to the general public through increased expenditure on beneficent State activities. This suggestion was put to Dr. Bhatnagar whose opinion is interesting. He said :— "Without meaning any insult to anybody Government as they exist now really cannot develop industries. They have neither the requisite experience nor the ability nor any intelligent enthusiasm for industry. I would suggest that if we start any big national industry the State should buy half the shares. The advantage would be that at least 50 per cent of the profits will be available to the nation. Equal share of profit on capital will ensure that industry is run on a scientific and economic basis." Industrial interests at Ludhiana, which to-day is by far the most important centre of textile and hosiery industries, urged the same point of view. Their representative, Rai Sahib Lala Amar Nath, made the concrete proposal that in the case of new major industries half the capital should be provided by the State and the other half should be subscribed by public on a share basis. Certain minimum interest on the public share of the capital should be guaranteed by Government in the initial stages, say, for a period of five years. The directorate should be appointed on the basis of the share capital ; Government nominating half the number of directors and the share-holders electing the other half. The management should be entrusted to a capable businessman from amongst the public share-holders. Through their directors Government should exercise general supervision and check

We are of opinion that both points of view have force. In certain spheres the State may embark on its own enterprise while in other spheres the State may with advantage join suitable existing industrial concerns as share-holder and in the case of new enterprise the public may be associated in capital holding and management but we definitely recommend that the State should establish either by itself or by association with the public at least one major industry

in each Civil Division of the province. The State share of the capital should be financed through a special industrial development loan. The total loan may well amount to Rs. 10 crores ; borrowing being regulated according to current need.

66. Major industries : Manufacture of machinery.—We might now proceed to examine the prospects for the successful establishment of a particular major industry. The chief objective should be to promote what may be called capital goods industry by which we mean production of machinery which is required for the manufacture of consumption goods. At present private enterprise has made a beginning in two directions. Hosiery is a very important industry in Ludhiana. It at present employs 20,000 skilled workmen. The Kalsi Mechanical Works, Nandpur, which produce hosiery machines were established in 1923 through the enterprise of Mr. H. R. Dhanda. From 1923 to 1927 this firm produced about 200 machines a year for the manufacture of socks only and these were promptly purchased by industrialists. In 1928 the firm installed new machinery at heavy cost for the manufacture of knitting machines to produce Jacquard fabrics. About 600 machines were manufactured in the four years from 1928 to 1931 and they were all purchased. In 1933 the firm succeeded in manufacturing large diameter semi-automatic Rib machines for the production of Jerseys and other garments and patents were taken out in 1935. In 1936 the firm put on the market fine gauge sinker body machines which are working in the market to the full satisfaction of buyers. We are told that no other firm in India has been able to manufacture these machines up to now. Mr. Dhanda tells us that the hosiery machines produced by his firm have been purchased by industrialists for a sum approximating to a crore of rupees. The most important part of these machines, however, the needles, cannot as yet be manufactured in this country. Some 30,000 needles are required every year and come principally from Germany and Japan. This industry is therefore in imminent danger from foreigners who in certain eventualities like a world war can cripple Ludhiana by stopping export even for one year. The machinery required for the manufacture of needles is very expensive and the only way it can be bought and established is through financial assistance by Government. Further it is necessary that Government should send one or two trained men to Japan and to the continent to study the needle manufacturing plant. Mr. Dhanda is confident that needles can be produced in this country at a price fully 50 per cent lower than the price charged by foreign manufacturers. He also points out that his hosiery machines are 50 per cent cheaper than foreign machines and equally efficient but the industry is in danger as Japan has started flooding the Indian market with cheap but worthless machines. These Japanese machines are being offered at very tempting prices and competition is becoming increasingly difficult although our local machines are much better. There is need for protection against Japan.

The other key industry is the manufacture of steel machinery parts like bearings, gears, axles, etc. A large scale concern—The Steel and General Rolling Mills—has recently been set up near Lahore through the enterprise of Dr. Sir Gokul Chand Narang. We understand that this concern has recently approached Government for a guarantee of minimum interest return on their capital. We consider that this kind of concern deserves all possible encouragement on the part of Government.

67. Textiles.—In consumption goods textiles—both cotton and woollen—is by far the most important industry. At Ludhiana we were impressed by the fact that all the yarn used in hosiery manufacture is foreign. We understand that there is not a single mill for producing woollen yarn in India. It is all imported either from Japan or European countries. Should any contingency arise in which import of yarn is stopped, thousands of workers will be thrown out of employment and machinery costing, as we have said already, about a crore of rupees will be rendered idle. There is an urgent and imperative need for the installation of plants to produce yarn. A plant with an output of 30,000 yards a day will cost about Rs. 50 lakhs. One plant will not even satisfy the demand of Ludhiana alone. Government should investigate the feasibility of setting up such plants as State concerns or should finance prominent industrialists who are interested in the business to set up this machinery.

From the consumption point of view as we have said above textiles is the most important industry. Professor Bhatnagar and many representatives of commerce and industry have urged that textiles should be developed as the chief industry of this province. Punjab is the greatest buyer of fine cloth in India. We have the necessary raw material and manufacturing skill. Therefore, this industry is one which should be developed to the fullest extent. In a previous section, while discussing the possibilities of sheep rearing, we have already advocated the establishment of at least one large woollen mill of the size of the New Egerton Woollen Mills, Dhariwal. We are told that there is scope for the establishment of at least ten large cotton textile mills of the size of the Lyallpur Cloth Mills and the Sutlej Textile Mills at Okara. The establishment of each of these Mills, we understand, will require a capital outlay of about Rs. 50 lakhs.

68. Fibres.—Along with textiles Professor Bhatnagar would foster fibre manufacture industry. He said :—“ There are several types of fibre and fibre plants found in the Punjab which have great possibilities but they have not been developed so far. There are two types of plants on which we have done some work and I am very glad to say that we have already interested some businessmen who wish to develop these fibres. One of these fibre materials is obtained from the agave and sisal plants. These plants are found in the Hoshiarpur district and near the foot hills. In America a cloth is already manufactured from this fibre and is in the market. It is a sort of linen from which shirting and creaseless collars are made. This industry can be developed in India quite easily. We have allowed these plants to grow wild without any idea of cultivating them. This industry should prove to be the equivalent of Jute industry. Indeed this fibre is better than jute.”

Some of our witnesses, chiefly at Ludhiana and Amritsar, have advocated the development of the Rayon manufacture industry. Professor Bhatnagar who has studied the matter considers that there is not much chance of this industry being a success in the Punjab, as we do not have molasses from which acetic acid which is essential for the purpose can be manufactured cheaply. He does not advocate the establishment of this industry for the production of Rayon as other provinces in India, chiefly United Provinces, are in a much more favourable position than the Punjab to develop this industry. To sum up the position “ I would not say that it will not be a success but it cannot be a better success than in the United Provinces, Travancore or Madras.”

69. Glass and Pottery.—The next industry for which prospects of development in this province are very bright is the glass industry. It is not possible to say that our province is the best province for this industry but it is one of the best. Use of glass has increased not only in building operations and electrification schemes but also in the home life of the Punjabee, e.g., wide-scale use of crockery in preference to brass and metal utensils. Glass has also a great future as we require hundreds and thousands of bottles for a highly developed beverage and beer industry which we already have in this province. We understand that the glass industry has made great headway in the United Provinces. In our province we have only one concern the Upper India Glass Works at Ambala owned and managed by Rai Bahadur Lala Panna Lal. This firm does not produce high quality glass goods as there does not appear to be sufficient demand for these wares; but from all accounts it is doing fairly good business with cheap tumblers, jars, chimneys, etc. The proprietor told us at Ambala that he is handicapped for want of capable expert technical advice and difficulties in obtaining adequate coal supplies. Further, we notice that the proprietor who is fairly advanced in years is not training any apprentices who may take over the management of the concern from him in the fullness of time. We think that this concern is capable of great development. It could also serve the purpose of training young men in glass manufacture. We suggest that the Director of Industries may be requested to consider the feasibility of buying this running concern for Government wholly or acquire a sufficient share in the capital to enable Government to have some control in its management and future development.

It appears that in the vicinity of Wah, Khewra, Jammu and near Alwar we have got plenty of raw porcelain material. We could start this industry

in Gurgaon which is very near Alwar where the best raw material is found. If glass succeeds, pottery would come in automatically. It is true that there is no coal available in the province but we can make use of cheap electric power. In fact some processes in this industry could be more easily accomplished by the use of electric power than by the use of coal. In this connection we understand that the Director of Industries has recently submitted to Government a scheme to encourage the manufacture of pottery. The idea is to start a factory for the production of raw material and finished wares. The initial cost of setting up the factory is about Rs. 50,000 and in about ten years' time it will probably be self-supporting. Meanwhile, there will be a loss of about Rs. 24,000 on working expenses in the whole period of ten years. The scheme is supported by the Joint Development Board and we trust that as an earnest of their genuine desire to promote industrialisation Government will sanction this expenditure without delay.

70. Other major industries.—Professor R. B. Seth, of the Government College, Lyallpur, has advocated the establishment of three other major industries :—

- (1) Manufacture of leather goods.
- (2) Manufacture of dry colours and paints.
- (3) Manufacture of mercerised cotton and artificial silk.

About dry colours and paints he says :—“There is no denying the fact that dry colours, distempers, paints and varnishes worth several lakhs of rupees are being imported every year. The base material, e.g., gypsum, barytes, clay, etc., of good quality which form 90 to 95 per cent of dry colours and distempers are available in Jhelum (near Khewra) and other districts at inconceivably cheap prices. No attempt has so far been made to tap these mineral resources of the Punjab. Linseed oil, resin and turpentine are also found abundantly.”

71. Minor industries.—As for minor, subsidiary and cottage industries we at once recognise that some of these industries can only flourish after major industries have been established. It will serve no useful purpose to take any haphazard action regarding the establishment of such subsidiary industries; Time and experience will indicate the lines of progress in this direction. The small committee of industrial survey the appointment of which we have advocated, should be able to make some practical suggestions here. We may, however, point out that the following small scale industries have been suggested to us :—

- (1) Wheat products, such as starch, corn flour, quaker oats, biscuits, etc.
- (2) Manufacture of glue and shellac.
- (3) Pharmæcutical preparations.
- (4) Acids.
- (5) Chemical manures.
- (6) Alcohol from molasses.
- (7) Soaps and its products.
- (8) Inks.
- (9) Toilet goods.
- (10) Animal charcoal.
- (11) Bone black.
- (12) Lamp black.
- (13) Rennet.
- (14) Carbon paper.
- (15) Paper lamp shades.
- (16) Wall paper.
- (17) Envelopes manufacturing.
- (18) Braces.
- (19) Garters.

In the course of our tours we have had occasion to meet several young men with scientific training or practical experience who, we feel convinced, could make a useful contribution to the establishment of minor industries if they had some capital at their disposal. Their only capital now is their talent. We suggest that Government should make a small grant of Rs. 20,000 a year for five years for loans to such individuals. If in a few cases such parties have any property it should certainly be hypothecated as full or part security for such loans ; but the idea is that this grant should be spent on loans to carefully selected individuals on personal credit after due enquiry regarding the *bona fides*, industrial qualifications, organising capability, etc., of the young men concerned. Such loans may be advanced through the Director of Industries. It is possible that in some cases we shall lose our money but it is very probable that in many cases the money will be recovered and the province at large will gain through the establishment of successful minor industries. The recovery of such loans may be arranged in instalments, starting at least a year or two after the date of the advance.

72. Cottage industries.—Next there are certain cottage, rural or village industries which involve work of a specialised nature and for which technical skill and other facilities are available in different localities of the province. The Co-operative Department and the Industries Department have already achieved a measure of success in organising these industries on a co-operative basis but we are convinced that a great deal of work still remains to be done. Two basic principles are essential for the success of such industries, (a) that raw material is supplied at economic rates and that it is of good quality ; (b) that the finished article is bought by some society or some other responsible body so that the worker does not have to worry about its marketing. The work that is already being done by the Co-operative and Industries Departments should continue to expand as opportunity offers but we recommend that such industries should be organised further on the ' Guild ' system through the agency of Deputy Commissioners. It may be of advantage if we explain the idea of the Guild System, as we conceive it, in greater detail. During the course of our tours we have been impressed with the skill of certain classes of village workers in producing special articles of a high degree of excellence. But we are sorry to note that these cottage industries are languishing in a state of decay through want of patronage and through lack of organisation. As examples we may quote the carpet industry in Hassanpur and Sohna villages of Gurgaon district, woollen blankets and brass utensil industries in Panipat, shoe-making industry in Karnal, durree-making industry in certain parts of Karnal and Ambala districts, woollen *loi* industry in certain villages of Gujrat district, ivory goods industry in certain villages of Muzaffargarh district and *khes* industry of Lyallpur and Jhang districts. At present the workers engaged in these industries are in the grip of middlemen or shopkeepers who supply capital for the purchase of raw material. Individual workers find it difficult to buy raw material either of good quality or at economic rates in the towns. Once articles are manufactured they find it equally difficult to sell them at fair prices which should represent wages and a reasonable margin of profit. In not a few cases workers are compelled to sell the finished goods at prices which do not even secure fair wages because shopkeepers and other middlemen insist on the return of capital which is advanced on ruinous rates of interest. Deputy Commissioners are in an exceptionally favourable position to organise such workers in small industries. Ten public-spirited gentlemen who are not connected with the industry at all may get together and subscribe Rs. 100 each as an advance. Ten workers in a particular industry who are honest and diligent may be organised in a society. One of them could be entrusted with the task of buying raw material required by all members of the society. As soon as articles are manufactured they should be brought to the society manager who will advance further raw material and also pay the expected market price of the finished article. Thus the worker will get steady employment. In some districts it may be possible for the society, working under the patronage of the Deputy Commissioner to arrange sales of manufactured articles locally but this may not be possible in all cases. Government should open a big depôt under the Department of Industries in a central place like Lahore where all manufactured articles may be sent for sale.

From the samples of manufactured goods we have seen, we are convinced that such articles will find a ready sale and a sustained demand is likely to spring up.

It may not be possible for Deputy Commissioners in all places to find public-spirited men who will supply capital for running such guild societies. To meet such cases we recommend that a small allotment of Rs. 2,000 should be placed at the disposal of each Deputy Commissioner to organise Guild societies for at least two local industries. The experiment may be tried for at least three years. We believe that the results of such a venture on the part of Government will not be disappointing. It is possible that the venture will experience determined opposition from shopkeepers and middlemen who at present exploit these workers and it may be necessary to buy out these workers and release them from the clutches of greedy capitalists by settling their existing debts. These minor difficulties should not defeat the venture if it is entrusted to Deputy Commissioners. We lay great emphasis on this point. We invite attention to the Bihar cottage industries, a venture which we understand is organised and supported by the Provincial Government. This organisation last year opened a depôt in an expensive place like Simla and from all accounts did good business. We also observe that the Co-operative Department has opened a sale depôt in Simla this year as an experimental measure, and understand that results are very encouraging.

73. Technical advice and research.—In order to foster industrial development through private enterprise it is necessary that the State should make arrangements to place at the disposal of private manufacturers expert technical advice regarding manufacturing processes and results of scientific research. It is not possible for the promoters of small scale industries to engage expensive technical advisers. A great deal of useful work is being done in the University Research Laboratories but it appears that research is being conducted only in the interests of big industrial concerns which finance research work. We have particularly in mind the example of Steel Brothers who made a very substantial grant to Dr. Bhatnagar for work on Luminosity of kerosene oil. We understand that the particular discovery made by Dr. Bhatnagar is of immense financial import to the Company concerned. What we advocate is the appointment of half a dozen research students of proved ability to work under the supervision of eminent scientists in a place like the University Research Laboratories. Dr. Bhatnagar assured us that he would welcome research work on these lines under his own supervision. Small scale industrialists in the province should be at liberty to refer particular problems for research. Minor discoveries may be placed at the disposal of industrialists free of charge but if any major discoveries of great financial potentiality are made it should be open to Government to place the results at the disposal of industrial interests on a profit-sharing basis. Further, Government should appoint at least three highly paid technical advisers whose function should be to tour industrial centres in the province and help existing industries to make improvements in machinery and manufacturing processes.

We understand that some time ago Government considered the establishment of a Polytechnic Institute on the lines of the Harcourt Butler Institute in the United Provinces, but the proposal was dropped on account of the large expenditure involved—approximately Rs. 8 lakhs. In view of the handsome surplus on the working of the financial year 1937-38 perhaps the scheme calls for favourable reconsideration now. Industrial development imperatively demands first rate facilities for Research which can only be provided adequately by a Polytechnic Institution.

74. Marketing.—Production of manufactures of quality is however only the first step. Marketing is the real problem which is at present operating as a stumbling block in the expansion of industry. Government has already done something to remove this difficulty by appointing Industrial Marketing advisers in certain centres like Amritsar. This organisation should be expanded. In Ludhiana we were told that some enterprising textile and hosiery manufacturers have appointed marketing advisers and salesmen who tour all over the country and secure orders from far off places. In one case the marketing agent of a certain firm secured a substantial order for the supply of cheap cotton

saris in Madras. But generally it is not possible for small manufacturers to appoint separate marketing agents and salesmen. We suggest that Government should appoint at least six expert canvassers who have received training in the marketing of manufactured goods, to help existing industries in developing markets. If this marketing staff achieves a reasonable measure of success it should be possible for private industries to make a small contribution towards their salary and other expenses.

Successful marketing, however, postulates manufacture of high grade goods of standard quality comparing to samples. Government might enact legislation of a permissive character to enable hall marking of quality wares. We understand that in the case of the Ludhiana Hosiery Industry, where goods are manufactured on a cottage industry basis one great difficulty in competing with cheap foreign goods is the absence of a system of hall marking. Purchasers far off feel diffident in placing large orders because they are uncertain if every article supplied will conform to sample in quality and workmanship. Legislation regarding hall marking will assist at least some industrial concerns which are in a position to produce quality goods on a large scale, in developing their sales and serve as an incentive to others to achieve the same standard.

75. Financing of Private Industry.—Now we come to another important problem, which is the day to day financing of the bigger industrial concerns which are already established or which may be established in future. At Amritsar, Ludhiana and Ambala factory owners put forward a strong demand for the setting up of a State Industrial Bank. It was suggested that for meeting the current demands of business, it should be possible for industrialists to raise short term loans on the security of machinery block and raw material. At present the Imperial Bank and some other Banks advance loans to approved parties on the security of manufactured goods in bond, but they will not advance loans on the security of machinery block or raw material. It was pointed out to us by the proprietors of the Upper India Glass Works, Ambala, and the Shri Gopal Paper Mills at Jagadhri that the raw material in stock at any one time is worth thousands and even lakhs of rupees, but not a single pie can be raised as loan on the security of this material. In brief, the suggestion is that Government should start a State Industrial Bank which should finance all emergency needs of business. It is further suggested that until a State Industrial Bank can be started Co-operative Banks should be authorised to advance money to industrialists. It is argued that these banks have sufficient spare capital. Probably legislation will be necessary to enable Co-operative Banks to advance loans for industrial purposes.

We have not enough data before us to justify a definite recommendation on this point, but we recognise the difficulty which has been pointed out. Even industrial concerns with very large financial backing must find it difficult to obtain ready cash immediately, at times, for emergent expenses. The difficulty must be much more acute with smaller concerns which cannot offer sufficient security in the shape of manufactured goods. We recommend that the suggestion for the starting of a State Industrial Bank or for loans to industrialists by Co-operative Banks should be carefully examined by some Banking expert. We consider that in principle the idea of a State Industrial Bank is sound.

We may mention here that in this connection industrial interests criticize the administration of the State Aid to Industries Act. It is said that loans should be advanced not only against movable stocks, but also against plant and raw material. We are unable to endorse the suggestion that loans should be made on the security of plant block. In many cases highly specialized machinery is used and in the event of a company failing, there is no ready market for the plant at anything like its commercial value. But the suggestion regarding advance of loans against raw material should be examined. It is further pointed out that the present stipulation of taking security of immovable property of the value of twice the amount of the loan operates harshly. It is suggested that at present Government do not only take security of immovables, but hypothecate all the stocks and other goods also. In the circumstances, people in need of loans can raise money cheaper and on easier terms privately. It is the small industrialist who is penalised. It is also pointed out that at present abnormal delays take place in getting Government loans sanctioned. A

concrete proposal is that all applications for loans should be finally disposed of within one month. We think that this suggestion is reasonable.

76. Mass production in parts.—Another interesting suggestion has been made to us regarding the setting up of minor industries, for the manufacture, not of complete articles, but of different parts of a complete article. It is proposed that Government should assist in floating and should buy 25 per cent of the capital of an "Indian Industrial Development and Marketing Corporation," a limited concern with an authorised capital of Rs. ten lakhs. The work of the Corporation will be on the following lines :—

It is found that thermos-flasks are pouring into India from foreign countries and that it is possible to manufacture and sell 10,000 flasks a year. Different parts are to be manufactured: the glass flask, the metal shell, the metal top, cork, handle, etc. Suitable young men will be given training in a central workshop for the manufacture of various parts. As soon as training is complete, these men will be supplied with machinery and raw material to produce complete parts of 10,000 flasks between them and to bring them to the central workshop for assembly. They will be paid cash at rates previously agreed upon. The main feature of the scheme is the manufacture of articles in parts and sale of completed articles. The advantage of the scheme is that many unemployed young men will get training and practical experience and will receive machinery and raw material to start work on a small scale in right earnest at once. These young men have nothing to lose and have only to work hard to pay the cost of the machinery in small instalments. It is felt that there is no dearth of the right kind of young men among the ever swelling ranks of the unemployed. Both educated men and peasants can thus participate in establishing small industries. The Corporation will create a market in India for Indian goods. It is suggested that once young men have tasted success there will be no holding them back and it is expected that in about three years' time 20,000 young men will take to small scale industries. Control of workers will ensure standardisation of products. This is a rough skeleton of the scheme and details can be worked out. The industries proposed to be started will be those which have not yet been started in any part of India. It is suggested that needles, safety razors, thermos-flasks, etc., are some of the items the manufacture of which can be tackled on this basis.

We are unable to offer any comment on this scheme, but the idea is one which deserves to be examined because in foreign countries mass production of articles is arranged on this basis and *prima facie*, there appears no reason why marketing should be difficult. But it is essential that the management of the Corporation should be in the hands of sound business men who have organising ability of a high degree and who have at their disposal the services of technical experts. It is probable that in the present state of our industrial development these prerequisites of success will not be easily forthcoming.

77. State Patronage. Provincial Stores Department, Industrial Museum and Exhibition.—In order to foster provincial industries in particular and Indian industries in general we recommend that the Local Government should without delay set up a Provincial Stores Department. All requirements not only of Government offices, but of Local Board offices should be purchased through this Department. We understand that such departments have been set up recently by the Bombay and United Provinces Governments. Government should issue clear and unequivocal instructions to departmental heads to indicate their requirements well in advance to the Provincial Stores Department, so that local manufacturers might see samples and specifications and produce goods according to requirements. Petty restrictions should not be imposed so as to non-suit local manufacturers. The Stores Department should invite tenders from manufacturers direct and not from middle men. Even at present, in various lines, local manufacturers are quite confident that if the

entire demand is clearly specified well in time they will be able to compete successfully with all outsiders, whether Indian or foreign. In this connection we would like to refer to the evidence of Pandit Nand Lal, Proprietor of the Scientific Instrument Manufacturing Company, Ambala. He produces drawing instruments and other laboratory equipment required by schools and colleges. He said :—“ I am manufacturing these articles here and I am sending them to Ceylon, Bengal, Madras and in fact to every province in India, but I find that the Punjab Government do not give me any encouragement. My equipment conforms to high standards. If the Punjab Government wishes to support Indian industries they should issue a circular letter to all departments that if our goods are of equal quality and price they should be given preference. For instance, although the quality of my goods is of high standard, the United Provinces Government do not recognize my firm for the purchase of these instruments. They give me no reason for it. They have recognized many small firms in the United Provinces who manufacture similar articles : one at Allahabad and another at Cawnpore. The stocks of these firms do not exceed Rs. 5,000 in value, while I maintain a stock at all times of the value of nearly one lakh of rupees. At present my sale in the Punjab amounts to only Rs. 20,000, but my annual sale altogether amounts to well over a lakh of rupees. I supply only 1/5th of the requirements of the Punjab. If the Punjab Government wish to patronize local industry my total production could be consumed in the province and with my sales elsewhere I could double my production.” This complaint should be examined by the Directors of Public Instruction and Industries. Be this as it may, we recommend that the Punjab Government should open a Provincial Stores Department without delay.

As a necessary adjunct to the Provincial Stores Department we recommend the establishment of a Provincial Industrial Museum at Lahore where we should exhibit articles of Indian manufacture made in this and other provinces. The Curator of the Museum should collect information regarding quality and prices of similar articles of foreign manufacture and place it at the disposal of local manufacturers concerned. This will act as an incentive to local manufacturers to improve quality and reduce prices, so that they may compete with the foreign article on a more even basis than is the case at present.

Suggestions have been made to us from many quarters regarding the establishment of a permanent exhibition at Lahore. Such exhibitions are well established in many foreign countries and we believe in Mysore and Gwalior in this country. These suggestions have no doubt been prompted by the unqualified success of the Punjab Government Exhibition held last winter. Exhibitions are undoubtedly valuable in bringing manufacturers and consumers together and in developing trades which have not been thought of before. We are unable to make a definite recommendation on this point because we are not convinced that in the present stage of our industrial development the advantage gained would be commensurate with the expenditure involved which is bound to be substantial. We understand that a proposal to this effect is already before Government and doubtless it will be examined in all its aspects before a decision is taken.

78. Industrial labour.—We may now turn our attention to certain suggestions which have been made either in response to the questionnaire or independently with a view to ameliorate conditions of factory labour. It has been urged on us by the Labour Federation at Amritsar and by other bodies interested in the welfare of factory labour that in order to prevent victimization by managers of factories and in order to avoid invidious treatment of workers engaged on different types of machines in factories legislation should be undertaken to secure —

- (1) control of labour turn-over ;
- (2) minima rates of wages for men and women ;
- (3) prohibition of employment of children in industrial pursuits ;
- (4) raising the age of children for factory employment ;
- (5) raising the school-leaving age of children ;
- (6) restriction of hours of work.

During our tours we have endeavoured to ascertain the point of view of employers on the various suggestions made, and we find that some of the suggestions are impractical while other suggestions are already governed by law the provisions of which require to be strictly operated. Our industrial development has not reached a stage when it is possible to control labour turn-over or to impose further curtailment in hours of work. Factory owners have again and again urged that Indian labour is not skilled enough and where in particular industries skilled labour is available the habits of the people and climatic conditions militate against limitation of hours of work. We feel that any legislation arbitrarily limiting hours of work will on the whole prove prejudicial to the growth of nascent industries. We find that in Japan factory labour works on an average for nearly nine hours a day. We have not come across any industries with the exception of the carpet manufacturing industry at Amritsar where there is flagrant sweating of labour and on the whole we would not make any positive recommendation on these two points, i.e., labour turn-over and further reduction in hours of work.

Existing laws already forbid the employment of women and children in certain industrial pursuits and prescribe an age limit for the employment of child labour in factories. We do not think that it is necessary to raise the school leaving age of children for this purpose. In order, however, to ameliorate conditions of factory labour we recommend that by suitable amendment of the Indian Factories Act or by separate legislation permanent factory labour should be secured 15 days' leave on half pay throughout a full working year on account of sickness. In effect this proposal meets the demand for sickness insurance in the case of factory labour.

During our tours we have been struck with the amount of non-Punjabee labour that finds employment in our factories and otherwise, chiefly in urban areas. Hordes of Kashmiri labourers periodically invade this province and earn substantial wages in transporting goods and by performing miscellaneous work on building construction and other jobs. Our contractors and factory owners also employ large bodies of labourers from the United Provinces and Central India because this labour is cheaper than Punjabee labour. We suggest that if this is possible by a suitable amendment of the Factories Act the licence granted to a factory owner should require that at least 75 per cent of operatives must be Punjabees. A similar condition should be enforced by executive order on all contractors who obtain Government contracts from the Public Works Department or local bodies. Our colleague Khan Bahadur Sardar Habib Ullah has pointed out to us that the Bihar Government has required Seth Ram Kishan Dalmia to replace his Punjabee workers by Biharees on his Cement Works in that province.

Both with a view to help Punjabee labour and to obtain accurate statistics regarding factory labour we recommend that as an experimental measure unemployment exchanges should be established by law in municipal areas. It should be made compulsory that so far as employment in organized industry is concerned no skilled or semi-skilled person shall obtain employment unless the name is registered on the municipal exchange.

79. Profit sharing.—We have not received any direct evidence on the desirability of organising industries on a profit sharing basis but our attention has been drawn to the Tata Steel Industry where we understand that some form of profit sharing is practised. Attention has also been drawn to this matter through the long drawn out conflict between capital and labour at Cawnpore. If labour is given some share in the profits of industry it will naturally have a direct stake in the prosperity of industry. We are, therefore, unanimously of opinion that the principle of profit sharing as applied to industry is both sound and desirable and if carried out in practice is likely to minimize the danger of lockouts and strikes. But we doubt whether much or indeed anything can be achieved by the Provincial Government. Accordingly we recommend that the desirability of enacting legislation on an All-India basis should be examined and suitable representation made to the Government of India.

80. Exchange Ratio.—The recent fall in the rupee exchange, the shrinkage in the favourable balance of trade and the consequent difficulty experienced in meeting home charges and other foreign liabilities have revived the controversy regarding the statutory 18*d* sterling rupee ratio. The Reserve Bank of India has experienced some difficulty in arranging payment of our foreign commitments through the sale of sterling tenders and has been using its assets in Britain and elsewhere to meet outstanding commitments. It is clear that with its outside sterling assets and a big gold reserve the Reserve Bank of India will easily meet all foreign charges during a period of a year or two while the balance of trade remains unfavourable to this country. But the wisdom and expediency of this policy has been severely criticised by influential commercial and trade circles. This aspect of the matter, however, is not one which directly concerns us here. What we do wish to examine in some detail is whether the present ratio should be maintained in the best interests of the country.

The possibility of alteration of the ratio has naturally given rise to uneasiness in commercial and trade circles. In order to remove all uncertainty, which is bound to have a detrimental effect on commerce trade and industry, the Government of India in a recent *communiqué* categorically discounted any possibility of upsetting the present statutory ratio. But this has not silenced the complaint of powerful industrial interests that the present ratio causes a direct loss of 12½ per cent to the agriculturist on export of raw produce and thereby prejudicially affects his purchasing power as a consumer.

In one of his speeches on the Ratio Bill in the Indian Legislative Assembly in 1927 Sir Basil Blackett, the then Finance Member of the Government of India laid down certain definite propositions :—

- (1) The Silver rupee has no natural value other than the value of the silver bullion which it contains. Any other value than this for the silver rupee must be artificial.
- (2) No one ratio for the rupee can possibly be permanently more advantageous for India than another. The question is not and never can be whether one particular ratio say 1*s.* 6*d.* is permanently more advantageous for India than some other ratio, say 1*s.* 4*d.* or 2*s.*

We consider that the position taken up by Sir Basil Blackett is open to attack.

There is no controversy about the fact that the gold value of Rs. 1,500 when the exchange is 16*d.* gold is equal to the gold value of Rs. 1,333, when the exchange is 18*d.* gold. But in a country like India where 80 to 90 per cent of the population subsists on agriculture the question is whether the gold value is of much interest to the cultivator who is the principal producer as well as the principal consumer. In spite of the rise in the standard of living of the rural population during the last quarter of a century, those well acquainted with village conditions, know full well that the domestic economy of the cultivator does not depend very greatly on foreign goods. Apart from using an umbrella or a hurricane lantern or occasionally a shirt made of imported cloth the cultivator's wants and expenses have very little to do with imported commodities which have a real gold value. A large portion of the expenses of cultivation including Government dues, cost of bullocks and implements and wages of labour have nothing to do with the gold value of the rupee. If for every 100 pounds sterling worth of raw produce exported the cultivator received Rs. 1,500 instead of Rs. 1,333 his economic condition would become definitely better because after meeting all expenses of cultivation he would have more rupees left with him to spend on his personal wants. It may be argued that with a lower ratio, say 16*d.*, prices of imported goods would rise by 12½ per cent which means a rise in the cost of living and therefore a reduction in real wages. So far as the cultivator is concerned prices of imported goods may rise by 12½ per cent but this would not increase his costs of production to a corresponding extent because, as already stated, most of the items of costs are fixed on a rupee basis. So far as wages of labour are concerned, this is scarcely an item of expenditure because wages of the cultivator are his profits.

Moreover, in regard to the effect on prices it is not possible to sustain the position that rupee prices would rise by 12½ per cent. Prices of exports

alone will be affected directly and in the first instance. This effect will be transferred later to home prices. But the ultimate effect on internal prices will depend upon the importance of exports relatively to home production and will vary from commodity to commodity. Therefore, the proposition that exchange is a matter of indifference to the agriculturists in this country is a deduction based on data which ignores the hard facts of life. A lower ratio of exchange will definitely be of advantage to the cultivator. Incidentally, it may be pointed out here that Australia — an Empire country — has depreciated its currency by about 25 per cent.

Even if an 18*d* ratio was justified in 1926-27 no one can affirm that this ratio must be permanently advantageous for India. Critics maintain that today at 18*d* gold, the rupee is over-valued. It must be remembered that conditions in India are very different from those obtaining in Britain. Britain chiefly exports manufactured goods and the costs of production there are affected by the depreciation of the pound because raw material has to be purchased from the countries which are on the gold standard. India exports raw materials and food-stuffs whose cost of production is a rupee cost and is not affected by the depreciation of the rupee in terms of gold. The weakness of the rupee is derived from the fact that India is primarily a producer of agricultural commodities and, like all countries similarly circumstanced, is suffering from a recession in world prices. Our exports have been dwindling in recent months both in volume and value while our imports continue to reflect orders placed during the period of relative prosperity which continued up to the middle of last year.

It might be useful to examine the circumstances which have hitherto occasioned a favourable trade balance. In 1929 our exports began to fall so heavily that it became difficult for the Government to maintain the ratio. But fortunately owing to the intense boycott of foreign goods organized by the Indian National Congress imports were heavily reduced and a considerable balance of trade continued to be available to meet home charges and other foreign obligations. When at the end of 1931 India following the lead of Britain went off the gold standard, this country began to export gold in very large quantities chiefly to Britain. Therefore, in spite of the gradual revival of the imports owing to the weakening of the Congress boycott and other factors, the substantial export of gold continued to secure us a comfortable trade balance. It may be mentioned that hitherto India has exported about 376 crores of rupees' worth of gold.

As we have seen a reduced ratio will operate to the advantage of the agriculturist; but export of agricultural commodities must be assured. This is far from being the case at present. Our exports of both wheat and cotton — the two principal commodities — have been steadily going down. In view of the heavy increase in the production of wheat during 1937-38, which represents a substantial surplus over world requirements, the prospects of wheat export are far from bright. In fact, there is danger that wheat may be imported in this country. In any case, surplus of wheat production for export purposes is not great.

So far as cotton is concerned, the position is entirely different. Indian industry cannot absorb more than about 50 per cent of the total production of the country and we are compelled to find markets for the export of the remainder. Japan and Lancashire are our principal export customers. Owing to Sino-Japanese hostilities Japan is not in a position to purchase large quantities of cotton and there are difficulties even about arranging payment. Japanese trade agents are negotiating export on long credit basis. Apart from this temporary aspect of the matter Japan is developing her cotton areas in Korea and after the termination of Sino-Japanese hostilities is most likely to develop further areas in China. So far as Lancashire is concerned, substantial export can take place only if the present trade negotiations succeed. The interest of the agriculturist here militates against the interest of the Indian textile industry. Altogether, the prospect for cotton export is not very reassuring.

While the agriculturist will gain by a lower ratio to the extent of our present export of agricultural produce, it is by no means certain that this gain will increase to an extent which will outweigh the loss which is bound to result to the country as a whole from lowering the ratio. For reasons in which it is

not necessary to enter into detail, India is a debtor country and the matter of a lower ratio must be viewed from this standpoint.

With a 16d ratio, the cost of home charges and other obligations which we must perforce meet will increase substantially — may be to the extent of 6 to 7 crores. This loss may be partially covered by the increased earnings of railways on account of greater export of raw produce and possibly by increase in excise duty owing to the greater activity of existing industries, but the net cost will in any case come to a large figure. To meet this deficit Government will have to explore new avenues of taxation and whatever the form of taxation much of its incidence must ultimately fall on the peasant.

A lower ratio is also likely to give rise to an immense amount of speculative activity as distinguished from legitimate and beneficial trade. Imports of machinery are likely to be curtailed considerably owing to higher prices. This must influence our immediate industrial development. The difficulty can be solved to some extent if import duty on machinery is reduced or abolished; but the chances of this being done are small because the Government of India will already be faced with a big deficit on account of increased cost of meeting home charges.

Our conclusion is that a lower ratio might be immediately beneficial to the agriculturist, provided unilateral action was possible. In view of the prevailing world conditions it would be futile to expect that India can manipulate her currency without the risk of retaliation by other competing countries. In the circumstances it would be inexpedient to support blindly a lower ratio.

This is a matter altogether outside the purview of the Provincial Government but we have considered it necessary to examine the issue as it has a vital bearing on our peasantry which forms the backbone of the Province.

81. Tariffs, Customs, Excise Duties, etc.—Tariffs, Customs, Excise Duties and State control of profiteering are subjects assigned to the domain of the Central Government by the Government of India Act, 1935. We may, however, mention that textile interests in the Province have entered a vigorous protest that the import duty on yarn is proportionately very high as compared to the duty on manufactured goods. The duty on raw material cripples local industry and makes it difficult to compete with foreign manufactured goods on terms of equality. We recognise that in framing a customs tariff the Central Government has to consider the revenue aspect consistently with the industrial interests of India as a whole. Equally in the levying of excise duty many factors have to be taken into consideration. But an industry must be well established before a tax in the form of excise duty can be contemplated or minimum prices can be fixed for manufactured goods. The economics of each industry require separate careful examination. To secure a proper examination we recommend that it should be urged on the Government of India that in the constitution of the Tariff Board representation should be given to manufacturers, consumers and producers of raw material.

82. Railway Freight.—The freight policy of the railways has come in for strong criticism by industrial interests all over the province. In 1921-22 the Indian Fiscal Commission referred to the matter and made certain recommendations. The observations made there are still so pertinent that they may be reproduced:—“It has frequently been urged that the system on which railway rates are fixed is injurious to the interests of industries. It is not inconceivable that a policy of protection to industries might to some extent be nullified by injudicious railway rates, or it might be found that in consequence of such rates the tariff protection required by an industry, and consequently the penalty on the general public, was higher than it otherwise would be. The Indian Industrial Commission received much evidence in regard to the alleged handicap imposed on Indian industries by the railway rates policy and devoted a chapter of its report to considering this question. Similar evidence was given before the Railway Committee which sat last year and we have received complaints from persons interested in industries in many parts of the country to the effect that the system of railway rates operates to the disadvantage of Indian industry.”

In this connection we wish to quote certain complaints which point to discrimination. At Ludhiana we were told that transport of hosiery goods cost

ten annas per maund from Ludhiana to Delhi by passenger train and Re. 1-8-0 from Delhi to any port by goods train or in all Rs. 2-2-0 per maund, whereas transport direct from Ludhiana to Howrah costs Rs. 3-4-0 per maund. Local manufacturers protested that the freight of Re. 1-8-0 from Delhi to ports and *vice versa* by goods train has been designed to help particular industrial interests. At Lyallpur millers expressed the grievance that wheat flour industry in the Punjab is being crippled by high railway freight. The North-Western Railway for some years past allowed 25 per cent rebate in freight on wheat booked to Karachi for export purposes without any corresponding concession on wheat flour. The idea of course was to help the agriculturists, but the only gainers through this discriminating policy have been the exporting interests and not the agricultural interests for the great-majority of the latter have no waiting capacity and are forced to part with their produce through economic pressure brought to bear by the exporters at a time "between May and July" when the market is glutted and the price of the produce is generally low. The flour milling industry on the other hand has received a setback as compared with the industry in the United Provinces and at ports chiefly Calcutta. The flour milling industry is at a disadvantage compared with the industry in the United Provinces on account of the discriminative policy of the East Indian Railway whose freight rate on wheat flour is much higher than that on wheat. The combined effect of these factors is that this premier industry of the province has been ruined while mills have grown up outside even at places where wheat is not grown.

Another example of discrimination was quoted by the Managing Agent of the Shree Gopal Paper Mills at Jagadhri. These mills used to import lime from Pind Dadan Khan in Jhelum district at about twelve annas a maund. When this arrangement had been functioning satisfactorily for about ten months, the North-Western Railway suddenly raised the freight to fourteen annas per maund with the result that the Mills have had to import inferior lime from Dehra Dun and other places outside the province. Rai Bahadur Lala Panna Lal of the Upper India Glass Works, Ambala, told us that he sends his manufactured wares to certain places in Kashmir State and Persia but gets no rebate in railway freight. If these people obtain glass goods from Karachi, a port, they get a rebate of 20 to 50 per cent on railway freight.

We have not sufficient data to pronounce a judgment on these complaints. The Indian Fiscal Commission in 1921-22 observed :—" We were shown that in more than one instance the rates mentioned to us by witnesses were incorrect and that the facts did not support the allegations made. The official view of the matter is that complaints are largely unfounded and that the Railway Companies are fully alive to the importance of encouraging Indian industries. We wish to repeat here the views of the Indian Industrial Commission which were endorsed by the Indian Fiscal Commission :—

1. "The governing principle which, we think, should be followed in railway rating, so far as it affects industries, is that internal traffic should be rated as nearly as possible on an equality with traffic of the same class and over similar distances to and from the ports."

The Industrial Commission pointed out that this principle must, of course, admit of numerous exceptions but they pressed for its acceptance as far as possible in the case of raw materials conveyed to, or manufactured materials conveyed from, Indian manufacturing centres. We agree with them in thinking that the acceptance of the principle would remove most of the existing complaints, and would tend to have a beneficial effect on Indian industries. We specially endorse the recommendation that machinery and stores destined for industrial use in India should be transported at the lowest rate possible.

2. "We think that Railways should accept the principle which is followed in some other parts of the world that a consignment travelling over more than one line should be charged a single sum based on the total distance."

"If such a policy is feasible, we think that it would tend to remedy some of the existing disabilities under which internal traffic suffers. But we cannot ignore the fact to which the Industrial Commission also drew attention that extra cost is incurred by the line which handles traffic over only a short distance and we are not in a position to say whether the solution suggested by the Industrial Commission of granting suitable allowances to the less favoured line when dividing the total payments between the railways concerned would involve serious practical difficulties."

3. " We recognise with the Industrial Commission the danger of a policy of individual concessions to industries and of treating railway rates as an indirect method of subsidy by the State. But we think that within the limitations laid down by the Industrial Commission it is not unreasonable that special rates should be granted for a term of years to new industries and even to others if they can make out a proper case for special treatment. We do not contemplate that the investigation of such claims to favourable consideration should be part of the duties of the Tariff Board."

We recommend that all complaints regarding the adverse effect on industry of the currency and exchange policy of Government, operation of customs tariffs and excise duties, operation of railway freight rates, etc., should be referred by industrial interests direct to the " Industrial and Economic Bureau", the setting up of which as a permanent body we have already advocated. The Provincial Government will then be in a position to obtain expert advice and, if necessary, represent the matter to the Government of India.

CHAPTER VI.

Services.

83. In the section on Education it has already been pointed out that the total number of Government servants, including menials in the Punjab, is approximately 100,000 persons. The total number of servants of Local Bodies and Institutions is a little under 76,000. According to the Director of Public Health the population of the Punjab in 1937 was approximately 25,500,000. Thus Government and Local Board servants constitute less than 0·70 per cent of the population. These figures do not take into account Government of India employees serving in the Province. On a rough estimate if we also take into account these men, including those employed on the North-Western Railway, the total number that can be absorbed in the Public service in the Province cannot much exceed one per cent of the population.

It has been urged by some of our witnesses, chiefly the Secretary of the Punjab Educated Unemployed League, that employment may be found for some small percentage of the vast army of unemployed by reorganisation of work in Government offices. The Punjab Secretariat Association has also urged some kind of reorganisation under which each branch of the Secretariat may become self-sufficient. In 1931 the Punjab Retrenchment Committee considered the question of reorganisation carefully. The entire machinery of Government was overhauled and suitable reduction in personnel made where necessary. The present office working hours are from 10 A. M. to 4 P. M. and we are of opinion that, unless working hours are reduced, reorganisation of work in Government and public offices does not offer any scope for the employment of more educated persons. Even so Government should not ignore any avenue which offers the slightest scope of reducing the incidence of unemployment. To this end we make some suggestions for consideration :—

- (1) No extension of service should be granted in any circumstances.
- (2) As far as possible no officer should be allowed to perform dual functions except as a temporary measure for a period of one month or less.
- (3) Strict office hours should be enforced and no officer or clerk should be permitted to work after 5 P. M. or take work home. Home work after long hours of concentration in the office work is bound to affect energy and mental freshness rather sooner than later.

Although not much can be achieved in the way of finding employment for educated young men by reorganisation of Government and local board offices we feel that a great deal of extra employment can be secured by regulating hours of work in private offices of all kinds, by legislation, if necessary. There is every reason to believe that clerks and even highly paid men in private offices and particularly employees in shops are seriously overworked. We recognise that legislation to restrict hours will invoke a storm of opposition from interested quarters but this is no sufficient reason for delaying such a measure. In most European countries hours of work in shops, offices, etc., are governed by legislation. Even in India very recently the Government of Bombay have introduced this kind of legislation. We recommend that hours of work in private offices, commercial firms, shops, etc., should be fixed at a maximum of 8 hours and all employees should be given leave with pay for a fortnight during a year, quite apart from gazetted holidays.

In the evidence on our record there is considerable conflict of opinion regarding the age of retirement from Government service. One opinion is that officers should be compulsorily retired at the age of 50 or on completion of 25 years' service whichever is earlier. It is urged that if this measure is enforced the public life of the province will be considerably enriched. Under the present system the average Indian officer or clerk, who retires at the age of 55 years, is a very tired and exhausted man and has neither the energy nor the initiative to enter public life; but if retirement is made compulsory five years earlier it is unlikely that middle-aged men of experience, ability and merit, in possession of full vigour of body and mind, will be content to lead a life of oblivion on a comparatively small pension. It is pointed out that early retirement will mean a definite gain to the public exchequer because the salary of the

new recruit and the pension paid to the retired official will together be less than the emoluments drawn by the latter at the time of his retirement. The opposite view is that retirement at the age of 50 years will be of disadvantage to Government as at that age most public servants, by reason of their experience and mature judgment, are very useful members of the Public Service. In fact, it is urged that officers of this age are the mainstay of the Government edifice. Further, we must not overlook that at 50 years' age the average public servant's financial commitments are at their highest pitch. Sons are probably studying and have not yet qualified themselves for any career, daughters are grown up and unmarried. It would, therefore, be unfair to reduce the emoluments of an officer at a time when his needs are greatest. Some witnesses have voiced the fear that if early retirement is enforced in the case of the existing public servants it is likely that corruption will increase; need being greatest and reduction in income certain, senior officers of Government with a blameless past, will be unnecessarily tempted to try and supplement their resources through illegal gratification. We have given earnest thought to both these points of view and consistently with the duty of public men to secure on the one hand efficiency and honesty of Government servants and on the other hand some work, for howsoever small a part of the army of unemployed, we make the following recommendations :—

- (1) Government must pass an executive order that any public servant who has qualified for full pension must retire at once whatever his age. If there is any rule or statutory provision which prevents such action immediate steps should be taken to amend it. Government servants who have been given extensions but who are otherwise eligible for full pension should also retire.
- (2) All Government servants should be made to retire, who have either attained the age of 55 years or have completed 25 years pensionable service whichever is earlier. Both these recommendations should also apply to servants of local bodies and institutions. The Provincial Government should take steps to ensure that these instructions are rigidly enforced.
- (3) The class of revenue and irrigation patwaris requires separate mention. Strictly speaking, these men are not public servants and are not entitled to any pension. On retirement they get a gratuity which amounts to less than one year's pay. At the same time it is a fact, known to both Government officers and the public, that conditions of service for these village officials are not so strict as those for Government servants proper. Patwaris enjoy certain facilities which amount to perquisites of office. We understand that retiring age for patwaris is 60 years. An official of this class can go on serving at an advanced age if he is fit (?) to perform his duties. There is reason to believe that ordinarily district officers do not interpret this rule regarding fitness very strictly. Further it is not easy to understand how a patwari can efficiently discharge his field duties at the age of 55 to 60 years. Be that as it may, we are agreed that patwaris must be compulsorily retired on attaining the age of 55 years.
- (4) Any public servant who has retired from Government or Board service must on no account be employed in any capacity in any Government or local board office or institution. Government should not recommend retired officials for further service in Indian States or elsewhere.

However, if any retired servant of Government or of a local board secures employment after retirement in an Indian State or elsewhere (private service) inside or outside the Punjab, then during the period of his employment he should not be entitled to draw any pension.

- (5) In 1931 a 10 per cent cut in salaries was applied to all Government servants, including Imperial Service officers and to all Local Board servants. This measure was justified on account of a state of national emergency. We are convinced that the same measure of economy should be re-imposed now as a permanent

measure. In view of the substantial reductions in salary scales made since 1931 all Government servants who have joined on new scales of pay since 1st January, 1931, or some subsequent date should be exempted from the operation of this cut. Those low paid Government officials who were exempted from the operation of the cut in 1931 should enjoy the same exemption now. But we would like to make it clear that no exception must be made in favour of any particular Service as a whole. We understand that in 1931 officers of the Police Department were exempted from the cut.

So far as Government servants under the control of the Provincial Government are concerned, the measure should be given effect to at once. In respect of members of Imperial Services representation should be made to the Secretary of State for India.

As pointed out in the section dealing with unemployment amongst educated classes we consider it necessary to emphasise once again that we make this recommendation on the strict understanding that the money saved as a result of this recommendation will be allocated to expansion of Primary Education in the Province.

(6) We urge that the Punjab Government should make earnest representation to the Government of India that these recommendations may be applied fully to all officers and subordinates serving in Central Departments in the Punjab.

Here we would like to make it clear that menials and retired Indian soldiers should be exempted from the application of any of the recommendations that we have made in regard to Services.

We attach very great importance to all the recommendations that we have made in regard to Services, particularly Nos. 1 and 3, as means for reducing unemployment and accordingly we considered it our duty to submit these two suggestions to Government as interim recommendations.

It has not been possible to ascertain the precise effect of the recommendations regarding retirement from public service should they be adopted by Government, but we may make a rough estimate. At present the normal period of service is 30 years. Altogether, there are 176,000 persons serving in Government and Board offices and institutions. Roughly speaking, we are reducing active service by five years. On this basis a little over 29,000 should retire. Making allowances for special conditions of some classes of public servants, e.g., menials, we feel that there should be room for some 25,000 new entrants in the public services.

84. Intelligence Test.—Qualifications for various posts prescribed by Government, methods of recruitment and age of recruitment have a direct bearing on the problem of unemployment. All that we can do is to refer to the matter very briefly. In a previous chapter we have already made certain recommendations for recruitment to clerical posts, but we may examine the matter more generally here. Recently, the Government of India invited the opinions of Provincial Governments on a scheme, the main feature of which was the imposition of an Intelligence Test at the early age of 17 years or in other words at the Matriculation stage failure to pass which would operate as a definite bar for employment under Government. As far as we have been able to ascertain, Government servants who are entitled to speak with authority on the subject, the University of the Punjab and prominent public men unanimously oppose this suggestion. We wish to put it on record that the scheme does not commend itself to us. Some of its notable defects may be recounted here :—

- (i) The age proposed, namely 17 years, is in one way too high and in another way too low. It is too high in that, in this province, the cleverer boys are already in university classes at that age, and one aim of the test is thereby at once defeated. It is too low in that, although the Government of India do not consider this of first importance, quite a number of youths do not develop mentality till after the age of seventeen, and although many

might fail at that age, they would certainly later on develop into men who would make efficient Government servants.

- (ii) It is proposed to give the diploma roughly to twice the number of youths calculated as required to fill vacancies in Government service three or four years later. But those who secure the diploma will not have gained anything really tangible. None of them will have any certainty of eventual employment in Government service. Bitter disappointment will result amongst those who possess the diploma but do not eventually secure Government service. On the other hand, those who fail will have one important avenue of employment closed to them for ever.
- (iii) The view has also been expressed from an important quarter that to close the avenue of employment in Government service at the age of seventeen will confer an unfair privilege on the richer classes whose children have comparatively better opportunities for developing intellect and powers of observation in childhood and early youth.
- (iv) The proposed test would impose yet one more examination upon the many which students already have to face ; and since it would develop into a more important test for a large number of boys, it might have a deleterious effect upon teaching work in the schools, since the latter might come to be dominated by the sole aim of getting boys through this test. This is a very serious consideration.
- (v) The test would presumably have to be conducted in English, the tendency nowadays is towards instruction in vernacular in the early years. Should a general preliminary test for all Government servants be prescribed as proposed, all boys would wish to take English education rather than vernacular education to the great detriment of the latter. This will also have serious financial results, as anglo-vernacular education is more expensive than vernacular.
- (vi) Although the proposed examination is to be a test of intelligence and general knowledge, the difficulties of achieving uniformity of standards throughout India would be very great. Even if uniformity is achieved in setting papers, the difficulty of securing uniform standards in the assessment of answer books all over India will be insuperable.
- (vii) There is yet another objection to the proposal. It is conceivable that a boy who has passed the prescribed test might slacken off during the university stage and may pass the final university examination in the 3rd division while his contemporaries who were unsuccessful in the test pass in a higher division. It would then be anomalous to give preference to the former for employment in Government service.

85. Maintenance of Statistics of educated unemployed.—Here we may suitably discuss the advantages of maintaining up-to-date statistics of educated unemployed. Although maintenance of statistics will not of itself create employment, statistics should help greatly in guiding our programme of educational, commercial and industrial development. Some years ago an 'Employment Bureau' was opened by the University of the Punjab, but the voluntary response for registration was very poor and the Bureau had to be closed down. A register is now maintained by the Director of Industries for unemployed youths but there being no prospect of employment from registration the statistics are incomplete and therefore of little practical use. We think that the best method by which statistics can be collected and maintained up-to-date is the setting up of a Bureau by Government. It should be prescribed under legislative authority, if necessary, that no one can secure employment in Government or local board service or in a private office or institution without producing a certificate of registration with the Bureau. Registration and grant

of certificate of registration must be free. If a registered candidate secures employment anywhere, it should be incumbent on the employer concerned to inform the Bureau. Once employment has been obtained the certificate will become invalid. The certificate of registration—a printed form—should mention particulars of qualifications, etc., as shown in the Register. If a person loses employment and wishes to seek fresh employment he or she must register again. It should be incumbent on every person seeking registration to make a true statement of his qualifications and previous record. Should it appear that a materially false declaration has been made, the name should be struck off the register for a suitable period.

The Bureau should be put in charge of some Government department. Although it is recognised that the work of the Bureau will be of a clerical nature some supervision will be necessary to secure that statistics are properly classified and kept up-to-date. We do not think any large office staff will be required. A few clerks with a Superintendent in charge should suffice. Some of our colleagues feel that this Bureau should be attached to the Punjab University but the majority are of opinion that it should be attached to some Government department.

CHAPTER VII.

Miscellaneous.

86. There are certain aspects of unemployment relief which could not be discussed in previous chapters and may conveniently be reviewed briefly here.

Relief to able-bodied persons.—The subject of relief to able-bodied persons by the State has attracted more and more attention in recent times on account of the policy adopted by certain European countries, chiefly Great Britain, where the State grants a weekly dole under certain conditions. Our question on the subject was as follows :—

Do you advocate relief to able-bodied persons who cannot find any employment, suitable or otherwise, through circumstances beyond their control. If so, do you recommend relief by the State or by local bodies. Can you suggest any practical scheme for the purpose? The financial implications of any proposal you make may kindly be explained very clearly.

We regret to say that we have not received any constructive schemes or practical proposals from any quarter. But replies to the question reveal an interesting cleavage of opinion on the point of principle involved. Mr. Muhammad Azim Khan, Secretary, Punjab Educated Unemployed League, Lahore, who has advocated the grant of dole to educated unemployed, when examined on the point suggested that at present the educated unemployed were eking out a miserable existence through the help of parents and other relations. He said :—“ I think parents deserve some relief. They should not be left to bear the burden of their sons. It is the duty of the State to help the unemployed.” The Secretary, Bombay Mutual Life Assurance Society, Lahore, writes :—“ I recommend relief by the State and this should be from the Provincial Revenues. It should be in the form of dole or pittance but in no case should it be made attractive.” Mr. Jones of the British Cotton Growing Association, Khanewal, writes :—“ The ideal would be some form of unemployment insurance, an adoption of the English system to the peculiar and particular needs of India. This should be done by the State, but India and particularly the Punjab has not advanced far enough on the road to industrialism to make this so necessary as among the industrial nations of the West.....I feel that there is no urgent need for an unemployment relief fund and in any case it will not be easy to know where to start. The State should find work but should not give doles to the unemployed.” Dr. Dutta, Principal, F. C. College, Lahore, says :—“ I would like to say yes but I am doubtful of the moral effect.” The Deputy Commissioner, Jullundur, writes :—“ State relief to the unemployed is impossible under the present scheme of federal finance.” The Deputy Commissioner, Lahore, says :—“ I am not in favour of giving relief to able-bodied persons who cannot find any employment. In my opinion such a step will lead to general demoralisation due to the circumstances in which we are living and to the low standard of honesty which we can unfortunately boast of.” The Superintendent, Heavy Repair Military Workshop, Chaklala, says :—“ No. The financial implications are enormous.”

We could quote a large number of opinions of other witnesses. Suffice it to say, that except for a small minority all our witnesses definitely condemn any system of gratuitous relief. Apart from the fact that in our present social circumstances, a system of doles is most likely to result in moral deterioration, the financial implications of the scheme definitely remove it from the horizon of practical politics. It has been suggested by some witnesses that if a small pittance of Rs. 10 or Rs. 15 a month is offered by way of gratuitous relief very few educated unemployed persons will come forward to accept it. We do not share this view. We are convinced that should the State start any such system nearly every one who is eligible or who may become eligible by stretching the rules to breaking point will apply for relief.

In a previous section we estimated that at a conservative estimate there are to-day about 150,000 educated unemployed young persons. At Rs. 15 a month it would cost the State Rs. 2,70,00,000 per annum to put the present unemployed on dole. The tendency is for numbers to increase. As a corrective to immature thought and unreasoning emotion we consider it necessary to say clearly that no system of gratuitous relief by the State could be confined to

educated classes alone. The very much large number of uneducated unemployed persons, particularly agriculturists, who pay the major portion of taxation to the public exchequer would have a much stronger claim than the educated classes. We do not think that the subject need be pursued further. It is an impossible proposition.

Many of our witnesses, however, suggest that although a dole is neither financially practicable nor morally desirable, it is the duty of the State to provide work for the unemployed on a reasonable wage. The Deputy Commissioner, Sheikhpura, says :—" Work should be taken in return for relief. Government may find money for the purpose easily if the giving of relief is undertaken on a province-wide scale. The start should, therefore, be purely of an experimental nature at one or two spots in the province. The work to be taken should be of a nature not competing with ordinary labour. It should produce something to take the place of imported goods." Mr. K. R. Kalia, Secretary, Prisoners' Aid Society, Lahore, says :—" The State should organise unemployed relief homes through the agency of " District Unemployment Bureaux". The Principal, Intermediate College, Campbelpore, states :—" In every district headquarters there should be a State work-house to provide employment for the unemployed. This work-house should provide work for unskilled and slightly skilled labour. In bigger towns there should be State workshops for skilled labour. The wages paid in these State work-houses and workshops should be lower than those paid by private employers. By working out details it should be possible to run these work-houses and workshops without any financial loss to Government." The Director of Public Health, Punjab, says :—" Any relief that is given should take the form of provision of work for which the individual is paid. There is tremendous scope for the employment of educated individuals if local bodies, both urban and rural, would provide adequate staff for the efficient carrying out of fundamental services to the community. Public health work alone offers a wide field for educated men to be employed as Sanitary Inspectors, Superintendents of Vaccination and Vaccinators. In rural areas public health staff is ridiculously inadequate."

Three possible alternatives may be briefly reviewed in this connection. These are—

- (1) Opening of Work-houses.
- (2) Starting of Labour Camps.
- (3) Execution of large scale public works.

87. Work-houses.—The work-house is not a familiar institution in India anywhere. Its history in Europe and particularly in Great Britain does not inspire the hope that in our present social conditions this institution can possibly thrive in the Punjab. The stigma attached to inmates of the work-house would be sufficient to prevent all but able-bodied vagrants, medicants and faqirs from entering the institution. These latter classes cannot be considered unemployed inasmuch as in the Punjab and indeed elsewhere in India, beggary direct and indirect is by no means the least lucrative vocation.

88. Labour Camps.—The Labour Camp is on a very different footing. As we have noted in another chapter our present system of education, coupled with our social customs, breeds in the average young man a distaste for manual labour. The institution of labour camps would secure three advantages. Firstly, they would provide a short period of free living between the time when entrance pass students left school and the time when they might obtain employment. Secondly, the discipline, regular life, physical exertion, good food and medical supervision would be of great advantage to the student from the moral as well as from the physical point of view and he would consequently be better equipped for employment of every description. Ultimately it might be possible to give preference in selection for Government employment to students who had worked in these camps. Moreover, the camps might help to break down that prejudice of the literate against manual labour which is one cause of the extent of educated unemployment in the Punjab to-day and improve the outlook of the campers towards rural work and life. Thirdly, useful works could be undertaken such as checking of erosion in hill tracts, *watbandi*, terracing, village road making, tree planting, farm work, weeding, destruction of crop pests, etc.

In fact, these Labour Camps may form nurseries for appointment of Panchayat Officers, Village Guides and all classes of rural workers. The work in these camps should be mainly manual, but a certain amount of vocational training could also be given. It is estimated that the monthly cost of feeding and housing the students would come to about Rs. 10 per head per month. The camp may last for 3 months. With 100 students the total expenditure on each camp would be Rs. 3,000. We recommend that three or four experimental labour camps may be opened by Government. We are persuaded to think that the idea will be taken up favourably.

89. Public works.—In the Section dealing with Agriculture we have already referred to the desirability of starting a large scale programme of village road construction. This should give employment to a very large number of surveyors, overseers, contractors and clerks. With the opening up of the interior quite a large number of unemployed persons will find employment as motor drivers, cleaners, mechanics, etc. We find that the United States of America and Germany have adopted road construction as one of the ways of solving the problem of unemployment. Afforestation, construction of bridges and embankments and the digging of wells are other means of giving public relief and assistance to the unemployed. Town planning and slum clearance can absorb a large number of engineers and subordinates. In the Industrial Section we have recommended the opening of a number of big factories by Government. We think that extension of public works definitely affords scope for relieving unemployment to a substantial extent. We must, however, sound a note of caution: public works fostered by the State must have relation to needs of the community. They must not be resorted to as relief works for if this happens it would lead to a great waste of public money.

90. Birth Control.—Although the vast majority of our witnesses have not even mentioned the subject and although all of us are not agreed that it presents a practical approach to a solution of the problem of unemployment, we feel that we would not be doing justice if we did not make a reference to birth control as a remedy for unemployment. A very few but important witnesses have expressed emphatic opinions which may be reproduced. The Deputy Commissioner, Lahore, says:—"I should like to lay the greatest stress on steps being taken to educate the public on the necessity of practising birth control and for that purpose would urge Government to establish clinic centres all over the Province. I realise the handicap with which Government can possibly start work in this matter in view of the vast illiteracy among the public and the religious teachings that lend weight towards increase in progeny. Still any Government trying to tackle this vast problem of unemployment must take up course and legislate, if necessary, on social matters. Of course, a general spread of education will help in eradicating this widespread evil." The Deputy Commissioner, Sheikhpura, says:—"Drastic steps should be taken to limit procreation. The age of marriage should be raised still further and the provisions of the Sarda Act should become more strict. As it stands at present the law on the subject is very weak. Birth control and methods thereof should be preached more extensively." Khan Bahadur Nawab Muzaffar Khan states in his memorandum:—"The main cause of unemployment in the rural areas seems to be the rapid increase in population while the land remains the same. Village clinics teaching methods of birth control would, therefore, seem to be a desirable step. But Government may have to face strong opposition on religious grounds." The Agent, North-Western Railway has expressed the following opinion in his memorandum:—"The chief cause and one of the biggest problems in India is the ever-increasing population. In the last quarter of a century there has been a population increase of no less than 20 per cent. India would appear to be approaching the point where the total possible produce of land is insufficient to sustain the numbers of inhabitants. Nature in the past took a hand in preventing this situation by thinning the population through plague, famine, etc. Now that these evils have been more or less eliminated, it seems likely that the death rate will rise through insufficient nourishment and low vitality unless scientific means are adopted to check the increase in births."

"The custom of early marriages plays its part in the high birth rate. Raising the marriage age limit would help to check this and perhaps help also

to raise the standard of health. It seems that the time has come to enlist Science to check the birth rate in order to prevent the conditions anticipated above. However repulsive it may seem to some, scientific birth control appears to be necessary and is considered to be the least of a number of evils with which the country is faced. It is not my place to suggest the manner in which the people should be educated in birth control or the facilities that should be provided, but I suggest that the necessity be admitted and that the matter be placed before a committee of qualified persons to prepare plans for its adoption."

We are not in a position to advocate the opening of clinics and legislation for raising the marriage age limit ; the Sarda Act has recently been amended. But we think that Government should adopt some measures, however cautious and halting, to educate public opinion on the subject. Perhaps a tentative beginning could be made in urban areas where public opinion, we venture to think, would on the whole be receptive to the idea.

91. Travel Bureaux.—Almost all western countries have developed nation-wide organisations to attract visitors from other countries either for casual sight-seeing or as regular holidaying. Switzerland is a country where the campaign for attracting visitors is organised on a national basis. In other countries and even in Great Britain county and borough councils spend substantial sums to advertise local attractions. It is a profitable form of investment because large bodies of visitors on pleasure bent act as a great fillip to all forms of local industrial and trade enterprise. In this Province we do not think that much can be achieved by municipal effort. We recommend that Government should start an organisation of Travel bureaux for the dissemination of information regarding places of historical interest. If the Province could induce wealthy visitors from outside we will not only relieve unemployment to some extent directly but add to the general welfare of trade and industry by circulation of more money. The bureaux could register, for a small fee, suitably educated youths to act as guides at places of interest. Guides would have to be given identification badges. The Railway authorities may be requested to give free access to railway platforms to licensed guides. We do not intend that Government should pay any salary to guides but it would be of advantage if some arrangements were made to give correct historical and other information to the guides on points of interest regarding places which visitors are likely to patronise. The Travel bureaux and the guide corps, may in the initial stages, be placed under the control of the Information Bureau. We think that the idea, if developed, has great possibilities.

92. Control of Ashrams, Orphanages, etc.—In common with the rest of India, our Province boasts of hundreds of charitable institutions like orphanages, ashrams, rescue homes, widows' homes, etc. We do not desire to cast any reflection on the promoters of these institutions as a class, but, however laudable the aims and objects of the promoters, we must recognise that the internal management of a very large number of institutions is not all that can be desired. For many reasons, on which we need not dilate, it is not possible for the Police force to interfere in the management of such institutions unless certain evils assume a magnitude when the criminal law of the country can be invoked. Also, generally speaking, we do not think that public opinion as a whole will tolerate Police interference with these institutions ; but public opinion will not be hostile to some form of control the need for which is widely admitted. We recommend that all such institutions should be licensed ; but no fee should be charged for issuing or renewing licenses. Government should take power by law to shut down any institution which abuses its privileges. In view of the alarming increase in offences pertaining to women and children, particularly the traffic in women, there should be power under the law to require maintenance of registers showing particulars of all the inmates and the circumstances attending their admission and departure. Collection of funds by such institutions should be strictly regulated and above all they should be required by law to publish periodical balance-sheets of accounts. Partly to relieve unemployment and partly to abate what in many cases has become a public scandal we recommend that to administer the legislation which we have advocated, Government should appoint Inspectors—both male and female—for the supervision and control of these institutions.

93. Profession of music, acting and dancing.—Although we had already made certain enquiries we are grateful to Mr. Armstrong, Director of Public Instruction, for sending us correspondence relating to the efforts of the Government of the United Provinces to examine music, singing and acting as professions offering some scope for employment of educated men and women. Although to attain proficiency in these arts some natural gifts are essential, yet it is equally necessary that scientific training should be imparted to develop these gifts into commercial qualities. Until some years ago music, singing, dancing and acting had unfortunately fallen very low in public estimation and the practice of these arts was confined to *mirasis*, minstrels and nautch girls. Lately, chiefly due to the efforts of that great patriot Dr. Sir Rabindranath Tagore there is a gradually increasing appreciation of these arts in the minds of the higher strata of society. Naturally the movement has made much more progress in Bengal—the home of the poet and the patriot—than anywhere else. But even in this province most parents are anxious that their children, particularly girls, should acquire these accomplishments of music and acting. We do not think that in the present circumstances it is either necessary or desirable for Government to open a separate College of Music, but it is for consideration whether music teachers and professors should not be attached to selected schools and colleges, particularly girls' colleges, as an experimental measure. We think that there is tremendous scope for suitably trained teachers as private instructors in music and dancing as well as for actors, particularly in the cinema industry. The movement cannot start and develop without some aid from Government because at present there are very few music teachers of suitable technical qualifications and social status, as also because musical instruments and equipment are comparatively expensive. If the movement is fostered in the initial stage through Government patronage, it will soon acquire impetus and in a few years may absorb a very large number of young men and women, apart from developing a flourishing industry for the manufacture of musical instruments.

94. Acknowledgments.—We wish to record our gratitude to individual non-official ladies and gentlemen, institutions, chambers of commerce and other bodies who have co-operated with us by sending valuable suggestions in response to our questionnaire or have spared valuable time to give evidence before us. We wish to acknowledge particularly the assistance we have received from Deputy Commissioners, other officers of Government and the officials of North-Western Railway in helping us to compile statistics where necessary and explaining to us the functioning of their respective departments. We also wish to record our appreciation of the valuable criticism offered by industrial interests, also of agriculturists and associations who gathered to meet us on our tours, particularly, at Rohtak, Ludhiana, Ambala and Amritsar. We must also gratefully acknowledge the courtesy and hospitality that was shown to our President and some of us who had the privilege to visit Dayalbagh, by the President of the Radhaswami Satsang Sabha, Agra, and all the office bearers. We were greatly impressed by the rapid industrial advance made by the Sabha helped as it is by the devotional zeal and the spirit of self-sacrifice which inspires all workers there. We only wish that some of the spirit which prompts workers of that organisation may be imbibed by our Government officials. Then it is certain that the State industries which we desire to see promoted will soon become profitable undertakings, thus enabling Government to tackle the problem of unemployment and secure the welfare of the public at large, with greater resources and confidence than is the case at present.

We further desire to record our deep appreciation of the manner and spirit in which Mr. S. K. Kirpalani, I.C.S., discharged his duties as Secretary. When he took over charge he had just recovered from a serious attack of typhoid and had also to complete the Settlement Report of Lyallpur. But, nothing daunted, he entered upon his additional and highly responsible duties as Secretary of the Unemployment Committee with surprising energy and keenness. His vigour of intellect, clearness of vision, versatility of talent and application of mind have been assets of the greatest value to us. From the preliminary stage of the framing of a comprehensive questionnaire to the final stage of the drafting of this luminous Report he has maintained throughout a high and uniform level of an earnestness of zeal which we sincerely admire and appreciate.

Our Secretary has commended to our notice the valuable work done by Lala Janki Dass, Stenographer, and Chaudhri Qadir Bakhsh, Assistant, in classifying the mass of evidence and co-ordinating statistics which was essential for a proper study of the problem of unemployment. This meagre staff has had to work for inordinately long hours on occasions at considerable personal inconvenience. We appreciate the perseverance and diligence of the staff.

CHHOTU RAM

(Chairman).

*HABIB-ULLAH.

ANANT RAM.

GHULAM MOHY-UD-DIN.

*GULSHAN RAI.

AFZAAL ALI HASNIE.

B. E. BUCKWELL.

MOHAMMAD YUSAF.

*S. P. SINGHA.

KARAMAT ALI.

*NUR ELAHL.

BASAKHA SINGH.

*D. CHAMAN LALL.

S. K. KIRPALANI,

Secretary.

27th November, 1938.

Personal Note by the Members.

We consider it both our duty and privilege to record our deep sense of gratitude to our President, the Hon'ble Rao Bahadur Ch. Sir Chhotu Ram for the keen interest he has taken in the work of the Committee. We believe that the very appointment of the Committee is due to his initiative. His advice and experience have been most valuable to us in examining various aspects of the problem of unemployment and formulating decisions. He has conducted our meetings with cordiality and tact which we much appreciate.

LAHORE :

Dated the 27th of November, 1938.

} KARAMAT ALI.

} NUR ELAHL.

} GULSHAN RAI.

S. P. SINGHA.

HABIB-ULLAH.

B. E. BUCKWELL.

ANANT RAM.

AFZAAL ALI HASNIE.

MOHAMMAD YUSAF.

BASAKHA SINGH.

GHULAM MOHY-UD-DIN.

CHAPTER VIII.

Summary of recommendations.

1. Enquiry to determine size of an economic holding in different tracts of the province and legislation to prevent alienation or partition thereof. (Paragraph 18).
2. Measures to check destruction of culturable soil by chos or river action. (Paragraph 19).
3. Control of grazing in catchment areas of chos and hill torrents. (Paragraph 19).
4. Control on movements of nomad tribes like *Odes* and *Gaddis*. (Paragraph 19).
5. Compulsory acquisition of *shamilat* lands to carry out re-forestation. (Paragraph 19).
6. Enlargement of canal channels to take bigger Kharif supplies. (Paragraph 20).
7. Colonisation of culturable waste on easy terms. (Paragraph 20).
8. Tube-well irrigation in colonies. (Paragraph 21).
9. Tube-well irrigation in dry tracts of Ambala Division as a protective measure. (Paragraph 21).
10. Possibilities of colonization by Punjab peasants in Indian States and British possessions beyond the seas. (Paragraph 22).
11. Provide one Agricultural Assistant and two Mukaddams in each tahsil to do demonstration and propaganda work. (Paragraph 24).
12. Land prizes to promote improved methods of cultivation. (Paragraph 24).
13. Greater publicity of the work of the Department of Agriculture through the Information Bureau and the Department of Rural Reconstruction. (Paragraph 27).
14. Renewed publication of results of agricultural research. (Paragraph 28).
15. Crop Planning. (Paragraph 29).
16. Survey of subsidiary occupations germane to agriculture by a small committee of experts. (Paragraph 30).
17. Measures to encourage bee-keeping, sericulture, lac culture and poultry farming. (Paragraphs 31 and 32).
18. Starting a large scale woollen mill after the pattern of the Dhariwal Mills. (Paragraph 32).
19. Survey of wool producing centres in the province. (Paragraph 33).
20. Promotion of sheep breeding. (Paragraph 33).
21. Intensive campaign of 'better cattle' propaganda. (Paragraph 34).
- 21 (A). Exempt cattle of an agriculturist from attachment in execution of decrees. (Paragraph 34).
- 21 (B). Taccavi loans for cattle breeding and dairy farming. (Paragraph 34).
22. Legislation to prevent adulteration of ghee. (Paragraph 35).
23. Open co-operative and Government depôts for supply of pure ghee. (Paragraph 35).
24. Promote increase of areas under gardens by supply of nursery plants. (Paragraph 36).
25. Establishment of a wholesale fruit market at Lahore. (Paragraph 36).
26. Development of fruit preservation industry. (Paragraph 36).
27. Appointment of special Horticultural Assistants. (Paragraph 36).
28. Survey of fruit industry by a small committee. (Paragraph 36).

29. Special study of fruit industry as a part of four years' course at the Punjab Agricultural College, Lyallpur. (Paragraph 36).
30. State aid to qualified graduates for establishing small business for manufacture of fruit juices. (Paragraph 36).
31. Utilisation of land alongside canals for planting fruit gardens by unemployed educated young men. (Paragraph 36).
32. Extra allowance of water for irrigation to fruit gardens. (Paragraph 36).
33. Promotion of vegetable preservation industry. (Paragraph 36).
34. Experiment in co-operative farming by educated youths in half a dozen chaks in the Haveli Project area. (Paragraph 37).
35. Drawing up of a comprehensive programme for development of rural communications. (Paragraph 39).
36. Establishment of a Rural Road Development Fund. (Paragraph 39).
37. Freight rates in relation to movement of agricultural produce. (Paragraph 39).
38. Legislation for regulation of weights and measures. (Paragraph 40).
39. Co-operative marketing and credit facilities. (Paragraph 41).
40. Influence of imports on prices of agricultural commodities—representation to Government of India. (Paragraph 44).
41. Control on movement of labour from Indian States into British territory by legislation or otherwise. (Paragraph 44).
42. Measures to induce sons of big landlords who qualify from the Punjab Agricultural College, Lyallpur, to settle down as practical farmers. (Paragraph 45).
43. Scheme for organized research by young men with M.Sc. qualifications. (Paragraph 45).
44. Teaching of practical work in agriculture as a compulsory subject up to the Matriculation stage. (Paragraph 49).
45. Dress reform for College boys. (Paragraph 49).
46. Organisation of career lectures by the University. (Paragraph 50).
47. Suggestions about women's education. (Paragraph 51).
48. Suggestions for promoting compulsory primary education. (Paragraph 53).
49. Education reform. (Paragraph 54).
50. Not desirable to place restrictions on entry in professions. (Paragraph 55).
51. Employment of junior partners by senior members of the legal profession on attaining the age of 55 years. (Paragraph 56).
52. Legislation to secure compulsory registration of all medical practitioners whatever. (Paragraph 57).
53. Stopping of obscene advertisement in municipal and rural areas. (Paragraph 57).
54. Government doctors to be allowed only consulting practice. (Paragraph 57).
55. Suggestions regarding realisation of fees from in-door patients in hospitals and dispensaries. (Paragraph 57).
56. Prohibition on opening and maintenance of private hospitals and nursing homes by Government doctors directly or indirectly. (Paragraph 57).
57. Prohibition of private practice in case of future entrants to Government medical service. (Paragraph 57).
58. Appointment of private physicians and surgeons to Government hospitals in an honorary capacity. (Paragraph 57).
59. Acceptance of certificates from members of the independent medical profession for other than judicial purposes without the formality of countersignature by a Government doctor. (Paragraph 57).

60. Spreading of medical aid in rural areas by subsidising private practitioners. (Paragraph 57).
61. Appointment of qualified Hakims and Vaidis as an experiment. (Paragraph 57).
62. Appointment of private medical practitioners as Health Visitors for schools. (Paragraph 57).
63. Appointment of Assistant Medical Officers of Health preferably for each tahsil. (Paragraph 58).
64. Organisation of medical relief in urban areas on the panel system. (Paragraph 58).
65. Legislation to secure medical aid to factory workers on a contributory basis. (Paragraph 58).
66. Post-graduate courses for medical practitioners. (Paragraph 59).
67. Enlargement of King Edward Medical College, Lahore. (Paragraph 59).
68. Establishment of a separate institution for training in practical pharmacy. (Paragraph 59).
69. Enactment of a Pharmacy Act. (Paragraph 59).
70. Legislation to control practice of dentistry. (Paragraph 59).
71. Opening of another up-to-date hospital for men in Lahore. (Paragraph 59).
72. Removal from present site and the enlargement of the Lady Aitchison Hospital for Women, Lahore. (Paragraph 59).
73. Employment of qualified overseers and sub-overseers by Government contractors. (Paragraph 61).
74. Tightening of municipal by-laws requiring submission of building plans prepared by qualified engineers. (Paragraph 61).
75. Replacement of untrained by trained teachers in Government and private schools. (Paragraph 62).
76. Strict bar on private tuition by teachers in Government, Board and private schools. (Paragraph 62).
77. Teachers in private schools to retire at the age of 55 years. (Paragraph 62).
78. Practical training in business firms for graduates of the Hailey College of Commerce. (Paragraph 63).
79. Immediate industrial survey by a committee of experts with a view to establish large scale State industries. (Paragraph 65).
80. Establishment of a permanent industrial economic bureau. (Paragraph 65).
81. Establishment of at least one major State industry in each division of the province. (Paragraph 66).
82. State aid to young men to study manufacture of needles for machines. (Paragraph 66).
83. Manufacture of machinery. (Paragraph 66).
84. Possibility of setting up plants by State enterprise to manufacture yarn. (Paragraph 66).
85. Development of textile manufacture as chief industry of the province. (Paragraph 67).
86. Development of fibre industry. (Paragraph 68).
87. Acquisition of the Upper India Glass Works, Ambala, by Government. (Paragraph 69).
88. Establishment of Porcelain and Pottery industry. (Paragraph 69).
89. Appointment of a committee to survey establishment of small scale industries. (Paragraph 71).
90. Grant of small loans aggregating Rs. 20,000 a year for five years to suitable young men with adequate scientific training or practical experience to promote establishment of minor industries. (Paragraph 71).

91. Organisation of cottage, rural or village industries on the 'Guild' system through the agency of Deputy Commissioners. (Paragraph 72).
92. Experimental scheme for industrial research. (Paragraph 73).
93. Appointment of technical advisers by Government to assist private industrialists in making improvement in machinery and manufacturing processes. (Paragraph 73).
94. Establishment of a polytechnic institute. (Paragraph 73).
95. Increase in number of industrial marketing advisers. (Paragraph 73).
96. Appointment of expert advisers to organise marketing. (Paragraph 74).
97. Legislation to enable hall marking of quality wares. (Paragraph 74).
98. Establishment of a State Industrial Bank. (Paragraph 75).
99. Examination of the question to advance State loans on security of raw material. (Paragraph 75).
100. Establishment of a Provincial Stores Department. (Paragraph 77).
101. Establishment of a Provincial Industrial Museum at Lahore. (Paragraph 77).
102. Legislation to secure 15 days' leave on half pay in a full working year to permanent factory labour. (Paragraph 78.)
103. Legislation to secure 75 per cent. representation for Punjabees amongst factory operatives. (Paragraph 78).
104. Employment of Punjabee labour by Government contractors. (Paragraph 78).
105. Establishment of unemployment exchanges in municipal areas. (Paragraph 78).
106. Establishment of industry on a profit sharing basis. (Paragraph 79).
107. Approach Government of India for securing representation of manufacturers, consumers and producers of raw material on the Tariff Board. (Paragraph 81).
108. Examination of complaints regarding railway freight rates by the Industrial Economic Bureau to be set up by Government. (Paragraph 82).
109. No extension of service to be granted in any circumstances. (Paragraph 83).
110. No officer to perform double duty except as a strictly temporary measure. (Paragraph 83).
111. Prevention of over-work in offices. (Paragraph 83).
112. Legislation to secure proper hours of work in shops, private offices, etc. (Paragraph 83).
113. Legislation to secure a fortnight's leave on full pay during a full working year to employees in private offices, etc. (Paragraph 83).
114. All public servants who have qualified for full pension to be retired at once irrespective of their age. (Paragraph 83).
115. All Government servants who have either attained the age of 55 years or completed 25 years pensionable service to be retired. (Paragraph 83).
116. Recommendations regarding services to apply to servants of local bodies and institutions. (Paragraph 83).
117. Revenue and Irrigation patwaris to be retired at the age of 55 years. (Paragraph 83).
118. Prohibition on re-employment of retired Government and Board servants. (Paragraph 83).

119. Retired officials not to be recommended for employment in Indian States or elsewhere. (Paragraph 83).

120. Imposition of a 10 per cent cut in salaries of all Government and Board servants as a permanent measure. (Paragraph 83).

121. Exemption of Government servants who have joined service on new scales of pay from the 10 per cent cut. (Paragraph 83).

122. Exemption of menials and low paid Government officials from the 10 per cent cut. (Paragraph 83).

123. No particular service as a whole to be exempted from the cut. (Paragraph 83).

124. Representation to Central Government to apply a similar cut on salaries of their officers serving in the Punjab. (Paragraph 83).

125. Exemption of menials and retired Indian soldiers from recommendations regarding services. (Paragraph 83).

126. Establishment of a bureau to collect and maintain statistics of educated unemployed — compulsory registration of unemployed persons. (Paragraph 85).

127. Setting up of Labour Camps. (Paragraph 88).

128. Propaganda to educate public opinion on the subject of birth control. (Paragraph 90).

129. Organisation of Travel Bureaux in the province. (Paragraph 91).

130. Legislation to control charitable institutions, like orphanages, etc., — appointment of supervising staff for the purpose. (Paragraph 92).

131. Appointment of music teachers and professors to schools and colleges as an experimental measure. (Paragraph 93).

APPENDICES.

APPENDIX I.

Questionnaire.

(Vide paragraph 3 of the Report.)

SECTION I.—GENERAL.

PART I.—Unemployment among educated persons.

(1) (i) Please furnish statistics of educated persons of various categories noted below :—

- (a) who have received a purely literary education in India ;
- (b) who have qualified for the profession of Law, Medicine including Veterinary, Electrical, Mechanical and Civil Engineering, Agricultural Teaching, etc. ;
- (c) who have received technical or professional training in India for any kind of commercial business (including banking, insurance, accountancy, etc.), or any industrial occupation ;
- (d) who have qualified, as in (a), (b), (c) abroad.

(ii) What reliable data can you furnish to prove the existence and extent of un-employment amongst the educated men and women of the province in the categories noted above.

NOTE.—(i) Persons who have been abroad for education, training, etc., but have failed to qualify should be included under (a), (b), (c).

(ii) Persons who do not wish or care to take up employment on account of comfortable family circumstances or any other cause should not be included in the data of unemployment.

(iii) An educated person is one who has passed the vernacular middle school examination, equivalent or higher examination.

(2) What data can you furnish to show that persons who have received superior and/or specialised education :—

- (a) have been forced into employment for which such education is unnecessary or in any manner deficient ;
- (b) are unable to earn a decent living owing to the over-crowding of their particular profession or calling.

(3) Do you know of any form of employment in which the supply of suitable educated persons does not equal the demand.

(4) To what causes do you ascribe unemployment amongst educated persons. Do you think unemployment is increasing ? Do you think unemployment is due to—

- (a) general depression ;
- (b) reduction in family incomes ;
- (c) rise in the standard of living ;
- (d) any other particular cause.

(5) What remedies do you suggest for removing or reducing unemployment ? Among other things, would you suggest—

- (a) reform of educational system ;
- (b) restriction of entry in certain professions or callings ;
- (c) extension of public works.

PART II.—Unemployment among uneducated persons.

(1) What data can you furnish to prove the existence and extent of unemployment amongst uneducated persons—

- (a) agricultural labour ;
- (b) industrial labour ;
- (c) other manual labour ;
- (d) petty tradesmen.

(2) To what causes do you attribute the existence and increase of unemployment among these classes.

(3) What remedies do you suggest to remove or reduce unemployment among these classes.

PART III.—*Relief to able-bodied persons.*

(1) Do you advocate relief to able-bodied persons who cannot find any employment, suitable or otherwise, through circumstances beyond their control. If so, do you recommend relief by the State or by local bodies. Can you suggest any practical scheme for the purpose? The financial implications of any proposal you make may kindly be explained very clearly.

(2) Would you advocate relief to persons who have been forced into temporary unemployment on account of sickness.

SECTION II.—EDUCATION.

(1) Do you think that growth of purely literary education, particularly higher education, during the last fifteen years, through increase of Government, Local Board of denominational colleges and schools, is progress on sound lines?

(2) Is it your opinion that young men pursue purely literary education with no definite aim or object other than a vague idea of obtaining Government service? If so, what measures would you suggest to change this outlook?

(3) Do you think that reduced salaries in Government service will act as a deterrent to the pursuit of purely literary education?

(4) Do you think that the present system of purely literary education unfits young men of agricultural and other classes from pursuing their ancestral calling?

(5) To reduce unemployment would you suggest any changes in the system of education with a view to give purely literary education a technical, agricultural or industrial orientation. At what stage would you introduce this kind of training?

(6) Do you think it will be useful to promote institutions for giving training in journalism, secretarial work, etc.?

(7) How can a spirit be fostered in the educated young men to diffuse education amongst their uneducated fellow countrymen, both by precept and personal example?

(8) Can you suggest any effective and cheap organisation to promote rural uplift with a view to increase the volume of employment.

SECTION III.—AGRICULTURE.

(1) Can you furnish facts and figures to show that there is unemployment—and whether it is increasing—amongst classes who have always pursued agriculture as the sole means of subsistence?

(2) What is the nature of this unemployment? Is it permanent, seasonal or casual?

(3) Do you think that unemployed persons of these classes are perforce deserting their ancestral calling and migrating to urban areas, thereby intensifying the problem of unemployment in those areas?

(4) What remedies do you suggest to relieve unemployment amongst agriculturists?

(a) Do you think that owing to pressure of population available land cannot support the agricultural classes in any case? If so, can you suggest means to increase the productive capacity of land by a new rotation of crops or growing of new and more valuable crops, e.g., fruits, market gardening, tobacco, etc.

(b) Do you think cheap electric power can be used to increase the productive capacity of agricultural land?

(c) Can you suggest development of any industries or callings, subsidiary to agriculture, which might absorb the unemployed persons of agricultural classes? Amongst other things can you suggest practical schemes to promote—

(1) cattle breeding,

(2) dairy farming,

(3) sheep farming,

(4) poultry farming,

(5) pig rearing,

(6) bee keeping,

(7) sericulture,

(8) lac culture.

(5) Can you suggest new schemes of colonization to provide employment for educated and uneducated unemployed young men? Do you think that educated young men have the initiative, industry and desire to settle down to agriculture?

(6) To what extent can the Co-operative movement be usefully employed to secure—

(a) co-operative farming,

(b) standardization of products,

(c) efficient marketing,

(d) increase of banking facilities.

To what extent can the State foster these activities financially or otherwise ?

(7) Do you think that the incidence of unemployment among agriculture classes can be reduced by—

- (a) consolidation of holdings,
- (b) fixation of minima prices for staple commodities,
- (c) fixation of minima rates of wages for agricultural labour,
- (d) lowering of freight rates,
- (e) provision of better and adequate transport facilities, both by railway and road,
- (f) development of communications, particularly in rural areas.

(8) Do you think that the agricultural resources of the province can be enriched by execution of new irrigation projects, e.g., Bhakra Dam ?

SECTION IV.—INDUSTRIAL.

(1) What is the number of industrial and manual workers employed in the following categories :—

- (i) North-Western Railway,
- (ii) Factories including cotton ginning, sugar, etc.,
- (iii) Mines including salt mines,
- (iv) Transport—
 - (a) motor,
 - (b) tonga,
 - (c) cart,
 - (d) animal,
 - (e) riverain.
- (v) Buildings trades, including masons, smiths, carpenters, brick-kiln workers, etc.,
- (vi) Electrical concerns,
- (vii) Workshops,
- (viii) Foundries,
- (ix) Laundries,
- (x) Distilleries,
- (xi) Tanneries,
- (xii) Cement work,
- (xiii) Mills—Textile, flour, oil, etc.,
- (xiv) Petrol works,
- (xv) Hosiery and Embroidery works,
- (xvi) Furniture trades,
- (xvii) Domestic service including hotels, cafes, restaurants,
- (xviii) Handloom weaving industry,
- (xix) Carpet manufacture,
- (xx) Printing trade,
- (xxi) Chemical manufactures,
- (xxii) Clothing trade.

(2) Can you give reliable data to prove the existence and extent of unemployment in these trades. (NOTE.—Figures for 1932 and 1937 will be helpful.) As far as possible distinction should be made between skilled and unskilled labour, further specifying the existence of casual, short term or seasonal unemployment.

(3) Can you furnish data to show as to what manufactured commodities are imported into this province and the quantities in which they are imported from—

- (a) foreign countries,
- (b) other provinces in India.

Which of these commodities and in what quantities could be economically produced in the province.

(4) Do you think that the development of industries—major, minor and cottage—in this province is likely to provide employment for a large number of educated and industrial workers. If so, what specific industries should be developed having regard to the conditions and resources of the province.

(5) What steps would you suggest for the development of these industries. Your particular attention is invited to—

- (a) organised planning,
 - (b) marketing facilities,
 - (c) establishment of technological research institutes,
 - (d) freight policy of railways,
 - (e) imposition of excise duty on manufactured goods,
 - (f) currency, exchange and credit policy of Government and banks,
 - (g) State control of profiteering,
 - (h) protection against outside competition.
- (6) What village industries could be developed and fostered by—
- (a) village organisation manned by capable young men now unemployed,
 - (b) co-operative societies,
 - (c) demonstration units.
- (7) As affecting unemployment, can you make any suggestions regarding—
- (a) proper adjustment between production and consumer's power of absorption,
 - (b) fall in prices and wages and consequent lower purchasing power of consumer,
 - (c) control of movement of industrial population, both urban and rural,
 - (d) rationalisation of industry and introduction of labour saving devices,
 - (e) reduction in hours of work.

(8) What machinery would you advocate for establishing touch between employer and worker with special reference to establishment of employment exchanges, by State, municipal or other local enterprise.

9. Would all or any of the following remedies be of assistance in decreasing unemployment amongst industrial workers—

- (a) organisation of industry on a profit sharing basis,
- (b) control of labour turnover,
- (c) provision of minima rates of wages for men and women,
- (d) prohibition of employment of women and children in certain industrial pursuits,
- (e) raising the age of children for factory employment,
- (f) raising the school-leaving age of children.

(10) Can you suggest any organisation and method for keeping regular and accurate statistics of the industrial unemployed.

SECTION V.—SERVICES.

- (1) State the total number of persons employed in—
- (a) Government departments and institutions,
 - (b) Local bodies and institutions,
 - (c) Private concerns and institutions.

NOTE.—Please give figures for your own department, body or institution.

- (2) Do you think that unemployment could be reduced by—
- (a) reorganisation of work in Government and local boards' offices,
 - (b) retirement from public service at an age earlier than 55 years,
 - (c) provision of a standard qualifying examination (as a preliminary to Government service) failure in which would definitely disqualify a candidate thus enabling him to concentrate his energies in seeking other employment.

(3) Do you think Universities, Colleges and Schools should be required to keep regular statistics of unemployed amongst their alumni.

(4) Do you suggest that there may be some regular body permanently established in the province to watch the growth of unemployment amongst educated classes and to deal with it. How should it be composed? An Employment Bureau was opened in the office of the Director of Industries as an experimental measure some time ago. Registration with the Bureau by unemployed educated persons is voluntary. The objects of the Bureau are—

- (a) to record statistics of unemployed amongst all classes of graduates, products of intermediate colleges, secondary schools, industrial and technical schools and institutions; and

(b) to help to bring the employer and the unemployed together. Government do not guarantee employment to those whose names are included in the registers maintained by the Bureau.

It may also be mentioned that an Appointment Board was created by the Punjab University with the Dean of the University as its Secretary. The Board was, however, closed in March, 1931, possibly because the results achieved were not commensurate with the expenditure incurred.

NOTE.—It is not necessary for you to answer the entire questionnaire if you do not wish to do so. Your reply will be welcome regarding portions in which you are particularly interested. Statistical data, particularly for the years 1932 and 1937, will be very valuable.

APPENDIX II.

(Vide paragraph 3 of the Report.)

Distribution of the questionnaire to press and various public men and organisations.

	<i>English.</i>	<i>Urdu.</i>
1. All Heads of Departments	46	46
2. All Commissioners of Divisions and District Judges ..	90	150
3. All Deputy Commissioners	77	145
4. All Inspectors of Schools and all Principals of affiliated colleges including intermediate colleges ..	144	216
5. All local bodies	710	1,150
6. All public bodies	47	94
7. All District Soldiers' Boards	28	28
8. All Members of the Legislative Assembly, Punjabee Members of the Central Legislative Assembly and Council of State	186	186
9. All Secretaries to Government	19	..
10. All Bar Associations	81	81
11. All Added Members of Faculties	64	..
12. All Fellows of the Punjab University	59	..
13. All University Professors	10	..
14. All important firms and industrial concerns	260	260
15. All registered associations including the North-Western Railway Union	50	50
16. All owners of registered factories	900	900
17. All important printing presses	66	99
18. All big mill-owners	97	71
19. All newspapers	100	100
20. All co-operative banks	120	240
21. All important banks	26	52
22. All insurance companies	60	120
23. All registered trade unions	42	84
24. All head masters of recognised high schools	298	500
25. All big hotels	18	54
26. Public men and on demand	590	1,500
27. Other Provincial Governments and certain Departments of the Government of India	20	20
Total ..	4,092	6,096

APPENDIX III.

(Vide paragraph 3 of the Report).

LIST OF WITNESSES EXAMINED AT LAHORE.

FEBRUARY, 1938.

15th	..	..	(1) Rai Bahadur Lala Panna Lal of Ambala City.
			(2) Dr. S. K. Datta, B.A., M.B., Ch.B., Principal, Forman Christian College, Lahore.
			(3) Sardar Bahadur Sardar Ujjal Singh, M.L.A.
16th	..	..	(4) Dr. H. B. Dunncliff, M.A., Sc.D., F.I.C., I.E.S., Principal, Government College, Lahore.
			(5) Lala Jagan Nath Aggarwal, M.A., LL.B., Advocate, High Court.
17th	..	..	(6) Mr. W. H. M. F. Armstrong, M.A., F.C.S., Director of Public Instruction, Punjab.
			(7) Rai Bahadur Lala Ram Lal, M.B.E., Director of Industries, Punjab.
			(8) Mr. P. S. Sodhbans, General Secretary, Indian Chamber of Commerce.
18th	..	..	(9) Mr. F. L. Brayne, C.I.E., M.C., I.C.S., Commissioner, Rural Reconstruction, Punjab.
			(10) Dr. S. S. Bhatnagar, O.B.E., D.Sc., F.Inst.P., University Professor of Chemistry.
19th	..	..	(11) Rev. E. D. Lucas, M.A., D.D., Ph.D., Professor, Forman Christian College, Lahore.
			(12) Mr. Aftab Rai of Ganga Ice Factory, Lahore.
21st	..	..	(13) Mr. H. P. Thomas, C.I.E., B.Sc., M.I.C.E., Chief Engineer, P. W. D., Electricity Branch, Punjab.
			(14) Sardar Sahib Sardar Sampuran Singh Chawla, Lahore.
22nd	..	..	(15) Professor Brij Narain, Professor of Economics, Sanatan Dharm College, Lahore.
			(16) Mr. A. J. Azim, General Secretary, Punjab Educated Unemployed League, Lahore.
			(17) Mr. M. A. Ghani, M.A., Principal, Islamia College, Lahore.
MARCH, 1938.			
18th	..	..	(18) Sir William Roberts, M.L.A., of the British Cotton Growing Association, Khanewal.
			(19) Mr. J. W. Thomas, B.Com., B.Sc., Principal, Hailey College of Commerce, Lahore.
19th	..	..	(20) Begum Shah Nawaz, M.B.E., M.L.A.
			(21) Sardar Sahib Sardar Lal Singh, Fruit Specialist, Department of Agriculture, Punjab.
			(22) Rao Bahadur Captain Chaudhri Lal Chand, Member, Punjab and N. W. F. P., Public Service Commission.
21st	..	..	(23) Mr. F. B. Wace, I.C.S., Registrar, Co-operative Societies, Punjab.
			(24) Miss Jamila Siraj-ud-Din, Industrial Instructress, Punjab.
			(25) Dr. K. R. Chaudhri, Honorary Surgeon, Sir Ganga Ram Hospital, Lahore.
22nd	..	..	(26) Mr. H. R. Stewart, M.Sc., F.R.C.Sc., I.A.S., Director of Agriculture, Punjab.
			(27) Khan Bahadur Nawab Muzaffar Khan, C.F.E., M.L.A.
23rd	..	..	(28—30) Three North-Western Railway representatives. (3).
			(31) Mr. M. A. Khan, General Secretary, North-Western Railway Union.
			(32) Dr. B. J. Sahni.

Official witnesses examined	..	..	14
Public men examined	..	..	18
			—
Total	..	..	32
			—

APPENDIX IV.

*(Vide paragraph 4 of the Report).*DETAILS OF EXPENDITURE ON THE PUNJAB UNEMPLOYMENT COMMITTEE
FROM THE 31st AUGUST, 1937, TO THE 31st JANUARY 1939.

				Rs. A. P.
I.— <i>Pay</i> —				
Pay of officers (charged)	..	..	..	12,798 14 0
Pay of establishment (voted)	..	..	..	5,816 6 0
II.— <i>Travelling allowance</i> —				
Charged	..	..	..	964 15 0
Voted	..	..	..	14,951 6 0
III.— <i>Other Allowances and Honoraria</i>	..	..	..	850 18 0
IV.— <i>Contingencies</i>	..	..	..	1,190 8 0
			Total	86,507 14 0
			Charged	18,698 18 0
			Voted	22,809 1 0

APPENDIX V.—Statement I.
(Vide paragraph 7 of the Report).

STATEMENT SHOWING THE NUMBER OF BOYS AND GIRLS WHO APPEARED IN THE VARIOUS EXAMINATIONS HELD BY THE PUNJAB EDUCATION DEPARTMENT
DURING THE YEARS 1927-28 TO 1936-37.

Year.	J. A.-V.			S. A.-V.			J. V.			S. V.			VERNAICULAR FINAL AND MIDDLE SCHOOL.			Total of each year.
	Boys.	Girls.	Total.	Boys.	Girls.	Total.	Boys.	Girls.	Total.	Boys.	Girls.	Total.	Boys.	Girls.	Total.	
1927-28	229	6	235	106	..	106	2,100	120	2,220	844	99	943	9,180	871	10,051	13,555
1928-29	255	3	258	98	..	98	2,531	124	2,655	732	99	831	14,101	1,121	15,222	19,004
1929-30	162	19	181	86	..	86	2,376	200	2,576	519	117	636	13,840	1,588	15,427	18,916
1930-31	202	29	231	105	..	105	2,225	236	2,461	498	141	639	15,614	1,560	17,174	20,610
1931-32	153	22	175	117	..	117	804	242	1,046	506	165	671	16,790	1,900	18,690	20,699
1932-33	274	31	305	119	..	119	280	254	534	193	142	335	12,985	2,445	15,430	16,723
1933-34	15	144	159	118	..	118	242	257	499	122	167	289	13,838	2,522	16,360	17,425
1934-35	1	38	39	93	..	93	236	298	534	176	150	326	13,357	3,040	16,397	17,389
1935-36 .. ..	..	45	45	111	..	111	250	242	492	123	165	288	10,594	3,178	13,772	14,708
1936-37 .. ..	..	51	51	122	..	122	222	411	633	88	157	245	10,732	3,347	14,079	15,130
Total of ten years ..	1,291	388	1,679	1,075	..	1,075	11,266	2,384	13,650	3,801	1,402	5,203	131,040	21,572	152,612	174,219

APPENDIX V.—Statement II.

STATEMENT SHOWING THE NUMBER OF PERSONS WHO APPEARED AND PASSED VARIOUS EXAMINATIONS HELD BY THE PUNJAB UNIVERSITY DURING THE LAST TEN YEARS.

Year.	MATRIC.		INTERMEDIATE (ARTS AND SCIENCE).		B.A. AND B.Sc.		M.A.		M.Sc.		VERNACULAR LANGUAGES AND ORIENTAL TITLES EXAMINATION.		LAW.		MEDICINE.		ENGINEER- ING.		COMMERCE.		M.Sc. HONOURS SCHOOL.		TOTAL.		
	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.	Appeared.	Passed.
1928 ..	17,124	9,780	4,223	2,105	1,936	958	157	72	29	21	2,257	1,050	362	227	170	87	..	..	39	28	18	18	26,315	14,346
1929 ..	17,302	10,269	4,502	2,266	2,067	1,177	216	112	18	14	2,524	1,269	333	240	60	42	..	..	56	38	27	27	27,195	15,454
1930 ..	17,712	9,610	5,317	2,417	2,394	1,963	256	117	19	13	2,682	1,393	351	237	137	70	..	..	35	26	28	28	28,931	15,874
1931 ..	20,116	12,514	5,902	2,659	2,657	1,379	259	132	22	16	3,422	1,753	358	267	169	78	..	..	51	36	25	25	32,871	18,859
1932 ..	20,333	11,843	5,070	2,707	2,705	1,100	297	171	18	11	3,629	1,775	293	171	138	67	18	13	41	30	28	28	33,169	17,916	
1933 ..	20,534	13,627	6,276	2,771	3,030	1,281	331	199	23	17	3,985	2,031	387	304	134	73	7	4	42	21	26	26	34,775	20,354	
1934 ..	20,088	13,638	6,060	3,271	3,329	1,669	294	184	15	11	4,160	2,247	460	355	136	66	11	9	36	26	27	26	34,616	21,502	
1935 ..	20,217	14,895	5,951	3,525	3,645	1,943	302	190	13	13	4,447	2,406	572	386	174	80	10	9	34	20	23	21	35,388	23,488	
1936 ..	20,418	13,752	5,977	3,416	3,604	1,799	325	209	19	9	4,957	2,612	543	327	129	70	10	9	46	39	42	42	36,070	22,284	
1937 ..	22,468	17,165	6,000	3,536	3,606	2,046	313	184	15	13	4,872	2,710	744	472	185	74	15	11	49	36	30	30	38,297	26,277	
Total ..	196,402	127,093	55,873	28,673	28,073	15,315	2,750	1,570	191	138	36,934	19,246	4,403	2,986	1,432	797	71	55	429	300	274	271	327,737	196,354	

APPENDIX V.—STATEMENT III.

STATEMENT SHOWING THE NUMBER OF EDUCATED UNEMPLOYED
PERSONS OF VARIOUS CATEGORIES RESIDING IN THE PUNJAB.

APPENDIX V.—

STATEMENT SHOWING THE NUMBER OF EDUCATED UNEMPLOYED

DIVISION.	DISTRICT.	EXAMINATIONS					
		Doctorates of all kinds.	LL.M.	LL. B.	M. A.	B. A.	M.Sc.
1	2	3	4	5	6	7	8
AMBALA	Hissar .. ..	..	..	1	..	17	..
	Rohtak .. ..	..	..	4	4	49	1
	Gurgaon	1	..	1	4	12	..
	Karnal .. ..	..	..	5	1	32	..
	Ambala .. ..	..	..	3	4	49	..
	Simla .. ..	..	..	..	1	3	..
	Total	1	..	14	14	162	1
JULLUNDUR	Kangra .. ..	..	..	3	1	17	2
	Hoshiarpur	3	..	7	11	89	2
	Jullundur .. ..	..	..	2	9	115	1
	Ludhiana	11	..	..	6	48	..
	Ferozepore	12	..	5	2	35	..
	Total	26	..	17	29	304	5
LAHORE	Lahore	1	..	17	36	193	11
	Amritsar	1	..	..	3	30	..
	Gurdaspur	2	..	1	3	30	..
	Sialkot	9	..	4	8	55	3
	Gujranwala .. ..	..	..	2	9	51	1
	Sheikhupura	1	..	3	1	23	..
	Total	14	..	27	60	391	15
RAWALPINDI	Gujrat .. ..	..	..	2	2	51	..
	Shahpur	2	..	4	1	53	2
	Jhelum	1	..	2	3	41	..
	Rawalpindi .. ..	..	..	1	..	15	..
	Attock .. ..	..	..	1	..	11	..
	Mianwali .. ..	..	..	1	1	17	..
	Total	3	..	11	7	188	2
MULTAN	Montgomery .. ..	..	..	1	1	28	..
	Lyallpur .. ..	..	..	4	3	53	..
	Jhang .. ..	..	..	5	7	37	..
	Multan	2	..	2	..	16	1
	Muzaffargarh .. ..	..	..	1	..	14	..
	Dera Ghazi Khan .. ..	..	..	1	..	11	..
	Total	2	..	14	11	159	1
GRAND TOTAL	46	..	83	121	1,204	24	

Statement III.

PERSONS OF VARIOUS CATEGORIES RESIDING IN THE PUNJAB.

OF VARIOUS KINDS.

B.Sc.	Intermediate.	Matric.	Oriental titles examination.	Vernacular language examination.	R. Com.	B. Sc. Engineering (Muc. College).	M. Sc. (Agri.)	B.Sc. (Agri.)	M. B., R. S.	Degree in Dental Surgery.
9	10	11	12	13	14	15	16	17	18	19
..	16	170	..	..	..	..	..	..	1	..
2	38	636	..	..	..	..	..	..	..	..
..	31	335	4	..	..	1	..	..	..	..
4	25	469	1	4	1	..	..	..	..	..
3	53	1,046	7	1	..	..	..	1	1	..
..	5	62	..	1	1	..	..	..	..	..
9	169	2,718	12	6	2	1	..	1	2	..
1	25	362	..	..	..	..	..	..	1	..
3	100	1,108	2	4	..	..	1	..	1	1
4	128	1,688	4	..	..	..	..	..	..	..
1	88	740	7	6	..	12	..	..	..	..
..	67	707	..	..	..	..	..	2	..	..
9	408	4,605	13	10	..	12	1	2	3	1
16	96	842	2	1	..	5	4	..	..	3
2	35	522	2	2	..	..	..	..	..	..
..	51	803	16	1	1	..	..	..	..	..
3	75	913	8	..	..	..	..	..	..	..
1	84	711	2	..	..	..	..	..	..	..
..	58	536	3	..	..	..	..	..	1	..
22	399	4,327	33	4	1	5	1	..	1	3
2	93	776	..	4	..	..	..	..	..	..
..	63	626	5	..	1	..	..	..	..	..
..	48	574	..	..	..	..	..	..	1	..
1	45	358	..	..	..	..	..	1	..	..
2	17	271	3	..	..	..	..	..	..	..
..	27	353	..	2	..	..	..	..	1	..
5	293	2,958	8	6	1	..	..	1	2	..
1	42	384	1	3	..	..	..	..	..	..
5	91	1,010	..	1	..	..	..	..	..	..
..	69	659	..	..	..	..	..	..	..	..
1	37	473	1	..	..	..	..	..	..	6
..	16	148	1	..	..	..	..	..	..	..
..	14	207	3	..	..	..	..	..	..	..
7	269	2,881	6	4	..	..	..	..	..	6
52	1,537	17,489	72	30	4	18	2	4	7	10

APPENDIX V.—

STATEMENT SHOWING THE NUMBER OF EDUCATED UNEMPLOYED

DIVISION.	DISTRICT.	EXAMINATIONS					
		B. T.	Anglo-Vernacular Middle School Examination.	Vernacular Middle Examination.	S. A.-V.	S. V.	
1	2	20	21	22	23	24	
AMBALA	Hissar .. ..	..	93	546	..	4
	Rohtak .. ..	..	808	1,983	2	..
	Gurgaon .. ..	..	233	1,331	..	..
	Karnal	2	404	583	1	3
	Ambala	528	1,052	3	..
	Simla	116	7
	Total	2	2,182	5,502	6	7	
JULLUNDUR	Kangra .. ..	..	750	910	1	..
	Hoshiarpur .. ..	..	1,966	662	..	1
	Jullundur .. ..	..	2,028	2,039	3	..
	Ludhiana	1	800	928
	Ferozepore	1	962	825
	Total	2	6,506	5,364	4	1	
LAHORE	Lahore	5	526	1,219	1	2	
	Amritsar .. ..	..	781	495	..	1
	Gurdaspur	1	69	2,320	..	3	
	Sialkot	2	1,316	804	1	1	
	Gujranwala .. ..	..	577	440	..	..
	Sheikhupura .. ..	..	119	1,102	..	1
	Total	8	3,388	6,380	2	8	
RAWALPINDI	Gujrat .. ..	..	407	1,255	..	..
	Shahpur	1	920	713	..	1	
	Jhelum .. ..	..	711	983	..	1
	Rawalpindi .. ..	..	315	1,530	..	1
	Attock .. ..	..	489	468	..	..
	Mianwali .. ..	..	309	1,027	..	..
	Total	1	3,151	5,986	..	3	
MULTAN	Montgomery .. ..	..	339	1,000	..	..
	Lyallpur .. ..	..	2,449	2,544	..	..
	Jhang .. ..	..	360	998	..	..
	Multan	1	461	1,160	..	..
	Muzaffargarh .. ..	..	441	263	..	..
	Dera Ghazi Khan .. ..	..	191	836	..	..
	Total	1	4,241	6,821	..	..
	GRAND TOTAL	14	19,468	30,053	12	19	

Statement III—CONCLUDED.
PERSONS OF VARIOUS CATEGORIES RESIDING IN THE PUNJAB—CONCLUDED.

OF VARIOUS KINDS—concluded.

	25	26	27	28	29	30	31	32	33								
J. A.-V.	25	J. V.	26	Diploma from P. V.C.	27	Diploma from the Rasul Engineering School.	28	Diploma from the Mayo School of Arts.	29	Diploma from the V. D. J. H. Technical Institute, Lahore.	30	Engineering Survey Examination (Roorki).	31	Diploma Foreign University.	32	Total.	33
..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	848
..	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	3,639
..	..	2	..	1	..	..	..	..	..	..	..	..	..	..	..	1,956
..	..	68	..	..	..	..	..	..	..	..	..	..	..	..	..	1,604
..	..	7	..	..	..	..	..	..	..	..	..	..	..	..	..	2,760
..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	197
1	88	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10,904
..	1	1	..	..	..	..	..	..	..	..	..	..	..	..	..	2,076
..	..	6	..	..	..	..	..	..	..	..	..	..	..	..	..	3,979
1	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6,036
1	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,666
8	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,623
5	14	..	..	..	..	..	..	..	..	..	..	..	..	..	..	17,380
1	20	7	..	..	..	..	..	..	..	..	..	..	..	..	..	3,006
..	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,977
..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3,311
..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3,227
1	21	3	..	..	..	..	..	..	..	..	..	..	..	..	..	1,883
..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,848
2	46	10	..	..	..	..	..	..	..	..	..	..	..	..	..	15,152
..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,594
8	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,400
2	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,371
..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,329
..	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,285
1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,749
6	11	..	..	..	..	..	..	..	..	..	..	..	..	..	..	12,648
..	8	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,812
28	12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6,308
1	7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,143
2	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2,171
..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	907
..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,273
31	43	..	..	..	..	..	..	..	..	..	..	..	..	..	..	14,514
45	302	10	34	10	8	10	8	4	1	16	2	1	1	2	..	70,698	

APPENDIX VI.

Joint note of dissent by Khan Bahadur Sardar Habibullah, Bar.-at-Law, and
Khan Bahadur Sheikh Nur Elahi, M.A., I.E.S.

INTRODUCTION.

We have signed the main report because we do not entirely disagree with the general findings and recommendations of the Committee. At the same time we must record our conviction that the enquiry has been disappointing in results, inasmuch as it has failed to determine the exact nature and extent of unemployment in the Province as well as to analyse its causes and to discover effective remedies for the alleviation of the distress in any appreciable degree. At best the Committee may be credited with having only tinkered with the problem. But in the very nature of things it could perhaps do no more. A provincial committee must take a parochial or insular view of things, whereas the problem of unemployment is essentially an all-India, if not an all-world, question. Apart from the unrestricted flow of population from province to province and from Indian States to British India and *vice versa*, the problem is intimately connected with the basic economic policy of the Central Government and, as such, it must be tackled on an all-India basis. That explains why the efforts of the provincial governments and the Indian States to find even a partial solution of it have very largely failed.

The problem presents further complications and almost insurmountable difficulties when it is viewed from the International standpoint and it is seen that its complete solution has baffled the ingenuity and resourcefulness of even the most advanced countries like Great Britain, the United States of America, France and others which may be said to have almost reached the peak of economic progress, but which are nonetheless suffering from chronic and extensive unemployment among all classes and grades of workers. This seems to point to the necessity of a radical change in the very basis of our socio-economic structure. Here we have a multitude of confusing economic theories, ranging from the "unashamed individualism" of President Herbert Hoover, which seeks to find a solution of the economic tangle in "Bigger and Better Capitalism" to the communism of Marx and Lenin, that aims at establishing a society in which every one will "produce according to his ability and get according to his needs". And to make confusion worse confounded Mahatma Gandhi and other Tolstoyan economists have propounded a theory of what may be called metaphysical economics as distinguished from the materialistic economics of the West. Mahatma Ji offers to solve all the economic difficulties of the world, including, of course, that of unemployment, by the simple process of curtailing the needs of the poor, "who will always be with us", to the absolute minimum and by reducing their standard of living to that of the ancient Rishis. Mahatma Ji apparently overlooks the fact that centuries have passed since the idyllic age of the ancient Rishis. That during this interval man has made gigantic strides in knowledge. To say the least he has known Evolution which has changed his entire outlook on life. He has learned of starry systems, of the building of worlds, of the pageant of history, of the march of science. Out of all these things has come "a new duty which is not peace, but battle; which is not patience, but will; which is not death, but life."

To quote Upton Sinclair :—

"There is no room in the world of Evolution for the doctrine of non-resistance to evil. Non-resistance to evil is the negation of life, and the negation of life is the negation of faith. How shall you resist not evil when life is action and not passion? When not a morsel of food can you touch except by the right that you are more fitted to survive than that morsel? How when you know that you rose from the beast by resistance? and that you stay above the beast by resistance? Will you give up the farm land to be the jungle again? or will you teach the beasts your non-resistance? and the trees of the forest to crowd no more your land?"

"It is no longer possible to build a heaven and reject the earth. Such as life is you have to take it and to live it."

Mahatma Ji's theory, however, can have only an academic interest, and even Mahatma Ji's own disciples do not appear to take it seriously. For this ideal of universal idyllic peace in a state of indigence and self-abnegation can be attained without political independence. Why then the insistence on Swaraj? Surely, to use Mahatma Ji's own words if "the Maharaja of Mysore is a god to the Mysore villager," King George VI can be an equal if not a greater, god to the peasantry in British India. And then Mahatma Ji and his disciples, apparently, do not view with disfavour the practice of usury which is the basis of individualistic Capitalism and, as such, the root-cause of all the socio-economic evils of Modern Civilisation.

The modern ideal, which is common to all the principal schools of economic thought is the ideal of plenty. According to this the first requisite for good life is to increase the production of the commodities and services by the enjoyment of which it is possible for man to rise from barbarism to civilization. The advocates of this view hold that for improvement in health, education, culture and refinement, poverty must be converted into plenty.

They point to the advent of an age when it is no longer necessary for man to sweat and struggle for a bare subsistence, when he has time and leisure "to open his eyes to the world of beauty and books, of nature and art, of friendship and love, that stretches out its arms to him".

But has not this very plenty reduced this beautiful world to a black jungle in which men roam as beasts of prey, each one fighting and struggling like a maniac and grabbing for his own all that he can lay his claws upon? And what has it done with our social ideals? What is the highest ambition but to lavish each man upon himself all that he can lavish before he dies? and whom do we honour save him who succeeds in that? and whom do we scorn save him who fails?

"Oh, thou black jungle of a world,

Where savage beasts through forest midnight roam".

There is, however, another school of thought which holds that this black jungle can be transformed into a garden of Eden if the plenty is secured, not for any superior class or classes, and not for any particular race or races, even if these classes or races proved themselves to be more capable or more industrious or more enlightened than the rest of the population, but universally and without exclusion, for all. The aim of this school is the establishment of a society in which health and economic security, education and culture should be substantially common to all, because effectively open to all.

These philosophies have evidently an important bearing on the question of unemployment, a complete solution of which will ultimately be found in the socio-economic ideal that each nation adopts. Meanwhile we must follow the Capitalistic system of the West and try to find a remedy, as best we can, for our economic ills within the framework of that system. There can, however, be no doubt that the problem of unemployment even within these limits must be approached from an all-India standpoint. And one who studies it from that point of view must, at the outset, take cognizance of certain basic facts which, besides disclosing the real causes of unemployment, indicate the direction in which the remedy should be sought.

BASIC FACTS.

1. *Unemployment an all-India problem.*—Unemployment is not confined to any one province, but is prevalent in the whole of India, and its causes, therefore, are to be sought in the general economic condition of the whole country and not in the peculiar circumstances of any one province.

2. *India a dependency.*—India is a dependency of Great Britain and its economic interests are therefore more or less subordinate to those of the ruling country and its colonies. Consequently no scheme of economic reconstruction or development can be treated as a practical proposition, till it can be reconciled with the larger interests of British finance and industries.

3. *Over-population.*—For a backward agrarian country India is very much over-populated. In 1931—the year of the last Census—the total population of the country was over 85 crores (27 crores in British India and 8 crores in the Indian States). This is 17 per cent of the total population of the world, and $7\frac{1}{2}$ times as much as the population of United Kingdom and three times as much as that of the United States of America, while the total wealth of the country is estimated at less than one-half of that of United Kingdom and less than a ninth of that of the United States of America.

In 1931 the density of population in British India was 195 persons per square mile; in the Punjab (British territory) it was 288 per square mile. In some of the other countries in whose economy agriculture still occupies a comparatively important position it was:—

<i>Country.</i>	<i>Density per square mile.</i>
Union of South America	17
Canada	8
United States of America	41
China	106
Ireland	180
Australia	2
New Zealand	15
Sweden	36
Norway	28

A still more disturbing feature of the population is its alarmingly rapid increase. In thirty years, from 1901 to 1931, in spite of the ravages of famines and devastating epidemics,

and the comparatively very high death rate and low expectation of life, the population in India has increased by 10 crores or about 89 per cent; in the Punjab the percentage is slightly above that figure. In the decade—1921 to 1931—it increased by 10·6 per cent (the increase in the Punjab being 14 per cent). The increase in the cultivated area between 1901 1931 was from 200 to 229 million acres, that is only 14·5 per cent, the increase from 1921 to 1931 being less than 8 per cent. As the productive power of the country has not grown at the same rate as the population the inevitable result of the increase in the latter has been a decline in the income of the consumer and a proportional fall in his standard of living. Accordingly the real income per head of population, which according to one authority was Rs. 62 in 1911, fell to Rs. 45 in 1921 and is presumably still less to-day.

4. *Unbalanced economy.*—The main defect in the Indian economy, which is also the principal cause of most of the ills from which the country suffers is want of proper balance. The country which, only a century ago, was not only economically self-sufficient, but also exported its manufactures to distant countries including Great Britain, has become predominantly agricultural.

The percentage of working population employed in agriculture to the total working population in British India, in 1931, was 66·4. In England and Wales it was 6·7, in United States of America 21·5, in Canada 27·55, in Germany 30·3, in France 37·8 and in Japan 48·8. In the Punjab the percentage was slightly above 60. But in the Punjab the percentage of actual workers to the total population is 36·8, while for the whole of India it is 48·6.

This predominance of agriculture over industries and other occupations is strikingly reflected in the distribution of population. In India, in 1931, the rural population was 89 per cent of the total population, while the urban population was only 11 per cent. In the Punjab the corresponding figures were 87 and 13. The corresponding figures for some of the countries which till very recently were predominantly agricultural are :—

					Rural.	Urban.
Canada	..	..	..	..	46·8	53·7
United States of America			..	..	49·8	56·2
Japan	..	..	..	..	44	56

The agricultural production per head of population in India in 1931 was Rs. 59 and industrial only Rs. 12. The corresponding figures for some of the progressive countries were :—

Country.	Production per head of population.	
	Agriculture.	Industry.
	Rs.	Rs.
United Kingdom	62	412
Canada	213	470
United States of America	175	721
Japan	57	158

It may further be noted that while all progressive countries are moving towards industrialization, the tendency in India has long been in the opposite direction. According to the Census of 1891 the population dependent on agriculture was 59·8 per cent of the total population, in 1911 it was 71·8 and in 1931 78 per cent.

5. *A common fallacy.*—That India is essentially an agricultural country and that her economy should therefore develop in the direction of agriculture is a grossly misleading fiction, which should be immediately and finally discarded. In the first instance, there is conclusive evidence to show that India, not very long ago, had flourishing industries which not only satisfied all her own needs, but enabled her to export many of her manufactures to other countries. In fact, the Portuguese, the Dutch and the British came to India with the object of importing from India—nobody dreamt then of exporting anything to India. Even to-day the Indian artisan, particularly the Punjabi, without any scientific education or technical training can master the details of a most intricate machine and not only work it, but repair it and even reproduce it with a precision and at a cost, which would be the envy of the best mechanical engineers in Europe.

And then there is the overwhelming evidence pointing to the fact that the wealth and prosperity of all the modern countries have been built up on industry and trade. In the United States of America as far back as 1900 the income from industries was about equal to that from agriculture. In 80 years the income from industries grew to four times that from agriculture. Again the population engaged in agriculture remained stationary, while the total population increased by 47 millions in the interval. The number employed in manufacturing and mechanical pursuits nearly doubled. Similarly Canada, which before the Great War was predominantly agricultural, has since become an industrial country with an industrial income about twice as much as that from agriculture. Sweden is another country which in 1870 had only one-eighth of its population dependent for living on industries and commerce; to-day one-half of its population is maintained by these occupations. Before

the War Russia too was largely an agricultural country. In 1913, 42·1 per cent of its gross production was from industry and 57·9 per cent from agriculture ; in 1932 the production changed to 70·7 per cent and 29·3 per cent, respectively.

In India the industrial production is one-sixth and the agricultural five-sixth of the total.

President Roosevelt in his book, "Looking Forward", says :—

"We know from figures of a century ago that seventy-five per cent of the population lived on farms and twenty-five per cent in cities. To-day the figures are exactly reversed. A generation ago there was much talk of a back-to-the-farm movement. It is my thought that this slogan is untrue."

The American President welcomes the reduction of rural population in his country, where the average agricultural holding is 159 acres, from 75 per cent to 25 per cent to-day, as a satisfactory development. In marked contrast with this is the attitude of some Indian public men who not only have no word of disapproval for the increase of our farm population, from 61 per cent in 1881 to 73 per cent in 1931, but positively deplore any the least tendency on the part of the rural people to migrate to towns—and this in a country where the average holding is less than 5 acres.

Similarly L. M. White and E. W. Shanahan in their book, "The Industrial Revolution and the Economic World To-day" observe :—

"Back to the land for the people of British Isles is difficult to reconcile with the general movement away from the land in all advanced countries. Had agriculture remained the dominant industry (in Britain) the country could have supported only a fraction of the present population and that under rather precarious conditions as to food supply from year to year."

And it may be noted that only 14 per cent of the population in Great Britain is dependent upon agriculture, and that the average holding is 55 acres.

The authors of the above observation go on to add :—

"Non-industrialization and poverty go together and excessive dependence on land is a phenomenon noticed only in the poverty-stricken countries of the East."

6. *Poverty*.—The country is extremely poor. The overwhelming majority of the population, according to all economic authorities, is living below the subsistence level. Not to mention the other necessities of life, the masses do not get even sufficient food and are positively underfed. According to Sir M. Visvesvaraya "the quantity of foodgrains required to feed the population as it stood in 1931, is estimated at between 85 and 90 million tons per annum. But the total yield of food crops in 1930-31—that may be treated as a normal year—was a little over 60 million tons. If allowance is made for the quantity required for seed, fodder and export, the balance left will hardly be sufficient to feed half the population of the country."

The productive power of the country being restricted, the average income per head is very low. In terms of money, according to the most liberal estimate, it has varied during the past fifty years between Rs. 45 and Rs. 111 per annum, the figure for a normal year being Rs. 82. Since the depression it is estimated at Rs. 52. The figure for the Punjab, which is almost exclusively agricultural, must be still lower. The figures of income *per capita* for some of the other countries in a normal year are :—

	Rs.
Japan	271
Germany	634
France	686
United Kingdom	1,902
Canada	1,268
United States of America	2,053

Our total imports (excluding bullion), in the year 1935-36, amounted to about Rs. 194½ crores, and if every article of *merchandise* imported were produced in the country (a panacea longed for by the nationalist) this would have raised the *per capita* income by less than Rs. 4. This means that in order to raise the average *per capita* income even to the Japan level, the country should increase its agricultural and industrial production about 3½ times its present scale.

That the standard of life in India is deplorably low and that a very large proportion of the population is living on and below the margin of minimum subsistence is further evidenced by the fact that a slight cheapening of such a vital necessity as salt is followed by a

marked increase in its consumption and the slightest rise in price is attended by a definite contraction of demand. This is clear from the following table taken from Professor Karve's "Poverty and Population in India" :—

Period.	Rate of duty per maund.			Consumption
	Rs. A. P.			per capita.
				lb.
1909—16	2	0	0	10·6
1916—23	1	4	0	13·0
1923-24	2	8	0	11·9
1924—29	1	4	0	12·6

The poverty of the country is further illustrated by the fact that the total public revenue of British India from all sources, Central, Provincial and local, for 1932-33, amounted to Rs. 268 crores or less than Rs. 10 per head of population (in the Punjab it was about Rs. 18 crores or about Rs. 6 per head), while Great Britain which is about 1/20th the size of India, or about 9/10th that of the Punjab, had a total revenue of Rs. 1,324 crores or Rs. 294 per head of population.

Still another illustration will bring out the painfully striking contrast between the poverty of India and the affluence of a highly industrialised country like Great Britain. The latter distributes every week to its one-and-a-half million unemployed a dole of £2,000,000 (about Rs. 2·7 crores) which is about 1/5th the total annual revenue of the Punjab. She also expends Rs. 62 crores annually in poor-relief (the average number relieved each year during the five years 1932—36 being 17 lakhs)—or about Rs. 365 per head, that is, more than 5 times the average income per head of population in India.

7. *Illiteracy.*—One of the most disastrous effects of poverty is the almost universal illiteracy and all pervading ignorance and superstitiousness of the populace. The percentage of literates, aged 10 years or over, in British India, to the population, in 1931, was 8·5 and for the Punjab (British territory) hardly 6. For Great Britain it was 92·5, France 94·1, Germany 99·7, Japan 96·0, United States of America 94·9, Australia 98·3, Soviet Russia 90·0.

The percentage of the population attending educational institutions in British India was only 4·67 (in the Punjab it is slightly over 5), in Great Britain 18·8, in Japan 19, in United States of America 23·7, in Canada 24·4. In British India one in twenty-one is under instruction, in Japan and Great Britain one in five, and in Canada, United States of America and Soviet Russia one in four. And the last named country was less than fifteen years ago not even 33 per cent literate.

Similarly expenditure on education in 1930-31 in British India was a little less than Re. 1 per head of population—in the Punjab it was Re. 1·4—in Japan it was Rs. 11, in United Kingdom Rs. 32·4, in Canada Rs. 48, and in the United States of America Rs. 65 which is almost the entire *per capita* income in India.

In spite of the high percentage of school-going population, expenditure per pupil under instruction in the progressive countries is very much higher than it is in India. In 1931, in British India it was Rs. 22·3 per head per annum (in the Punjab it was about Rs. 23), in Japan Rs. 58, in Great Britain Rs. 172, in Canada Rs. 199, in United States of America Rs. 275. This accounts for the extremely unsatisfactory character of the education imparted in India. The fault which is exclusively attributed to the system lies no less in the quality of teaching than in the system which, with all its defects, and they are many, has produced remarkable results in a few institutions where the teachers are well-qualified and not miserably paid.

8. *Ill-health.*—The most distressing effect of poverty, however, is on the health of the people, which, in turn, seriously affects their power of production. This is seen in the abnormally high death rate and the correspondingly low expectation of life. The average death rate in British India for 1921—31 was 24·5 per thousand, and in the Punjab about 28·6, (in 1930 in the Punjab it was over 30). In the United Kingdom the average for 1921—23 was 12·5, in France 16·3, in Germany 11·1, in United States of America 11·3, in Japan 18·17. In over-crowded Moscow it has, since 1913, fallen from 23 per thousand to below 13.

Infant mortality (deaths under one year per 1,000 living births), which, according to Sir Arthur Newsholme, is "a sensitive index of domestic sanitation and of personal hygiene and care", in other words, of home conditions and the general standard of living, has in British India, in the two decades from 1911 to 1930, varied from 166·93 to 266·96, and in the Punjab from 164 to 214. In 1930, in British India it was 180·83 and in the Punjab over 185. In United Kingdom it was 63, in United States of America 65, in Germany 85, in France 87, in Japan 124.

The expectation of life at birth in India, in 1881, was 29·67 for males and 25·58 for females, and in 1911, 22·59 for males and 23·31 for females. In the Punjab the mean age in 1921 was, for males 25·4, for females 24·5. In 1931 it fell to 24·8 for males and to 23·1 for females. The corresponding figures for some of the other countries are :—

Country.	Year.	Male.	Female.
Japan	1921—25	42·06	43·20
Sweden	1921—25	60·72	62·95
Italy	1921—22	49·25	50·75
England and Wales	1920—22	55·62	59·58
France	1920—23	52·19	55·87
Germany	1924—25	55·97	58·82
Russia (Europe)	1926—27	41·93	46·78

In England and Wales the expectation of life at birth in 1901 was 44·07 years, in 1911 it rose to 46·04, in 1921 to 55·62, and in 1931 it was over 57 years. In Australia in 1921 it increased for men by 12 years and for women by 12½ years. In New Zealand the lifespan has reached 62 years.

The high death rate in India is sometimes attributed to climate and sometimes to Malaria. But 30 or 40 years ago Cuba a tropical land like Southern India had a very high death rate and suffered from Malaria, Typhus fever, Cholera and other devastating epidemic diseases, as much as India has ever suffered. But now, under proper sanitary regulations, all is changed. Cuba's death rate has become nearly the lowest in the world, and the land has become one of the healthiest known. Sanitary engineers and medical authorities state that exactly the same change can be wrought in India if only the country had sufficient money to spend on sanitation and education.

Mr. Arnold Lupton in his book "Happy India" says :—

"What a magnificent country India would be if only its Malaria were abolished ! and I am quite certain of this, that if instructions were given to the engineers to abolish Malaria, and if they were allowed the requisite sums of money they would soon make a great change..... The banks of the Panama Canal were made into a place that could be visited as a Sanatorium in consequence of the successful efforts of the American engineers in charge to abolish Malaria ; and the Malaria of the Panama Canal was the deadliest kind the world has ever known."

9. *Low productive capacity.*—Owing to poor physique and the very limited use of machinery and artificial motive power the productive capacity of the Indian worker is very low. For instance, if the output of work per person in India be rated at 1, in Japan it is 2½, in France 5½, in Germany 8, in Great Britain 12, in Canada 14, in the United States of America 20.

10. *Mechanisation essential to economic development.*—The present age is essentially the machine age and therefore all talk about the revival of manual, as distinct from mechanical and power industries, is entirely out of date.

At the time of the Industrial Revolution in Great Britain, India had well-organised and highly developed handicrafts and cottage industries, and yet they collapsed in competition with the mechanical industries of Great Britain, although the latter was comparatively in a state of imperfect development. Since then mechanical production both in efficiency and economy has made phenomenal progress, and any attempt to bring back the good old times when "Adam delved and Eve span" is, in point of practicability, little better than Jason's search for the Golden Fleece. It should be realised that the machine has irrevocably destroyed the whole basis of small domestic industries and that our only hope lies in building up big industries without which the masses will continue in the present impossibility of living. What Marx said of Italy in the latter half of the nineteenth century is largely true of India to-day. He says :—

"We are tortured not only by the development of capitalistic production, but by the lack of its development. Side by side with modern distress we are oppressed by a whole sequence of inherited distress arising from the fact that ancient and antiquated methods of production, resulting in social and political conditions unsuited to the time, continue to vegetate among us. We suffer not only from the living, but from the dead. The living are in the grip of the dead."

It is no doubt true that in some countries, notably Japan and Germany, cottage and small scale industries still operate to produce semi-finished material for the large scale industries. But with the increasing use of automatic machinery they are gradually disappearing and their future fate is sealed.

Talking about the place of machinery and motive power in the economy of a nation Mr. Henry Ford says :—

“One has only to go to other lands to see that the only slave left on earth is man minus the machine. We see men and women hauling wood and stone and water on their backs. We see artisans clumsily spending long hours and incredible toil for a paltry result. We see the tragic disproportion between laborious hand culture of the soil and the meagre fruits thereof. We meet unbelievably narrow horizons, low standard of life, poverty always on the edge of disaster—these are the conditions where men have not learned the secrets of power and method—the secrets of the machine.”

Professor Hertzka, the eminent Austrian economist in his book “Laws of Social Evolution” illustrates what can be achieved under the modern conditions of production for the Austrian population of twenty-two million :—

“It takes 26,250,000 acres of agricultural land, and 7,500,000 of pasturage, for all agricultural products. Then I allowed a house to be built for every family consisting of five rooms. I found that all industries, agriculture, architecture, building, flour, sugar, coal, iron, machine-building, clothing, and chemical production, need 615,000 labourers employed 11 hours per day, 300 days a year, to satisfy every imaginable want of 22,000,000 inhabitants. These 615,000 labourers are only 12·3 per cent of the population able to work, excluding women and all persons under 16 or over 50 years of age ; all these latter to be considered as not able.

“Should the 5,000,000 able men be engaged in work instead of 615,000 they need only to work 36·9 days every year to produce everything needed for the support of the population of Austria. But should the 5,000,000 work all the year, say 300 days—which they would probably have to do to keep the supply fresh in every department—each one would only work one hour and 22½ minutes per day.

“But to engage to produce all the luxuries—in addition, the 5,000,000 able, strong male members could produce everything imaginable for the whole nation of 22,000,000 in two hours and twelve minutes per day, working 300 days a year.”

The following figures taken from the annual report of the Commissioner of Labour, United States of America (1898), show the relative costs of doing various pieces of work by hand and by modern machinery :—

(a) Making of 10 ploughs :—

By hand.—2 workmen, performing 11 distinct operations, working a total of 1,180 hours (each man 590 hours), paid 54·46 dollars.

By machine.—52 workmen, 97 operations, total time 37½ hours (each man less than ¾ hours), total payment on account of wages 7·90 dollars.

(b) Making of 500 pounds of butter :—

By hand.—8 men, 7 operations, total time 125 hours (each man about 42 hours), total payment on account of wages 10·66 dollars.

By machine.—7 men, 8 operations, total time 12½ hours (each man little more than 1½ hours), total payment as wages 1·78 dollars.

(c) Making of 500 yards of twilled cottonade :—

By hand.—8 men, 19 operations, 7,534 hours (each man 2,511½ hours), total wage payment 185·4 dollars.

By machine.—253 men, 43 operations, 84 hours (each man less than ¼ hour), total wage payment 6·41 dollars.

(d) Making of 100 pairs of cheap boots—

By hand.—2 workmen, 83 operations, total time 1,436 hours (each man 718 hours), total wage payment 408·50 dollars.

By machine.—113 workmen, 122 operations, total time 154 hours (each man a little more than one hour), total wage payment 35·40 dollars.

The above relates to 1898. Since then machinery has much improved and the cost of production very much lowered.

A still more graphic picture of the achievement of mechanisation is given by Leonard S. Woolf who, after comparing the standard of material comfort in Europe in 1750 (i.e., before the Industrial Revolution), with that of to-day, and the potential productive power and the amount of human labour required in hand-weaving, in boot-making, kneading a loaf by hand, in ploughing and reaping and threshing in 1750 with that required in a large-scale textile

mill, in a modern boot factory, a kneading machine in a modern bakery, in the use of the tractor plough, the reaping and threshing machine of to-day, arrives at the following conclusion :—

“It is no exaggeration to say that a man working for one hour to-day can produce as much housing, furniture, food or clothing as in 1750 he could produce by working 100 hours, and in many cases his productive powers must have been increased not a hundred-fold but thousands-fold.”*

He continues :—

“It is not optimistic to hold that, given the present-day potential productive and labour saving powers directed to a single end, namely, the supply of goods and services of general utility at a minimum expenditure of human labour, the community could easily obtain a standard of life a hundred times higher than that of 1750 with one-fourth the expenditure of labour upon industrial production which we tolerate to-day.”

Again a committee recently appointed by the Government of the United States of America to enquire into the capacity of American Industry and Agriculture to produce goods and services found that, “every family of four persons could provide itself with an income of 4,400 dollars (about Rs. 14,300) a year, at 1929 prices, if America's productive resources were used to the full and their product equally divided among all families.”

11. *Economic resources of the country.*—The country has great resources in raw materials, energy and man power, which remain undiscovered and untapped. To take only one instance, viz., that of water power resources, the following table shows the potential and developed power supply of India as compared with that of some of the industrialised countries :—

Water Power Resources.
(in million horse-power).

Country.	Potential.	Developed.	Percentage of developed to potential.
United States of America	85·0	11·7	88
Canada	18·2	4·5	25
France	5·4	2·1	87
Japan	4·5	1·7	37
Italy	8·8	1·8	47
Switzerland	2·5	1·8	72
Germany	2·0	1·1	55
India	27·0	·8	8

Mr. Robertson Taylor, Chairman of the Punjab Chamber of Commerce, at the annual meeting of the Chamber in 1933, said —

“India possesses in abundance all the conditions natural for a great industrial future, and unless the country in the years to come can provide a wholly unprecedented industrial development the level of subsistence of the country which is now dangerously low will become much worse.”

12. *State intervention indispensable to industrial development.*—Every modern civilised State recognises as one of its foremost duties to build up the country's wealth, to create employment, and to make the country as self-sufficient as possible.

The British Government has given direct assistance to industries not only by levying anti-dumping duties, but also by investing public funds in national enterprises like the Cunard Steamship Company, the British Dye Stuffs Company and the Home Grown Sugar Company. According to J. M. Keynes, the well-known English economist, in 1927 two-thirds of the capital invested in large scale undertakings was in enterprises of a State Capitalist character, i.e., enterprises either in State hands or subject to some form of State regulation and control.

*Socialism and Co-operation by Leonard S. Woolf.

The United States of America built up its industries by raising a high tariff wall against foreign competition. Recently the Senate created a 2,000 million dollar (about Rs. 650 crores) corporation to make advances to industries and services which could not otherwise secure credit. Again enormous sums are spent on industrial surveys, research and technical education.

Canada has still immense agricultural possibilities as is evident from the size of its average farm holding which is 198 acres against India's 5 acres, and yet she has pushed forward her industries by granting liberal bounties to its iron and steel industries which had to compete with Great Britain and the United States of America.

Industries in Russia are the principal concern of the Government and the economic revolution in Russia is essentially an attempt to industrialise the country. The World Economic Survey (for 1931-32) published by the League of Nations says :—

"Russia is one of the chief prodigies of the time. From extreme backwardness it has advanced at a stride to the forefront of mechanical development."

In the words of Stalin :—

"Russia is going full steam ahead and becoming a nation of metals, of automobiles and tractors."

In 1870 Japan was in the same position industrially as India. The income from manufactures rose from Rs. 206 crores in 1914 to Rs. 937 crores in 1925. Government herself financed many business undertakings, and set up factories.

Comparisons.—Here a word about the comparisons made in the foregoing paragraphs. Some authorities object that it is wrong to compare India with the great industrialised countries of the world. For instance, Sir Theodore Morrison in his book, "The Economic Transition in India" says :—

"In making comparisons there is always the danger of comparing like with unlike and not like with like and in so doing arrive at unnecessarily pessimistic and even alarming conclusions : If the national income of India to-day is compared with that of United States of America, instead of being compared with that of Bulgaria and other parts of Europe, where conditions are similar we get an incorrect view point."

The above was written long before the recent phenomenal achievements of Russia in the field of agricultural and industrial development. Apart from this, India with its infinite resources and great man-power and its up-to-date enlightened Government, is more comparable to Canada, to the United States of America, and to Soviet Russia than to Bulgaria which has an area about 2/5ths and a population about 1/4th that of the Punjab. And yet Bulgaria has a revenue (per head of population) five times as much as that of the Punjab.

And if India is to be compared with a small agricultural country at all, let her be compared with Northern Ireland which like India, till very recently, was under the British rule. The Irish Free States, with an area about one-twentieth that of the Punjab and a population less than that of the Lahore District, has a revenue of about Rs. 18 crores, i.e., about 1½ times that of the Punjab.

Or perhaps with Italy which has an area not more than that of the Punjab, and a population about twice as much as that of the Punjab, and which is still mainly agricultural, lacks raw materials and is dependent on imports from outside for 99 per cent of its cotton, 80 per cent of its wool, 99 per cent. of its coal, 99 per cent of its mineral oil, 80 per cent of its iron and steel, and even 15 per cent of its meat and 20 per cent of its grain. And in 1937 she had a revenue of 22,153 million lire (about Rs. 850 crores), i.e., about thirty times the revenue of the Punjab and more than 1½ times that of India from all sources.

We now turn to the specific problems raised in the Committee's questionnaire.

(I) EDUCATION.

UNEMPLOYMENT AMONG THE EDUCATED.

In 1927 the Anderson Unemployment Committee had arrived at the conclusion that there was serious unemployment among the educated in the Punjab, and that the liberal professions, especially Law and Medicine, were over-crowded. Since then over two lacs of educated above the middle stage and about a lac and a half above the Matriculation stage have gone forth from our schools and colleges. Of these only a very small proportion could have been absorbed in the existing occupations. The total number of educated unemployed at present cannot, therefore, be less than two lacs, and this number is steadily increasing at the rate of 15 to 20 thousand every year.

CAUSES OF UNEMPLOYMENT.

1. *Defective system of education.*—The Anderson Committee attributed it chiefly to defective education. They thought that the education was too literary and not sufficiently adapted to real life. In other words, according to them it took no account of the occupational needs of society. This was, of course, only a re-iteration of the popular criticism of education in India, which found its earliest expression in Bengal where unemployment among

the educated began to be noticed more than 25 years ago, and which incidentally led to the appointment of the Calcutta University Commission. From there the cry was taken up by the other provinces as they got affected by unemployment. But like most popular opinions it is based on confused thinking and expresses only a half truth. Far from being purely cultural and non-vocational, the present system is essentially vocational and grossly utilitarian. Mr. Mayhew, formerly Educational Commissioner with the Government of India, in his book, "The Education of India" says:—

"In actual fact our high schools and colleges suffer not for want of vocational training, but for their concentration on training of a definitely vocational, but very limited type. Essentially practical and utilitarian, they have aimed at the production of Government officials, Lawyers, Doctors and Commercial clerks, and within this range they have succeeded remarkably well. . . . They have trained their students to earn a living in occupations congenial to their traditions and antecedents and increased in number and attractiveness by British administration."

Another popular misconception about the present system of education is that it inherently creates unemployment among the educated. The idea seems to be that if, instead of obtaining what is called literary education, our young men had gone in for technical and industrial training, they would not have remained unemployed. This assumes that there is effective demand for artisans and for agricultural and industrial workers, and that if the educated were not incapacitated for manual work (an assumption open to dispute) they could have been diverted into these profitable and nationally productive avenues of employment. But it is not so. On the contrary it is an incontrovertible fact that there is unemployment, and in some cases very serious unemployment, among all classes of employables, both educated and uneducated. In other words, the total number of employables—educated plus uneducated—is very much in excess of the total number of available occupations of all kinds. To express it symbolically let 'X' stand for the educated employables, 'XE' for the number of available suitable employments for 'X', and 'XU' the number of unemployed among 'X.' Similarly 'Y' may stand for the uneducated employables, 'YE' for the total number of available occupations suitable for 'Y,' and 'YU' the number of unemployed among 'Y.'

The present position is:—

$$\begin{aligned} X &= XE + XU \quad \& \quad Y = YE + YU \\ \therefore X + Y &= (XE + XU) + (YE + YU) \\ &= (XE + YE) + (XU + YU). \end{aligned}$$

Now the problem of unemployment is the reduction of $(XU + YU)$ to zero and it can be done in only two ways:—

- (a) Reduce $(X + Y)$, that is the total number of employables; or
- (b) Increase $(XE + YE)$, that is, the total number of available occupations, so that in either case $X + Y = XE + YE$.

In regard to (a) some economists think that we have almost reached the optimum of population and that artificial means should be adopted in order to restrict further growth. Others are of opinion that the density of population in India is still much less than in some of the industrialised countries (e. g., it is 490 per square mile in United Kingdom, 857·9 in Germany, 443 in Japan, 625·5 in Holland (of which more than half the population is still living on agriculture) and 688 in Belgium, while in India it is 195·5 and that our economic need is not so much a reduction in the number of employables, or what is the same thing, in population, as an increase in occupations by the much needed development of our economic resources. Thus Professor Karve in his book, "Poverty and Population of India," observes:—

"The population of India constitutes a problem neither in its numbers, nor its rate of increase, but in its conditions of ill-health and poverty. Numbers instead of being a cause of the unwelcome phenomenon of disease and poverty, are but a symptom and effect of much deeper evil, that of social and economic backwardness and cultural and psychological passivity."

That we are very much deficient in $XE + YE$ is evident from the fact that while the total number of occupations available in the Punjab even including beggars, vagrants, inmates of prisons and asylums, and others unproductively employed is about 600, the total number of productive occupations available in Great Britain is over 60,000. In regard to population the opinion is also held that the present rapid growth will be automatically checked when the general standard of living in the country is raised. Thus Carr Saunders in his book, "The Population Problem" says:—

"The tendency of the population to grow to the subsistence level can be effectively checked only when all classes of our society and especially the lower classes are enabled and educated to attain a higher standard of living. All authorities seem to be agreed that there is a close inverse relation between the standard of living and birth rate."

Those who take the problem of unemployment among the educated in isolation, or treat it as the whole of the problem, suggest the simple remedy that X should be reduced so as to make it equal to XE, which would give the result $X - XE = 0$. But unless Y is also reduced, the position, as a whole, will remain unaltered and all that will happen will be that the quantity 'Y' will be increased which, in turn, will increase YU, XU meanwhile having been reduced to zero. This arrangement is, however, favoured by the politician who finds unemployment among the educated who are articulate, more inconvenient than unemployment among the uneducated who are comparatively non-vocal. The student of human psychology, however, is more afraid of the silent discontent which failing to find vent in articulation seeks an outlet in criminal and subversive action.

2. *Over-production of educated.*—The dissatisfaction with the present system of education also finds expression in a protest against the numbers under instruction in the university and colleges. It is thought that the number is too large and that the province is getting over-educated in respect of higher education. In 1931, British India had 92,028 students under University and collegiate instruction, giving an average of 3.4 students for every 10,000 population. In the Punjab in the same year there were about 10,000 students in the college classes, giving an average slightly higher than that for the whole of India. The corresponding figures for some of the other countries are given in the table below :—

Country.	Number of universities.	Total number of students in colleges.	Number of students per 10,000 of population.	Total cost on university education.	Population.
1	2	3	4	5	6
				Rs.	
United Kingdom	16	61,712	13	56 crores	46,178,884
United States of America ..	1,166	971,000	30	374.17	122,775,046
Canada	18	41,168	41	6.6	10,374,196
Japan	45	143,503	22	..	65,366,500
British India .. ..	..	92,028	3.4	3.92	275,000,000

The above figures show that comparatively we have a very small proportion of scholars under University instruction to the total population. Why then the present outcry ?

The main objection is that University education leads to nowhere. In the majority of cases it is unproductive both to the individual and to the nation. It is bound to be so as long as it is essentially vocational and the vocations to which it leads, viz., administrative services and liberal professions, can absorb only a limited proportion of the output. If our higher education were essentially cultural, as it is in other civilized countries, and aimed at producing intellectuals, that is, men trained in creative thinking and in research, scholars, artists, scientists, every increase in their number would be a matter for congratulation rather than for lamentation. No nation can ever have too large a number of thinkers, scholars and scientists. So our great need in regard to University education is not so much a restriction in numbers as a radical change in its form and content. From the cultural point of view the University education has been almost entirely divorced from our past civilisation and culture, is entirely occidental in its outlook, and has therefore reduced the natural leaders of the nation to the level of reproducers, imitators and copyists. Accordingly Ramsay Macdonald in his "Awakening of India" says :—

" Their literature, their art, their spiritual expression have gone. They have descended to the level of mere imitators and copyists When we recall the riches of Indian civilisation in the past it becomes plain that the loss of initiative and self-development has been greater in India than in almost any other country."

Christ said of man, " What shall it profit him if he gain the whole world and lose this soul ?" and India may be said to have lost her soul through her University education.

FUNDAMENTAL DEFECTS IN EDUCATION.

1. *An unnatural medium of instruction.*—The chief defect in our college and high school education is the undue importance given to a foreign language which is not only the first subject in the curriculum, but is also the medium of instruction for the other subjects. The student has not only to give much the greater part of his time to the learning of this language, but is also required to think and express all his thoughts through it. The inevitable result is that he does not think at all, but only tries, and that with indifferent success to reproduce what others have thought and have said. Thus he loses all initiative

and power of self-expression and self-direction and develops the psychology of an imitator and a slave, and ultimately when after years of strenuous effort his English is ridiculed as "Babu English" he feels humiliated, is shorn of whatever little self-respect and self-confidence he otherwise might have retained, and develops an inferiority complex which handicaps him throughout his life. Thus the first, the foremost and the most obvious reform in our educational system is the elimination of English or at least its relegation to the position of a second or third language, and the substitution of a vernacular as the medium of instruction at all stages :

Which vernacular? Any vernacular that is sufficiently developed to serve as an adequate and effective vehicle of thought and of expression. English must go, for as long as it occupies the position of the first language in our school and college education, India can have no culture of its own, and must produce only intellectual copyists and imitators.

2. *Inadequate provision for elementary education.*—But the most urgent educational need is the broadening of the base of our education. The feeling that we are heavy at the top is partly due to the fact that we are not sufficiently broad at the base. In other words, we have a much larger proportion of those who have received higher education to the total number of educated than any other nation in the world. But this is also true that no civilised country has such a large percentage of its population still steeped in illiteracy and ignorance as India. The percentage of literates for the whole of India is 8·5 and for the Punjab less than 6. In no progressive country it is below 90 and in some it is almost hundred. Universal literacy is considered so essential to national progress in all its phases that countries like Russia and Turkey that were reckoned backward till 1920, had to launch a vigorous campaign against illiteracy before taking up any other scheme of national advancement, and are to-day on a level with the other European countries in elementary education. We should also realize that there can be no real progress in the country until the greater part of the nation is literate and able to take an intelligent part in her political and economic development.

3. *Unsuitable system of girls' education.*—The worst part of our educational position is the disgraceful condition of girls' education. As education was purely vocational and man was the earning member of the family, it was for long restricted to boys. The idea that woman also has a vocation and, for that matter, a more difficult one than man's, namely, that of a mother and a housewife, took long to dawn even upon the educated; and even then the first concern of the educated male was to have an intellectual companion rather than a helpmate. This, being the chief qualification demanded in the matrimonial market, determined the salient features of the present system of girls' education. Accordingly, here too English became the first subject in the curriculum, with apparently more disastrous results than in the case of boys. The latter, though incapacitated for effective and full living, are nonetheless capable, if given the chance, of performing at least the routine part of their vocational duties with more or less efficiency. But in the case of girls the intellectual sterility and want of emotional balance led to what may be called a trained incapacity for the only vocation which the majority of them are likely to adopt, viz., that of the mother and the housewife.

So English should be eliminated from the girls' education also and the whole system should be thoroughly overhauled and adapted to their cultural and utilitarian needs. Elementary education should be compulsory for girls as for boys. It should be remembered that an educated mother is always a more valuable national asset than an educated father.

SOME POPULAR MISCONCEPTIONS.

1. *Technical education a remedy for unemployment.*—But a deficiency more loudly deplored than any of the real defects mentioned above is the inadequate provision for technical and industrial education, which, owing to more or less muddled thinking, is considered largely responsible for the slow industrial development of the country, and the resultant unemployment among the educated. There is here an obvious confusion of cause and effect. It is indeed true that there can be no organised industry without skilled labour, but this is equally true that no one would go in for industrial training until he can be sure of employment after that training. However, a planned programme of industrialisation must include a provision for the training of skilled operatives as well as of supervisors and technicians. The importance of this part of an industrial plan is illustrated by the vigorous drive of Soviet Russia in this direction. Mr. Maut Jones, formerly Professor of Chemistry, Government College, Lahore, now Director of the Polytechnical Institute, Manchester, gave some very interesting information regarding technical education in Russia in a radio talk, in 1930. He said:—

"The development of industry and the organization of technical education are put under one control—the Supreme Economic Council.

"The educational problem is one of mass training of men and woman in the shortest possible time. This has meant concentration upon the essentials, buildings, equipment, teaching staff and a supply of students with a sufficiently good general education,

“ Before the War there were in Russia seven technical high schools and 100 technicians. In 1930 the number of the former had risen to 188 and of the latter to 700, and the number of students in the technical high schools alone rose from 18,000 in 1928-29 to 108,000 in 1930.

“ The total annual expenditure from public sources on all forms of education in Great Britain is about £ 80,000,000 (*i.e.*, about Rs. 110 crores). Russia spent £ 80,000,000 (about Rs. 40 crores) a year on education for industry alone. The annual cost of the Leningrad Polytechnic, in 1930 was £2,000,000 (about Rs. 8 crores).”

The above extract indicates the position which technical and industrial education should occupy in the economy of a progressive nation. It also brings out two very significant and important points :—

- (1) That technical education is a part not of the educational programme, but of the industrial plan; and
- (2) that its scope and character are therefore to be determined not by the educational, but by the industrial needs of the country.

The idea, that if the system of education were changed and students were made industrially minded, industries would spring up like mushrooms, and there would be employment for every one, is, like so many other phantasies, the outcome of the same muddle-headedness and intellectual mimicry which have become an almost distinctive feature of the average Indian thinker.

Here one cannot but agree with Mr. Armstrong who in his memorandum quotes from Messrs. Abbot and Woods' " Report on the need for Vocational Training in India," and points out that vocational education without the necessary vocations to absorb the trained would be a fatal mistake. The Royal Industrial Commission for India (1916-17) arrived at the same conclusion. They say :—

“ Technical education could be provided with advantage for industries which had already reached a comparatively advanced stage of development.”

They also noted the danger of establishing a system of training for those insufficiently advanced. They go on to say :—

“ Elsewhere and especially in Madras the provincial efforts (in the way of technical education) were rendered comparatively sterile, owing to the general acceptance of the fallacious idea that it was only necessary to provide facilities for the acquisition of technical knowledge to ensure subsequent development of industries.”

It cannot be too strongly emphasised that technical education without industrial development would make matters worse. An artisan or factory operative is a more or less atrophied specialist with a much less intellectual elasticity and adaptability than the man who has received a course of general education and, if unemployed, only mopes and mows and becomes a veritable curse to himself and to those who come into contact with him. A scheme of technical education should, therefore, form an essential part of an industrial plan, but should not be employed as a device for deviating the seekers after cultural education into industrial or technical schools. We have made many a mistake in the past, but this will be about the worst that has ever been made.

2. *Education incapacitates for manual work.*—Another defect commonly pointed out in the present system of education is that it makes the students averse to manual work. A system of general education that makes adequate provision for physical training and outdoor games cannot have the inherent defect of creating an aversion to manual labour. It is apparently forgotten that our educational system is not indigenous, but that it is a copy, though necessarily a cheap and therefore comparatively poor copy, of the system of education prevalent in the West, where it has never been criticised on the score of creating anti-manual attitude or bias. However there also University education produces a sort of intellectual snobbery, and the average graduate or undergraduate prefers a white-collar occupation, but, failing that, he is not unwilling to take up mechanical or manual work and that too of the most strenuous kind, provided, of course, he has the necessary physical vigour and vitality. Still it cannot be denied that the average product of an Indian University has a strong disinclination towards manual labour. But the cause of it is to be sought not in the kind of education he receives, but in the social and economic conditions in which he lives. The artisan and the handicraftsman, even though he may reach a very high level of efficiency and craftsmanship, is comparatively low paid and in no case can hope to attain to anything like the respectable competency which the lowest paid clerk can look forward to in due course of time. And then as our economy is predominantly agricultural and is combined with semi-feudal sociology, the manual worker has a low social status and is looked down upon as an inferior. A possible contributory cause is the low vitality of the individual which is chiefly due to poor feeding and insanitary living.

This anti-manual attitude on the part of the educated will gradually be corrected as industrial economy will supersede agricultural economy, and feudalism give place to industrialism and manual work is as handsomely paid as what is commonly called brain-work.

SUGGESTIONS REGARDING EDUCATION.

1. *Universal literacy.*—The first and foremost educational need of the province as of the whole country is universal literacy. It is now a truism that the prime condition of advance among nations is education, and that the prime cause of the stagnation and decline of nations is want of education.

Universal education and progress go together. There is not one progressive nation that started on its road to progress without universal education. For instance, in Japan when the nation decided to get out of the stagnant backwaters of agricultural feudalism and to come into line with the other progressive nations of the world, the first thing that the Government did was to introduce universal education. As early as 1869 it issued an educational ordinance of a very radical character, which read :—

“ Education is essential for all persons, and whereas in the past learning has been looked upon as a means of securing official position, henceforth the whole population of the country, regardless of classes, must be educated so that no village shall contain a person devoid of learning nor any house contain an illiterate inmate.”

In recent times, Soviet Russia has achieved her phenomenal progress largely by means of education. The nation started its war upon political, social and economical atrophy with a vigorous campaign against illiteracy, ignorance and superstition, and through its widespread school system and adult education the Government was able to announce that the number able to read and write had been raised from 33 per cent. in 1929 to 90 per cent. at the end of 1932. The effect of this universalism is especially marked among backward races and in backward districts. For examples L. Davydov in “The School in the U. S. S. R.” writes :—

“ Literacy among the Tartar population amounted to 15 per cent before the revolution ; in the autumn of 1932 it rose to 94 per cent. There were only 35 primary schools before the revolution ; now compulsory education has been introduced, not only for the first grade (4 year) schools, but even for the seven year school. Moreover the Tartar Republic is about to introduce universal pre-school education. Now there are 20 Universities for the further education of persons over 18, and there are special Tartar branches of the universities which conduct their courses mostly in the native languages. In 1934 it could be claimed that the Tartar Republic had a much larger proportion of students in technical institutes (29 per 10,000 population) than either Germany or Great Britain, which each had less than 20 per 10,000.”

To return to ourselves, universal literacy is necessary to shake the masses out of their mental torpor and fatalism. They are sunk in apathy and listlessness. They are without hope or fear, ambition or desire for a standard of living. They are accustomed to a very low standard and they do not know a better. Man always gets less than he demands from life, and the Indian masses demand so little that the less than little they get cannot save them. All attempts at a betterment of their condition must begin with the stimulation of a desire for better living and this can only be done by universal education.

Thus free and compulsory education for both boys and girls combined with a vigorous campaign against illiteracy among the adults is the starting point of all progress and the Government cannot too strongly be urged to prepare a five or ten year plan with the object of liquidating illiteracy during that period. The essentials for the carrying out of such a plan are teachers, buildings and equipment. There can be no difficulty about teachers for we have at present an army of educated unemployed, the majority of whom would welcome any employment even on pittance of a wage. Buildings are not needed in the greater part of the province, where fair weather is commoner than foul, and where therefore the school could be held almost throughout the year in the open or under the shade of trees. At places where rains are frequent inexpensive buildings could be provided. Equipment should include the absolute necessities, viz., registers, blackboards, matting and small carefully selected libraries of books for juveniles. Thus the capital cost could at least in the initial stages be very much reduced. Similarly, recurring expenditure which must ultimately be a considerable figure could, during the years of stringency, be substantially curtailed by means of double shift, pupil teacher scheme and similar other economic devices. Eventually Government, of course, shall have to find money for real and effective education. Meanwhile, we should be content with a four year literacy course supplemented by an extensive provision of libraries scattered all over the province. Even this will mean considerable recurring expenditure, at least an additional crore and a half, a year.

As universal literacy is the foundation of all national development, it should be the first charge on the so-called Development Fund. It is perhaps intended to treat this fund as a sort of reserve. It is almost cruel that a Government with a total annual revenue of about Rs. 12 crores, which gives an average of Rs. 5.4 per head of population, should seek to effect savings in order to build up a reserve. How inadequate it is for even the primary

civic needs of the people can be seen from the fact that the British Government is distributing about that much amount every month as dole to a million and a half of its unemployed. Thus a surplus budget in the Punjab or, for that matter, in any other province or at the Centre, is not so much a mark of financial prosperity as of a most callous disregard of the elementary needs of the people. It is, indeed, a reprehensible saving inasmuch as it is saving at the cost of living. It is this perpetual balancing of budgets that, in no small degree, is responsible, among other things, for a progressive decline in the expectation of life in this country. In other countries Governments, to meet their most urgent needs (and surely no need can be more urgent than that of universal literacy) and in times of depression to alleviate the economic distress of the people, do not hesitate to incur heavy national debts. Says Fredrick Allan in his book, "Can Capitalism Last"—

"In recent years there has come into prominence a theory of public finance influentially supported by the Keynes School. They maintain that not only it is permissible for a Government to spend what it has not received, but that in times of bad trade this is its positive duty. The State is exhorted to borrow money and 'pump it' into circulation by extensive public work schemes."

This sort of deficit financing was actually carried out by President Roosevelt on a huge scale during the recent depression. No attempt was made to balance a budget. The following figures of Revenue and Expenditure during the past five years, 1933—1937, speak for themselves:—

Year.	Revenue (Dollars).	Expenditure (Dollars).
1933	2,298,956,000	5,906,629,000
1934	6,089,110,000	9,249,726,000
1935	4,171,977,000	7,225,278,000
1936	4,550,908,000	7,588,457,000
1937	5,878,151,000	8,480,804,000

Thus from 1930 to 1936 the public debt had risen from 16,185,908,299 dollars to 93,545,384,622 dollars, or by 17,960,076,323 dollars, which is about four times the average annual revenue for the past five years. This enormous sum was utilized to distribute purchasing power to the unemployed, to farmers and to recipients of war bonuses.

Some money can also be found by effecting economies in secondary and collegiate education, such as by immediately retiring the highly paid officials who have completed 25 years' service, by closing unnecessary or unsuccessful high schools and colleges, as well as by reducing expenditure on the highly expensive institutions like the Government College, Lahore, which is perhaps the most expensive college in the whole of India. The Central Training College and all other Government Colleges could also admit of a number of economies.

2. *The elementary course.*—The elementary compulsory course should ultimately be of at least seven years—that is from 5 plus to 12 plus, and should include, besides the three R.'s, Geography, History (selected tales from world History), Physical Science, light hand-work, —Agricultural or Industrial—personal Hygiene and organized games. For girls Home Science, Music and Drawing should be substituted for hand-work.

Hand-work, instead of being purely of an educational character, which aims at what is known in pedagogy as the training of the hand and the eye, should be given as utilitarian a basis as possible. In other words, as far as practicable, it should be related to the chief industry or industries of the locality or the district. But as a general principle in all big cities provision should be made, at convenient centres, for developing in the boys what is called the machine sense. It should be realized that the present age is essentially the machine age and that the future industrial development of the country must be in the direction of greater and greater mechanisation and use of power machinery. Even domestic and cottage industries, in order to make any substantial contribution to the economic development of the province, must employ power. It is, therefore, necessary that children in schools should be given training in the handling, cleaning and repairing of machinery. In Soviet Russia, Germany and other industrialised countries mechanical toys, workable models of aeroplanes, of railway engines, of motor cars and of similar other machines are a necessary part of the school equipment.

It is, indeed, desirable to induce an industrial disposition in the boys while at school, but this disposition should be correlated with the industrial trends of the times. For instance, hand-loom weaving cannot produce the attitudes needed in a technician or an operative in a weaving mill.

The following graphic account taken from Webb's well-known book "Soviet Communism: A New Civilisation?" illustrates what is being done in a newly industrialised country to develop this machine sense in both boys and girls:—

"Not so long ago Paul—he is just 12 years old—developed a passion for electricity. He installed a door bell which stubbornly refused to ring. All of his free time he fussed about in his room or in the corridor near the wires and fuses. I suspect—and not without good cause—that the failure of the lighting in our apartment last week was the result of his work.

"Leaving at last the bell, Paul designed an electric motor. To be sure his machine had little resemblance to an ordinary motor. It was the size of Paul's fist and represented a sort of flat reel on which was wound thin wire covered with white insulation. The motor lacked the main property common to all motors: it did not move, nor did it bring anything into motion.

"Paul got excited, went somewhere and enquired about something. Apparently his enquiries were successful: his snub-nosed face began to beam with joy. After school, when he had finished his dinner, Paul began to dress; he put on a warm overcoat and an earcap.

" 'Where are you going?' asked his father, not lifting his eyes from the newspaper.

" 'To the Children's Technical Station,' Paul replied with an air of importance. It did not take him long to find the house. Paul entered.

" 'What have you come for youngster?'

" Picking up courage Paul asked in turn:

" 'And who are you? Are you one of the workers of the Technical Station?'

" 'Yes, I'm its manager.'

" Paul's cheek-boned face brightened up.

" 'You're the man I want. I. I have made an electric motor, only it does not work.'

" The manager of the station smiled.

" 'Well, you have done right to come here. Come with me.'

" They went to the door bearing the sign: 'Personal Consultation' They entered a big, well-lit room. It was full of people, and despite the fact that everybody talked, it was not noisy. It had the business-like air of a beehive in which everything was in perfect order. Paul joined the group which was crowded about the consultant. Very soon he learned what the defects of his motor were. He was sent to the electro-technical shop located in the same house. With shining eyes and thumping heart Paul saw his motor beginning to rotate. But his enthusiasm was immediately damped for he was told that his model was uneconomical, took too much current, and it was explained how to rectify the defect.

" In the shop there was everything necessary for a young electrical inventor and designer to make experiments and tests; there were real motors and dynamos, transformers, rheostats, currents up to 40,000 volts in tension. Here he spent his first evening as well as a number of future evenings with the other boys in serious and thoughtful work.

" Children's Technical Stations are to be found in every district of Moscow and new ones are constantly springing up.

" These institutions, which organize and promote the growing Children's Technical Movement constitute one of the most characteristic features of Soviet education, based upon labour principles, self-development, upon the principle of giving the abilities and gifts of many every opportunity of utmost development from the earliest age. And how many inventive talents will be carefully fostered from their very embryo! It is even difficult to foresee what abundant fruits the generation which is today 12-13-15 years old will yield to the future And since 'technique during the period of reconstruction decides every thing,' one cannot but agree with the words of Olkhovsky: 'The Children's Technical Movement is no trifle Give it time to develop and you will see what tremendous results it will yield. The prospects are breath-taking!'

In the elementary schools provision should also be made for the supply of milk and a midday meal to all school children, which should be free for the poor. This is absolutely necessary, for under-fed and under-nourished children can derive no real benefit from schooling. Arrangements should also be made for regular medical examination and treatment of all children.

Teachers should be paid a salary ensuring a reasonable standard of living; in any case, not less than that paid to workers of equivalent qualifications employed in offices and other branches of public service.

At this stage, nor at any other, should there be any rigid demarcation between the rural and urban educational interests or needs, except that a rural school may have a garden plot and an urban school a small workshop. But in no case should education in rural schools be so ruralised that their products should find it difficult to enter industrial occupations or to adapt themselves to urban surroundings. In the interests of the future economic development of the country, which must be more and more in the direction of industrialisation and

urbanisation, as well as for the cultural progress of the rural population itself, it is highly desirable that the present intellectual gulf between the rurals and the urbans should be bridged so that the former may be able to hold their own against the latter and take their due share in the administration as well as political and cultural life of the country without seriously impairing its efficiency.

The medium of instruction at the elementary stage should be the territorial vernacular, but Urdu or Hindustani should be taught as a compulsory second language, which should begin in the third or fourth year of the course.

The elementary schools may be co-educational where public opinion is not opposed to the congregation of boys and girls in schools.

Here, in passing, a word may be said about the Wardha Scheme of Elementary Education which is acclaimed by some as the latest and the most original contribution to educational thought in India. As regards the original part of the scheme, namely, its economic or self-supporting character, it appears that the idea has been dropped as more or less phantastic or impracticable. The educational part of the scheme, which emphasises "learning by doing", i.e., correlating and co-ordinating the teaching of the conventional subjects with one or more basic crafts or projects is (as was pointed out by Dr. Zakir Hussain, President of the Wardha Educational Committee, at the Educational Conference held at Wardha) nothing new. This too is rightly considered by many a critic as unworkable in the present economic and educational state of India. The average elementary school teacher in India, besides being intellectually and professionally ill-equipped, is hopelessly under-paid. And even in the Western countries where the average teacher is both academically and technically better equipped and is several times better paid, the so-called "project or the complex method" has been tried on a very restricted scale and has not succeeded in all cases. Perhaps Russia is the only country that tried it on a nation-wide scale, but had to abandon it as a failure. The unsatisfactory results of this "casual education" were universally resented and it was demanded that the schools should produce "fully literate pupils, properly mastering such basic subjects as Physics, Chemistry, Mathematics, the Russian language, Geography, etc."

3. *The Secondary course.*—The secondary school course should be of five years. There should be four main types of such schools: (a) Cultural, (b) Industrial, (c) Agricultural and (d) Distributive.

(a) The cultural school would follow something like the present course of studies. Sociology, Modern History and Science should be among the compulsory subjects. The school should also have a small farm or workshop attached to it, and the students should work at least for one hour a day on the farm or in the workshop.

(b) The Industrial School should ordinarily be located in a factory town and should provide training in Arts, Crafts and Industries. But the cultural side should not be altogether ignored. In the first three years $\frac{1}{3}$ rd of the time should be given to practical work in the school workshop and $\frac{2}{3}$ rd to the theoretical basis of the industry and to cultural subjects, such as Literature, Mathematics, Physical Science, Chemistry, Mechanics and Drawing. In the final two years the time given to practical work should be increased to $\frac{2}{3}$ rd of the total, of which a substantial portion should be spent in the factory or workshop and that given to theory and cultural subjects reduced to $\frac{1}{3}$ rd.

(c) The Agricultural School should be located near a large farm (State or Collective) and should distribute time between the practical work on the farm and theory and cultural subjects, as in the Industrial School. The theory and the cultural part of the course in this case will include Literature, Geography, Biology, Agricultural Chemistry, Elements of Veterinary Science, Mechanics and Drawing. The school should also have a small workshop for the repair of agricultural implements and machinery.

(d) The Distributive School will provide vocational training in retailing, selling, stores-service and other distributive occupations. This type of school should be located near large Government or Co-operative Stores and should distribute time between the practical work (in the school co-operative shop and subsequently in the stores) and the theory of trade and cultural subjects, in the same proportion as between practical work and theoretical subjects in the case of Industrial and Agricultural schools. The theory and the cultural part of the course will include Literature, Mathematics, Economics, Geography (Physical and Economical), Book-keeping and Accountancy and short-hand and typing.

The medium of instruction should be Hindustani and English may be taught as an optional language in the cultural and distributive schools.

The change from one type of school to another should be permissible up to the third year of the course in each case.

Physical training and organised games should be an essential part of the course in all the 4 types.

The number of the various types of schools especially agricultural, industrial and distributive will be determined by the economic needs of each district, and parents and students will be advised in their choice by teachers, and by the vocational guidance committees established at the headquarters of each district and in every large town.

The cultural schools should be under the Education Department, the Industrial under the Department of Industries, the Agricultural under the Department of Agriculture and the Distributive under the Co-operative Department. There should, of course, be close co-operation between all the departments so as to make the co-ordination and supervision of cultural and vocational teaching in the various schools both efficient and economical.

4. *Higher Education*.—The secondary schools will lead to—

- (a) Suitable employment, or apprenticeship, where necessary ;
- (b) Corresponding training institutions for teachers ;
- (c) Professional institutions providing training in Law, Medicine, Commerce, Mechanical, Electrical and Civil Engineering, Veterinary Science, Agriculture, etc ;
- (d) Cultural colleges—(1) Arts and (2) Sciences.

The medium of instruction in all kind of institutions should be Hindustani, and English may be studied as an elective subject.

All institutions—training, professional and cultural—should be under a University.

The above relates to the future. But the present situation is extremely serious and is crying for immediate relief. The total number of educated unemployed as already stated is not less than two lacs and this number is steadily increasing by 15 to 20 thousands every year.

Several years ago the Sadler Commission wrote :—

“ The existence and steady increase of a sort of intellectual proletariat, not without reasonable grievances, forms a menace to good Government.
So long as the great mass of the nations' intelligent manhood is driven, in ever increasing number, along the same, often unfruitful, course of study which creates expectations that cannot be fulfilled, any Government must find its work hampered by an increasing strain of criticism and of natural demands for relief which cannot possibly be met.”

The position has very much worsened since the above was written. What is the remedy ? Apparently none till the country is extensively industrialized so that production is increased at least threefold, and even then the average purchasing power of an Indian will be less than that of a Japanese, whose economic resources are comparatively limited and in whose case every square mile of land has to support 2½ times as much population as a square mile in India. However, we support the specific recommendations of the Committees for the immediate relief of the educated unemployed, which, even if accepted *in toto*, will not touch a fringe of the problem or afford relief to more than an infinitesimal fraction of the distressed. To these very modest recommendations we would add :—

- (1) Immediate introduction of compulsory education for both boys and girls throughout the province.
- (2) A serious, well-organised campaign for the removal of illiteracy among adults. 'One man one literate', even with boiling enthusiasm, cannot go far.
- (3) A considerable extension of medical relief and health programme, especially in rural areas.

They above programme will provide highly necessary work for at least 50,000 men. Funds for this should be found by loans. Surely no other work of public utility for which loans have ever been taken can compare in social usefulness and nation building to the universalisation of literacy and the improvement of peoples' health.

II.—AGRICULTURE.

THE PROFESSION OVERCROWDED.

The total number of workers in British Punjab in 1931 was 8,325,258 which formed about 36·8 per cent of the total population. Of these 5,045,125, or 60·6 per cent of the working population, were employed in Agriculture and allied agrarian occupations, 1,566,756 or about 19 per cent in Industry and the rest in other occupations. The corresponding figures for the whole of British India are—total number of workers 153,916,050 or 43·6

per cent of the whole population, of which 103,294,439 or 67 per cent are employed in agriculture, fishing and hunting, 25,952,956 or 17 per cent in Industry, trade and transport, and the rest in other occupations. This unbalanced occupational distribution of the working population between agriculture and industry, which has already been referred to under 'Basic Facts', is one of the main causes of our economic distress including unemployment among both the educated and the uneducated.

And what is still more disturbing is that the position has been steadily worsening during the past fifty years. In 1881 the population living on agriculture was 58 per cent. This increased to 61·06 per cent in 1891, to 66·5 per cent in 1901, and 71·6 per cent in 1921. In 1927 the Royal Commission on Agriculture considered that 73·3 per cent of the population lived on agriculture. To-day it is estimated at 76 per cent. Thus while the rest of the world has been making rapid strides towards industrialization we have been steadily moving in the opposite direction. The result is the present frightful dislocation of our economy which can be restored to a state of equilibrium only by the divergence of a large proportion of the agricultural workers to industries and other occupations.

THE IMPORTANCE OF THE CULTIVATOR IN THE NATIONAL ECONOMY.

The cultivator is at present the mainstay of our economy, so much so that the least fluctuation in his income and purchasing power is immediately reflected in the economic condition of almost all the other sections of the population. And even after industrialization, no matter to what extent it is developed, the cultivator will remain a very important factor in the national as well as the provincial economy. He will always be needed to produce not only foodstuffs but also the greater part of the raw materials required for industries.

THE CULTIVATOR'S ECONOMIC CONDITION.

The peasant's economic condition is appalling. In 1928 the Banking Enquiry Committee estimated the average income of the agricultural population at Rs. 40 per annum, per head. This estimate was based on the population figures of 1921 and the prices of 1928. Since then the population has increased (up to 1931) by over 10 per cent in India, and by 14 per cent in the Punjab, and the prices have fallen by more than fifty per cent. Thus the average income per head of agricultural population cannot now be more than Rs. 18 per annum. The basis of this average, of course, includes the incomes of big zamindars and farmers with comparatively large holdings. If these are excluded, the average income of 76 per cent of the cultivating population which includes owner-cultivators with small holdings, tenant-cultivators and agricultural labourers, will be below Rs. 12 per annum or Re. 1 per mensem. Compare with this the rates of weekly doles paid to the agricultural unemployed in Great Britain :—

Men	..	..	..	..	..	14 Shillings (about Rs. 9-8-0 per week or Rs. 40 per month).
Women	..	..	..	..	..	12s. 6d.
Young Men (between 18—21)	..	..	..	..	..	10s. 6d.
Young Women (between 18—21)	..	..	..	..	..	9s. 6d.
Boys (17-18)	..	..	..	..	..	6s.
Girls (17-18)	..	..	..	..	..	5s.

Additional benefit at the rate of 7s. a week for every adult dependent and at the rate of 3s. a week for each dependent child.

HIERARCHY OF AGRICULTURAL WORKERS.

1. The agricultural labourer occupies the lowest position in the hierarchy of agricultural workers. He has no land to cultivate, but works in the fields either as a serf or on daily wage. Owing to the gradual liquidation of peasant proprietors whose lands are passing into the hands of bigger landlords the number of such labourers is steadily increasing. For instance in 1921 their total number in India was 2½ crores, in 1931 it rose to about 3½ crores. Their daily wage ranges from Re. 0-1-0 to Re. 0-3-0 per day; in the busy season it may rise to the maximum of Re. 0-4-0 in the case of men workers, though women workers seldom get more than Re. 0-2-0 a day. In cotton growing areas, where payment is made by piece work and not by time, women workers may also earn as much as men. In some parts of the country the labourer also gets some remuneration in kind. At all events, as these men are only seasonal workers, they remain unemployed for the greater part of the year, and their average income, therefore, may be said to vary between Re. 0-1-0 and Re. 0-2-0 a day.

2. The class just above the wage-workers is that of the tenant-cultivators whose total number in the Punjab in 1931 was 1,157,463. The following figures taken from the

profit and loss statements of three agricultural farms in the Lyallpur and Montgomery Districts for 1930-31, show the share of the Zamindar and the tenant in the net income :—

District and the area of the farm.		Gross income per acre.	Expenditure per acre.	Net income.
1		2	3	4
		Rs. A. P.	Rs. A. P.	Rs. A. P.
1. Lyallpur, 27½ acres.	{ Zamindar ..	17 14 0	6 15 6	+10 14 6
	{ Cultivator ..	17 13 11	23 13 9	-5 15 10
	Total ..	35 11 11	30 13 3	+4 14 6
2. Lyallpur, Risalwala Farm, 802½ acres.	{ Zamindar ..	25 3 0	8 7 11	+16 11 1
	{ Cultivator ..	25 7 11	23 10 1	+ 1 13 10
	Total ..	50 10 11	32 2 0	+18 8 11
3. Montgomery, 25 acres.	{ Zamindar ..	20 10 6	7 13 2	+12 13 4
	{ Cultivator ..	19 14 0	23 9 8	- 3 11 8
	Total ..	40 8 6	31 6 10	+9 1 8

In two cases out of three the tenants worked at a loss. It may be noted that these farms are situated in canal irrigated area and the soil is considered to be good ; and that the expenditure does not apparently include cost of labour expended by the cultivator and his family.

A similar investigation on 27 farms in the Lyallpur, Montgomery and Sargodha Districts revealed that the average share of the Zamindar in the gross income was 82 per cent, and that of the cultivator only 18 per cent. What does the tenant then live on? The answer is, "On credit." The arrears of rent go on mounting and his debts increasing till he is sunk deep and irretrievably in debt slavery.

The following extract from Mr. B. K. Madan's pamphlet on the economics of a Punjab Village illustrates the condition of this class of cultivators :—

"The tenants are so heavily in debt to the land-owners that at the time of the division of the crop, after the customary deductions from the common heap, almost the entire crop finds its way to the owner's granary. The tenants are allowed to retain an amount of grain which is just sufficient to last them for about three months. The tenants have, therefore, necessarily to borrow from the land-owner for seed, and even subsistence, and the tenant's part of the land revenue has also to be paid by the owner.

"The land revenue thus paid on the tenant's behalf is tantamount to a cash loan to the tenant ; the loan of grain, for seed and household consumption, when it is made, is also converted into money at rates current at the time. Interest is charged on all loans, irrespective of their object, from three pies a rupee per mensem to two annas per rupee for six months, that is at 18½ to 25 per cent per annum."

It may be noted that the land under cultivation in this village is about 80 per cent canal irrigated and the average holdings per tenant is about ten acres, i.e., about double the size of the average holding in the province.

3. The topmost class among the agricultural workers is that of the owner-cultivator whose total number in the Punjab, according to the census of 1931, was 1,762,198, or 36.6

per cent of the total working population engaged in agriculture. The following table taken from Sardar Kartar Singh's pamphlet, "Farm Accounts in the Punjab", shows the net income per acre, in nine districts, in 1930-31 :—

	Rs.	A.	P.
Lyallpur	11	14	11
Amritsar	7	15	2
Sargodha	8	6	2
Rohtak	18	1	5
Montgomery	9	1	8
Multan	10	15	6
Jullundur	11	12	9
Hoshiarpur	12	10	4
Ludhiana	8	7	2
Average in new canal irrigation colonies	11	5	7
Average in well irrigated area	9	2	9
Excluding Risalewala area the average income per acre in canal irrigated area was	5	8	4
And the average for canal irrigated and well irrigated land was	7	14	7

As 55 per cent of the peasant proprietors in these districts have each a holding of 5 acres or less, the majority of them had an income of Rs. 40 or less per annum. Allowing five members to each family the average annual income per head would not be more than Rs. 8.

These estimates were made in 1930-31. Since then there has been a further diminution in the size of holdings and a considerable decline in prices. It can thus safely be averred that in a fairly large proportion of cases the peasant proprietor has no net income and in a number of cases the revenue and the cost of production exceed the gross income from the land. The result is that in their case too debts are mounting and their small plots are passing into the hands of non-cultivating zamindars. Accordingly, between 1921 and 1931, which was a period of agricultural prosperity, the number of peasant proprietors in the whole of India (comparative figures for the Punjab are not available), which should have normally increased on account of further division of land under the laws of inheritance, actually decreased by over one crore. In the Punjab between 1922-23 and 1926-27, 96.9 per cent of the vendors of agricultural land sold off the whole of their land and became landless.

UNEMPLOYMENT AMONG CULTIVATORS.

The total area under cultivation (including fallows) in the Punjab, in 1930-31, was 30,674,561 acres, of which about 17,000,000 acres, or 55.5 per cent are irrigated. There are also 14,826,806 acres of culturable land that has not yet been brought under the plough.

The total number of workers engaged in agriculture in the Punjab, in 1931, was 4,810,808. The number has since considerably increased. On the basis of 1931 figures, there were 6.4 acres of cultivated land per cultivator and if the entire culturable area, which is not yet cultivated, were also brought under cultivation, there would have been (in 1931) about 9 acres for each cultivator.

Owing to increase in population and consequent fragmentation the area per cultivator has been steadily decreasing. In 1911 according to some authorities the average cultivated acreage per cultivator in the Punjab was 10.5. To-day it is between 5 and 6; and this is very much short of what can be considered an economic holding.

ECONOMIC HOLDING.

According to Keating an economic holding is an area which would enable a farmer with a small family to live comfortably according to the Indian standard of rural life. In Deccan he estimated it at 40 to 50 acres of good land, irrigated by at least one well. In the United Provinces the opinion is that it should be not less than 30 acres. In the Punjab Dr. E. D. Lucas, after a careful and thorough enquiry into the economic condition of a village in the Hoshiarpur district, arrived at the conclusion that 14 acres of irrigated land are insufficient for the subsistence of a family of 5 persons. The general opinion expressed before the Committee, however, is that in the Punjab half a square (12½ acres) of irrigated land, and a square (25 acres) of dry crop land would be sufficient for the subsistence of a family of five persons, and that this area could be efficiently cultivated even according to the antiquated Indian methods, that is, without the use of machinery, by one cultivator with the assistance of his family and the occasional help of a hired labourer.

The Royal Agricultural Commission found that among the cultivators in the Punjab about 22·5 per cent had one acre or even less, 15 per cent from 1 to 2½ acres, 17·9 from 2½ to 5 acres, and 20·5 from 5 to 10 acres. This was so in 1927. Since then the population has increased by 20 per cent and there has been further division of land, and the conditions to-day must be much worse.

The acreage per head of working population employed in agriculture in some of the Western countries is : United Kingdom 26, United States of America 87, Canada 140.

In the Punjab 55·5 per cent of the land under cultivation is irrigated and the remaining 44·5 per cent is barani. Thus the average economic holding including irrigated and non-irrigated area should be about 18 acres, while the actual average is about 5·5 acres. This means that more than two-thirds of the workers supposed to be engaged in agriculture are unemployed or, at best, ungainfully employed. In other words, they could be released from their present occupation without, in the least, affecting the quantity or quality of production. Furthermore, even the actually employed are not fully occupied throughout the year. It is said that in irrigated areas the peasant is busy from 8 to 9 months in the year and in the dry crop area from 4 to 5 months. Then his womenfolk have very little to do. The rural uplifter would raise his hands in protest and say she has a great deal to do, only if she would do it : There is always the home and the children to look after. But those who live in almost utter destitution, whose only possessions, if any, are a miserable strip of land, a few old earthen vessels and an unsaleable pigsty, miscalled a house, can have no feeling of home, nor do their children require any attention except for appeasing the ever-present gnawings of hunger. And the old subsidiary or domestic industries, which formerly kept the peasant and his womenfolk busy in their spare time and enabled them to supplement their income from the fairly large farm owned by them, have been killed by the machine-made goods, and any attempt to revive them under the present economic conditions does not seem to promise much success.

TWO DELETERIOUS TENDENCIES IN THE AGRICULTURAL ECONOMY.

1. *Gradual extinction of the peasant proprietor.*—The most alarming tendency is the gradual dwindling of the holdings of the peasant proprietors, due to increase in population and the ever-recurring fragmentation of property under the Laws of Inheritance. In the Punjab, in 1927, 55 per cent of cultivators had less than 5 acres and only 24 per cent had more than 10. The inevitable result of this is that the farmer cannot produce enough for his subsistence, runs into debt and ultimately has to sell his land and become a tenant-cultivator or a wage-labourer. Thus the most important class of cultivators, viz., peasant proprietors, who are the backbone of an agricultural community and in whose prosperity the province had, in the past, taken a legitimate pride, is being gradually exterminated. The Land Alienation Act which was presumably intended to save the owner-cultivator from the devouring rapacity of the money-lender has apparently been working to his undoing and hastening his liquidation. Apart from the fact that the village sabukar is now being replaced by the money-lending Zamindar whose greed for money is only equalled by his avidity for land, the peasant, finding it increasingly difficult to subsist on his small holding, is now entirely at the mercy of the Zamindar to whom, thanks to the Land Alienation Act, he must sell his plot for only a modicum of the price that he could have obtained in the open market. It is an every day occurrence that a valuable piece of agricultural land near a town has been acquired by a so-called agriculturist at quarter the price that a non-agriculturist had actually offered for it. Thus the fears which some of the critics of the Land Alienation Act entertained have been more than justified. For instance, Sardar Harnam Singh Ahluwalia, member of the Select Committee on the Bill to amend the Law relating to agricultural land in the Punjab, in his minute of dissent, observed :—

“ It should never be forgotten that the irresistible result of the measure will be the creation of a large number of money-lending agriculturists who would be enabled by the power of Law to appropriate the holding of their more indigent brethren at a greatly reduced price. I am led to apprehend that when the measure will be in full operation there will be monster fishes in the agricultural community who will be encouraged by the Law to swallow smaller fishes. I fear that the majority of peasant proprietors in the province will be reduced to the state of serfs of a worse character than that of the serfs during the middle ages in Europe.”

The evidence of some of the Punjab witnesses who appeared before the Royal Agricultural Commission is no less condemnatory. Mr. W. R. Wilson, I.C.S., Deputy Commissioner, Jhelum, stated :—

“ The Act has defects which it is needless to go into here, but the main defect has to be noticed. In the South-Western Punjab the peasants or a lot of the smaller fry have only exchanged servitudes. The “ gombeen ” man has been told “ Hands off the land,” but, there is the Muhammadan Squire or Junker in many of whom the passing of the Land Alienation Act has bred a perfect passion for consolidating large estates, buying up cheaply or simply appropriating Naboth’s vineyards, and creating a vast landless proletariat. But

as these Junkers help to form Government's bodyguard on the Council, this ever-growing latifundia which ruined Rome and the province is not likely to receive any check."

On being asked what is the largest estate of that sort which he could think of, he said :—

" There are many large estates in Dera Ghazi Khan. I think I can quote instances where in some cases they have been doubled."

Further questioned if the repeal of the Land Alienation Act would arrest the process he replied :—

" No, but there would be another competitor in the field and the vendors would find that they would get a better bargain for the land which they wished to sell to meet any of their necessities. Their land goes cheaply at present and these engrossing landlords are not improving land."

Similarly Mr. Darling observed :—

" But it confers a very valuable privilege upon the strong, for with the great increase in rural prosperity many agriculturists are now in a position to buy land and as purchasers are placed in a privileged position by the Act. In Rumania there is not only a Homestead Law but also a Law that no more than a prescribed amount of land may be acquired. The object of this is to prevent the swelling of large estates at the expense of small."

Mr. King, I.C.S., Financial Commissioner, Punjab, said :—

" This criticism implies that whereas the agricultural tribesmen used to become indebted to a man of the money-lender class before the Act was passed he now becomes indebted to the same extent to a member of his own tribe or a group of tribes, and it is alleged that he usually finds this new class of money-lenders to be just as avaricious and hard as members of hereditary money-lending caste. There are undoubtedly cases where this has happened."

Further, in his oral evidence he stated that " the Act was not meant to protect the small cultivator. It was not introduced with that object". Rao Bahadur Chaudhri Lal Chand stated :—

" But care should be taken that big Zamindars should not devour the smaller ones. In the Punjab this evil has crept in and steps should be taken to amend the Alienation of Land Act so that no one may sell or mortgage his land if it is below the average economic holding."

2. *Increasing indebtedness.*—Another ruinous tendency, which in most cases is the direct result of the one mentioned above, is the increasing indebtedness of the cultivators. The Punjab Banking Committee estimated that from 1921 to 1929 the agricultural debt in the Punjab had grown from Rs. 90 crores to Rs. 135 crores. Competent authorities are of opinion that from 1929 to 1936 it has doubled, and if the fact that since 1929 the agricultural prices have fallen by about 50 per cent is taken into account the burden of debt may be considered to have more than trebled during the past ten years. In some cases the initial debt is no doubt, due to the extravagance and improvidence of the cultivator, but in the majority of cases it is due to the fact that the peasant cannot produce enough even for his bare subsistence and has, therefore, to seek the help of the Sahukar not only to pay the Government revenue or the Zamindar's rent, but also to protect himself and his family from the actual ravages of hunger and starvation. The tale of how this debt mounts by leaps and bounds, and how the peasant rapidly sinks deeper and deeper into debt slavery, is too well known to need repetition.

SOME CONTRIBUTORY CAUSES OF THE CULTIVATOR'S POVERTY.

1. *Illiteracy.*—Illiteracy, ignorance and superstition combined with a static faith have induced in the peasant a state of profound resignation and unshakeable torpor. The Indian peasant is a confirmed fatalist. He believes in an unchangeable destiny, in a decree of Fate, which nothing can counteract or alter.

The rare, but nonetheless real, instance of the son of a poor neighbour receiving English education and then becoming a school master, or that holy of holies, a police constable, or a patwari might momentarily make him wonder at the eccentricities of Fate or the inscrutable ways of Providence, but is not sufficient to shake his belief in the futility of all human effort. His attitude towards life is of one who is irretrievably sunk in the slough of despair and has absolutely no hope or desire to get out of it.

2. *Unscientific methods of cultivation.*—The primitive, unscientific methods of cultivation and want of co-operation which, in their turn, are the result of ignorance and fatalism, have further accentuated the cultivator's indigence. Accordingly, the yield per acre in India, as compared with that in other countries, is very low. For instance, the average yield of rice per acre in India is about 11½ maunds, in Italy about 27 maunds, in Japan about 31 maunds, and in Egypt about 30 maunds. The corresponding figures for wheat are—India

10 maunds, Italy 15 maunds, Japan 19 maunds, Egypt 21 maunds and United Kingdom 23½ maunds. The yield of barley per acre in the United Kingdom is twice as much as that in India. The average weight of stripped cane per acre in the principal sugar producing tracts of India is only 10 tons as against 40 tons in Java. In India 98 pounds of ginned cotton are obtained from one acre; in the United States nearly 200 pounds; and in Egypt 450 pounds. Sir Visvasvaraya, on the basis of the prices obtaining before the Great War, estimated that while in British India the average value of yield per acre was not more than Rs. 25, in Japan it was not less than Rs. 150.

These amazing differences are due to the fact that agricultural operations in the countries mentioned above are conducted with much greater efficiency and economy of human labour than they are in India. This is partly due to superior physique and education of the cultivators themselves, partly also to the superior quality of their cattle, but it very largely results from the extensive employment of modern implements and machinery in ploughing, reaping and other agricultural and allied operations.

3. *Insufficient and poor cattle.*—Insufficiency and poor quality of draft and milk cattle, which itself is an effect of the growing scarcity of pasture lands and of the inadequacy of the peasants' holdings, has contributed to the cultivator's physical deterioration and agricultural inefficiency. In some parts of the province the peasants have no cattle of their own and at the time of ploughing, threshing, etc., have to hire cattle from their neighbours at a high rate. There are still others who cannot even afford to hire cattle and have to use a spade in place of a plough, and dig, delve, and perform every other operation with bare hands. This is obviously another cause of the comparatively low yield of agricultural land in India.

SUGGESTIONS FOR THE IMPROVEMENT OF RURAL ECONOMY.

1. *Rehabilitation of peasant proprietor.*—The fundamental reform, without which every other attempt to improve the condition of the agricultural population must prove abortive, is that the class of peasant proprietors whose prosperity is the only determinant of the agricultural prosperity of the province, should be rehabilitated and their economic position secured from further deterioration, and strengthened and stabilised. This involves three things:—

- (a) That every peasant proprietor is prevented from alienating any part of his holding below the economic level. But in case he wishes to withdraw from the profession, or to sell the surplus above the economic holding, he can alienate it only to a person who is actually engaged in cultivation.
- (b) That an owner-cultivator who has an uneconomic holding, i.e., less than half a square (12½ acres) of irrigated land, or a square (25 acres) of non-irrigated land is enabled to increase his holding to the economic level by the grant of Government land on easy terms, or by acquiring the land of non-cultivating Zamindars, or of peasant proprietors who can sell their land under conditions specified in (a) above, with loans on easy terms from Government Land Banks.
- (c) That the tenant-cultivators and agricultural labourers who have no land of their own are given grants of Government land or helped to acquire land of non-cultivating Zamindars, or of peasant proprietors under conditions mentioned in (a) above, of course, in no case exceeding the economic size, with loans from Government Banks.

The alienation of an economic holding (in part or as a whole) can be prevented by an amendment of the Land Alienation Act. In this connection Rao Bahadur Chaudhri Lal Chand, in his evidence before the Royal Commission, suggested that "An economic enquiry should be made to find out the size of an economic holding sufficient to support a family of six persons and to notify for each district the size of the economic holding (for various kinds and qualities of land) below which nobody should be allowed to sell his property either to an agriculturist or to a non-Zamindar." The Rao Bahadur at that time apprehended that such a suggestion would not be liked by the big Zamindars. But since then conditions have very much changed. The big Zamindars now represent the economic interests of the cultivators (who are their constituents) in the Legislative Assembly, and it may reasonably be expected that such a proposal would not now be opposed by them.

The measure, if carried through, will secure the competence of the peasant proprietors who have economic holdings. But it will not improve the condition of those whose holdings are uneconomic, or of the tenant-cultivators who at present get almost nothing out of the land they cultivate, or of the agricultural labourers who make a very precarious and meagre living from their uncertain seasonal employment. All these may be said to be living in a veritable economic abyss. They form, by far, the largest proportion of agricultural workers—about 80 per cent of the total—and the prosperity not only of the rural population, but also of the industrial and commercial population as well as of the services, very largely depends on the prosperity and the purchasing power of this class. For their own sake and for that of every one else they must be got out of the abyss, which can only be done by raising them to the level of peasant proprietors, each with an economic holding of his own.

The Punjab Government has recently taken a bold step towards the improvement of the condition of this class of workers by passing the Act of "Restitution of Mortgage d Lands." The benefits of this bill are, however, unaccountably restricted to the period preceding 1901. It is also objected by the oppositionists that the bill would not benefit the poor peasant so much as the non-cultivating zamindar. It is true that from the point of view of the agricultural prosperity and progress of the province it is immaterial whether land is owned by a so-called agriculturist or a non-agriculturist zamindar. On the contrary according to an important school of economists the capitalistic stage is a higher stage in the evolution of agriculture than the feudal stage. In any event, in so far as the bill is calculated to benefit the small cultivator it is undeniably a step in the right direction.

The next obvious step is the extension of this legislation to the period including and subsequent to the year 1901. Its application may, however, be restricted to owner-cultivators with uneconomic holdings, to tenant-cultivators and to agricultural labourers, the object being to equip all these agricultural workers with economic holdings.

A more far-reaching step will be the restitution of all agricultural lands sold by peasants, during the period for which land records are available, to non-cultivators, whether agriculturists or non-agriculturists. These lands should be restored to the original owners if they are alive, or to their descendants, in either case if the party to whom the land is to be restored is still actively engaged in cultivation or desires to do so (the area restored to each cultivator not to exceed the economic limit). It is an incontestable fact that in almost all such cases, the land was sold for a mere pittance, largely in the years of drought and famine, or under the dunning pressure of the creditor—Sahukar or Zamindar—and that the vendee has, in almost every case, extracted from the land manifold the price he actually paid for it. In this case, however, the restitution may be with compensation, that is, the vendee may receive the price he originally paid for it. This is only a logical extension of the very wholesome principle already accepted in relation to mortgaged lands, namely, the resuscitation of the poor cultivator, which the present Punjab Government has rightly made the principal plank of its economic policy. This measure, it may be hoped, will be immune from all adverse criticism, for the only beneficiaries in this case will be the small cultivators and not the non-cultivating landlords who, with industrialists, money-lenders, and traders, are placed by economists in the category of exploiters.

Another important step that Government should take is to make it a rule that in future all grants of Government land are made only to those who are actually engaged in cultivation, each grantee to get land equal to an economic holding. The price of land, if to be recovered at all, should be determined not by the old competitive rates, but by the average net income from land of the same kind and quality in the neighbourhood, after deducting all costs including the cost of labour expended by the cultivator and his family, land revenue, water rate, depreciation of cattle, and all other direct and indirect charges.

All these measures, however, will not go very far to improve the situation. The ideal condition can be attained only by the gradual liquidation of the non-cultivating zamindars who, for the most part, are absentee landlords and, as such, interested neither in the improvement of land, nor in the welfare of their tenants. This, of course, does not mean forcible expropriation without compensation. What is being suggested is that the peasant proprietors with uneconomic holdings, tenant-cultivators, and agricultural labourers may be helped to acquire the land of non-cultivating zamindars (in no case exceeding the size of an economic holding) as it becomes available for sale. This can be attained by further amending the Land Alienation Act to the effect that no person other than one who actually cultivates land with his own hands, or chooses to do so, shall acquire agricultural land, and that even such a person shall acquire land only up to the size of an economic holding. This will mean that all land above the economic level shall have to be sold to tenant-cultivators, labourers, or peasant proprietors with uneconomic holdings. Incidentally it will also check the present very unwholesome and even dangerous tendency of concentration of land in a few families in the province.

The price in each case will be fixed by the Government according to the average net income from the land during the preceding five years, after deducting all expenses including the cost of labour expended by the cultivator, the residue being treated as interest for determining the capital value. In this case, as in all others, the cultivator who has no capital of his own shall have to be helped by Government with loans, for which purpose Government should establish Agricultural or Land Banks like those in Egypt, or Farm Loans Associations similar to that of Manitoba (in Canada), or utilize Government Savings Banks deposits for agricultural help as is done in Australia. These will, of course, be long term loans, recoverable by what is known as the system of "Amortization." The following extract from the Report of the Travancore Unemployment Committee explains this system:—

Amortization is the system under which a debtor is required to pay a fixed amount at regular intervals such as a year or a half year, this amount being determined by the amount of the principal, the rate of interest charged and the number of years at the end of which the loan is to be extinguished.

" An idea of the principle of amortization can be obtained from the following problems in interest and annuities. The annuity to be paid for the extinction of a loan in a given number of years is given by the equation :—

$$P \frac{r}{100} \left(1 - \frac{r}{100} \right)^n$$

$$A = \frac{\quad}{\left(1 - \frac{r}{100} \right)^{n-1}}$$

Where—

A = the annuity.

P = the principal.

r = the rate of interest.

and n = the number of years.

If we take P equal to 100, we shall get the annuities as percentages of the principal. Let us take the duration of a loan equal to 30 years, which will be a sufficiently long period for a debtor to pay off his debt by amortization without feeling too heavy a burden, so that n = 30 in the above equation. Suppose the rate of interest charged by a land mortgage bank is 5 per cent. With the aforesaid values of P and n, we shall get the following annuities :

When r = 5 per cent. A = 6.552

" Under the system of amortization or repayment by instalments or annuities the borrower has only to pay at stated intervals sums which are less than the interest on the principal at the usual rates of interest charged by the ordinary money-lender, and after a certain number of years he will find himself entirely free from the debt. The advantage to the borrower of a long term loan repayable in annual instalments may be demonstrated by an example. Suppose a cultivator has borrowed Rs. 1,000 repayable in thirty equal annual instalments of principal and interest at 5 per cent per annum. He will, in this case, have to pay only Rs. 65-8-0 every year and at the end of thirty years his debt will be fully discharged, whereas, if he borrowed the money from a money-lender even at the low rate of interest of 9 per cent per annum, usual in such cases, he would have to pay Rs. 90 every year as interest and still find himself burdened with the principal at the end of the thirty years."

The question, however, is why should the Zamindars sell their lands ?

Here we have two distinct classes of Zamindars : one who have taken to money-lending, and the other who because of religious or social restrictions, have not. The latter, owing to constant fragmentation of property and the extravagant and fast living of the younger generation, are sinking deeper and deeper into debt and their ultimate liquidation, in spite of the Conciliation Boards and Indebtedness Bills, is only a question of time. The former too, owing to the growing indigence of the cultivators, are receiving diminishing returns from land and little or nothing in the way of interest or repayment of capital from the ever-increasing loans to their tenants. Thus even in the Punjab both the Government and the zamindar will, sooner or later, realise that the tenant, if he is to live at all, cannot pay anything to the zamindar either in cash or in kind. And as soon as this realisation comes, and the tenants also begin to feel that they and theirs have an equal right to live, the zamindars will probably be less unwilling to part with their lands than they are to-day.

The above, however, will not be sufficient to stabilize the economic position of the cultivator after it has been sufficiently strengthened. What is further needed is that future fragmentation should be prevented, that is, an economic holding should be made both inalienable and indivisible. This does not necessarily imply any interference with the laws of inheritance. It only means that till the economic system of the country is so changed that every able-bodied worker is provided with work and a fair wage, agricultural land, instead of being divided and sub-divided at each succession, should remain in the family as joint property (for instance among the Muslims by waqf-alal-aulad) and cultivated as a consolidated farm by one or more of the members of the family, who are not occupied in non-agricultural pursuits.

The above suggestions are neither Utopian nor idealistic. They only envisage a revival of the old system that prevailed before the advent of the British, when the land belonged to the cultivator or to the village commune that paid the tax or rent to the Government through the revenue collector. With the decline of the Moghul Empire these collectors became the virtual owners of the land under their control, in which position they were confirmed

by the British when they assumed power. In any case the unprejudiced sympathetic realist will see in this the first indispensable step towards the regeneration of the rural economy, without which all talk of rural reconstruction is but empty propaganda that can deceive no one except those who are the most vociferous about it. It may be added that it is only in countries in which land is owned by cultivators or the village communes, that agriculture still offers a tolerable living. Notable instances of this are Denmark and Northern Ireland where almost the entire land is cultivated by the owner—cultivators. In the latter country the British Government gave large loans to the tenant-farmers to purchase land, and till recently the Irish Free State had to pay £ 5,000,000 (about Rs. 7 crores) per year to Britain in repayment of these loans, and the process of purchase of farms by the farmers is now reaching completion under the Land Purchase Acts.

2. *Pressure on land should be reduced.*—The next urgent reform which is a corollary of the first is that the pressure on land should be very much reduced so that an economic holding has only as many workers as it needs and as many consumers as it can support. This means that all the agricultural drones who at present form more than $\frac{2}{3}$ of the agricultural working population, that is, who are either unemployed or only apparently or ungainfully employed, should be diverted to other productive occupations. At present there are few such occupations and the economic position is, therefore, impossible. These occupations have to be created, which means that the country must be industrialized and urbanised. This also implies a reversal of the aggressively pro-rural policy of the present Government. This means that the differences between the urban and the rural population which have been too much emphasized and almost sublimated into a seemingly irreconcilable conflict of interests should not only be softened, but strenuous and systematic efforts should be made to balance the provincial economy by reducing the proportion of the rural population to less than one-half of the total. And what is of still greater importance is that the present intellectual barrier between the so-called rurals and urbans, which some educationists would raise still higher, should be lowered and ultimately removed altogether. This is a point that has already been mentioned in an earlier part of this note, but it is too important to suffer from repetition. It cannot be too emphatically asserted that, for the good of the province, it is essential that the rural population should have a substantial share in the industrial and commercial development of the province, and that its contribution to politics should be much more intelligent and independent than it has been in the past.

3. *Liquidation of debts.*—Another equally urgent reform is the immediate liquidation of the cultivator's indebtedness. No one can have any sympathy with the non-cultivating zamindar who has run into debt chiefly because of his extravagance and fast living. But the poor tiller who has had to borrow from the money-lender or from the Co-operative Society either to pay the State dues or to alleviate his own and his children's actual hunger, must be relieved from the accumulating burden of debt. It is true that Government has passed several enactments and established Conciliation Boards to get the agriculturist out of the clutches of the money-lender. And these new Acts and Conciliation Boards must be very helpful to the big and middle-class zamindars who have got something to offer for conciliation or the settlement of their debts. But the poor cultivator with an uneconomic holding, whose meagre earnings are admittedly insufficient to keep him and his children barely alive, can obviously have nothing to pay his creditor for partial or complete settlement of his debts. What is to be done in his case? It is no use shutting our eyes to the naked fact, that the man cannot pay to-day nor to-morrow nor ever in the future. Nor can it serve any useful purpose to prolong his agony by leaving him at the cruel mercy of the sahuakar or the zamindar who takes away the whole crop as soon as it is harvested, and then doles out starvation rations just to keep the cultivator and his family alive, without himself deriving any real benefit from the transaction. The only right and proper course is that all peasant proprietors with uneconomic holdings, all tenant-cultivators and agricultural labourers who have no other visible or invisible means of income except agriculture, should be declared insolvent and their debts wiped off.

Mr. Brij Narain in his book, "Indian Socialism", rightly observes that we cannot cancel the debts of the cultivator without destroying the principal source from which he obtains credit. But is not this credit already destroyed? A man who has evidently nothing to pay, nor has the remotest prospect of ever being able to pay either the capital or the interest, cannot possibly have any credit. It is, however, true that until every owner-cultivator has an economic holding, and every labourer and tenant-cultivator a living wage, they shall all require an extra penny to supplement their hopelessly inadequate income from land. The question is, "Who is to pay this extra penny?" Obviously, as in comparatively advanced agricultural countries, it should come from the State or from some organization financed and controlled by the State, either as a dole or as remuneration for some work done or service rendered by the agricultural worker and his womenfolk in their spare time.

The remedy suggested by Mr. Brij Narain and some other rural reformers that the State should help the peasant to pay off his debts, partly with loans and partly by taking upon itself some of the burden of his debts, is evidently not feasible in the Punjab. Mr. Brij Narain in this connection cites the examples of the United States of America and the Union of South Africa.

He says—

“ The income of the American farmers (United States of America) fell from 11,000,000,000 dollars in 1929 to 5,000,000,000 dollars in 1932. Their total debts to banks in 1929 were estimated at 12,224,000,000 dollars (about Rs. 3,400 crores) on which the annual interest charge of over 600,000,000 dollars (about Rs. 165 crores) at about 4·8 per cent per annum had to be paid. The American Government did not let the peasant starve and it did not cancel debts. A Farm Credit Association was founded in March, 1933, and it was through this administration and the agencies created by the Farm Credit Act that farm credits spread out until they reached the smallest farmer. Interest at 4 per cent per annum was guaranteed by the Government. Where no National Farm Loan Association existed, provision was made for direct loans to farmers under the authority of the Farm Loan Commissioner.”

Mr. Brij Narain overlooks the important fact that while the United States of America for the year 1938 have budgetted 7,293,607,000 dollars (about Rs. 2,370 crores) as income and 7,695,123,000 dollars (about Rs. 2,500 crores) as expenditure, the Punjab had budgetted for the same year the comparatively insignificant sum of Rs. 12 crores as income and 11·4 crores as expenditure. Then while the average acreage per cultivator in the United States of America is 87, in the Punjab it is only 5·5. Further, while the comparative yield per acre in United States of America has considerably increased through mechanisation and rationalization, the yield in the Punjab has dwindled under the law of diminishing returns, except in areas which have been brought under canal irrigation. Thus the average income of the American farmer is at least thirty times as much as that of the Punjab peasant, and while the farmer may be able to repay a loan when better times return, the Punjabee obviously cannot repay it even at the best of times and under the best of conditions.

Again, as in the Punjab the major part of the revenue of the State comes from the peasant, the burden of the loan, whether repayable by the State or a Co-operative Credit Society, must ultimately fall upon the cultivator. If the State had a big surplus the taxpayer would only lose a portion of the services in case that surplus were utilized for paying off his debts. But when the State has no surplus and must borrow to pay off the debts, the burden, in the absence of other sources of income, must fall on the cultivator, if capital and the interest thereon are ever to be repaid.

The only remedy, as has been suggested above, therefore, is that the present debts, in all cases in which it is impossible for the cultivator to repay the debt now or at any future time unless he has a miraculous windfall, should be cancelled, so that both the State and the cultivator may start with a clean slate and an easy mind to march onwards, towards the economic emancipation of the peasant. As regards the future, all private banking, at least with the rural population, should be made illegal, and the Sahukar's place should be taken by State Agricultural Credit Banks or Societies, which should lend money to cultivators (preferably to their collectives or co-operatives) either for actual relief (without interest), or for acquiring land, or increasing their holdings, or for sound improvement projects, at a minimum rate of interest, recoverable by “ Amortization.”

4. *Remission of revenue.*—Another burden which the peasant feels even worse than his debts is that of taxation. This question has, presumably, been thoroughly investigated by the Revenue Committee, but as it has a vital bearing on the purchasing power of the cultivator, and therefore on the question of unemployment, it is not inappropriate to make a passing reference to it here.

In this connection Mr. Brij Narain observes :—

“ Agriculture in the Punjab deserves relief from indebtedness. At the same time it deserves relief from the heavy taxation of the Government.”

Another authority is reported to have stated that the “ Government assessment does not leave enough food to the cultivator to support himself and his family.”*

It cannot be denied that the peasants' debts, in no small proportion, are incurred for the payment of land revenue. For instance, in 1932-33 the loans given by Co-operative Credit Societies for the payment of land revenue exceeded one-third of the total loans made by the societies for all purposes, in the Lyallpur, Multan and Montgomery Districts.

The new system of assessment in the Punjab, which is based on the recommendations of the Taxation Enquiry Committee of 1924-25, provides that the land revenue must not exceed 25 per cent of “ Khalis Munafa.” But with an uneconomic holding, and at the present rate of production, and the prevailing agricultural prices there can apparently be no “ Khalis Munafa ” which, according to the Taxation Enquiry Committee, means net profit after deducting the cost of production which should include :—

- (i) the cost of seed,
- (ii) the water rate,
- (iii) the depreciation in bullocks, implements, tools, etc. ; the bullocks, on an average, are said to be serviceable for not more than five years, and

*“ The Case of India ” Durant.

(iv) the value of the labour actually expended by the farmer and his family. This may be calculated at the minimum rate paid to permanent labourers employed by the farmer.

The question is, can any "Khalis Munafa" be left after making the above deductions? Let us take a farm of five acres (the size of an average holding in the Punjab) of good irrigated land on which the two staple crops, wheat and cotton, are raised. Let us further assume that each year the farmer sows two acres with wheat, two with cotton and one with fodder crops, vegetables, etc. His money income from wheat and cotton in a good year will be—

	Rs.
Wheat—2 acres—13 maunds per acre, at Rs. 3 per maund ..	78
Cotton—2 acres—6 maunds per acre, at Rs. 8 per maund ..	96
Total income ..	174
<i>Cost.</i>	
Water rate, five acres, average Rs. 6	80
Seed about	10
Depreciation in bullocks	30
Cost of labour expended by the farmer and his family at annas 8 per labour day of eight hours, for an average of 240 labour days in the year. This will give him and his family about Rs. 10 a month or about annas five a day (i.e., for a family of 5 persons, anna 1 per head a day)	120
(Professor Brij Narain considers Rs. 150 a year for each able-bodied member of the farmer's family "not an over-estimate.")	
Total cost ..	190
Net deficit ..	16

In his book, "India in the Crisis," Professor Brij Narain cites the instance of "a farm of 27½ acres in the Lyallpur District which was farmed by Batai cultivation in 1930-31. The land revenue paid represented 15 per cent of gross income and 53·3 per cent of 'net income' without making any allowance for the wages of the cultivator. Four able-bodied male members of the peasant's family worked on the holding. . . . The gross income of the farm was Rs. 976-4-2; cost of production (excluding the land revenue) was Rs. 635-10-1. Adding wages Rs. 600, the total cost increases to Rs. 1,235-10-1, or is found to exceed the gross income. The land revenue amounted to Rs. 206-5-6."

When it is considered that only half the cultivated land in the Punjab is irrigated and that further, more than fifty per cent of holdings are of less than five acres, and that in the above estimates the prices taken into account are the prices of a good year and not the average of the past five years and that further more no allowance is made for the lawful and unlawful exactions of the middle-men, the money-lender, and other agrarian parasites, it becomes obvious that in the majority of cases of even peasant proprietors there is absolutely no "Khalis Munafa" from which revenue could be claimed. Thus, as a matter of elementary justice, all holdings which in a normal year cannot give any "Khalis Munafa" or net profit should be exempted from revenue.

The same principle should apply to tenant cultivators, that is, the zamindar should be entitled not to a share of the gross produce as at present, but only of the "Khalis Munafa" or the net profit, if there is any. In this case the zamindar's share may be fixed at 50 per cent, out of which the zamindar should pay revenue and retain the balance as rent or interest on his investment. At the worst, the tenant may be treated as an unskilled labourer in a factory. The latter is permitted to use the machinery which, in his case, is the means of production just as land is in the case of the cultivator. The worker in the factory is paid at least a subsistence wage that would keep him alive and in a state of working efficiency, the owner of the machinery retaining the entire surplus value created by the worker, which covers the cost of raw material and of power used as well as of the depreciation of machinery, the remuneration of the owner if he himself manages the factory, and interest on the investment, which last may be called the owner's profit. The entire cost of cultivation including the cost of the labour expended by the cultivator and his family should either be borne by the zamindar in which case he can claim the entire income. Or if, as at present, it is borne by the tenant, the zamindar should get only a part of the "Khalis Munafa" which, in view of the fact that agriculture in its present state is a precarious occupation, should, in no case, exceed 50 per cent of the Khalis Munafa.

In this connection we are frequently told, especially by the landlord classes, that a peasant who has to pay Rs. 5 or Rs. 10 a year as revenue will not be better off even if he is relieved of this small tax. It is true that this remission would not get him out of the abyss or in any appreciable degree alleviate the poignancy of his distress. Still it will relieve him from a recurring harassment which is the veritable nightmare of his existence. Here is a wretch who with all his strenuous labour cannot produce enough for his bare subsistence, who is positively under-fed, who has little or no clothing to protect him and his children against the severity of the Punjab winter, who resides in a crowded pigsty, in a word who lives in positive destitution, and it is smugly asserted that it will be no great hardship to him if he is required to pay Rs. 5 or Rs. 10 a year, out of nothing, as a tax that is collected with all the inquisitorial rigour with which taxes are ordinarily collected from the poor.

In the canal irrigated areas the water rate is another serious hardship to the cultivator. It is levied as a tax, that is, the charge is much in excess of the actual cost of maintenance and the interest on the capital cost which the Government has still to pay. It is estimated that the annual net income to the Punjab Government from irrigation is over Rs. 2½ crores. This is obviously inequitable and unjust especially when the land is over-burdened and the peasant is living in a state of chronic destitution.

5. *Removal of illiteracy.*—Another urgent reform is the liquidation of the peasants' illiteracy, which is necessary to make him realise that he has certain fundamental claims upon society which society must satisfy. As a first indispensable step towards his emancipation he must be roused from his mental torpor and benumbing fatalism and made to see that his own misery and troubles and those of his neighbours do not depend upon any extraneous supernatural agency, but largely upon themselves, and that they can be remedied by their own individual and collective effort. His education, among other things, should be directed towards creating in him a healthy discontent, a deep and intense dissatisfaction with his present bestial existence. And the chief aim of the so-called rural uplift should also be to arouse the millions of rural India to their fundamental human right, the right to exist, to combat the timidity and passivity of their static faiths, to educate, to persuade them to make a collective effort for the betterment of their condition.

6. *Modern methods of cultivation.*—Another important step towards the amelioration of the peasant's economic condition is that he should be familiarised with the modern methods of cultivation, and induced to employ all the devices that would increase production as well as improve its quality.

Intensive cultivation is, of course, possible only where irrigation facilities exist. The use of machinery is the most effective means of increasing production as well as of reducing manual drudgery incident to agricultural operations. The saving of labour effected by the use of machinery may be illustrated by one fact, namely, that while formerly one acre could be ploughed during the day with a pair of horses, and that too not so efficiently, now 12 acres are most thoroughly ploughed with a tractor.

Russia, which before the War was as primitive in her agriculture as India is to-day, is now using machinery on a large scale. She has now more than a million tractors in use, and is adding to their number at the rate of 300 tractors a day. On 26th January, 1934, Stalin announced that "there were then in the field 204,000 tractors, 25,000 combines, 30,101 motors and tractor engines, 58,000 reaping machines, 1,505 installations for electric threshing, 24,400 motor lorries and 4,600 cars. At the same time the Government had trained and sent into agriculture 111,000 technicians and agronomists (experts in rural husbandry), over 1,900,000 tractorists, combine operators, drivers, etc., and more than 1,600,000 men and women for managerial and administrative posts." One of the many results is that, while before the War Russia used to import raw cotton from America, she is now producing all the cotton she needs.

The new methods of agriculture are particularly successful in the case of staple commodities, one great effect being the lowering of costs. That is why wheat grown in Australia can be sold at Karachi at cheaper prices than that grown in Sindh and the Punjab.

What machinery and modern science have done for agriculture may be illustrated by just one example from Prince Kropatkin's book, "The Conquest of Bread":—

"Here is the culture maraichere of Paris. A. M. Pounce with a tiny orchard of two and seven-tenths acres, for which he pays 500 dollars rent a year and from which he takes produce that could not be named short of several pages of figures—twenty thousand pounds of carrots, twenty thousand of onions and radishes, six thousand heads of cabbages, three thousand of cauliflower, five thousand baskets of tomatoes, five thousand dozen choice fruits—a hundred fifty-four thousand pounds (more than three thousand maunds) of vegetables."

"By the same methods," says Upton Sinclair in his book "Industrial Republic," "they are raising 30 tons of potatoes on an acre in Minisota, and 350 bushels of corn in Iowa and 600 bushels of onions in Florida. And with machinery, on the prairie wheat farms, they raise crops at a cost which makes twelve hours and a half of work of all kinds enough to supply a man with the flour part of his food for a year."

The use of machinery is, however, possible only on large farms and for this purpose in Soviet Russia small holdings have been merged together and converted into large farms. This is known as collectivisation. What collectivisation has been able to effect is illustrated by the following example taken from Lister Cohen's, "Two Worlds."

"We were taken to a collective farm. It has a population of 1,082 people, of whom 417 are workers and the rest are children and old people. The total area of the farm is 1,028 hectares—a hectare is equal to 2½ acres). The area per worker is about the same as before collectivisation. As a result of common ownership and the use of machinery and modern methods production has very much increased. In 1935 the farm earned 611,000 roubles (about Rs. 200) per acre. Out of this the collective paid income-tax and hire of the tractor and each worker received 12 seers of vegetables, three seers of bread in addition to 3·14 roubles (about Re. 1-10-0) for each labour day, the average number of labour days in the year being 160. The collective owns 143 horses, 194 cows, a number of pigs, fowl, etc. It has adopted sixteen homeless children and has advertised for more."

Another American writer Thomas D. Campbell, who conducts a 95,000 acre wheat farm in Motana, United States of America, in his book "Russia, Market or Menace" ? (published 1932) says :—

"Because of the increased area of holdings and higher yields in the collectives, as a result of the greater use of tractors and modern implements and production methods, the income per household on the average collectivised farm has increased at least 150 per cent as a nation-wide average, and by more than 200 per cent in numerous localities."

A still more graphic picture of the effect of collectivisation on peasant life in Russia is presented by Sherwood Eddy in his book, "Russia To-day." (Published in 1932). He says—

"There are three different levels of life in peasant Russia—

- "(1) On the lowest level are the individual farms owned by the old, backward superstitious peasants. These show no signs of new life. The peasants always voice complaints, are disgruntled and out of joint.
 - "(2) On a higher level are the new collective farms. Here we first saw the new machinery, tractors and threshing machines. Here was more white-wash and cleanliness in the homes. New ideas in agriculture, sanitation, education, and culture were taking root. There were also conspicuous the signs of co-operative spirit, energy, enterprise, culture, a larger and better school, a new social centre, radio, music, diversion, newspapers, pamphlets.
 - "(3) At the highest level are the communes where everything is shared. The Lenin Commune had grown in a decade from a membership of 59 to that 586. They have some 4,000 acres of land, their own flour mills, saw mill, orchards, dairy, cheese factory, etc. They have a capital investment of 972,168 roubles. After their sales for the year, they have 891 horses, 450 cattle, 700 sheep and 897 pigs.
- "The Commune pays no tax to the Government, but instead is required to sell ¼ of the grain at a reduced price, lower than can be obtained in the open market. The members have personal accounts to their credit, but they are not large. The Commune has beautiful nurseries, kindergartens and schools, a library in Russian and English. Vodka (alcohol) is forbidden in the Commune. The members are organised in a democratic governing body with almost complete autonomy. They select their Soviet or Committee of five members every three years."

Mr. Maurice Hindus in his book, "The Great Offensive," declares :—

"The advantages of collectivisation as a method of farming are indisputable..... Collectivisation has within it the power to convert Russia from a backward to a progressive agricultural nation, as individual land holding with its inevitable small acreage never can."

It is true that with the very much increased production in other countries and the consequent decrease in our primary exports, an increase in agricultural produce will not substantially raise the monetary income of the cultivator till the necessary balance between industrial and agricultural economy is established, and the purchasing power of the non-cultivating population is substantially increased so as to enable it to pay higher prices for the agricultural products. Meanwhile, any increase in agricultural production, if it is supplemented by careful and judicious distribution, regulated, supervised, and, if necessary even controlled by the State, will provide the starving millions in both rural and urban areas

with sufficient food, which is the prime necessity of the country. In a previous paragraph we have already quoted from Sir Visvesvaraya's book "Planned Economy for India" showing that the food supply of the country is at present about half its actual demand. Elsewhere in the same book the author says :—

"If people eat enough and increase their consuming power by a small margin the country will not only need all the food grains it now produces, but a large increase in production will be necessary before it can export any staple food products."

And yet there is universal regret that our exports, among other things, of food grains are waning.

Professor Radhakamal Mukerjee of the Lucknow University, after a careful investigation, has arrived at a more exact conclusion. He says :—

"The amount of energy contributed to Indian food requirement from all sources (including food grain, milk, sugar and fish supply) in 1931 was 250·1 billion calories as compared with her minimum need of 292 billion calories. Thus at least 5·1 crores of her population had to go without food assuming that the rest obtained their minimum daily ration."*

It may thus safely be asserted that virtual famines are perpetual in India. Even when rains are plentiful and crops are abundant, there is always starvation on a wide scale. Millions of people who are reported as dying of Malaria, Dysentery and other similar diseases, really perish as the result of emaciation from this long and terrible lack of food, this endless starvation. When epidemics appear, such as plague, influenza, cholera, etc., depletion from life-long starvation is the principal cause of the terrible mortality. The mortality from the principal epidemic diseases between 1901 and 1931 is estimated at 6·7 crores.

The Director of Public Health, Bengal, in his Report for 1928 (a year of agricultural prosperity) says :—

"The present peasantry of Bengal are at present taking to a dietry on which even rats could not live for more than five weeks. Their vitality is now so undermined by inadequate diet that they cannot stand the infection of foul diseases."

It is indeed true that the conditions in the Punjab are not quite as bad as they are in some of the other provinces. Still there can be little doubt that the Punjab peasant has also begun to feel the strain and is now living below the subsistence level, which is evidenced by the visible deterioration in his physique and a fall in the mean age. Even the most complacent Punjabee has begun to realize that the Punjabee mother is now producing anæmic, sickly progeny which cannot find enough to eat.

SOME SUGGESTIONS COMMONLY MADE FOR THE IMPROVEMENT OF AGRARIAN ECONOMY.

1. *Subsidiary occupations.*—Very great emphasis is laid on the suggestion that the rural population should be provided with subsidiary occupations; and then we shall have the millenium. It is also stated *ad nauseum* that in old times such industries formed an important part of rural economy, and that combined with agriculture they made village life self-sufficient. But the old economy which fostered these industries had to give way before western civilization, and as long as the causes which brought about this dislocation of the village economy and the consequent extinction of the cottage industries are in operation any attempt to revive them must prove futile. Perhaps they might be partially resuscitated if, besides the provision of necessary information and instruction, some effective agency could be set up to supply the necessary tools and machinery, cheap power, raw material, as well as to arrange easy, prompt and profitable marketing. The peasant and his women-folk would not take up any auxiliary occupation unless they are assured of a secure and steady income without the botheration and worry which are the necessary concomitants of any occupation that is not a part of a man's regular vocation or his hobby.

Fruit growing and market gardening, cultivated as these may be on uneconomic holdings, are yet in the region of possibilities, and cattle breeding and dairying in association with small-scale farming can be developed only in areas where there are sufficient pasture lands.

2. *Statistics should be complete.*—Agricultural statistics should be as complete as possible. Even the Royal Commission on Agriculture had to comment adversely on their inadequacy. It should be possible to say from the Government statistics and reports how production of food supply in the province stands in relation to demand, what increase in products is necessary, how raw materials for industries are obtained, etc., etc.

3. *Museums.*—Agricultural museums should be established in every city and large town and also in centrally situated villages, that have local organizations to promote the interests of agriculture. Such museums should contain—

(a) A small agricultural library containing books and pamphlets describing the latest agricultural practices; and

*Paper on "The Population Problem in India" read before a meeting of the East India Association on 13th July, 1937.

(b) Specimens of farm products, tools and machinery.

The local organizations should also give demonstrations and hold annual agricultural exhibitions. These may be arranged in connection with local fairs by the co-operative effort of the farmers, under the guidance of experts.

4. *Local depôts.*—Local depôts in towns and central villages should be established by Government and Co-operative Societies for the distribution of seeds and the sale and hire of tools and machinery as in Italy.

5. *Marketing and storing facilities.*—Marketing facilities should be provided. Here some form of co-operative marketing is the most favoured recommendation. But co-operative marketing without co-operative or collective farming is not likely to succeed. However, Government can be helpful in reducing the necessity under which the farmers are now obliged to sell their produce on the threshing floor at uneconomic prices to the broker or the middle man who, in most cases, is also the pressing creditor. The agriculturist can further be helped by a marketing organization which will furnish him with up-to-date information on markets and prices within and outside the country. A weekly or fortnightly schedule of prices should be hung up in the village school or a public place of worship. The State Banks should also supply the needed credit to enable the cultivator to hold up his stock till he can secure the best price.

6. *Immigration and birth control.*—Immigration overseas and birth control are also suggested by some economists as a means of relieving pressure on land and of restricting growth of population. In regard to Immigration Professor Radha Kamal Mukerjee says :—

“ Like Japan India should adopt a scheme of assisted immigration overseas, defraying the cost of passage to immigrants to foreign countries which are under-developed or undeveloped and which may encourage agricultural colonization.

“ The British Empire should deal with Indian immigration, like tariff and industrial co-ordination, as essentially an Imperial problem. . . . The solidarity of the British Empire demands Imperial Economic planning which cannot be successful without a modification of racial discrimination in the policy of Indian immigration in Australia, South and East Africa.”

As regards birth control the same writer observes—

“ As the desire grows for better food and higher standards of living, and for giving the children better opportunity for advancement ; as women gain in enlightenment and self-consciousness and as men rid themselves of the over-awing authority of religious injunctions of remote spacious times which have now become obvious misfits, the prejudice against “ interference with nature ” will yield to “ economic necessity.”

Such and similar other devices can indeed be helpful in slightly improving the condition of the agriculturist. But they are not, as is made out in some quarters, the be-all and end-all of all agricultural reforms. The undue emphasis laid on them creates an impression of camouflage, and evasion of the problem which may be summed up in three phrases :—

(a) Re-habilitation of independent peasantry with economic holdings, combined with some form of co-operative or collective farming. This, of course, presupposes, among other things, the divergence of a large proportion of agricultural workers to non-agricultural occupations.

(b) Liquidation of debts,

(c) Removal of illiteracy.

Looked at from the point of view of national economy the problem of agriculture is —

(1) To produce sufficient quantity of food grain for the entire population, besides the necessary seed and dry fodder for cattle, and of raw materials, for industries.

(2) To create a sufficient surplus for export and for the years of scarcity which are unavoidable as long as there is a large dry crop area whose productivity is dependent on the uncertain rainfall.

But as every country is trying to be self-sufficient in the matter of food as well as of raw materials for its manufactures by maximising its agricultural productivity and by discovering synthetic substitutes, the external demand for our agricultural products is likely to maintain its downward trend. Thus unless effective demand for food grain as well as for other products of agricultural labour is substantially raised by accelerated production of wealth combined with equitable distribution, so as to raise the purchasing power of the entire population, even the agricultural economy of the country, which is already showing signs of decay, is likely to collapse. In other words, the only choice for India is to increase its industrial production and to establish, like France, a balanced economy based on the exchange within her own markets of industrial and agricultural products,

INDUSTRIES.

INDUSTRIALISATION THE PRIMARY NEED OF THE COUNTRY.

The foregoing pages have made it abundantly clear that the problem of unemployment is fundamentally that of increased production of wealth and its proper distribution. Wealth production, as has been shown, can partly be stimulated by increasing agricultural production through an educated independent peasantry with economic holdings, combined with collective or co-operative farming. But the principal means of accelerating wealth production is industrialisation. It is now universally recognised that in a predominantly agricultural community there is, for the masses, beyond a bare subsistence, very little surplus available, even for the ordinary amenities of life, let alone for cultural development. Without extensive industrialisation, and equally extensive mechanisation of agriculture, there can be no great or continuous rise in civilisation for the masses.

That industrialisation is the only key to economic prosperity is further evidenced by the fact that the industrialised countries are in material wealth and consequently in cultural development, incomparably ahead of the agricultural countries. For instance, as already stated under "Basic Facts," India, a predominantly agricultural country, has a per capita income of Rs. 82 per annum, while the corresponding figures for some of the industrialised countries are —

	Rs.
Japan	271
France	636
Canada	1,268
Germany	634
United Kingdom	1,092
United States of America	2,058

PRESENT POSITION.

The number of organised industrial establishments in British India in 1930 was 8,148 of which the Punjab claimed comparatively a small proportion. The total capital of organised large-scale industries in India was estimated at about Rs. 700 crores, of which the Indian share was not more than Rs. 300 crores. In the United Kingdom, with a population of less than 1/7th that of India, the number of industrial and commercial establishments in 1928, was 107,000 and the capital investment in industrial companies alone was Rs. 7,067 crores, (i.e., about 23 times the Indian capital). The United States of America, with a population about one-third that of India, had 174,136 industrial establishments with a capital investment of Rs. 23,000 crores. Canada has a population of about 3 per cent of that of India and in 1929 she had over 24,000 industrial establishments, with an investment of Rs. 1,445 crores. Japan in 1928, with a population of less than 1/5th that of India, had 13,711 industrial companies with a capital of Rs. 1,009 crores. It is said that Japan increased her manufactures seven-fold between the years 1914 and 1926.

The number of persons engaged in organised industries in British India in 1930, was roughly 1 per cent of the total working population, and in the Punjab it was not more than 6 per cent, while in the United Kingdom it was about 47·2 per cent, in the United States of America 32, in Canada 25, in Germany 41·3, in France 33·3 and in Japan 19·5.

The income per capita from industries in India and some of the progressive countries is as follows :—

	Rs.
India	12
Japan	158
United Kingdom	412
Canada	470
Sweden	384 and
The United States of America	721

Soviet Russia which, only a few years ago, was considered a predominantly agricultural country is to-day one of the richest and most advanced industrial countries in the world. Some of its industrial achievements even in the first five years plan—from 1928 to 1932—read like romance.

In 1928, the share of industry represented only 48 per cent of the total production of industry and agriculture, while at the end of 1932 it represented 70 per cent. The gross output of industrial production increased 218·5 per cent. In 1928 the output of machines was only 7 per cent of the United States of America, in 1932 it was 56·9 per cent of United States of America, 140 per cent of that of England and 151 per cent of that of Germany.

During the period of the plan the output both of electrical engineering and agricultural machinery increased 5·5 fold, general engineering 4·4 fold, electrical power 4 fold, iron and steel industries 3·5 fold, mining and timber 2·5 fold, fuel industries 2·8 fold, the output of clothing 8·5 fold, and the food industry 2·2 fold. And all this during the world's worst depression.

The number of workmen increased from 9,500,000 to 18,800,000 and the average annual wages of workers increased from 153 roubles per head in 1923 to 1,432 in 1932 — an increase in money wages of 836 per cent in less than ten years.

Sherwood Eddy thus summarises the Industrial achievements of Russia from 1928—1932 :—

“During the Plan in total industrial production in the world Russia has moved from fifth to second place, in the production of pig-iron it rose from third to second place, in coal from seventh to fourth place, in machine building from fourth to second place, in electric energy from eighth to third place. Simultaneously with this industrial revolution there has been an agricultural revolution which has increased the agricultural output from 80 million tons in 1928, to about 100 million tons in 1932.”

Such have been the phenomenal achievements of Russia in four years. An idea of the present wealth of the country may be formed from its budget for 1937, in which provision is made for an income of 98,069,000,000 roubles (about Rs. 5,300 crores at the present rates). This astronomical figure represents about 3 times the revenue of the United States of America, about 5 times that of the United Kingdom, about 25 times that of British India from all sources, and almost 500 times that of the Punjab. But what is still more remarkable is that in Soveit Union, both income and expenditure have increased more than 2½ times during the past five years. The following table shows the income and expenditure for five years, 1933-37 (in million of roubles) :—

	1933.	1934.	1935.	1936.	1937.
1	2	3	4	5	6
Income	39,074·6	48,879·4	65,900·5	78,715	98,069
Expenditure .. .	38,959·2	48,879·4	65,400·5	78,715	97,119

And it may be noted that the total population of the Soveit Union is less than one-half of that of India and not more than 6 times that of the Punjab.

Another remarkable instance of the transformation of a predominantly agricultural country into a prominent industrial country during and after the War is that of Canada which, like India, is a member (though comparatively an independent member) of the British Commonwealth. Since the War, Canada's export per capita ranks first among the countries of the world.

And then Japan, the wonderland of the East ! Just compare her with India—in the past and in the present.

Japan is comparatively a very small country, just about one-seventh the size of India, with a population only about one-fifth that of India. Till a hundred years ago it was almost wholly an agricultural country, and its manufactures were few and its foreign trade almost nil. Its wealth was small as compared with that of India. And yet in less than a hundred years, the Japanese have become the first nation in Asia, and one of the foremost in the world, while the Indians have lost their leadership in the East, which they had maintained for centuries, and are now looked upon as one of the weakest and most backward people in the world. What is the explanation for this amazing difference—the wonderful advance of Japan and the astonishing stagnation and decadence of India ?

Dr. Sudhindra Bose (Lecturer in the State University of Iowa—United States of America) explains it thus :—

“Seventy years ago Japan was industrially no better off than India. At that time Japan was a feudalistic agricultural country with a strong aversion to foreign trade or commerce.....With the advent of Commodore Perry, Japan turned over a new leaf. The Japanese Government decided to make their country the leading industrial land of the Orient. And how did the Japanese Government go about it ? Says Baron Kikuchi, ‘There were official excursions into the domains of silk-reeling, cotton and silk spinning, brick burning, printing and book binding, type-casting and ceramic decoration.’ In short, the authorities applied themselves to educate an industrial disposition. The result of all this was, that whereas in beginning of the Meijera, 1876, Japan had virtually no industries worth the name, in thirty years she possessed no less than 4,595 industrial and commercial

companies, either Joint stock or partnership with a paid up capital of two hundred million dollars ; and to-day the number of companies and the capital invested are almost beyond belief .”

There can be little doubt that if India had the same opportunities for industrial and commercial development as Japan, she, with her great natural resources and unlimited manpower, would have prospered as well as, or even better than, Japan.

PLANNING ESSENTIAL TO ECONOMIC DEVELOPMENT.

Planning is essential to the success of every large enterprise. In fact it is undertaken by every important industrial or commercial trust or combine so far as concerns the sphere of its own interests and activities. Such planning is, however, confined to the range of the particular trust or combine and takes no account of the workers or of the production outside this range.

But planning as the dynamic regulator of the economic life of an entire nation was first tried in 1928, when Russia launched its First Five Year Plan. The success of this stupendous experiment which the capitalist economists all over the world had declared impossible, coupled with the unprecedented world depression, shook the complacent imperturbability of the capitalist economists and politicians and made them suspect that there were possibly some fatal defects and handicaps in a planless economy. This conclusion became the more glaring and unescapable when the one country alone, which had a plan, was advancing while all the others were receding in their whole economic life. It was generally recognised that the policy of *laissez-faire* had been fairly tried and hopelessly failed. An American writer wrote, “We are at the end of an epoch, the epoch of open and unrestricted competition. Our system has failed. Six million (later sixteen million) unemployed prove it. We need a new system.”

It was pointed out that national planning was but an extension of the War time planning, under which the State had controlled industries, fixing prices, determining production and even regulating consumption, to peace-time conditions. “Only planning,” said some of the capitalist economists “had won the War and planning alone could save the world from economic collapse.”

Since the Russian experiment several countries like Italy, Germany, Turkey, Sweden, the Irish Free State, Denmark and others, have adopted plans for increasing production or for remedying their economic deficiencies and ills, especially the ill of unemployment.

But what is national planning ? Perhaps the best answer can be found in the Russian Scheme, which is briefly outlined in the following paragraphs :

PLANNING IN RUSSIA.*

The planning agency.—In May 1918 the First all-Union Congress of Councils of National Economy “met in Moscow and resolved that their task was that of systematic planning of economic relations throughout the whole country.” Among other resolutions the Congress particularly emphasised :

- (1) “That the development of productive forces of the country requires the employment of every able-bodied worker in a gainful occupation, the introduction of compulsory quotas of output and the co-ordination of the rates of wages with the output, the mobilisation of all specialists and technicians, and the redistribution of industry.”
- (2) “That the supply of villages with livestock and machines, and with manufactured goods, the introduction of improvements and a regular exchange of goods between town and country side, should be a necessary part of the economic plan.”

To carry out this decision the State Planning Commission (Gosplan) was formally appointed in 1921 for the express purpose of working out a General Plan of all economic relationships.

The purpose of the planning.—The fundamental purpose of the Plan is to promote the increase of wealth production by mechanising and industrialising the whole country. “The great purpose,” in the words of Stalin, “is to maximise industrialism and mechanisation, and to make all its citizens well-to-do.”

THE MAKING OF THE PLAN.

1. *Labour force.*—The plan starts with the labour force available for employment. From the total population in the whole country and in each principal area are subtracted the numbers under working age, the numbers too old for service, the numbers otherwise occupied including the home-keeping wives and domestic workers, those engaged in study or research, those serving in defence forces or in administration unconnected with production,

*This account is based upon Webb's “Soviet Communism, A New Civilisation ?” pages 602—606.

the priests, the nomadic tribes and the still surviving independent peasants and handicraftsmen. The remainder forms the labour force available for the production of commodities and services to be distributed over the whole field of industry and production.

2. *Statistics.*—All Government or public institutions including not only those engaged in industry or agriculture, but also those concerned with such services as education, medicine and public health, the arts, music and the drama, social insurance, defence, justice, and transport and communications are statutorily required to supply an elaborate statistical statement as to what they have produced or done during the last completed year, what is going on during the current year, what is expected during the year next ensuing, including how many workers of various kinds and grades and what amounts and kinds of materials have been or will be required, and what demands on the banking and transport services are involved. At the same time the consumer's co-operatives which have some 7½ crore members report how many they expect to be supplying next year, with what kinds of commodities and in what quantities, which of these they can produce for themselves and which they will need to obtain from other producers within the country and which they proposed to import from abroad. Similar data are obtained from the State Farms as well as from the 2½ lacs of collective farms. All this information is willingly supplied because the failure to reply fully and punctually might result in the exclusion of the defaulting institutions from any provision of materials and financial credit. The laggards are got in by sending special inspectors to visit them ; in some cases even instructors are supplied to help in the preparation of the returns.

3. *The provisional plan.*—With this mass of information which is daily being examined and verified, classified and digested in the appropriate departments, Gosplan prepares its first preliminary draft plan. Simultaneously the Politbureau or the Central Government have been deciding questions of general policy as to the particular expansions and new developments to be pushed forward. For instance, they determine what increase on the total output of the last year should be aimed at and how the additional industrialisation should be distributed between Heavy Industry, Light Industry, Railways, etc. These decisions of Government and the proposals from the various enterprises are to be co-ordinated and worked into a harmonious plan. Now the fundamental question for the Gosplan is in what industries and in what parts of the country the whole of the available labour force will find employment.

4. *The final plan.*—After all the decisions on policy have been made and the provisional plan has been properly balanced and completed it is submitted by the Gosplan to all the enterprises and organisations affected by it. In each factory or office the part of the plan relating to that establishment is exhaustively examined by the directors, the managers and heads of departments, and by the workers concerned at whose meetings the quotas assigned to the particular establishment are thoroughly discussed. All sorts of suggestions and criticisms are made which are transmitted to the Gosplan with the director's own reports thereon. Very often the workmen's meetings submit counter proposals. All these suggestions and counterplans are considered by the Gosplan ; the provisional plan is then readjusted as a whole and at long last becomes the final plan. This is then made law by decree. Substantially this plan is for one year, with a preliminary survey over the following four years. It then becomes the irresistible motive force pushing the entire nation forward. In Sherwood Eddy's words :—

“The Five Year Plan once adopted, charted, visualised, detailed and placarded before each factory and individual workman, and proclaimed by all the popular and powerful propaganda agencies of the state, assumes almost mystic significance. It proposes to change the face of the landscape, build cities near the supply of raw materials, to rationalize, mechanize, industrialize the whole country. The nation dreams it, dramatizes it. Youth incorporates it in their plays and sports and dances, they shout its slogans in parades and processions. And finally, in spite of many faults and failings and postponements, the toiling peasants and workers at last incarnate it in the national life. Both in conception and achievement it is something new under the sun.”

PLANNING NECESSARY FOR INDIA.

India is in many respects comparable to Russia. It is a vast country, with immense natural resources, and inexhaustible man-power. Again like pre-War Russia it has a backward agrarian economy, with its population suffering from chronic indigence and destitution. There is also the same stubborn resistance to reform and progress born of benumbing illiteracy, superstitious beliefs and fatalistic creeds that characterised the Russian mouzik and that was the despair of the Russian patriot and politician. But in less than ten years the “greatest miracle of history” has happened. The backward poverty-stricken Russia has been brought into the front line of the progressive nations and its ignorant, besotted, priest-ridden peasantry whose entire psychology was described by the Russian word “nitchevo” (it does not matter) has been transformed into an intelligent, energetic, machine-minded, wide-awake people.

And not only that. The Russians claim to have solved all the economic tangles which are proving more than a Gordian knot for both the economists and statesmen of the West. For instance, they claim to have permanently eliminated the economic anarchy of the modern capitalist world, with its devastating alternation of booms and slumps, and its perpetual reserve army of unemployed workers. "This, however," says Sherwood Eddy, "time alone can prove. But one thing is certain that for at least a generation to come consumers' demands, with a rapidly rising standard of living and increased purchasing power, will be in excess of production." Then there is the maximum utilization of the nation's resources both in means of production and in man-power. For instance, while the United States of America is using its agricultural machinery a little over forty per cent. of its capacity, Russia uses its machinery almost hundred per cent. And what has worked this "great miracle"? The answer in one word is 'Planning'. India, too, if it is to be saved at all, needs a similar miracle and must employ an analogous instrument. If she is to feed, clothe and house her people, to save them from preventible disease and premature death, to find employment for more than a hundred million unemployed and above all, to give her children their right to health, freedom, play and education, she must have a plan and freedom to work out that plan.

And this plan should be as comprehensive as the Russian plan, including every aspect of national life—economic, cultural, physical and psychological. On the economic side the plan should have the same fundamental purpose, viz., rapid and large increase in wealth production by means of extensive industrialization and equally extensive mechanisation. But increased production without effective demand for goods produced will only create overstocked markets. Production must, therefore, be adjusted to distribution by increasing the purchasing power of the consumers. In other words, alongside of planned production there should be planned possession of purchasing power throughout the whole year by every person within the country. An American economist observes, "If we lack purchasing power we lack everything. Possessing it, we have everything we value..... The energy and ingenuity which have been expended on our financial institutions ought to be turned towards the repairing of a national, damaged purchasing power.....actual power to buy."*

CONTROL OF ORGANISED INDUSTRIES.

Planning assumes a more or less totalitarian control of both production and distribution.

Here we have two principal contending schools of thought :—

1. The individualist or the capitalist school that advocates uncontrolled individualism and private enterprise in both trade and industry, and looks upon State interference or intervention as detrimental not only to the interests of individuals, but also to the common economic interests of the nation as a whole. The basic concepts of capitalist economy are supply and demand, profit and competition, which regulate prices and automatically adjust production to consumption or distribution. Thus under capitalism it is profitable to produce more and more of those things for which there is an increasing demand, and less and less of those things for which there is a diminishing demand. According to the advocates of this system "the ingenious device of drawing production after demand by the magnet of profit contains the assurance that all our productive resources would be used to the very best possible advantage." They also claim that under it just those goods and services which most people most want are bound to be produced. They, therefore, hold that planning, though necessary for individual industries and combines is not desirable or practicable on a national scale. As for the achievements of this system they proudly point to the wonderful progress of the capitalist countries in the field of trade and industry, to their Carnegies, their Rothschilds, their Henry Fords, their Nuffields and to the fabulous wealth and amazing benefactions and charities of these monarchs of finance and industry.

2. The opposite theory is that of the collectivists or socialists, which has its intellectual advocates all over the world, but which has been actually put into practice in a few countries, notably Russia, and to a smaller extent, in Germany and Italy. The basic idea of the socialist school is production for use and not for profit. The adherents of this school do not accept the proposition that under the capitalist-system the goods which most people most want are produced. They point to the fact that in the capitalist countries goods and services, for the want of which millions of persons slowly perish, such as bread, milk, clothes, houses, etc., are not produced because it is not profitable to produce them. On the other hand goods which only a few, that is a handful of the rich, want are produced because it is profitable to produce them. Worse than that, Capitalism from time to time produces large quantities of things which the rich do not want and the poor cannot pay for, and which consequently have to be destroyed. Thus there have been cases of deliberate destruction of food in America and elsewhere when people are underfed and under-nourished. They further point to the inability of people to use their productive resources to the full extent under the capitalist system. For instance in 1929 United States of America used its productive resources to 80 per cent. of their capacity and in the immediately following years it used them

*American Economic Life & Means of Improvement by R. A. Tugwell, 1933, quoted in Soviet Communism, Vol. II.

to under 50 per cent. of their capacity. They also point to the infinite oceans of wealth squandered in perfect frenzies of ostentation alongside the millions of unemployed who are the victims of a slow torture by destitution, frustration and social humiliation. On the other hand they proudly speak of the "miraculous" achievements of Russia, which besides accomplishing in the fields of industry and agriculture in less than a decade what the capitalist nations did in more than a century has eliminated unemployment and universalised not only economic competence but also culture. They further point to the fact that during the Great War the capitalist countries had to adopt State control of prices, distribution and manufactures, which, among other things, revealed the extent of economic waste in the capitalist scheme of production. For instance, by co-ordination, by concentration of effort upon essentials and by standardisation, it became possible for United States of America, while maintaining 4 million men under arms, to supply the civil needs of its population with no appreciable lowering of peace-time standard. But more than anything else they point to the horrors of human misery and sufferings which they directly attribute to what they call the anarchy of individualist profit-seeking. To mention only a few examples—Upton Sinclair in his book "Industrial Republic", remarks :—

"The grim, brutal and merciless reality is that the monster machine of competition is grinding remorselessly on ; the wealth of the world is rushing with cyclonic speed into one portion of the social body, and in the other portion whole classes of men and women and children are being swept out of existence, are being wiped off the economic slate. Exactly as capital piles up at compounded and recompounded interest so also piles up the mass of human misery.

Professor Huxley writes in a similar strain :—

"Any one who is acquainted with the state of the population of all great industrial centres whether in this or other countries, is aware that amidst a large and increasing body of that population there reigns supreme that condition which the French call *La misere*. It is a condition in which the food, warmth, and clothing which are necessary for the mere maintenance of the functions of the body in their normal state cannot be obtained ; in which men, women, and children are forced to crowd into dens wherein decency is abolished, and the most ordinary conditions of healthful existence are impossible of attainment ; in which the pleasures within reach are reduced to brutality and drunkenness, in which the pains accumulate at compound interest in the shape of starvation, disease, stunted development, and moral degradation ; in which the prospect of even steady and honest industry is a life of unsuccessful battling with hunger, rounded by a pauper's grave."

Jack London in his remarkable book, "The People of the Abyss", draws a still more lurid picture of the condition of the working classes living in the East End of London, in the year 1902.

Speaking about the dwellings of the working classes, he writes :—

"Not only was one room deemed sufficient for a poor man and his family, but I learned that many families occupying single rooms had so much space to spare as to be able to take in a lodger or two."

"In the adjoining room lived a woman and six children. In another vile hole lived a widow, with an only son of sixteen who was dying of consumption."

About home and family he says :—

"A man and a woman marry and set up house-keeping in one room. Their income does not increase with the years, though their family does, and the man is exceedingly lucky if he can keep his health and his job. A baby comes and then another. This means that more room should be obtained ; but these little mouths and bodies mean additional expense and make it absolutely impossible to get more spacious quarters. More babies come. There is not room in which to turn around. The youngsters run in the streets, and by the time they are twelve or fourteen the room-issue comes to a head, and out they go on the streets for good. The boy if he be lucky, can manage to make the common lodging-houses, and he may have any one of several ends. But the girl of fourteen or fifteen, forced in this manner to leave the one room called home and able to earn at the best a paltry five or six shillings per week, can have but one end. And the bitter end of that one end is such as that of the woman whose body the police found this morning in a doorway in Dorset Street, Whitechapel. Homeless, shelterless, sick, with no one with her in her last hour, she had died in the night of exposure. She was sixty-two years old and a match vendor. She died as a wild animal dies."

And arrives at the conclusion :—

"Day by day I become convinced that not only it is unwise, but it is criminal for the people of the Abyss to marry. They are the stones by the builder

rejected. There is no place for them in the Social fabric, while all the forces of Society drive them downward till they perish. At the bottom of the Abyss they are feeble, besotted and imbecile. If they reproduce, the life is so cheap that perforce it perishes of itself."

"In short, the London Abyss is a vast shambles year by year, and decade after decade, rural England pours in a flood of vigorous strong life, that not only does not renew itself, but perishes by the third generation. Competent authorities aver that the London workmen whose parents and grand-parents were born in London is so remarkable a specimen that he is rarely found."

This was, however, written more than thirty years ago, though, at the same time, it is true that before 1900 the English workers' real wages had almost reached their peak. It was during the nineteenth century, that owing to unprecedented increase in production of labour, real wages rose considerably—by 80 per cent., for instance, between 1850 and 1900. Accordingly a British economist has observed, "that the general improvement of the standard of life provided by capitalism, which lasted half a century, stopped in 1900 and has never been resumed." Since 1900 the curve of real wages has been only fluctuating rising sharply in times of good employment, and falling in bad. For instance, during the period 1900-1914 real wages fell by about 10 per cent. They again rose between 1920 and 1935 by 15 per cent., largely owing to the unemployment insurance which improved the bargaining power of the worker. Nevertheless, it may be said that during the past 80 years the general condition of the worker has somewhat improved under the industrial welfare and social services schemes, such as health insurance, old age pensions, unemployment insurance, housing subsidies, widows' pensions, and various forms of public relief. In spite of this the general impression that the worker in Great Britain and elsewhere has now attained a "comfortable standard of life" is finally scotched by the findings of the Health Organisation of the League of Nations, that says:—

"No country in the world can claim that the whole of its population is satisfactorily fed. Poverty and ignorance, but mainly poverty are to blame.

"The so-called 'protective' foods, richest in minerals and vitamins—milk, green vegetables, fresh fruit, eggs—are also the most expensive and in all countries beyond the means of great masses of the population. In Great Britain between 10 and 25 per cent. of the population cannot afford a diet of the type and quality now known to be essential as a safeguard against malnutrition and disease.

"In the United States over 22 per cent. of the school-children investigated up to 1924 showed symptoms of malnutrition; and 'the fact that the greater part of the population of Africa and Asia suffers from insufficient and faulty feeding is no longer a secret.'"

Sir John Orr has come to the conclusion that the income of approximately one half of the British people is insufficient to enable them to partake of a diet assuring them the best physical development. His conclusions are supported by the observations of numerous British sanitary inspectors, who have shown that the lack of 'protective' foods, and bad housing among the working class makes them much more prone to disease than the well-to-do.

At a recent teachers' conference, it was related how children in Cumberland were given eggs and they did not know how to eat them because they never had them before. Children in Barnsby had refused custard, butter and bananas, because they did not know if they would like them.

And this in a country which has reached the pinnacle of economic development, and controls the world markets, and where the average unemployed gets a dole of 12½ to 18 shillings, with extra benefits for children.

Condition of industrial labour in India.—What the condition of industrial labour in a backward agrarian country like India is where more than half the adult population is actually unemployed and the greater part of the remainder underemployed, where a worker in organised industry has to support a family on 3 shillings a week (this is the rate of benefit for a child below 3 years in Great Britain) can be better imagined than described. A partial idea, however, can be obtained from the following extracts from the Labour Commission's report:—

1. *Poor Wages.*—"In most industries under the present standard of earnings, men cannot become the sole bread-winners of their families. Their women also must go out to work although the strain imposed on them by the treble responsibility of home-making, child-rearing and factory work is tremendous. But a more serious aspect of the present industrial situation is presented by the fact that the majority of the families are compelled to make their children also work, leading to their exploitation, simply because the parents cannot earn enough to feed and clothe them."

It is interesting to note that while in England the miners' wage makes up 2/3 of the cost of producing coal, in India it is only 1/6. Again wages in Japan although low according

to Western standards, are much higher than those in India. "Japanese wages range from about Re. 1 to Rs. 8 a day for women and from Re. 1-10-0 to Rs. 6-8-0 a day for men. The workers receive additional reward in the form of free or partially free lodging and food, clothing and other necessaries at below cost."*

In India, in 1918, according to the Royal Industrial Commission, the wages ranged (in the Cawnpore factories) between Rs. 8-1-0 and Rs. 30 per mensem.

2. *Indebtedness.*—An inevitable result of low wage is that the labourer lives in a state of chronic indebtedness and, like his brother worker in the field, has to pay an exorbitant rate of interest. The rate usually charged is one anna a rupee per mensem, i.e., 75 per cent. per annum. Frequently still higher rates of interest, reaching a maximum of 150 per cent., are charged. Some money-lenders obtain a higher rate than even 150 per cent. by taking promissory notes for larger amounts than the sums actually advanced.

The money-lenders usually do not receive the full interest regularly, so they add the arrear of interest to the sum lent, and the original loan of a small sum frequently develops in a few years into a large and permanent debt. In many cases the money-lenders take from the workers and their families the whole of their wages on pay day and give them back a portion just sufficient for bare subsistence.

3. *Dwellings.*—In the great majority of industrial areas, workers live in single rooms 10' × 19' at the rate of 6 to 9 persons per room. To make the fullest use of all the available space, houses are built very close to each other, often back to back and they can be reached only through narrow winding lanes. Heaps of rotting rubbish, sewage pools which have practically no outlet except when they overflow their banks in heavy rains, and an absence of latrines indicate the utter absence of sanitation. The houses generally consist of a single room, without a plinth and window, ventilation and light being provided only through a low door. But even this ventilation and this light are partially cut off by the use of old kerosene tins, gunny-bags and clothes as screens for obtaining some privacy. During winter months they often close the doors, even stuff them up with cloth or cotton, because with doors open they have to shiver in the cold owing to the lack of woollen clothing. In such houses the workers have to eat, sleep and live. The houses are apt to become veritable death traps.

A lady doctor appointed by the Government of Bombay stated that she found six families with a total membership of 80 living in a single room measuring 15' × 12'. According to the 1921 census in 135 cases single rooms were occupied by six families and 2/3rds of the Bombay population lived in single rooms with an average of 4 persons in each.

"These conditions, unpleasant and harmful enough for the men workers, are much more so for the women workers. A large portion of the former sleep and spend most of their time out of doors, chiefly on the street pavements. But the women have to live and sleep in the ill-ventilated rooms with their children, several of them occupying one small room. Early in the morning they have to get up to take their turn at the pipe to procure water for the day for drinking, cooking, bathing and cleaning pots. Then they have to kindle the fire to cook their food, and to put up with the pungent smoke coming from the lighted cowdung cakes or wood. After such a night and morning, they have to go to their respective mills and to work in their stuffy atmosphere till the evening."

In Madras city a quarter of the entire population lives in single-roomed houses, known as cheries, at the rate of 6 persons per room. The scarcity even of such accommodation is so great that an appreciable number of workers have to live and sleep on the verandahs of godowns or on the roads.

4. *Food and Clothing.*—From the evidence of the workers themselves before the Commission it appears that the food of the vast majority of the workers is very poor, consisting entirely of rice, millets or wheat of inferior qualities and a little pulse, oil and spices, with little or no milk, ghee, or even vegetables. They cannot renew their clothing at regular intervals owing to the want of funds, and many of them find it very difficult to purchase the minimum of clothing even when it is absolutely needed. Moreover, many of them have to run into debt to obtain such a meagre living.

As a result the workers have no stamina and very little power of resisting disease. The health of the women workers is particularly bad owing to the treble strain of factory and household work and child-rearing, and tuberculosis takes a heavy toll from them. Moreover, women workers usually give opium to their children daily to send them to sleep while they are at their work.

Dr. A. Mukhtar compared the average weight and height of 945 prisoners in a few of the Punjab jails with those of 238 workers in some of the Punjab factories and found that, man for man, an average prisoner had better health than an average factory worker.

THE CHOICE FOR INDIA.

There is a growing conviction that the planless drifting of the individualist economy trusting its natural law of supply and demand has disastrously failed and that unplanned

* (J. E. Orchard, "Japan's Economic Position").

economy with its advantages of individual freedom and initiative has been unable to avoid economic anarchy and chaos, with increasing crises, depressions and colossal unemployment. This has led many a confirmed capitalist country to renounce the conventional *laissez-faire* attitude in matters economic and to introduce more and more State intervention and control into the organisation and administration of finance and industries. This has been done not only by regulating production, but also by adjusting production to consumption by way of control over prices and profit margins. This has come to be known by the name of State Capitalism of which the most notable examples are President Roosevelt's "New Deal" and Herr Hitler's "National Socialism." About the latter a competent German author—Kurt G. H. Ludecke, in his book "I Knew Hitler" writes :—

"Individualistic capitalism is fast proceeding into collectivism by the road of State Capitalism."

Ludecke quotes from another German writer who says :—

"Everything planned by the Nazi Government is done in the interest of defence economy. This planned economy signifies complete State control of production, agriculture, and commerce, of exports, imports and foreign markets, of prices, foreign exchange, credit, rates of interest, profits, capital investments and merchandizing of all kinds. All the financial, indeed all the vital resources of the nation, are reserved for the needs of the Government, the Reichsbank being the supreme control agency in all matters of finance. In fact, National Socialism has created a war-economy subjecting the entire social and economic fabric to Government regulation."

Which of these two or rather three systems should India choose: "Unashamed individualism" of President Hoover, "State Capitalism" of Herr Hitler or "Unadulterated Socialism" of Comrade Stalin?

What has been said in the foregoing pages in regard to India's economic position, her undeveloped resources and extremely inadequate production even for the primary needs of her teeming millions, the excruciating poverty of the masses, their inconceivably low purchasing power, the colossal unemployment and wastage not only among the illiterate but also among the intellectuals, the bestial existence and consequent inefficiency of the workers both agricultural and industrial, and the country's one predominant and pressing need, *viz.*, rapid and extensive industrialisation under a planned economy which necessarily presumes totalitarian control of both production and consumption, all indicate the direction of India's choice. But more than that, there is India's inherent mistrust of the individualist economy of the West, which has found its emphatic expression in Mahatma Gandhi's unequivocal condemnation of the Western industrialism and mechanisation, which Mahatma Ji looks upon as the main and direct cause of all the socio-economic ills from which the Western civilisation suffers. And indeed, if the choice were between a society characterised by scarcity in which every one has to sweat just to get the merest subsistence out of life, the sort of society that Mahatmaji seems to envisage, and a society in which, as it were, by Ala Din's, or rather Addison's magic lamp, every possible article of comfort and of luxury that man can desire is created overnight, a society which opens out infinite vistas of human felicity, of rest, leisure, recreation, of intellectual and cultural advancement, but which at the same time creates a small group of people who possess all the good things of the world and live in luxury and extravagance, alongside of millions and millions of people who live in perpetual indigence and want, one, especially if that one belongs to those millions, cannot hesitate to choose the former. But there is another possible choice for India. India is still on the threshold of her industrial revolution, and the choice for her is apparently not so difficult to make, as it would be for a fully industrialised country like Great Britain or the United States of America, where a change from an established economy, however unsatisfactory, to a new system, cannot but be attended by a social, if not necessarily a political, upheaval. India's national genius which is crystallised in her non individualistic and more or less non-materialistic philosophies and creeds, and which had found its characteristic expression in the old patriarchal states and village communes cannot be happy on "the procrustean bed of competitive industrialism" with its jargon of "supply and demand," its iron "law of wages," its ferocious "class war," and its brutal gospel of the "devil take the hinder-most." The only economy that can suit her in the present circumstances is State Capitalism which, for political and other reasons, she has already adopted in the case of the principal services like railways, canals, radio, etc., and which she can extend to her growing industries, without violating any deep-rooted conventions or disturbing large and long-established economic relationships. There is apparently no reason why all production that supplies the staple needs of the people, should not be treated as the most important form of national service, and, as such, organised, financed and controlled by the State, which, if truly democratic, should embody in itself all the common vital interests of the nation.

In addition to the above, India has other specific reasons for selecting collectivistic or totalitarian economy of the type of State Capitalism. They are :—

1. Almost the entire population of India—the proportion living above what is called poverty line being infinitesimal—is living in a state of chronic destitution. The chief economic

problem of the country, therefore, is not only increased production of wealth, but also its equitable distribution. As Mahatma Gandhi has somewhere observed :—" In this of all countries in the world possession of inordinate wealth should be held as a crime against Indian humanity." In other words, the purchasing power of the masses should be greatly increased and the standard of their living very much raised. The average man, woman and child should have, besides the necessities of life, full opportunities of cultural and technical improvement and sufficient time for relaxation, rest and recreation. And more than anything else, every child should get his birth right, that is, the right to its childhood, the right to an endowment of health, freedom, play and education with which to start life. And all this can evidently be secured only by State controlled industrialisation.

2. The State must require large sums of money for the development of irrigation, transport, communication, etc., as well as for all the nation-building services such as education, health, medical relief, roads, public buildings, parks, etc. And its present income from all sources, Central, Provincial and local is, apparently, insufficient to supply even a fraction of these most urgent needs. And what is positively alarming is that unless new avenues of income are discovered even this comparatively microscopic income is likely to shrink. Customs must dwindle with the decrease in imports of manufactured goods and India does not need much raw material. With prohibition excise duty is bound to go. Revenue and water rate shall have to be remitted, at least in the case of uneconomic holdings which can create no surplus value or "Khalis Munafa," so that until the agrarian system is radically changed income from these sources must also decrease. In the circumstances, the Government must discover or create other sources of income which, besides making up the likely deficiencies in the present income, will create a very large surplus for nation-building. And industries, banking and insurance are evidently an inexhaustible mine of wealth that can be and should be tapped. The contention that State organisation is necessarily inefficient, and wasteful and, in all circumstances, inferior to private enterprise, has been disproved by the success of the State Capitalism adopted by Great Britain and other Capitalist countries during the War and that is being followed by the Fascist Germany even now.

There is also the more forceful objection that State industries cannot compete with private industries because of the former's higher cost of production. A State industry must pay a reasonable wage to its workers and observe regular hours of work, while a private industry ordinarily works its employees to death for a starvation wage. It may further be argued that if competition is altogether eliminated, the cost of production is bound to rise chiefly because of the high wages paid to the workers, which must handicap the nascent industries of India in competing with the established industries of other countries, in the foreign markets.

A fair wage is the fundamental right of the worker, and no employer, whether State or private, can ignore it without detriment to the industry itself. As regards foreign markets, India, for a long time to come, shall have to concentrate on supplying the needs and raising the standard of living of her own people, and any attempt to produce a surplus in agriculture or in industry must be confined only to such commodities as are needed abroad and as shall have to be exported in exchange for the raw materials and such finished goods as India does not yet produce and must, therefore, import.

3. If industrial development is left to private enterprise it must move at a snail's pace, as it has done in the past, for the private capitalist who for ages has been accustomed to an easy and comparatively secure income of 20 to 300 per cent. per annum from usury, is naturally hesitant to invest his hoards in new ventures, even though he may be offered the somewhat unconvincing encouragement of State subsidy and protection against foreign competition. And in view of the extremely serious economic condition of the country, immediate and extensive large-scale industrialisation is the most urgent and pressing need of the moment, which evidently cannot brook much delay.

4. Private industrialisation suffers from another serious drawback, that it cannot be subjected to any co-ordinated planning which, in its very nature, presumes, as has been stated above, a totalitarian control of the principal means of production as well as of distribution. And in unplanned production, overproduction in certain directions and underproduction in others is inevitable. Thus even at the present stage of industrial development in India it has been noticed that as soon as an enterprise has begun to show profits, capital begins to flow into that particular industry till it is glutted and the investors cease to get any dividends. Then the prices of stock begin to fall and not only the industry directly affected receives a set back, but further industrial enterprise in every other direction also slackens for a longer or shorter interval.

The usual capitalist device of encouraging private industries by means of protection, subsidies and grants, is definitely objectionable, for in all these cases an individual or a group of individuals is ensured a profit on investment at the expense of the consumer and the taxpayer, and as the average Indian capitalist is parsimonious to a fault and a hoarder by second nature, the ever swelling profits got out of the meagre earnings of the consumer do not return to him except to the very limited extent to which the capitalist's income is taxed by the State.

5. But what is most important is that industrialisation should not be monopolised by any geographically or naturally favoured part or parts of the country, or by any advantageously circumstanced community or communities, as is evidently the case at present. For a balanced and harmonious development of the country and of its varied population it is necessary that no part of the country and no important national minority should be left largely dependent on agriculture or connected agrarian occupations.

India is a country of diverse communities which have not only various creeds and cultures, but have also fundamentally different economies with varying influences and effects upon their respective economic development. As an illustration, one may take the Muslims who number about 80 millions, that is, about double the population of the United Kingdom. This community occupies a peculiar position in the Indian economy. Not long ago under a feudal economy it was quite strong and could hold its own against any other community. In the industrial and commercial fields also it had not an inconsiderable share. But with the advent of modern capitalism with its large-scale commerce and organised industries, which are conducted more on credit than on cash basis, the community fast began to lose ground, and it is generally feared that if the present economic forces continue to operate, the time is not distant when the community, as a whole, may be entirely wiped off the economic slate.

To understand the precise position of the Muslim in the present economy of the country as well as to ensure him a place in its future economy it should be realized that his creed is essentially non-capitalistic or 'quasi-socialistic'. Usury, which is the indispensable basis of capitalism, is categorically prohibited in Islam. And then, the Islamic laws of inheritance which lead to greater fragmentation of property than in any other community, and the paucity of credit, in the absence of Muslim banks and bankers, all these combined make it well-nigh impossible for a Muslim to thrive in big business or in organised industry. Sooner or later he must go down before his non-Muslim competitor who, besides all the subjective (from the capitalistic point of view) and objective advantages of a usurer, has the culminating advantage of easy and cheap credit. Thus he should expect little or no share in the enormous wealth which industries must create. Not only that. In the event of private industrialisation he may even be deprived of a share in the new fields of employment which must be opened by the industrial and commercial development of the country.

It is popularly thought that the present-day communalism is religious and cultural in its origin, and composition. Accordingly some politicians even talk of two nations in India, *viz.*, Hindus and Muslims. As a matter of fact, under the Moghul rule Hindu and Muslim cultures seem to have entered into a wedlock, so much so that almost every Hindu scholar knew Persian, and not a few Muslim scholars were equally well-versed in Sanskrit, and this happy union produced a common language called Urdu or Hindustani. Still, as long as education was imparted in *Maktabs* and *Pathshalas* which were quasi-religious institutions, and it centered round religious instruction, some difference, howsoever artificial, may be said to have been preserved between Hindu and Muslim cultures. But at the present time when education, even in the denominational schools, is almost exclusively secular, and that too modelled on the English pattern, the Muslims and the Hindus, both, being but faithful imitators of the West, are culturally indistinguishable, and therefore Muslim and Hindu cultures, as distinct entities, have ceased to exist. Economically, however, the differences between the Muslims and the non-Muslims are fundamental and real and the communal strife, therefore, is essentially economic. It may, no doubt, be regarded as partially political, but as modern politics is only a handmaid of economics, (that is, as Professor Laski observes, "the clue to authority lies in the possession of economic control," and then political power when attained is used chiefly as a means of safeguarding and advancing the economic interests of the class in power) in its ultimate analysis the inter-communal struggle has to be regarded as economic. In the case of a few this economic conflict is conscious, but in that of the majority it is only a vague feeling of dissatisfaction with the present economic conditions, which does not reach a definite expression even in their own minds. This is borne out by the fact that articulated communalism is largely confined to classes whose economic interests directly clash, as is the case with the urban middle classes who have to depend for their living on Government service or on trade, and among the artisans and labourers whose principal source of livelihood is the patronage of the private employer. There is little or no communal feeling among the landlords and peasants except where they suffer from the usurious exploitation of the money-lenders belonging to denominations other than their own. Thus, ordinarily a Muslim is not over-anxious to employ a non-Muslim if he can help it, and *vice versa*. That the Muslim suffers more from it and, therefore, feels it the more, is due to the fact that the non-Muslims, being the strongest in the field of industry and commerce, are naturally the largest private employers of labour; and if the present economic tendencies continue, the time is apparently not far off when the non-Muslims will be the only private employers of labour left in the field. So if industrialisation is left to private enterprise and control, there are grounds for genuine apprehension that the Muslims, as a community, being denied their share in industrial employment, will also be deprived of the only possible means of relieving pressure on agricultural land cultivated by them.

It may be objected that these fears are exaggerated and that they are belied by the fact that Muslims are even now employed in a number of factories and workshops owned by the non-Muslims. This is indeed true. But the Muslim is employed only because he is the only employable available for that particular trade. For instance there are cases in which the only skilled labour available is Muslim, and the industrialist is, therefore, obliged to employ Muslim labour. But this is also true that no sooner does equally efficient non-Muslim labour become available than the earliest opportunity is taken to replace the Muslim worker by the non-Muslim.

The only guarantee that the Muslims and other similarly circumstanced communities shall have their due share in the wealth of the country and in the work created by industrialisation is, therefore, State control, which alone can ensure employment as well as adequate wage to all.

SOURCES OF CAPITAL FOR STATE INDUSTRIES.

1. All banking and insurance should be brought under State control. Credit, which is the basis of the economic life of the community, should belong to the community; in other words, to the State.

2. If necessary, State should also float loans for industries as it does at present for railways, irrigation, etc. Considering the profits which protected industries are making at present, it can safely be anticipated that industries will pay the State at least as much as, if not more than, the railways and the canals.

SUGGESTIONS FOR IMMEDIATE ACTION.

The basic changes in the national economy suggested in the foregoing pages are evidently indispensable for the economic resuscitation of the country. They are, in fact, the only remedy for all the country's chronic and acute ills, the only hope for the redemption of one-seventh of the world's population from the abyss. Still they are likely to jolt the conventional politician and economist who believe that both men and things somehow or other "muddle through" all difficulties, and that nothing should be done to disturb or interfere with what they call the natural laws of social and economic relationships. Such a one is sure to deprecate the above suggestions as impractical, idealistic or utopian, inasmuch as unlike the recommendations made under "Education" and "Agriculture," they cannot be readily fitted into the existing political and economic framework. He would, therefore, either reject them outright, or at best relegate them to the future, and insist on knowing what should be done for immediate relief without shaking or seriously dislocating the existing social fabric. And to meet him half-way the following practical suggestions are offered, though their successful execution too must be subjected to the indispensable proviso, that both the central and provincial Governments really wish and are determined to regenerate the Indian masses even at the risk of offending and antagonising the almighty capitalist, both at home and abroad:—

1. *Economic councils and collection of statistics.*—To begin with, a Central Planning Department, more or less analogous to the Gosplan, which may be called the Central Economic Council with similar subordinate organisations attached to the Provincial Governments and to the larger States, and to groups of smaller States, should be immediately instituted. These councils, in turn, should organize the necessary bureaus of statistical and technical experts, who will collect and classify statistics and draw up plans for industrialising and mechanising the country. All the various councils, central, provincial and those attached to the Indian States should further see that the proposed industrialisation and mechanisation is equitably and evenly distributed all over the country, so that no important area or minority community remains unaffected by the economic and cultural progress that must come in the wake of industrialisation and mechanisation. For this distribution it will be desirable to divide industries into four main classes:—

KINDS OF INDUSTRIES.

(1) Basic, capital and heavy industries. These require large capital and have a national rather than a provincial or local importance. The following are typical instances:—

- (a) Mining—coal, metallic ores and petroleum.
- (b) Iron and steel—Iron foundries and fabricated steel.
- (c) Engineering—manufacture of engines and large machinery.
- (d) Railway plant including rolling stock.
- (e) Arms, ammunition.
- (f) Automobiles and aircraft.
- (g) Big agricultural machinery such as tractors.
- (h) Hydro-electric and electrical appliances and machinery.
- (i) Ship building.

These industries have to be organized on an all-India basis and like railways, posts, telegraphs, etc., should be financed and maintained by the Central Government. "Large sums of money," says Sir Visvesvaraya, "are spent abroad every year for the purchase

of railway plant and rolling stock and arms, ammunition and military stores. In some years the money paid for them exceeds Rs. 30 crores. If the money spent in a single year on these purchases is invested in establishing Government workshops, the country could be made self-sufficient in respect of these supplies in a few years."

(2) Large-scale industries for the production of consumer's goods. Of these the typical examples are :—

- (a) Cotton, woollen, jute and artificial silk mills.
- (b) Footwear.
- (c) Heavy chemicals.
- (d) Sugar.
- (e) Paper.
- (f) Match manufacture.
- (g) Chemical fertilizers.
- (h) Rubber and rubber products.
- (i) Large ceramic industries, including cement, glass, stone-ware, pipes, etc.
- (j) Leather products, hides and skins tanned and dressed.
- (k) Photographic and cinema materials.
- (l) Clock and watch manufacture.
- (m) Radio machines.
- (n) Type writers, etc.

Each provincial government and major Indian State should organise and maintain as many of the above industries as are necessary to supply the needs of its people. But to avoid multiplication of factories of various kinds beyond what the country, as a whole, needs, all the provincial and other territorial plans should be subject to the central check and control. This, however, might have to wait till the federal scheme materialises. Meanwhile the development ministers of the various provinces and representatives of the major states might meet and evolve a co-ordinated plan of industrial development based on the needs of the country.* As far as possible, each province should try to supply all its staple needs, its quota of raw material and power supply being fixed and guaranteed by the Central Government. Further, so that every important area and community should benefit by industrialisation, in each province and state, factories should, as far as possible, be evenly distributed over the whole territory. To eliminate competition within the country the prices of standardised goods should be fixed and controlled by the Central Economic Council. Competition from without should, of course, be rigidly excluded by means of tariff walls.

(3) Medium-scale industries for producing consumer's goods. Typical instances are :—

- (a) Medium sized iron foundries.
- (b) Engineering industries of moderate size.
- (c) Cotton and woollen mills of moderate size.
- (d) Silk and artificial silk weaving factories.
- (e) Boot and shoes.
- (f) Sugar.
- (g) Chemicals and dyes.
- (h) Foods and drinks.
- (i) Soaps and candles.
- (j) Tiles and bricks.
- (k) Ceramic industries of moderate size.
- (l) Leather products.
- (m) Printing and publishing.

These too should be maintained by the provincial and other territorial Governments and, wherever, possible and desirable, by municipalities and other local bodies and by producers' co-operatives. These should also be scattered over the entire provincial or State territory and located especially in those districts or areas which, on account of difficulties of transport or for other reasons, are considered unsuitable for large-scale industries. Competition in this case also should be rigidly excluded by fixing both wages and prices and by levying protective duties.

(4) Handicrafts, cottage and domestic industries. These industries which, not long ago, were all-important, are fast losing ground in the economic life of the civilized world. In India, as no doubt in the rest of the world, they were extensively practised before the

*After this was written we have learnt that the Congress Governments have organised an inter-provincial "Planning Committee".

advent of power machinery. But with the progress of communication and the opening up of the country to foreign trade many of these industries disappeared through sheer inability to compete with machine-made goods. The few of them that have survived are also languishing and dying out and any attempt to revive them on a large scale is destined to failure.

Cottage industries can be helpful in providing new sources of livelihood only if such as can produce staple goods could be revived. But their revival is well-nigh impossible, as long as the country is open to import of machine-made goods and must itself also take to machinery.

The only cottage industries, therefore, that can be practised are those that may be called "artistic industries" which, owing to the nature and amount of labour needed for the working out of various artistic designs, do not admit of large-scale production and are thus immune from the competition of factories. These should, of course, be encouraged by the Government and the local boards and associations by the grant of all possible concessions and facilities. Their present condition, however, is not very encouraging. Most of those who have stuck to them find it difficult to eke out a bare living even at the best of times and in spite of frightful sweating and long hours. Among the many handicaps from which these industries suffer Dr. Panandekar in his book, "Industrial Labour in India," mentions the following as the most serious :—

- (a) "Although some of the workers have taken to better materials and tools, the methods of work of most of them continue to be the same as those of their forefathers. Many of the preliminary processes are unduly prolonged and excessively laborious ; there is little use of labour-saving devices, and there is no proper division of labour.
- (b) "Owing to their extreme poverty, the workers are completely in the clutches of merchant-financiers who advance them materials at high prices, give them cash for their bare subsistence and in return receive their finished goods at low prices, thus making them suffer both ways. This system is an old one, but it has now become so widespread as to be a very serious menace to the welfare of the workers, most of whom can never hope to pay off their debt and are, therefore, rendered liable for life-long service to the merchant-financiers.
- (c) "They have absolutely no organisation for marketing their products and apart from their indebtedness to the merchants, are fully dependent upon them for placing their output on the market."

Among remedies Dr. Panandekar emphasises the following :—

- (1) "To dispel the workers' ignorance and conservatism there must be a much wider provision for better general education which should include manual training and simple instruction in crafts.
- (2) "Improvements in technique and methods, in raw materials and tools should be widely adopted by the workers, because these alone will increase and cheapen their production. It is specially necessary to reduce the labour involved in the preparatory processes. The adoption of new patterns and designs will also help them to increase their sales.
- (3) "It is necessary to rescue the workers from the clutches of rapacious and short-sighted merchant-financiers who might be licensed.
- (4) "A very important feature of any programme of strengthening cottage industries must be the building up of marketing organisations and the opening up of new markets for the goods turned out. A large part of the success of the cottage industries of Germany and Japan has been due to the building up of industrial organizations which take over the products of the various industries and dispose of them at home and all over the world, and India must do the same, especially as experience shows that when the demand for their products increases, the workers in most cases endeavour on their own initiative to improve their methods of production."

Small industries in other countries are thriving with the help of co-operation, and India's cottage industries may also succeed if co-operation provides easy and cheap credit, and raw materials of good quality and improved tools and appliances at reasonable prices, and wherever necessary on easy credit, removes the existing defects in their character by propaganda and education, and helps them to dispose of their products.

The following are some of the typical handicrafts and domestic and cottage industries which can be practised according to local conditions :—

- (a) Metal works, smithing, agricultural tools and small machinery.
- (b) Manufacture of metal vessels and articles—copper, brass, silver, etc.
- (c) Hand weaving especially of silk and embroidery and lace making, artistic goods.
- (d) Flour and rice mills.

- (e) Food products—fruit preserving, syrups, chutnies, etc.
- (f) Brick and tile works.
- (g) Furniture making.
- (h) Bee keeping.
- (i) Toys.
- (j) Printing.
- (k) Book binding, etc.

All these are being already practised and are supplying the needs of the people, though some of them are being fast replaced by medium-sized power industries. In any case, they seem to offer little scope for expansion and can in no case be expected to provide livelihood for a large section of the population.

The tendency of industrial development in the West is distinctly in the direction of large-scale industries, especially in the case of staple commodities which can be standardized. In their case the aim is mass production at a minimum cost. Thus small-scale and even medium-sized industries are finding it increasingly difficult to compete with large-scale industries and are being gradually ousted from the field. Another tendency in capitalist countries is to eliminate competition by creating monopolies and amalgamating a number of industries into combines or cartels.

“Thus in Germany,” says Otto Tolischus, “industry is undergoing a process of ‘concentration’ which tends to concentrate industrial control into a few mammoth concerns There is a great dying off of independent artisans and middle class industry.”

Our aim in the industrial field should also be to create large-scale industries for all our staple needs so that we may be able (a) to produce necessary goods at the minimum cost and in the shortest possible time, so as to raise the general standard of living in the country without much delay, and (b) to be able to export such of our finished goods as the other countries need, in exchange for the articles that we require and to meet our external commitments without incurring any loss or wastage in raw material or labour.

2. *Technical education.*—As has already been suggested in the chapter on Education, every plan for industrialisation should make adequate provision for necessary technical training of both lower and higher types in the industry or industries that are to be pushed forward. In other words, technical schools (for operatives) and technical colleges (for engineers and technical experts) should be opened as soon as the provisional plans have been approved.

3. *Control of existing organised industries.*—The existing industries will ultimately have to be taken over by the State. Meanwhile their banking and commercial accounts should be open to inspection by the State officials and the wages, the prices, the profit-margins and the rates of dividends should be fixed by the State. In no case should the dividends exceed double the average rate of interest paid by the State banks during the year for which the dividend is declared.

4. *Restrictions on foreign capital.*—Immediate and rigid check should be placed upon all foreign investments in the country. The immediate effect of these investments is that a substantial proportion of the wealth created by industrialisation goes out of the country in the form of dividends to the foreign investors, and of salaries to the foreign management, which latter are not all spent in the country. The continuous drain to which the country has been subjected in the past necessitates that every possible restriction should be placed on any further outflow of wealth. Besides, foreign investments must ultimately create complications and difficulties in the way of State Capitalism and in some cases the State may have to take over out-of-date and useless plants and machinery.

5. *Improvement in the conditions of labour.*—(a) Labour should be given a fair wage. The extracts from the Labour Commission’s Report given in the preceding pages indicate the horrible condition of Indian labour. The Royal Industrial Commission, while commenting on the comparatively low efficiency of Indian labour, attributed it partly to the impossible conditions in which the Indian labour lives. They say :—

“ Indian Labour in organised industries is much less efficient than the corresponding classes of labour in Western countries. The conditions under which industrial operatives live and work in this country ought, if efficiency be aimed at, to approximate to those of temperate climates. No industrial edifice can be permanent, which is built on such unsound foundations as those afforded by Indian labour under its present conditions.”

The Labour Commission speaking on the same subject observe :—

“ The number of looms tended by a male cotton weaver in India is less than 2. In Japan the female weaver tends 5.5. The Indian worker not only tends fewer looms, but he does it in a less skilled and less concentrated way involving less output and frequent damage to the material. In the Buckingham and Carnatic Mills each worker runs three automatic looms, while in Lancashire a woman weaver runs from 12 to 20 automatic looms according to the

cloth woven. The average annual output of coal per mine in India is 131 tons. In the United States of America, Transvaal, and Great Britain it is 780, 426 and 250 tons, respectively.

“ The main cause of this inefficiency is that the workers are not given a living wage and are constantly worried by the necessity of devising means to make both ends meet. Their standard of living is, therefore, miserably low. This saps physical energy, which, in turn, destroys mental vigour, ambition, initiative and the desire for progress. Further, the habits and surroundings of the workers, resulting largely from their low standard of life make them victims of several diseases, the most prominent of which are malaria, hookworm and dysentery, and their inefficiency is partly due to these preventable diseases.”

But what is a living wage ? Economists define it as the subsistence wage required by the worker for the maintenance of existence and reproduction. In India, however, no one, not even the worker himself, and least of all the employer, seems to have an exact idea as to how much the worker needs for his own bare existence and for that of his family (of four or five persons). In this connection the following evidence given by the Agent of the Eastern Bengal Railway before the Labour Commission is instructive :—

“ In your memorandum you say that the cost of daily diet consisting of certain articles of a good quality in Calcutta would be about 6 annas. If you take the case of a man, his wife and two children, regarding that equivalent to 3 adults, if you allow 6 annas per day for each adult, that would come to Re. 1 annas 2 per day for food ? ”

“ I have not worked this out on any scientific basis ; it is only a very rough estimate. Though you may say a man requires 6 annas, most people would not have more than 3 or 4 annas, and yet they live.”

“ If I take the figure of 4 annas, that would come to 12 annas for the family and that would not provide for such luxuries as ghee or milk. Again, I find from your memorandum that there are wages of Rs. 9 rising to Rs. 11 per month, Rs. 11 rising to Rs. 16, Rs. 12 to Rs. 17 and Rs. 13 to Rs. 17. If you take the cost of food as 4 annas per adult, how is it possible for a man to live and support his wife and 2 children on wages of Rs. 9, Rs. 11, Rs. 12 or Rs. 13 per month ? ”

“ But he does live.”

Thus, apart from humanitarian reasons, in the interests of efficiency alone it is imperative that labour should be paid a “ living ” or rather a “ fair wage,” that is, a wage which would provide the worker and his family not only with the necessaries of life and keep them in a state of physical fitness, but would also give them a surplus for the needs of which they are, at present, only dimly conscious, such as recreation, play, cinema shows, music parties, etc. This should be treated as the minimum wage and fixed as such by legislation.

(b) The worker should be provided with free technical training to improve his skill and efficiency and with facilities to profit by that training.

(c) His children should be given free elementary education which should also be compulsory.

(d) The housing arrangements should be very much improved. Every worker with a family should have a house with at least two rooms and a verandah, a kitchen, a lavatory, and a small compound. This will be easy enough to arrange if the factories, instead of being crowded in congested towns, are distributed all over the country.

(e) All the social and industrial welfare schemes, such as health insurance, unemployment insurance, old age pensions, widows' pensions, holidays, excursions, etc., that are already being practised by Western countries should be adopted and a start should be made forthwith with Government workshops.

(f) Hours of work should be reduced so as to provide leisure for rest and recreation.

(g) Trade Unions should be strengthened, and recognized by the State as accredited representatives of labours' interests. Even with State capitalism trade unions should be helpful in bringing the needs and grievances of the workers to the notice of the State and thus minimise the possibility of dislocation and wastage, resulting from strikes. And as long as private industries are in the field, trade unionism will provide a good supplementary check upon the rapacity of the capitalist.

6. *Distribution and Trade.*—All distribution of State manufactures should be controlled through its retail shops. All large industries now try to approach the consumer direct through their retail shops, and the State in order to save the consumer from the middleman's depredations should arrange distribution through State Stores, or consumers' co-operatives, the latter being allowed a small margin of profit to cover the expenses of management, etc.

CONCLUSION.

To sum up—

The economic condition of the country is extremely grave. The country as a whole suffers from chronic poverty. At a very modest estimate at least 90 per cent of its population lives in a perpetual state of destitution and impossibility. There is the ever swelling army of the unemployed which at present may be estimated at two to three crores (i.e., about twice as many as the registered unemployed in Europe and America), the share of the Punjab being not less than 15 to 20 lacs. Then there is almost universal under-employment among the agricultural workers. Again, there is a large crowd of seasonal workers who are gainfully employed for only a part of the year. But the most distressing feature of the whole situation is the appalling wastage even among those who are considered to be profitably employed. Agriculture, the main occupation of the country, employs 10 crores and 86 lacs of workers, while the entire area under cultivation (26 crores and 19 lacs of acres of which 4 crores and 97 lacs are irrigated) requires only 1 crore and 10 lacs of workers on the basis of an economic holding of 21.25 acres (for the whole of India). Thus more than 9 crores of the workers employed in agriculture are, from the point of view of national economy, ungainfully employed.

The remedy for this grinding poverty and the colossal wastage of man-power is one and one only, viz., large-scale industrialisation and mechanisation of the country under a well-considered plan, combined with a judicious distribution of purchasing power. This, of course, does not imply downright Socialism. In fact, we do not advocate the elimination of the moneyed and leisured classes. Nor, like Bernard Shaw, do we suggest an equalitarian treatment of all workers, though at the same time we do not countenance the present unconscionable contrasts of 1 to 500 (excluding the salaries of the Governors and the Viceroy) between the lowest and the highest rates of remuneration, even among the State employees.

We are told by some western writers to compare India with countries like Bulgaria and in a sense this comparison is not altogether unjustifiable, for although the revenue of Bulgaria (about Rs. 28) per head of population is more than twice that of India, and about 4 times that of the Punjab, it is almost insignificant as compared with that of the industrialised countries. "And in Bulgaria," Mr. Gunthur tells us, "a Cabinet Minister gets £40 per month, a tremendous sum for the country. The Rector of Sofia University gets £17, and an ordinary professor £16. Judges range from £6 to £10 a month, generals get £15, Policemen £2. 15s., Archbishops £20, high school teachers £7, a locomotive driver £8.* And there is no wonder that "there is no bakhshesh-bribery in Bulgaria." In fact the main psychological cause of corruption is the enormous differences in incomes and salaries, the man lower down being tempted to make up some small part of the great difference, which he vaguely believes to be inequitable, by means which the Law condemns as criminal, but which Society condones and even honours in those who are not discovered and punished by the Law. Anatole France says:—

"The whole structure of Social justice rests upon two axioms: Robbery is to be condemned; the result of robbery is to be respected."

We emphatically maintain that every worker should get a fair wage that would ensure a comfortable living according to the standard of modern civilised community. We further hold that in order to secure an equitable distribution of purchasing power, without which there can be no proper adjustment between production and distribution and the absence of which is the main cause of the present economic anarchy in the West, it is essential that all the financial and economic resources of the country should be controlled by the State and that private exploitation of both producer and consumer should be, if not forthwith, at least gradually, eliminated from the economic life of the country. Those who have money over and above their needs may invest it in State Banks or in State and Municipal loans. It cannot be too strongly emphasized that India in her march towards industrialism should avoid the suicidal mistakes of the West and humanise machinery and electric power and use them not to mangle her humanity but to deliver the suffering millions from the crushing penury and killing drudgery of their present oppressive existence.

The 25th November, 1938.

NUR ELAHI.

I subscribe to the enclosed joint note except the Agricultural section as a whole—

(1) As I do not agree that the Land Alienation Act has worked to the detriment of the peasant proprietors. On the contrary my belief is that the very existence of such a large number of owner cultivators in the Punjab is due to the Land Alienation Act, without which the entire class of this type of agricultural worker would have long ago altogether disappeared.

(2) I also think that the suggestions made in regard to the reform of our agricultural economy, especially about the liquidation of the zemindars are too radical to suit our existing political and social conditions. Nor do I agree that the tenants in all cases produce no surplus or 'Khalis Munafa' from which the zemindar can rightfully claim his due share. On the contrary the condition of the tenant cultivators is generally considered to be better than that of the peasant proprietors who have small uneconomic holdings. However, I believe that the condition of the tenant cultivators could be much improved only if the zemindars would take an active interest in the improvement of their lands and the welfare of their tenants.

The 25th November, 1938.

HABIB ULLAH KHAN.

*Inside Europe by John Gunthur.

APPENDIX VII.

Note of dissent by Professor Gulshan Rai, B.A., LL.B.

As a very large number of points, I wanted to press, have been incorporated in the majority Report I agree with most of the recommendations made by the Committee, but I feel it is my duty to write a note of dissent in connection with certain other points that have been raised by the majority. I beg to put forward the following points :—

1. *Cattle-breeding*.—In olden times every village had the village shamilat, or common lands which were used as the pasture land for the village cattle. These shamilats still exist in the revenue papers, but they have in fact been all partitioned by the proprietors, especially the bigger proprietors, and brought under cultivation. In the older parts of the province there are now no shamilats, and in the colony lands also no lands are specially reserved for pasture purposes. This works as a great handicap for cattle-breeding and dairy farming. I realise the difficulties in the way of disturbing the long possession of those proprietors who have brought the village shamilats under cultivation, but at the same time I strongly feel the necessity of land especially reserved in every village for the purposes of pasture. I suggest that in the colony areas some of the crown waste lands should be definitely reserved for pasture purposes near each village, and the partition of such lands among village proprietors, and their use for purposes other than grazing should be absolutely prohibited. In the case of older parts of the province also, I suggest that whenever consolidation of holdings is done, the State should buy off as many as possible of the smallest landowners, whose holdings even after consolidation do not exceed two acres. All such small holdings after being purchased by the State should be consolidated, and reserved for pasture purposes. This land should not in future be partitioned and used for purposes other than grazing. The absence of adequate pasture lands in the province has caused a great amount of injury to cattle breeding and dairy farming which are certainly capable of becoming important subsidiary industries to the cultivators.

2. *Co-operative Commission Shops*.—In the Report the majority recommend that co-operative commission shops should be established to help the cultivators in getting better prices. There was hardly any evidence worth the name, produced before us, to support this recommendation. The Committee has already found that co-operative farming in the Punjab is not a practical proposition. The idea is not acceptable to the agriculturists of this province. In my humble judgment co-operative commission shop too is not a practical proposition. Our experience in the Punjab does not support the idea that co-operative shops can succeed. It is admitted in the Report signed by the majority, that in many places the success of these shops is marred by defalcation in accounts. They also admit that strict business deal at the commission shops does not appeal to the ignorant peasant. I oppose the co-operative shops for another reason also. The recent indebtedness legislation of the government has driven out the money-lending commercial classes from the rural areas. The establishment of schools by the district boards in the villages has brought about the elimination of the indigenous pandit and the mullah and the granthi. If co-operative shops are opened in the villages they will complete the process of driving out all commercial and literary classes from the rural area. The villages are already suffering from a lack of leadership without whose assistance no scheme of rural reconstruction can succeed. By the elimination of non-agricultural population from the villages, the body politic in the rural areas will become entirely unbalanced. I see in this eventuality a great political danger to the province. We should do nothing which results in the shutting up of the agriculturists and the non-agriculturists into two water-tight compartments. I want these two classes to remain living together in the same territorial areas. That would round off the angularities of each of these two classes of the people. So I would not do anything which might drive out the shop-keepers from the villages. I admit many of these shop-keepers take undue advantage of the ignorance and illiteracy of the peasants, who are very often victimised in the matter of prices. But this evil can be checked in other ways. The prices for each harvest in each locality can be fixed and controlled by the local tahsildars working under the advice of those experts who can understand the movement in prices. The shop-keepers can be directed in these areas to offer certain minimum prices. The ignorance of the peasants will in course of time be removed by the spread of education. The immediate needs of the peasants can be satisfied by directing the shopkeepers to offer to the former two-thirds of the prices of the goods brought for sale immediately, and the rest can be paid after the price fixed by the tahsildar has become known or when the commission agent has sold the entire goods bought from the peasant. This, I should think, will remove the evils from which the peasants are at the present moment suffering. The majority recommend that "where small co-operative societies are formed the staff should be appointed by government." I am strongly opposed to the idea of the co-operative shops being run by government servants. Our co-operative credit societies at the present moment are almost entirely official-ridden. They have failed to foster co-operative spirit among the people. The very object of co-operation is defeated. If marketing of agricultural produce is also to be done directly by government agency, it will kill all initiative in the people, and it will spell complete ruin to the commercial life of the province. I am one of those who believes in the least interference of the State in the daily life of the people. I cannot possibly accept the idea of the State

taking part in the buying and selling of commodities. If we want to develop self reliance and independence among the people of this province, then we must stop spoon-feeding, and allow them to stand upon their own legs. Let there be government servants to watch and inspect, but they should not be allowed to run commission shops.

3. *Cottage Industries.*—The majority recommend that the cottage industries should be organised on the guild system. I agree with this idea. But when it is proposed that these guilds should be organised through the agency of the Deputy Commissioners, I strongly dissent from this view. I do not agree that "Deputy Commissioners are in exceptionally favourable position" to organise workers in small industries. This view was never put before us pointedly by any witness produced before us. The suggestion made by the majority means bureaucratisation of industries, an idea entirely repugnant to democratic organisation of society. It will also mean a good deal of corruption. At the present moment the workers are victimised by the middlemen and the shop-keepers. If the suggestion of the majority be accepted they will be victimised by the subordinate staff of government. How I visualise the "Guild System" is like this:—All the artisans and craftsmen in any particular industry in any particular town or locality, should be encouraged by the Industries Department of Government to form themselves into a society which should be a corporate body. The purchase of raw material should be made by this corporate body and should be purchased by the individual craftsmen from the Guild shop, run by the Guild Corporation. The Guild Corporation should make rules with regard to the hours of work, wages of workmen, and use of material. The Guild organisation should also make arrangements to standardise the goods manufactured by the Guild workers. They should also fix prices for sale. The Guild also should make arrangements for the technical education of those who wish to adopt the Guild occupation. The Guild should, in consultation with the scientific experts, and educational authorities, maintain craft school, determine the syllabus and look after the training of students. All disputes among the members of the Guild should be decided by the tribunal set up by the Guild Corporation. In case there is a dispute between two separate guilds, only then the matter should be taken to the ordinary courts of law for decision. If any one is not satisfied with the orders of the Guild tribunal, he should be free to appeal against those orders, under certain conditions, to the court of the district judge. The rules and regulations made by the Guild Corporation may require the approval of the provincial government. But beyond this the State should have no right of interference with the daily work of the guilds. In financial matters they should like other self-governing bodies possess the power of raising loans in the open market, and they should also be able to receive deposits from people who are not only members of the Guild, but also from those who are not members. The money so deposited by the public can thus be utilised for the promotion of industry.

4. *Services.*—The majority recommend that "all government servants should be made to retire, who have attained the age of 55 years or have completed 25 years' pensionable service whichever is earlier." I agree that Government servants should be made to retire when they attain the age of 55, but I am strongly opposed to the idea of making people retire when they have put in 25 years' service. In these days boys matriculate at the age of 15, they can graduate at the age of 19, and take the M.A. degree at the age of 21. If under these circumstances a youngman enters service at the age of 20, which it is quite possible for him to do, he can put in 25 years' service at the age of 45. To me it seems quite ridiculous to ask a government servant to retire at 45 when he is in the full vigour of his life and when he can be said to be a middle aged man. I should think a man can be said to have mature judgment at the age of 45. Really speaking it is between the ages of 45 and 55 that a public servant is most useful to the State. To ask him to retire just at a time when he can be of the greatest use to the State is not wise, and is not in the interest of efficient administration. Then again we must remember that it is between the ages of 45 and 55 that a public servant has to meet the heaviest of expenditures. He is to meet the educational expenses of his boys who are at college, and he is to meet expenditure on the marriage of his daughters who are grown up. To ask him to go on half pay just at the time when he has the heaviest financial liabilities to incur, is really very cruel. It is not right and proper that the State should treat its servants in so shabby a manner. These weighty arguments have not been absent from the minds of the majority, and yet it is strange they have not attached sufficient importance to them. The majority is, I should think, quite reckless in making this recommendation, and I suppose they believe they are thereby finding out one method for removing unemployment. In my humble judgment they are entirely mistaken. If the early retirement of senior and experienced officers and staff does relieve unemployment to any extent it will be only for a year or two. Later on there will be very little increase in the annual number of vacancies. It will hardly affect the problem of educated unemployment. But apart from this by carrying through this recommendation the Government will have to face other practical difficulties. I doubt very much whether in the presence of the contractual relations subsisting between the Government and their employees at the present moment, the Government can legally be in a position to accelerate the date of retirement of their employees. It is a pertinent question to ask as to whether the State can compel a Government servant who is in service at the present moment to retire before the attainment of the age of 55. We must

also remember that the insurance policies of a very large number of Government servants mature at the age of 55. To require these public servants to retire earlier would mean to require them to pay premiums of their policies out of half pay, or to compel them to accept the surrender values of their policies which would mean a great loss to them. I do not think Government really want to injure their faithful servants in this way. By taking this step the Government will create a very great amount of discontent among the public services, and I do not think it would be desirable to do so. Look at the problem from whatever point of view you like, one must come to the irresistible conclusion that it is not desirable to lower the age of retirement. In European countries the age of retirement of public servants is much higher. I do not understand why it should be lowered in India. The problem of unemployment is not peculiar to India. It exists in other countries also. Other countries have seldom thought of lowering the age of retirement of their public servants to relieve unemployment. Why should we in India adopt this method? There is a suspicion in the public mind that the reason why it is proposed to reduce the age of retirement of public servants is to find more vacancies, not so much to give employment to the unemployed youngmen, as to find greater opportunities to exercise patronage in the filling of appointments so as to satisfy political and communal requirements of the political party now in power. I will not be so uncharitable to impute such unworthy motives, but if sufficiently strong reasons are not put forward in support of the recommendation to reduce the age of retirement, the public, which is always suspicious about the actions of Government, will draw their own conclusions. I would, therefore, submit that the present rule of 55 years age and 30 years' service should remain undisturbed. The fact that some of the Congress governments in other provinces have decided in favour of 25 years' service, does not appeal to me as an argument in support of the recommendation of the majority. Two wrongs do not make one right.

5. *Statistics of educated Unemployed.*—The majority recommend that the bureau for the maintenance of statistics of educated unemployed should be put in charge of some Government Department. I feel no Government Department is in a position to do this work efficiently. In the Punjab University we have an organisation, which in the performance of its ordinary duties has to keep a record of the doings of every student from the time he sits for the matriculation examination right up to the end of his educational career. With a very little more effort the University authorities can keep themselves in touch with the old examinees. The University authorities can, therefore, be in an exceptionally favourable position to organise the work of maintaining statistics of the educated unemployed. I am strongly of the opinion that this work should be put in charge of the Punjab University, and so far as those who have passed the middle standard are concerned, the office of Director of Public Instruction should co-operate with the University.

6. *Travel Bureaux.*—I agree that Travel Bureaux should be organised in this province for the dissemination of information regarding places of historical interest. But I do not think the Information Bureau of the Provincial Government can be of any great use to these Travel Bureaux. The Information Bureau is not at all competent to possess the necessary historical knowledge. Moreover I fear the foreign visitors will have very little confidence in the Travel Bureaux controlled by the Government Information Bureau. I do not think the foreign visitors would like to be influenced by what they may suspect is Government propaganda. If I visit a foreign country I would certainly not place myself under the guidance of a Government controlled guide in order to find out the right information about things in that country. It would, therefore, be worse than useless to put our Travel Bureaux under the control of the Information Bureau of the Provincial Government. Here again I should think the University would be a more independent body. The University authorities are not interested in a propaganda of any kind. The Punjab University and many of the colleges affiliated to it have historical societies attached to them. Travel Bureaux can very properly be organised in connection with these historical societies.

With the exception of the few points I have mentioned above, and about which I have made my own recommendations, I agree with all the other recommendations made in the body of the Report and I associate myself with them.

LABORE :

29th November, 1938.

GULSHAN RAI.

APPENDIX VIII.

Note of dissent by Mr. (now Diwan Bahadur) S. P. Singha, M. L. A.

I REGRET that in a few details I am obliged to differ from the majority in the Committee. The points of difference are as follows :—

Paragraph 16, last paragraph.—“ Under-employment ” to a considerable extent is of such a serious nature that it borders on permanent unemployment. If instead of expressing general opinions, more witnesses had taken the trouble of conducting even minor *ad hoc* census, as done by Mr. H. G. Sadik, Deputy Director of Agriculture, Gurdaspur, they would have found, I am convinced ample evidence of unemployment as Mr. Sadik did. I know from personal knowledge that very serious unemployment exists, at least amongst certain classes, e. g., Indian Christians. 95 per cent. of Indian Christians in the Punjab live in the villages. These landless people have for generations been connected with agriculture, either as tenants or as *sepias*. Through the pressure on land which has been fully discussed in the report, these people have in many places been pushed out of their ancestral jobs. Those still employed or rather under-employed cannot earn enough for their families which have multiplied. Poverty of the most abject description exists amongst them. There are, in many tracts, hordes of them living on the roadside like gypsies, living in hopes that land may one day be given to them by Government to till. They keep their body and soul together by collecting cow-dung and selling *pathies* or dung-cakes, and finding occasional odd jobs, often on credit which never materialises. To call such people under-employed is to take undue liberty with the connotation of the word under-employment. The cult of employment on a communal basis is apt to be infectious and has spread beyond the precincts of Government service. Under such conditions the lot of Christians and Depressed classes is not enviable and presents a special problem, which I hold is the duty of the State to scrutinise. The unemployment problem of these classes while common with others in many respects, bristles with special and peculiar difficulties. Their very weakness offers a special challenge to Government and I do not think that it would be too much to ask for the appointment of a small special committee to go into the problem of these 1,642,968 unfortunate under-dogs.

Paragraph 31, page 23, 3rd line reads :—

“ To achieve a measure of progress it is necessary to do demonstrative propoganda in villages possibly by advancing a few birds to selected peasant-farmers and more particularly to “kammies”.

Experiments have actually been made through Missionary agencies to organise poultry farming amongst Christian villagers. The experiments have come to an ignoble end, mainly because the Zamindar youths have considered these poor people a fair prey for raids to provide the menu for a feast and the Lambardar has considered it a legitimate charge on these dependents of the village to supply vicarious hospitality to officers who honour the *ilaqa* with their presence. Some Missionaries have had the experience of being entertained by a broad-minded Zamindar to find later that the fowls for the curry and the *Pulao* came gratis from the poultry of their own protegees! So it is no use making a recommendation of encouraging these people to keep poultry without also recommending that necessary precautions be taken to protect the produce of their labours.

I am further not satisfied that poultry-keeping can yet be a paying business. Has the Department of Agriculture acquired enough experience to instruct the uninitiated and have they succeeded in discovering a breed which will stand the rough and tumble of village life? The common ‘*desi murghies*’ seem yet to hold the field.

Paragraph 53—Education of Women.—I entirely agree that the University syllabus should provide for several new alternative subjects for girls, but I am strongly opposed to the idea of a complete divorce between the education of men and women. “ There should be a different set of text-books for girls from that for boys ” is too lop-sided a view. It is absurd to think that there is any specially feminine Physics or History or Geography which girls should study. This view is not reformative but reactionary. It is not being followed in any civilized country.

Paragraph 53, page 46, top.—A permanent 10 per cent. cut on Government servants and servants of local bodies is recommended on condition that the saving is ear-marked for compulsory primary education. It out-herods Herod! I have failed altogether to follow the logic of this proposal. Apart from the questionable legality of a permanent cut and its inappropriateness as long as the All-India services are not simultaneously touched, why should a particular class of people, probably because it cannot hit back, be obliged to earn the merit of subscribing to the objects of spreading the light of literacy or finding employment for a portion of the unemployed, however laudable the object be. Why not a small employment tax on all who enjoy the blessing of employment in the interest of their brothers

who are in the cold wilderness of unemployment. If it is necessary to cross swords with the Government of India for permission to do this, will it not be for an object worthy of undertaking. Be it as it may, the proposal to make a 10 per cent. cut would seem to lie in the domain of the Retrenchment Committee rather than this committee. But the attitude of our Committee has been that they would not favour a cut if the saving was to go to General Revenues. I hold on the contrary that if a cut is found feasible and made, it can only be recommended by a Retrenchment Committee on general grounds and that it is not an appropriate recommendation for this Committee. In fact from the point of view of unemployment quite a number of draw-backs can be pointed out as resulting from the imposition of a cut on salaries.

And as regards the interest evinced in primary education as a means to solve the unemployment problem, the recommendation made is too faint-hearted to be of much practical value. A drastic disease needs a drastic cure. Instead of a start of five lakhs the problem calls for more like a start of five crores. If an educational cess is impracticable, let Government have the courage to borrow five crores. It would for all practical purposes solve the unemployment problem in a day. Financially too the scheme would pay. Not only will it strengthen some existing industries, but it would bring into existence many new industries. Moreover, the mentality of the people would be revolutionized. And without such a revolution even an industrial advance would be but a partial solution of unemployment. Will the villager, with his present mentality, take kindly to cottage industries? Only the spread of education—and education with the proper practical bias—can prepare the Province to make the best of industrial development. The "American citizen", Dr. E. D. Lucas, is no visionary. He is a hard-headed, practical economist, who has spent the greater part of his life as a Panjabee and not only lectured to classes in Lahore, but has known what village life is and has for many years been studying the problems with which we are faced. In my opinion his evidence has been too cursorily dismissed. In fact it has not even been quoted sufficiently at length. Evidence of another eminent economist Mr. Brij Narain has also not received the notice it deserved. The opinion of Khan Bahadur Mian Afzal Husain, formerly Principal, Agricultural College, Lyallpur, and now the Vice-Chancellor of the Punjab University also carries weight. I quote below some extracts from his note:—

"Agriculture is our fundamental industry but this industry is run so inefficiently that our yield of crops is much lower than that of other countries. The farmer, ground down by indebtedness and poverty, has reached that psychological condition which makes him so apathic that the very idea of self-improvement has disappeared. The methods of awakening applied through official persuasion have again and again shown the futility of the process. If progress is to be made then the farmer should be shaken out of his lethargy and it can only be done efficiently through education".

* * * * *

"This education should not follow the present system. It should be greatly simplified and should include elements of civics, theory and practice of farming, elements of veterinary hygiene, some training in basic cottage industries and co-operative organization and rural reconstruction. It is not essential that the same curriculum should be followed all over the Province. It should be modified according to local needs".

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"Government should be able to borrow six crores of rupees on a comparatively low rate of interest. The increased efficiency that would result from education will more than repay for this expenditure". * * * * *

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Paragraph 57, page 55—

"Accordingly we recommend that in areas not already served by rural dispensaries Government may organize medical aid by giving a stipend of Rs. 75 per mensem to medical Graduates with at least M.B.,B.S. qualifications. The allowance of Rs. 75 should allocate Rs. 50 to cover the maintenance expenses of the doctor and Rs. 25 for medicines which should be supplied free to patients. At least 100 such doctors may be appointed and the experiments should be tried for at least five years. These doctors should be allowed private practice and their consulting fee should be fixed at Re. 0-8-0 per visit in the village in which they reside and Re. 1 per visit outside the village".

Rupees 50 is adequate for licentiates, but I seriously doubt if doctors who possess "at least" the qualifications of M.B.,B.S. will be willing to settle in rural areas where their prospects must ever remain limited on a fixed salary of Rs. 50 per mensem which is not even permanently guaranteed. A few may hazard the experiment because they are down and out, but the acceptance of a pittance under the compulsion of adverse circumstances, will do no credit to wise statesmanship or legislative ingenuity. I think the minimum maintenance allowance necessary is Rs. 50 for licentiates and Rs. 75 for M.B., B.S.

Paragraph 62 (clause (3) at end).—That all teachers must be immediately debarred from undertaking private tuition, is in my opinion too drastic a recommendation. Limit the private tuition by all means, say to one tuition, with permission, but a complete bar is fair neither to the teachers nor to the public. School teaching, though perhaps the noblest, is proverbially the worst paid profession. The new Government grades and the scale of pay in most of the private institutions is already miserably low. They do not even possess the privilege of free tuition for their children. To stop even this avenue of a little extra is inhuman. A Government which is reduced to the necessity of such drastic legislation in its search for finding ways and means to solve the unemployment problem must be very hard pressed for ideas.

But this is not the only consideration. There must be many unemployed who are competent to coach a pupil satisfactorily. But the number of such is not so large as to meet all the demands. Why should a free Panjabi be forced to entrust his child to an inexperienced, untrained man, when his requirements may call for the best he can get or afford? A total prohibition of the kind would be an unwarranted interference with the freedom of a citizen in his private affairs and the recommendation ill becomes a committee which is otherwise so hesitant and shy in advising courageous action by Government in the field of education, industry and labour.

Paragraph 83, page 80, recommendation (2).—Retirement after 25 years' service has been recommended. This will help matters but it should cause no injustice in its working. Those who retire compulsorily (through no fault on their part) after 25 years' service should receive full pension and not merely at the rate of 25/60. Without this provision, there will be, if not legal, at least a moral breach of contract. When they joined service, they did so in the expectation of being able to earn a full pension.

I further think that in the interest of the State, the limit may be increased to 30 years service or 55 years age, for certain specified posts.

Recommendation (4) 2nd half.—That if a pensioned person takes up another job his pension will be suspended.

I wish we had this Hitlerian outlook in some other matters as well! When these discarded faithful servants joined service, were they told that on retirement they will not be allowed to take up any other service? What has their work after retirement to do with their pension? The pension they have earned by the sweat of their brows and they receive it for services rendered. It is not a "Bakhshish" which may be stopped at will.

Recommendation (5).—I have already noted my opposition to a 10 per cent. cut as a permanent measure. At the most it should be considered after a reply to representation on the point has been received from the Government of India and the Secretary of State.

Paragraph 90—Birth control.—I do not wish to associate myself with any mechanical scheme of birth control. There is much to be said on the effects of such teaching on morality. But my main objection is on religious grounds. I would not be true to my trust as representative of my constituency if I did not protest against any such scheme. There are many Protestants who are opposed to birth control except through abstinence. But for Catholics the practice is a sin.

Paragraphs 65, 71 and 73.—These paragraphs are the crux of the whole report and yet they make colourless reading. Perhaps the very nature of the Committee made it impossible that it should be otherwise. Greater stress needed to be placed on the worthwhileness of borrowing money to start State industries and to subsidize or take share in private concerns. A much more extensive quotation from the evidence of industrialists and experts would have helped the Government and the Assembly to visualise the panorama of possible industrial enterprise in the Province. No emphasis could have been heavy enough to impress on Government the importance of the immediate appointment of a really expert Board of Industrial Survey, of the establishment of a permanent Industrial Economic Bureau and a Polytechnique Institute with a strong Research Department, under the guidance of the best brain that money or patriotism can supply.

If a survey by real experts is not taken in hand immediately and Government cannot make up its mind to give effect to the recommendations of the experts and is unable to work up enough imagination to see that fruits of research which Punjab brain is all the time bearing, does not go out of the Province, the report of Employment Committee in spite of its long list of recommendations will remain a mere scratching on the surface of this intricate problem.

There is enough money and the necessary will in the Province to usher an era of industrial revolution in the Province, which will be the salvation of agriculture as well, if there was enough knowledge available to show the way. An investment of Rs. 8 lakhs or so in a Polytechnique Research Institute, be it in conjunction with the University, or otherwise, will produce a very handsome dividend, by selling discoveries and charging fees for advice, etc. A study of the achievements of the University Chemical Laboratories with its meagre

resources will be an eye-opener to any one, as to the possibilities open to us and the avoidable leakage of brain power from the Province which has been going on to enrich non-Panjabees. I hope the logical consequence of the Employment Committee's report will be the drawing up by Government of a 20 years plan, sub-divided into five years plans—plans in the pursuance of which the whole concerted effort of the Province will be harnessed, and which will be before the public eye through slogans and propaganda of every description.

In the meanwhile shall we sit idle? I wish the Committee had recommended that while we mark time we may start to learn the dignity of labour, to form the habit of keeping our idle hours, days and months occupied, to experience the magic of slogans, by the simple method of spinning, preached by Mahatma Gandhi—that wise soul, who knows India the poor so well.

S. P. SINGHA,
M. L. A.

APPENDIX IX.

Note of dissent by D. Chaman Lall, Bar-at-Law, M.L.A.

General—I have been constrained to sign a separate note as I am not in agreement either with the generality of the findings arrived at by the Punjab Unemployment Committee or the conclusions drawn by it in regard to many important matters. This Committee was set up with the object, principally, of advising and reporting "on the best means of coping with the problem of unemployment". Although as many as 181 recommendations have been made by the Punjab Unemployment Committee, I do not think it would be correct to state that the best means of coping with the problem of unemployment have been discovered or asserted by the Committee. The problem of unemployment, because of its magnitude, and because of the terrible tragedy of its incidence, cannot be dealt with by means of minor tentative attempts. Mere tinkering with the problem or mere Economic clamjamphrie will afford neither a solution of it nor the much needed relief to its victims. A great problem, clamant and dangerous, needs both vision and courage and a broad radical outlook if a correct solution is to be sought. The question in the Punjab is not how to get one per cent. or two per cent. of the unemployed population back to work but to create employment for the hundreds of thousands who to-day are partly or wholly without work, to raise the standard of life of the millions who are sinking, year by year, irretrievably into the mud of misery and poverty and to afford adequate relief. Large evils require large remedies. In my opinion the evil of unemployment has become so extensive and deeprooted in the Punjab that unless the most far-reaching and radical steps are taken to deal with it, apprehensive statesmen must be prepared to face an explosive shock which will inevitably destroy the fabric of society as constituted at present. Indeed the final solution can be no other than the advent of a new social order.

The enquiry.—It is because of my conviction regarding the extreme gravity of the problem that I feel that any enquiry into the causes, incidence and cure of unemployment should have been a comprehensive one, eliciting actual facts upon which true judgment could have been based. The Punjab Unemployment Committee with its 24 preliminary meetings and 26 days spent on touring in the Punjab through its panels, could not conceivably expect to obtain the necessary information on which to base correct and valued conclusions. In the first place, satisfactory statistics are nowhere to be found in regard to the matters upon which it is necessary for the Unemployment Committee to pronounce its judgment. Secondly, the methods adopted of inviting a number of witnesses to give their opinions, written and oral, but mostly personal, regarding the extent of unemployment and the remedies suggested to cope with it, could not provide, in the nature of things a satisfactory scientific basis for the purpose of dealing with the problem. Far from being in a position to make an accurate survey of the extent of unemployment, no sort of survey was possible. Generally speaking, we cannot even console ourselves with the thought that, right or wrong, substantial statistics do exist or have been discovered by the Committee. I must, therefore, record my conviction that the enquiry which was of a tentative character, has necessarily been disappointing in results as it has failed to determine the exact nature and extent of unemployment in the Province as well as to discover any effective remedies for the alleviation of the distress in any appreciable degree. I am not forgetting that there was very little in the shape of material placed before the Committee or collected by it outside the data to be gathered from official records. But I assert that the enquiry should have been of a much more detailed and concentrated character and had it been of this nature we would have been in a position to place before the public facts upon which definite conclusions could have been based.

An example.—When we are dealing with not statistical facts but personal opinions, it is not difficult to draw whatever conclusion happens to be most acceptable, either to one's own bent of mind or in pursuit of the argument which one is adopting for the moment. Any conclusions drawn upon such a basis must necessarily be valueless. An illustration from the evidence recorded will make this clear. One witness, the Director of Agriculture, Punjab, stated that Agricultural unemployment was more seasonal than permanent; another Mr. R. Bradford, corroborated this from his personal experience and yet another Lala Kirpa Ram, of Sialkot, emphasized the fact that there was no increase of unemployment among the agricultural classes. But when we contrast these *ex-parte* statements with the evidence of the Deputy Director of Agriculture, Gurdaspur, who took the trouble of holding a census, with the result that he discovered that in eleven villages 482 out of every thousand adults were unemployed and that the figures of permanent, seasonal and casual unemployment were 29, 151 and 252, respectively, we readily see the difference between an attempt at scientific research and personal predilection. Had such detailed and careful enquiries been conducted throughout the

Province, we would have had a mass of valuable evidence which would have had its origin not in personal experience but in statistical research. And I mention this fact in illustration of the tendency visible in the Report of drawing conclusions without discovering a substantial factual basis for them. The Report states that "the evidence before us points to the conclusion that there is no permanent unemployment amongst agricultural classes in the narrow meaning of the term". Such a statement can find no warrant in the actualities of the situation; nor, I assert, in the evidence collected by us; and if a similar basis for judgment is adopted, it is easy enough to formulate any opinion and find for it justification according to one's personal predilections.

Origin of the word.—The word 'unemployment', it appears, came into common usage in the year 1895, and it was not until after the crises of 1875, in Great Britain, that people began to recognise unemployment as a definite characteristic disease and an evil. In our own Province the law and public opinion have recognised the existence of unemployment only in times of severe crises that is at a time when famine, only too frequent, alas! during the industrial era, has roused the humanitarian sympathies of officials and the public alike. At such moments action has been taken under the Famine Code and sums reserved sacrosanctly for famine relief have been utilised in providing either gratuitous relief or relief works on bare subsistence wages. At other times, which may be characterised as more normal times, no attempt, it appears, seems to have been made to afford relief or provide work to those who through no fault of their own found food and labour unobtainable. No public man, no official, no so-called humanitarian, seems ever to have bothered his head about the provision of insurance against unemployment or official relief to the unemployed—no one until the year, 1927, when the Punjab Government set up an Unemployment Committee to deal with the problem of unemployment amongst the educated classes. That committee was very perfunctory both in its conception and in its achievement. It ignored the fundamental problem, recognised a special one, but left the situation no whit easier than the one it found.

The present system.—Although it is true that the evil of unemployment has obviously existed through the ages, the evil, as we know it to-day, is definitely connected with the development of the new industrial system. It is a problem of our century a problem arising out of the character of the present system of production for profit under which crises in the capitalist world have become ever more frequent, and the maldistribution of wealth plays its all important part. The problems of unemployment connected with the new system of capitalist economy have become diverse, finding their roots in the political, economic, financial, demographic and technical aspects of that society. A correct apprehension of these factors alone can give us some clue to the proper understanding of the problem. Indulgence in vague or simple generalities cannot be a good substitute for a scientific solution. For instance, it is easy to generalise and say that the more the industrial and agricultural production, the more the development of *employment*; but unless we understand the special problem of our century in connection with unemployment, we will be losing ourselves in a forest of generalities. This, generality, is true of Socialist society, e.g., Russia, but cannot, in the final analysis; be true of capitalist industry. Economists are agreed that the characteristic feature of the decade between 1919 and 1929 was just the reverse; and that during this period when three major depressions took hold of the world right in the middle of the period of marked prosperity, there was witnessed both in America and in Great Britain the strange and paradoxical growth of unemployment, causing misery to millions. The economic, political, technical, demographic and financial factors that work themselves into the problem of unemployment have to be examined and studied carefully in order that we should be in a position to understand and explain such obvious contradictions in the present industrial system as the one alluded to, namely, the growth of unemployment in the middle of a period of economic recovery and prosperity. Again, it is obvious that since the war there have been tremendous movements in progress affecting production and technical development and yet the fact remains that comparing 1930 with 1913, taking the example of Great Britain, coal mining had 17 times the 1913, figure of unemployment, engineering and ship-building 12 times, miscellaneous metal trades 7 times. Again, in this connection emphasis has to be laid also on the connection of trade with unemployment, of population with unemployment, of migration with unemployment, of credit, currency, exchange, tariffs and the cyclical drop in prices, and finally of the lack of planned economy under the capitalist system with the incidence of unemployment. All these factors are of special significance in the modern world and require a careful examination in order that a balanced judgment may be formed regarding the best method of coping with unemployment under the system of capitalist production. It may be that the result will be comparable in the Punjab to an attempt to empty the Indus with a bucket, or as in Germany, to the forced employment of millions in building fortifications, manufacturing ammunition and performing military drill, or as in America to the provision of great public works, pegging of prices, provision of guaranteed wages and lower hours coupled with vast measures of relief. These problems must be examined with due regard to conditions prevailing in the Punjab.

Population.—I do not think that there can be any doubt that in the Punjab as well as in India as a whole we are suffering from a most terrible wave of unemployment. Never before has there been such wide-spread and lasting unemployment as at the present time. But it would be a grave fallacy for a person with a natural bent for simple generalisations to jump to the conclusion that unemployment in the Punjab is solely due to the increase in the population. There have been times, until quite recently, about which it could be said with confidence that there was not much surplus labour available for the needs of the population apart from the fact that there have been times when there has been actual competition between employers in the labour market. The Punjab Unemployment Committee's Report of 1927, for instance, dismissed the question of unemployment amongst the uneducated classes with practically what amounted to a shrug of the official shoulder. In sixty lines this committee dismissed the question of unemployment by stating that the replies received by the Deputy Commissioners confirmed the view that there was no unemployment worth mentioning among the uneducated classes. But during these last few years, the aspect of employment has completely changed, and where there might have been tens of thousands of unemployed, we now have to talk in millions. But it cannot be said that the 14 per cent. increase in the population in a decade in the Punjab has created this overwhelming wave of unemployment as distinct from the system itself.

Private Control of Production.—Essentially the problem of creating an adequate volume of employment for the purpose of absorbing all available hands educated or uneducated, rural or urban, industrial or agricultural, is linked with the system of private control of production. I agree that a complete solution would involve a new social order in which the whole community works and each worker takes his full share of the product; that is production for use and not for profit. But even within the framework of the present socio-economic structure, steps can be taken to minimise the effect of fluctuations resulting in restricting employment or to re-adapt the methods of production in order to create more employment together with steps which the State is bound to take if it calls itself civilized to afford relief from distress amongst those who are unable, for the want of work, to find employment.

Standard of Life.—Every attempt that is made to lower the standard of life of the agricultural and industrial workers of the Punjab, is bound to restrict the volume of employment and thereby increase the number of unemployed. Therefore if the present system lowers the standard of living or if technical, financial, economic or political measures adopted by the State, lower the standard of living of the working mass of the people, there can be no doubt whatsoever that the result must necessarily be the creation of a vicious economic circle and the causing of wide and deep rooted unemployment. I think it is possible that there has been some misapprehension about the term 'standard of living' as understood in the main Report. Otherwise it is not possible for me to understand the remark incorporated in the Report as follows: "We are of opinion that a rise in the standard of living is a contributory cause of unemployment", on the ground apparently that "a rise in the standard of living means the purchasing of articles which are generally not produced by the family and are largely of a foreign manufacture". It must be noted that one economist stated in his evidence before the committee that 85 per cent. of the income of the peasant is spent on goods which are manufactured in the village and only 15 per cent. on other goods. One of the examples given by the Committee is to the effect that "not long ago agricultural families used to spin enough cotton and woollen yarn to provide cloth not only for ordinary wearing apparel but also for durries, quilts, pillows, bed covers, etc. Now most villagers purchase mill-made and in many cases foreign cloth." "The use of boots, hurricane lanterns, crockery, umbrellas etc., is creating large scale unemployment of village shoemakers, potters and other artisans." Even though it may not be possible for me to understand how the purchase of an umbrella by a villager to protect himself against the heat of the sun and against the biting rain in the winter can be causing widespread unemployment in the Punjab, yet the repercussions of the argument used in the Report are likely to be so serious that I must pause for a minute to examine it. I need not dwell on the argument which is contained in the following extract: "Some years ago, a single marriage provided occupation for a score of people in one form or other while now most of the money spent on food, dowry, etc., goes into the pockets of foreign manufacturers" since it is difficult for me to conceive that either sugar or flour or any form of food generally consumed at the time of a marriage, including meat and vegetables, have any connection with foreign imports, being articles of indigenous produce. But if the statement had been merely to the effect that Indian made goods should be preferred to foreign made goods, there would have been no dispute about it. In this connection two facts are worth noting. Far from there being an increase in foreign trade the figures for 1937 reveal the gigantic drop of fifty per cent. in the total volume.

The inhabitant of the Punjab whether he lives in the town or in the village is not buying more foreign goods but less. Again, as I have already mentioned, one witness stated before the committee that 85 per cent. of the income of the peasant is spent on goods which are manufactured in the village and only 15 per cent. on other goods. I must not, however, be understood to mean that I am advocating any restriction in foreign trade. Even the close economy of Nazi Germany preaching the extremist form of nationalism based on capitalist economy nevertheless makes the most frantic efforts to expand its foreign trade in both imports and exports. But this argument about the standard of living gives a dangerous handle to people who will use it for the purpose of depressing the standard of life of the working classes. Trade is a fundamental factor for the prosperity of a country. India, for instance, was an exporter of hides and skins to Germany and of tea to Russia but by 1925 the position had been reached that since India could not export to Germany and Russia, she was unable to buy from England since she could have only paid for her purchase with her exports. Sir William Beveridge stated before the League of Nations Union Conference in Great Britain that unemployment has a vital connection with international trade and asserted that "there is simply no doubt at all that broadly speaking as imports and exports go up, unemployment goes down and *vice versa*". It is quite conceivable that a purchaser of an exemplary umbrella or a hurricane lantern (both articles being now manufactured in India on a large scale and therefore their purchase helping employment in India) would, if these articles are foreign, be helping to export more cotton and thereby steadying or even increasing the price of cotton for the Punjabi peasant.

What does the term mean?—But there is obviously some sort of a misconception regarding what is meant by the standard of life. This is an omnibus term. Amongst economists it is generally defined as consisting of three main elements. Firstly, the level of consumption or in other words the composite of goods and services of a specific quantity or quality consumed by any individual family or group within a given period. Secondly, social services and free services, particularly those which relate to health, education and recreation; and thirdly, working conditions which affect not only the worker's health and earning capacity but also the size and regularity of his income. This is not my definition. This is the definition given by the International Labour Office in its recent survey of the workers standard of living throughout the world—a survey which attempted an objective presentation of the workers' standard of living in different countries expressed in terms of income level and expenditure under the broad heads of food and nutrition, housing, clothing, miscellaneous, amusements, transport, health, medical service, education, and other amenities and necessities of life. Now as far as our country is concerned, statisticians seem to be more or less agreed that the income of a working class family is distributed as follows: 46.6 per cent. on food, 7.1 per cent. on fuel and lighting, 7.9 per cent. on clothing and household necessities, 12.8 per cent. on house rent and 25.6 per cent. on miscellaneous items such as the education of children, medical attendance, transport; and experts on Indian affairs agree that as income increases the expenditure on house rents declines and that for miscellaneous items steadily increases remarking, *en passant*, that sickness and unemployment are two of the three most important causes of debt. Now looked at from this point of view, it is quite obvious that the major items of expenditure on which the income of the peasant or the worker is employed are such as are incapable of being affected by foreign purchases to any appreciable extent and that the higher the purchasing power of the worker the more the volume of employment in the country he will be creating. In fact the most essential factor governing the entire employment situation in any country in the world is the question of the standard of life. In studying the problem of industry in the East, 1938, the I. L. O. says that the crux of the problem in India is agriculture "since the overwhelming mass of the population depends upon its livelihood on the soil. It is because this livelihood is so scanty that the general standard of living remains low". It suggests three methods of raising the standard of living of the people and it points out that "until the peasant is able to buy the products of the factory, there is not much prospect of any great increase in industrial output finding the necessary market. Furthermore, so long as the income of the agriculturist remains at its present low level there is a perpetual drag on the industrial worker. There is but slight possibility of securing Rs. 44 a month for factory workers since in many places the income of a family working on the land barely amounts to that for a whole year". Obviously, if agricultural income can be improved, the foundation can be laid for the improvement of the standard of living of all classes. The second method suggested by the I. L. O. for raising the standard of living is by the development of trade. Now an example may be given as to what actually happened at the time when the Indo-Japanese Trade Agreement was signed in 1934-35. When it was made known that Japan had agreed to purchase a minimum of a million and-a-half bales of cotton as against the import of piece goods into India of a certain quantity, the price of cotton rose from Rs. 172, per candy to Rs. 214, per candy Broach; and the price for the 1935-36 crop ruled in the mandis of the Punjab at as much as Rs. 11 per maund for American cotton as against the present price of Rs. 6-2-0 per maund. Furthermore, India ranks in the world as the eighth or ninth country from

the gold value point of view of its trade and yet the per capita value is exceedingly small, about 8.4 rupees of imports per head as compared with nearly ten times that amount in Japan and more than fifty times in a small country like British Malaya; and it seems obvious that it is necessary to raise both the output in India and the absorptive capacity of the people. The final method suggested is a better distribution of the national dividend. In this connection it may be interesting to mention the dictum of Mr. Henry Ford; "The payment of high wages contributes to low costs because the man becomes steadily more efficient on account of being relieved of outside worries. The payment of five dollars a day for an 8 hours day was the finest cost cutting move we ever made and the 6 dollars a day is cheaper than the 5". Mr. Henry Ford employs a quarter of a million workers. Nothing can be more fallacious than the argument that a higher standard of life even in present conditions or in any conditions is any sort of a contributory cause of unemployment. Indeed, this is borne out by the majority Report itself, where in paragraph 11 on page 7 of the Report it is stated "but once family incomes are reduced, unemployment tends to grow. In an agricultural country reduction in family incomes becomes an important cause of general unemployment". I think the difficulty that the committee have got into in regard to this matter is mainly due to unnecessary emphasis being placed upon the untested and *ex parte* statement of one particular witness who obviously is neither an expert nor an authority on the subjects dealt with by the Committee.

Stability of Prices.—One of the methods of assuring a better standard of living in capitalist society is to provide for steadiness in prices; and it is the State that should ensure them for the Agriculturist. The one basic fact in regard to the position in the Punjab is the necessity of realizing that 25 million people in the villages cannot be left to starve and sink to a state of utter helplessness and misery without destroying the basis of ordered society and without making it impossible for economic recovery to be achieved. Further, the three million people in the cities must also realise that their prosperity and their industrial advancement, as indeed of the entire Province, depends upon the possibility of securing better purchasing power and solvency for the agricultural classes. The fate of unemployment, inevitable in the present capitalist system hangs on the slender thread of the purchasing power capacity of the people of the Punjab. With our agricultural economy it becomes the more necessary that we should attempt to stabilize our prices. Picture to yourself the position of a farmer in the District of Shahpur, who in one year produces, let us say, 20 maunds of cotton out of his little plot and about 90 maunds of wheat. He derives an income of Rs. 140 for his cotton of the American variety and about seventy rupees for his wheat. If he is a tenant, he divides half with the land owner, leaving him Rs. 1,051 as his income out of which he has to pay land revenue, water rates and other charges. Suppose the prices of cotton and wheat are halved as they have been. It means a disastrous fall in his income—but none of the charges that he has to pay in cash in the shape of revenue and water rate have been reduced by a single anna. The purchases that he makes of the proverbial hurricane lamps and umbrellas and of mill-made cloth, necessarily shrink and often vanish. The people who have agreed to buy his cotton, since he will not buy their manufactured goods, do not carry through their contracts. A further slump in prices sets in, thus creating a vicious circle. In Canada, after the depression, two suggestions were made for preventing a drop in prices of agricultural produce. One was rationalization of industry. The other was stabilization of prices. Prices were pegged at least equal to the cost of production and cheap credit was made available by the State. The third method adopted prior to the depression during the previous disastrous fall in prices was the creation of a co-operative Wheat Pool. But that the disastrous fall in prices worked to the ruin of employment, was an undoubted fact, and a country left to the mercy of the periodic boom and slump of the trade cycle without bringing its will and intelligence to bear upon the solution of this grave problem merited naturally the disaster that befell it. Our province was not an exception. I might explain briefly what this trade cycle means.

Trade cycle.—When there is a boom, there is an increase in the price level which affects both wholesale and retail prices and particularly prices for which payments are made in cash. There is a great demand for currency. The employers need more money for payment for the goods that they purchase as well as all purchasers who draw more money for their purchases. The public in general needs more cash. The Banks are under the necessity of providing more credit while their liabilities increase. Of course the Banks could not go on paying for ever unless fresh currency is provided—that is an increasing volume of inflation. Were this to be a perpetual process, there would never be any slump but a stage arrives when it is not possible to go on printing Bank notes and the sad experience of Germany in this respect when the mark crashed, is sufficient evidence of the fact that it is not possible to go on printing and issuing currency without restraint. But the moment there is a restriction of credit, the boom automatically comes to an end and the slump sets in. This is the credit theory in the series of explanations that have been given for the constant recurrence of the slump and the boom.

It is curious that there should be plenty in the midst of poverty. Everywhere one meets this paradox. The characteristic feature of the trade cycle is—Unemployment of labour, of capital, the slowing down of industrial activity, falling profits but there is no lack of labour and raw-material or the means of capital equipment. There is plenty of wheat and cotton in the Punjab—plenty of raw-material, and labour of willing hands, and yet there is starvation and lack of employment. The reasons for this anomaly are sought by economists in either the credit theory or the assertion (Professor F. A. Von Hayek) that the modern exchange economy produces not to satisfy a want but on the basis of profitability; and the view (Thorstein Veblen) that profits of business come out of the product of industry; and industry is controlled, accelerated and slowed down with a view to business profits. There are some who have developed fantastic theories to explain away the crises like W. Stanley Jones who asserted that spots on the sun, famine in India and crises in England came at about the same time—"the sun's radiation affects the weather, the weather affects the harvest; the harvest good or bad affects the income of the farmers; the income of the farmers affects the extent of the demand for manufactured goods—blame it on the Sun!"

Professor Pigou gives psychological reasons—errors of optimism and pessimism on the part of captains of industry. Fisher and Keynes blame it on an imperfect monetary system; "the best way to cure this mortal disease of industrialism (price movements resulting in booms and depressions) is to provide (by currency and credit control) that there shall never exist any confident expectation either that prices generally are going to fall or that they are going to rise". Other economists take a contrary view and consider that the fall of prices which follows when, the amount of money, remaining the same, production increases, is not only entirely harmless but is in fact the only means of avoiding misdirections of production. J. A. Hobson's view is that in a boom the profit of the capitalist is greater than the wage-rise and that the capitalist cannot consume it all but invests it again in industry which turns out an ever increasing volume of goods which cannot be consumed resulting in unemployment and depression and a reduction in the incomes of the rich. The real truth is that it is not possible to increase the purchasing power of the people and at the same time increase the profitability of capital. And since the contradiction is inevitable so also are crises under the capitalist system. To get rid of crises we must get rid of the system. Meanwhile within the framework of the present system steps can be taken to increase the return taken by the person who employs his labour in the production of commodities whether he is a factory worker in the Punjab, or the agricultural labourer or the holder of the small plot as tenant or cultivator, or a worker employed in the business of trade or commerce; and arrangements can be made to alleviate the distress caused to him as a result of sickness, old age, general unemployment. It will be necessary to suggest therefore methods to (a) create more employment (b) relieve the distress caused through unemployment.

Some facts.—Before I proceed with other fundamental matters, it is necessary to get a bird's eye view of the situation in the Punjab. In the appendix I have summarised certain main features of the evidence in reference to some of the major problems. The conclusions drawn from that evidence, such as it is, will be dealt with by me in the course of this Note of Dissent. But it is necessary that we should get at the discovered facts which might help us to draw correct conclusions. The one important fact which governs every situation in the Punjab is the grinding poverty of the mass of the people. It is obvious that when the margin of subsistence is as low as it is in the Punjab, every fluctuation in price, every technological advance or trade disaster, every political and economic factor which dislocates employment or creates a burden for the masses, causes greater suffering to the Punjabi than to his colleague in Europe or in America or even in Japan, whose standard of life and therefore whose shock-absorbing capacity are higher. And these others have also the greater advantage in that they possess national Governments which generally make provision not for reasons of humanity, it may be admitted, but as insurance against revolution for the well-being of the victims of economic disaster.

The Punjab in respect of area is the third largest province in India, coming in this order next to Bombay and Madras, and British territory in the Punjab is practically equivalent in area to that of the United Kingdom, being 99,265 square miles compared with 94,208 square miles. The population of the United Kingdom is nearly double that of the Punjab and the density 489 per square mile as compared with 238 for British territory in the Punjab. The latter figure is higher than that of most other agricultural countries. The division of the population in the Punjab reveals a very curious fact. In 1881, the population of the urban compared with the rural area was 9.36 per cent. and after the forty intervening years the proportion still remained the same. The latest figure available shows that it has increased slightly to the advantage of the town. It has become now 10.57 per cent. And everyone is agreed that this is a disastrous disproportion.

In order to get an idea of the income earned in the Punjab we must reckon both industrial and agricultural income, that is the income of both urban as

well as the rural population. The total value of crops grown in the Punjab in 1936-37 is estimated by me at less than about rupees 60 crores, taking the total area irrigated and unirrigated of sown crops in the Punjab and the total production of the staple commodities, namely, rice, wheat, barley, jawar, bajra, maize, gram, sugarcane, desi cotton, American cotton and tobacco. This value of less than Rs. 60 crores per annum is reckoned at prices slightly better than those which prevail to-day in the markets in the Punjab and gives a figure of less than Rs. 30 per head per annum of the income of the rural population as discovered by the last census. This is an astounding fact. The income of the peasant reckoned at prices a little better than those that prevail to-day, comes to a little over an anna a day, or if we reckon a family as consisting of five persons, it gives an income of a little over five annas a day per family. What margin there is for luxurious spending for the agricultural classes whose income is as exiguous as this is not difficult to realize, even for those persons who are apt to enter into elaborate and fanciful arguments regarding the purchasing capacity of the Punjabi peasant and his alleged wasteful habits. The disastrous effect of a trade depression, like the series of depressions that we have been passing through, can be gauged when it is realised that there has been a continuous drop in prices from 1928-29 onwards with just an occasional spurt. The latest figures show that the spurt in the price of agricultural produce reached its peak early in 1937 and subsequently slumped heavily, many of the falls exceeding 25 per cent. Both cotton and wheat, the two important staple commodities produced in the Punjab, registered notable falls. At the same time there has been an astounding drop as a result of the depression in both imports and exports in India. No figures are available exclusively for the Punjab and therefore all that is possible is to draw relative conclusions from all-India figures. By 1931-32 both imports and exports were nearly half those for the year 1929-30 according to official reports. It is obvious that the purchasing power of those engaged in trade, industry and business had fallen proportionately as a result of the depression. But even if we take the Income-tax figures for the Punjab for the purposes of reckoning what the non-agricultural income of the Province is we get a figure of the total income of a little over 12 crores of rupees on which income-tax is paid in the Punjab, and it would perhaps be an exaggeration to add at least another 8 crores as the income which is not covered by Income-tax returns. A total income therefore, of somewhere round about Rs. 20 crores for a population of nearly three crores gives us the figure of about Rs. 27 per annum per head if we take the entire population of the Province both agricultural and non-agricultural, that is to say an income of $1\frac{1}{2}$ anna per day per head if we take the entire population and the entire income of the Province. It is indeed an extraordinary phenomenon that serious economic revolt has been staved off in spite of the drastic fall in the meagre income of $1\frac{1}{2}$ anna per day per head of the population of the Province resulting in, as it must have done, widespread hunger and starvation.

Industrialization.—And here let me for a moment turn to an interesting fact which will reveal the curious conclusion that it is not always true that in modern conditions of technological development, an increase in the number of factories alone can give us a proportionate increase in the number of employees or in other words can give us a proportionate increase in the volume of employment available. In the year 1921, there were 297 factories in the Punjab, and the number of operatives was 42,428. In 1930, the number had gone up to 526 factories and the number of operatives had increased only to 49,549. The Census Report states: "A corresponding increase has, however, not taken place in the number of operatives partly due to the fact that in the large factories such as Railway Workshops, labour saving devices and other improvements having the same effect were introduced.....". But there has been undoubtedly an increase in industrial activity in the province. Nevertheless it must be remembered that the figures show that in the matter of Joint Stock Companies in the Punjab, although the number increased from 112 in 1921 to 285 in 1931, yet the paid up capital registered an infinitesimal increase, i.e., from Rs. 3,67,69,369 to Rs. 3,66,55,924.

Low Wages.—The depression revealed itself again in the matter of wages paid to factory operatives which in the generality of cases in the year 1931 were often lower than the figures of 1915 showing a general recession as compared with 1924, 1926, 1927, 1928, and even 1929 and 1930. A coolie "opener" who in 1922 was earning as much as a rupee a day and continued to do so right upto 1928, had his wage reduced to 11 annas a day in 1931. A coolie working on gins who earned in 1921 as much as nine annas a day had his wage lowered to five annas a day in 1931. And a woman coolie who could earn on gins in 1921, seven annas a day, could only earn 4 annas a day in 1931. The latest figures reveal the fact that in 1937 there were 862 registered factories employing 69,473 operatives, whereas in 1936 there were 802 registered factories employing 63,962. Of the 862 factories which were registered in 1937, 798 worked during the year and out of these 896 were seasonal, a majority of them being cotton ginning and pressing factories, which means that the operatives employed in these factories were employed only a part of the year unless they were unable to get other employment. The increase in the number of operatives of nearly 6,500 between 1936 and 1937 is stated to be the direct result of the

increase in the number of *registered* factories and also as a result of the extensions made in the existing ginning factories. The latest annual report on the Working of the Factories Act in the Punjab records the fact that on the whole there was a slight decline in the wages of labour. "The decreases appear to be principally due to the fact that the supply of labour exceeded the demand". And in this connection, while we are dealing with the question of industrial development and its effect upon the volume of employment available in the Punjab, I might mention the fact that in spite of the utterly inadequate arrangements for factory inspection in the Punjab (only about half the registered factories were ever inspected and that too only once excepting 68 which were inspected twice] in the course of the year) there were out of 249 prosecutions, 92 for employing workmen outside the prescribed hours and 80 for employing children without medical certificates a significant fact which will have a bearing upon the problem of the number of hours worked and the necessity for reduction in order to make a larger volume of employment available. In passing I might mention that most inadequate fines were levied from employers ranging from Rs. 4 for employing children of tender age against the law, and Rs. 10 for working employees beyond the statutory working hours.

Another Disaster.—A most disastrous state of affairs has been superimposed upon the catalogue of calamities suffered by the Punjab: peasant and worker quite recently. The latest figures of exports from India of Indian cotton reveals a most distressing fact. During the year ending August 31, 1937, and the corresponding period of 1938, the export demand for Indian cotton decreased from 4,267,000 bales of 400 lbs. each to 2,100,000 bales only, thus halving the off-take and depressing the price. During the ten months from January to October, 1938, Japan took a little over a million bales from India. The export figures for 1934-35 were 3,115,000 bales and for 1935 the figure was 3,709,000 bales.

And here are we exporting cotton while our own people go naked and economists deplore the fall in exports, quite naturally, in present conditions in view of the lowness of the yield to the producer.

We see the result of this in the Punjab where the prices of cotton and wheat already low, have dropped to the still lower figure of Rs. 6-2-0 to Rs. 6-8-0 a maund for cotton of the American variety; and of wheat to as low as Re. 1-14-0 a maund. So serious had become the situation and so effectively were Punjabi peasants the U. P. peasants and the Sind peasants being ruined as a result of the influx into India of large quantities of Australian wheat, that the Government was forced only the other day to re-impose the import duty of Re. 1-8-0 per cwt. on all imported wheat. The effect was instantaneous as far as prices are concerned in that the price of wheat was raised from Re. 1-14-0 a maund to as much as Rs. 2-7-0 a maund in certain markets within a few hours of the imposition of this duty. Nevertheless this artificial stimulus does not alter permanently the state of affairs that prevails in the markets of the Punjab a state of affairs which under the capitalist system makes it increasingly less possible for the primary producer, *i.e.*, the man belonging to the working classes, either to obtain employment or, when he has obtained it, to secure an adequate income.

A Main Conclusion.—A survey of the economic condition of the Punjab therefore reveals the fact that under the present system of capitalist exploitation there has been a gradual deterioration in the economic condition of the working classes whether they are represented by the agricultural worker or by the peasant proprietor, by the tenant cultivator or by the industrial worker or by the workers engaged in transport or domestic service. These are after all the persons who are generally known in common parlance as the backbone of the province. The back bone undoubtedly is a very weak one, unable to sustain the body politic. It will be obvious to those who desire to draw a moral from a recital of these tragic facts that the present system of control of the means of production has failed to bring any measure of prosperity to the producers of the wealth of this Province. The first essential therefore is to create a better system of ownership and control whereby the unexploited resources of the nation, the wasteful methods of production, and the unplanned economy of the Province are eliminated and a new order begins the search for co ordination of a planned economy which will ensure not only a job for every man capable of holding a job, but adequate remuneration for the job that he performs in order to bring to him at his door the amenities of a civilized existence. Such a civilized existence is impossible for the average Punjabi on his average income of 1½ anna per day. One portion of the inhabitants is living surrounded by all that modern science and technique and industrial development have been able to achieve. This is a very small portion of the inhabitants, barely 35,000 (let us say) namely those who as individuals pay income-tax out of an assessed income of Rupees 12 crores per annum and nearly 8½ lakhs of those who are absentee landlords drawing their income in rent or kind. The radiogram, the aeroplane, the choicest of apparel, the motor car, the luxurious railway saloon, in short every modern product of industrial civilization; these things offer comfort and luxury for the few. But such things

pass by the millions in the Punjab, whose only concern is to see that the hungry child does not go without food if any efforts on the part of the tiller of the soil or the worker in the factory can help it. There are two nations living in the Punjab; not the Hindu and the Sikh and the Muslim, but the nation that is surrounded on the one hand by civilization and the nation which still subsists in the toil of centuries-old feudalism. I cannot conceive that any radical cure of the present position is possible without altering the system. But there are many things possible if we set out to adopt scientific methods for the purpose of :

- (a) creating a bigger volume of employment ;
- (b) raising the standard of life ;
- (c) providing adequate relief for the unemployed ; and
- (d) attempting a better distribution of the national dividend.

It cannot be denied that it is possible to take immediate steps to bring on to, what I may call, a world parity in wages, the incomes of the working classes in the Punjab. And the central fact on which to build, even within the framework of the present system, is that the income of the Punjabi is an average of $1\frac{1}{2}$ anna per day.

Wastage.—With the purchasing power of the Punjabi as low as this figure, there is created inevitably a great and heart-rending wastage amongst the youth of the Province not only because they live within the iron framework of a wage slavery or an income slavery which denies them everything, but inadequate subsistence, but because of the lowness of the economy, vast hordes of them are unable to utilize either their time or their energy, either their idealism or their hopes and ambitions for the common good. The President of the University of Minnesota in his Report, 1932—34, talking about America, stated that out of $21\frac{1}{2}$ million young men and women between the ages of 16 and 26, $16\frac{1}{2}$ millions were out of school and out of work. We too have been able to make a guess in regard to the numbers of the educated unemployed in the Punjab and the Report speaks of a figure of 150,000. It is conceivable that the figure may be 800,000 but even then, apart from these mostly youngmen who are unable to find jobs, there are hundreds of thousands of others who are equally frustrated. It is undeniable, were the State to step in under a better system of control and ownership, that all the energies of the youth of this Province which like the waste waters of the five rivers, is to-day lost and goes unutilized, could be harnessed for the purpose of adding more and more wealth which could be evenly distributed in raising the standard of life of the people. Indeed it must be a very curious fact for any impartial student to discover that here in the Punjab in the midst of plenty both in the shape of cotton and wheat and other food crops, there should be actual starvation, want and unemployment. In fact it seems clear that under the present system the more the production the more the scarcity for those who desire to consume. There could be no difficulty if the increase in production were to be accompanied by an increased demand on the part of the purchasers and their compatriots. But the trouble with the Punjab is that the purchasing power and the standard of life of the people is so miserably low that an increased production cannot in the nature of things mean anything else but more misery for them in so far as the quantitative increase without the necessary consumption creates a further depression in prices, and therefore a further depression in the standard of life of the people. In this connection it is interesting to regard the position reached in the Soviet Union where under a socialist machine the supply of goods has greatly increased but along with this increase has gone an increased demand for the goods produced and a raising of the purchasing power of the population, with the result that the more the increase in the production the scarcer have become the goods. In the Punjab, on the other hand, the increase in production has resulted in not scarcity in goods but in the scarcity of purchasing power. It is because of this strange paradox that attempts are made to restrict production as for instance in the case of the Jute Mills of Calcutta and of the Sugar Mills all over India and it is for this reason also that high tariff walls are built in order that there should be no unrestricted quantity of particular commodities available for use, the object being to raise prices. But if we suppose that every man, woman and child in the Punjab could be properly fed and properly clothed, would there be any necessity to restrict the production of cotton or of wheat? In fact the more we produce the better the consumption and if there is any surplus left over it could be certainly utilized for the purpose of exchanging it with goods that are not or cannot be produced in our Province. Unfortunately, such an ideal in the Punjab is possible of achievement only under a changed system, for at present what happens is this that the peasant who produces the wheat is fobbed off with the plea that it is world

prices that are affecting his sales and that therefore the small ruinous price that he gets for his produce is the fault of no one but of factors which are beyond the control of the authorities. Let us have a look at the figures of wheat production. The total amount of wheat produced in the Punjab according to the latest report, is 91,656,900 maunds. This gives a consumption per head of the population of about three maunds a year, not allowing for the quantities utilized for seed or wastage; and this gives us one-third of a seer per day per head of the population as consumption in the Punjab. There can be no doubt about it that the Punjab is practically self-sufficient and that every maund of wheat that is exported to-day is exported at practically the cost of malnutrition to the Province. It must be remembered that whereas in Europe $2\frac{1}{2}$ acres of food crops per head are considered a minimum, India has only a $\frac{1}{2}$ of an acre under food for its population. With the increase in the population and the lack of an equivalent increase in the area cultivated for food crops, the situation becomes still more stable as far as this particular crop is concerned. Let us now look at the problem of cotton. The total production of cotton in the Punjab if converted into cloth would provide on an average after deducting certain necessary quantities for domestic and other use, somewhere about 70 yards of khaddar single width cloth per head for the population, not deducting of course cotton for any but purely domestic purposes. The average Punjabi would consider himself sufficiently clothed most part of the year if he has a sufficiency of long shirts and loin cloths or voluminous trousers, cotton shawls and turbans, apart from the fact that he would consider himself well-clothed were he to wear also the old-fashioned double-breasted frock coat stylishly cut, and a waistcoat. One such costume would therefore consist of the following articles :—

	Yards.
(1) One turban, measuring average	6 $\frac{1}{2}$
(2) One tahmad measuring	5
(3) One chaddar double	9
(4) One chola	8
(5) One coat	5
(6) One waistcoat	1 $\frac{1}{2}$
Total ..	80

Two such costumes in the course of a year would practically cover the entire production of cotton yardage produced out of the entire quantity of Punjab cotton leaving the necessary surplus over for other than purely personal use. And here again as the population increases it is certain that the area under cultivation will not keep pace as it has not done in the past with the increase of population. I have deliberately gone into this matter for the simple reason that I want to show that the Punjab to-day on a better standard of living for the population in the matter of the main commodities produced by it is almost a self-sufficient unit or at least can be made a self-sufficient unit, and therefore any attempt made by the Government to encourage the production of goods, agricultural or other, for use and not for profit, would immediately solve both the problem of unemployment and the connected problem of poverty; and in any case until this consummation is achieved steps can be taken by the Government not only to stabilize prices but to secure that the prices are such as to increase the purchasing power of the Province both by assuring an increased price for the agricultural produce and a higher wage for the industrial worker or the agricultural labourer. With a serious situation facing every country which produces agricultural goods on a large scale, steps have been taken by civilized Governments of Europe and America to assure the peasantry a decent return for its labour. The French Government guarantees to its peasants 180 francs per quintal which is the equivalent of 59 shillings a quarter of wheat produced. This figure is 11 shillings more than the English price. So much for world factors depressing prices as far as the price of wheat in France is concerned. I speak of the year 1937. In the month of August, 1938, the United States farmer under federal legislation received a subsidy of 1/8d. per bushel where he used to receive only a subsidy of 6d. per bushel; and £142,000,000 was made available by the United States Government for the purpose of increasing the price of agricultural produce. Cotton in America receives a subsidy of 2d. per pound. In Great Britain this year the acreage under wheat has increased by 90,000 acres. Why? Last harvest the English farmer got as much as 38 shillings a quarter for his wheat in the market but for the new wheat this year the English farmer can get no more than 35 shillings a quarter. But every one is agreed that the British Government has created a stable state of affairs for the English farmer and for the continuity of "arable farming" by the

passing of the Wheat Act which provides a standard price of 45 shillings a quarter. Under this Act a Wheat Commission was set up which reported that although the market price realized by growers was 35 shillings 7½ pence per quarter, yet the price was made up to 45 shillings by the Wheat Commission deducting 2½ pence for the purpose of administration expenses. The amount of the deficiency payment naturally varies from year to year according to the course of wheat prices. Last year the payment amounted to 7 shillings a quarter; the year before to 5 shillings a quarter; and in 1935-36 to as much as 15 shillings a quarter. The Commission this year is expected to have disbursed £2,000,000 to the growers, this sum having been raised by a levy of an average of sh. 1/2d. on every sack of flour milled in Great Britain or imported into Great Britain.

I recommend that immediate steps should be taken to ensure stable and adequate prices to the Agriculturist by similar methods and that the price fixed for American cotton should not be less than Rs. 11 per maund, for Desi cotton Rs. 8 per maund and wheat Rs. 4-8-0 per maund.

State Co-operative Scheme.—The problem for the Punjab farmer is serious also from another point of view. Apart from the general fluctuation of prices in the market the lack of marketing facilities, both of transport and sale, and the lack of cheap credit compelling him to get rid of his produce as quickly as he harvests it in order to meet the exigent demands of the Government in the matter of taxation, compel him to accept a very much lower price for his produce than he would otherwise receive were there a sensible arrangement for marketing his produce. I am not now dealing with the malpractices in the markets or the exorbitant charges levied by the middleman or with the problem of the hordes of unnecessary middlemen who naturally live upon the consumer as well as the producer. The malpractices in the markets must be put down with a stern hand, weights and measures properly regulated, and the middlemen eliminated and employed in adding to the wealth of the country instead of living as parasites. All this should be done under popular control and not with the object of deriving political advantage for one party or for a group in the Province. But what I am concerned with greatly is to assure a better price for the producer (as I have stated already, this problem must not be divorced from the problem of assuring an equivalent purchasing power to the consumer). A State subsidised and a State controlled co-operative marketing scheme is an absolute necessity if the Punjabi peasant is to be saved from the catastrophe which faces him. It is no argument to say that with the provision of better seed the income of the peasant has gone up by a few crores. The most optimistic estimate that can be had of the result of provision of better seed is that it is possible that a few annas per maund have been added to the price obtained by the producer. But what is this compared with a drop of 50 per cent. in the value of the price obtained by the zamindar when there is a collapse of the market. If the price of cotton drops for instance from Rs. 11 to Rs. 6-8-0 that sets off any minor advance obtained by the zamindar as a result of the provision of better seed. The major evil is the one that needs tackling. But no scheme of this colossal nature on a co-operative basis can succeed without the intervention of the State and the provision of cheap credit in order that by careful hedging, careful storage and careful grading the zamindar should be assured the best prices for his produce. The effect of this stabilization and increase in income of the peasantry will necessarily be the creation of a bigger volume of employment.

Competitive Private Industry.—Of course there is no doubt that as long as the system of private competition for the production of goods for profit and not for use continues, and purchases are made of produce and goods are manufactured with the sole object not of assuring a maximum consumption but of assuring a maximum profit for the individual or the group who owns the means of production, then so long will it be impossible to avoid the see-saw of comparative prosperity and utter depression leading to a continual growing volume of unemployment in the period of depression and a slight recession in the period of comparative prosperity. Originally when the means of production had not developed to the extent at which we find them to-day, the industrialized countries were not only able to satisfy the national demand but became, like Great Britain, great exporters of manufactured goods which were absorbed in the conquered territories like India although this was made possible as a result of the enormous sums taken out of India to set the industrial revolution going in Great Britain and the efforts sometimes criminal made to suppress indigenous industry. In fact the curious spectacle was seen when the East India Company's charter was renewed in 1833. It was provided that the Company should "discontinue and abstain from all commercial business." Instead of being an importer of British goods the Company actually presented a petition to Parliament on February 11th, 1840, for the removal of the invidious duties which discourage and repressed Indian industries. The Select Committee took evidence, and one witness, J. C. Melvill when asked whether it was true that native manufacturers had been superseded by British, replied, "Yes, in a great measure". He stated further that this had happened since 1814 and that the displacement was such that "India is now dependent mainly for its supply of those articles on British manufacture"; and when asked, if natives of

India, weavers for instance, when thrown out of employment had any facility for turning to other trade, he replied that he had no doubt that great distress was the consequence in the first instance of the interference of British manufactures with those of India. Mr. Montgomery Martin stated as follows:—

“ We have during the period of a quarter of a century compelled the Indian territories to receive our manufactures, our woollens duty free, our cotton at 2½ per cent. and other articles in proportion ; while we have continued during that period to levy almost prohibitory duties or duties varying from 10 to 20, 30, 50, 100, 500, and 1,000 per cent. upon articles we produce from our territories (i.e., India). Therefore the cry that has taken place for free trade in India has been a free trade from this country, not a free trade for India and this country. The decay and destruction of Surat, of Dacca, of Murahidabad, and other places where native manufactures have been carried on is too painful a fact to dwell upon. I do not consider that it has been in the fair course of trade ; I think it has been the power of the stronger exercised over the weaker ”.

This is one of the methods that has been employed with deadly effect in disturbing the volume of employment of a subject nation. But a stage in modern times has been reached when it becomes increasingly difficult for national industries in a State to continue to pay profits because, not of the competition with another country but because of internal competition between capitalist manufacturers themselves. The keen competition between manufacturer *inter se* in a country leads to the lowering of the price, the cutting down of the profits until all profits vanish and either an arrangement is arrived at amongst themselves by the manufacturers to create a monopoly price or the State steps in to assist, by means of subsidies, quotas, tariffs and such like devices for the purpose of preserving the profits of the private manufacturers. Such has been the case in India in the matter of the steel industry. Such, again, is the case in regard to the cotton industry, and all such devices in the end result in increasing the price, increasing the cost of living for the working classes and are definitely detrimental in the long run to the solution of the problem of unemployment unless at the same time an increased purchasing power is created for those who are called upon to foot a heavier bill in the matter of purchases. Therefore none of these schemes has the fundamental merit of a planned economy for use as against the unplanned and spasmodically assisted or controlled economy of the private profiteer. Nevertheless the State can adopt the intermediate stage between planned economy for use and unplanned economy for profit in order that some relief should be brought to those for whom there is no possibility of obtaining employment and those whose standard of living is dangerously low. That is exactly what is happening today in almost every civilized country in the world. Attempts are being made both in the domain of agriculture and of industry and trade for the State to interfere to an extraordinarily large extent so much so indeed that the State, for instance in Great Britain, to a surprisingly colossal extent shares in the control and finance of industry ; and but for its far-reaching interference in agriculture and industry, no production for private profit would to-day be possible on any appreciable scale. And since one of the main businesses of the modern civilized State is to adopt from time to time measures of control and interference in manufacture and in agriculture, the responsibility is recognized for assistance to those who in spite of the attempts of the State to create a bigger volume of employment for them, are unable to find such employment.

What should the State do—Therefore the first major problem that we must face upto is as follows : How far should the State proceed in order to create out of the chaos of the present industrial and agricultural situation in the Punjab some sort of an ordered plan worked under the control of the State attempting to eliminate as far as possible the causes that lead to the disastrous drop in the standard of living of the people of the Province leading to unemployment and the lowering of the workers share of the national dividend? In short, what hand should the State play in the economic resurgence of the Punjab ? I hold that there can be no two opinions concerning State interference. It is the State that must undertake the industrial regeneration of the Province otherwise the unplanned development of cut throat private competition in industry, not caring for the national good but only for private profit, will afford no solution but create a period of growing crises for the working population of the Punjab.

The Categories of Agricultural Workers.—And in this connection it is necessary to keep one's mind clear when considering conditions in the Punjab regarding the categories which constitute the employer and the employee. There is a fallacy which assigns the cultivator of a small patch of land in the Punjab to the category of an employer. The number of agricultural labourers in British territory is 591,960 males and 63,485 females, but along with this, the census report mentions the number of unspecified labourers as 219,737 constituting a total of about a million persons who are neither the

owners of soil nor renters of land but who have only their labour to offer and who therefore are subject to the fluctuations of the employment market. But if I left the position here, it would give a misleading picture because from the proper correct economic point of view the cultivating owner who owns a small patch and the tenant cultivator who cultivates for an owner and receives no actual wages but a share in the produce: these two classes are for the purposes of distinction in no sense to be included in the category of the employer. These classes with the sweat of their own labour produce a commodity which has a surplus value not for them but for the middleman merchant or the exporter and in the case of the tenant cultivator the means of production are not owned by him whereas in the case of the cultivating owner the means of production are his. In both classes, considering the smallness of the fragmented holdings of the Punjab, the cultivating owner is practically on the same economic level as the agricultural labourer or the tenant cultivator and subject to the same stress of the employment market as the other two classes. The numbers of the cultivating owners and tenant cultivators unfortunately are not to be found separately but the total for the last census was 5,820,808. There were at that period also 320,673 non-cultivating proprietors taking rent in money or kind. It must be noticed that between 1921 and 1933 the number of agricultural labourers has increased from 468,906 to 736,028, being an increase of 58·7 per cent. Not only does this figure reveal the fact that there is a tremendous dispossession of the small proprietor going on in the Province but that large bodies of men are joining the regiment of wage slavery. At the same time within a decade the numbers of those employed in cultivation have increased by 25·7 per cent. What is the reason for this increase? One authority states (Census Report) that the "other resources of the Province (apart from agriculture) are obviously not keeping pace with the rate of increase in the population..... Increasing pressure on land unaccompanied by any great advance in the method of agriculture or the introduction of improved implements resulting in increased output, must re-act on the economic condition of cultivators .

Agriculture as subsidiary occupation.—One other significant fact must be mentioned, and that is that there has been an increase from the figure of 149,280 in 1921 to the figure 486,481 in 1931 of persons partially agriculturists, that is to say, people with a principal occupation whose subsidiary means of livelihood is cultivation, that is to say, nearly half a million men are resorting, and I dare say the figure is very much larger to-day, to the little patch of land because otherwise they would starve and perish. This increase in the number engaged in the subsidiary occupation of agriculture is a very eloquent fact as through it half a million men at least are insuring themselves against the terrible tragedy of unemployment. The curious fact is that in other countries too a similar movement is discernable—a movement not only back from the city to the village but also a movement for the search for agriculture as a subsidiary employment. This was particularly true of the United States of America as a result of the last depression at a time when there was no national scheme for providing unemployment insurance and unemployment relief for those without jobs. The figures for the United States throw a considerable light on this problem. The number of agricultural holdings in that country increased by half a million from 1929 to 1935. It is stated that it was not commercial profit that lured people to the farms at a time when the system of barter and exchange in lieu of the collapse of world prices for agricultural commodities was being resorted to on a very extensive scale. The great majority of them, it is stated "were thinking only of the possibility of subsisting on the produce of their family patch of land". From 1927 to 1929 the country sent on the average 450,000 persons annually to the towns in America, this being more than the natural increase in agricultural population. As soon as the depression began, the direction of this current changed. "Notwithstanding the distress in agriculture the number of persons for whom it provided a livelihood or a means of subsistence increased steadily".

Indebtedness.—One of the results of the depression and the lowering of prices of agricultural produce has been an increase in the indebtedness of the Punjabi zamindar. Absolutely unimpeachable figures are not available but it can be stated with some confidence that the figure of an increase from Rs. 90 crores to Rs. 140 crores of indebtedness of the Punjabi peasantry is, if anything, an under-statement which does not take full notice of the effect of the lowered price level. In other countries where legislative measures did not provide for prompt relief of the indebted peasantry, the farmer frequently used force to oppose sales by order of the court as in the case of Germany, France, United States, etc., and it is stated that public opinion did not appear to have been in this matter on the side of the authorities. In Norway such was the close fraternity of the farming classes that if a farm was put up to auction, the owner himself was the only bidder who therefore purchased the farm at a very low price and thus reduced his debt to the Bank which wiped off the original debt and credited him with the lesser amount. In the Punjab what has happened is this that the forced sale of the agriculturists land to a non-agriculturist has been prevented by law. But there has been no prevention by law of the sale of the holding of an agriculturist to another agriculturist. What merit measures like

this can possess when they obviously are designed to assist a particular class in acquiring the lands belonging to the poorer sections of that class at prices, because they are not competitive, which are comparatively low, is not difficult to judge. The total area for instance sold in the Punjab in 1936-37 was more than a quarter of a million acres; out of which more than half was cultivated area and the price paid was over Rs. 6 crores. At the same time 327,573 acres of land were mortgaged out of which 269,501 acres were cultivated, creating a mortgage debt of Rs. 3,66,76,707. In fact the total cultivated area under mortgage in 1935-36 was 3,915,902 acres or 12.6 per cent. of the total cultivated area of British Punjab. In 1936-37, the area under mortgage increased to 4,046,080 acres and the percentage increased to 13 of the total cultivated area; and if we deduct from this the redemptions these effected a total of 216,788 acres on which Rs. 2,29,74,845 was paid as consideration money. It leaves an excess of nearly Rs. one crore and a half of new mortgage debt created in a year. Certain enquiries have revealed that as much as 36 per cent. of the total sales of land were effected by those who sold their entire holding. No wonder that the number of landless labourers has rapidly increased. The only solution is what I have suggested later on, namely the creation of state controlled Collective Farms.

Health.—While we are considering the economic problem facing the Punjab, it is necessary also to consider vital statistics in order to show firstly the terrible ravage of disease on a population emaciated by hunger, and secondly the inadequacy of the provision made to relieve suffering caused through illness and the attendant unemployment. Here there is scope undoubtedly for vast development which would increase the volume of employment of all classes and particularly utilize the technical skill of those medical practitioners who to-day are unable to earn any sort of a living out of their profession. The ratio of deaths per thousand of population in the Punjab has varied as follows:—

1931	..	..	..	..	..	26
1932	..	..	..	..	..	28.6
1933	..	..	..	..	..	27
1934	..	..	..	..	..	26
1935	..	..	..	..	..	23.2

Taking the 1934 figure of 26 per thousand, we find that it is equal for that year to the figure of the United Provinces less than that of the Central Provinces and Berar and Ajmere-Merwar and Delhi, but in every other case higher. The latest administration report of 1937 on the other hand gives the provincial death rate as 27.7 per mille as compared with 28.2 in the preceding year which registers a high mark and compares unfavourably with most other provinces. Attempts have been made from time to time to deal with the question of the general problem of health by inaugurating schemes for the expansion of medical relief and the ideal aimed at during the previous decade was of one dispensary for every 100 square miles of territory or in other words for every 80,000 of the population. According to the latest report, there are 969 dispensaries—694 in rural areas and 275 in urban areas, and during the year nine new dispensaries were opened and an equal number was closed down. The total number of patients treated at all the hospitals and dispensaries went up to 15,892,505. The financial position is as follows:—The total income of hospitals and dispensaries at the close of 1933 was Rs. 49,54,292, out of which more than Rs. 20 lakhs was contributed by the Government and more than Rs. 21 lakhs by local bodies. It is interesting to note that during the previous decade the total number of patients treated by the hospitals and dispensaries was 11,742,669. The conclusion is obvious that there has been either a deterioration in the health of the people or the opening of better facilities, meagre as they are for treatment, has enabled a higher figure to be registered for those obtaining treatment. Medical experts who gave evidence before the Committee when they were cross-examined were more or less unanimous that it was possible to try out a scheme of health insurance for the people of the Punjab and that under such a State-subsidized scheme every medical practitioner could be absorbed and placed out in areas which to-day lack medical assistance. Health Insurance schemes which have been tried in other countries have succeeded most remarkably. It is the primary duty of a civilized State to look after the health of its people. It cannot be said that the health of the people in the Punjab is being looked after in any satisfactory manner. What happens to-day to the millions of cultivators, agricultural labourers, industrial workers, domestic servants and those engaged in the transport industry in the Punjab who, while they are employed, fall victims to sickness or disease? There is no provision made to afford them any sort of relief. Their wages or earnings stop just at

the time when it becomes the more necessary for them to be in funds in order to obtain the necessary treatment and nourishment. This form of enforced unemployment in a disease-ridden country like ours has its own terrible and tragic aspect. Every enquiry that has been conducted so far has shewn as a result of the evidence collected that sickness is one of the causes of indebtedness. With the concensus of opinion in favour of a scheme of health insurance; with highly responsible medical practitioners fully aware of the implications of unemployment in that profession and of the incidence of sickness among the population, openly supporting the scheme, and with the urgent necessity of providing not only medical relief but also subsistence allowances to those who are unemployed as a result of illness or sickness, it cannot be denied that the time has arrived when a comprehensive Health Insurance scheme should be drawn up, actuarial, technical, medical estimates prepared and thereafter launched without any unnecessary delay. It has often been stated that India should not take any step towards benefiting the classes that need the assistance of the State because forsooth Japan has not taken similar steps. This is a most extraordinary argument which I mention because it has become almost a custom in India for people unfamiliar with facts or unarmed with knowledge of the subject to make use of any argument that comes handy which enables them to comfort their own consciences when they do not desire to do the right thing by the working classes. But in the matter of compulsory sickness insurance including maternity, a scheme was introduced by an Act of 22nd of April, 1922, in Japan. Four years later the scheme came into operation and has been amended on three occasions in 1926, 1929 and 1934. It is a contributory scheme with State subsidies and the statistics are interesting. In 1932-33 the total number of compulsorily insured persons was 1,684,509 whereas the number of voluntarily insured persons was only 35,690. Together with this compulsory scheme in Japan, there are a number of voluntary unemployment schemes. The resources of these schemes come from the employers and workers' contributions, grants from the municipalities, from the Province and the Ministry of Home affairs, not excluding public gifts. But side by side with this system goes the system of poor relief which is applicable to infirm persons over 65 years, children under 13, women in pregnancy or in confinement, and persons unable to work on account of deformity, disablement, sickness, injury or other physical or mental defects. The National Treasury in Japan refunds one half of the expenses incurred by the prefecture and the municipalities. Assistance is given in the form of food, medical treatment and provision of work.

I append a Bill in reference to a scheme prepared by me on a small scale as a beginning. This Bill was introduced in the Punjab Legislative Assembly but opposed and defeated by the Government. It will inevitably be objected to by people who desire that the *status quo* should continue. They will say, readily, that there is no money in the coffers of the Government for the provision of such schemes. It does not matter to such people whether there is great wastage of life, labour, wealth and experience in the Province so long as an innovation of this nature is dismissed upon the ground of lack of finance. All Governments are naturally averse to further taxation but money can certainly be made available out of the undeveloped resources of the Province and partly out of those which have already been exploited. One of my suggestions is going to be the starting of large scale industry in the Province entirely State owned and the acquisition of such industries as the Oil industry at Khaur (Rawalpindi), the Chemical Industry regarding which quite recently a lease was granted to Imperial Chemicals at Khewra, and all electrical undertakings in the Province. There is another source of important revenue now that the Federal Court has decided that the provinces can levy taxation of this nature, namely, salt. There is no legal hitch now for the Provincial Government to levy a salt production duty in spite of salt being a Federal subject. I shall have other means to suggest as I proceed but I mention these avenues in order to suggest that where there is a will to do the right thing by the people of the Punjab the financial way can be discovered without much difficulty.

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to make provision for Health Insurance.

1. This Act shall be called the Punjab Health Insurance Act.

2. All persons of the age of sixteen and over who are employed within the meaning

of this Act according to the employments mentioned in Schedule I of the Act, provided the monthly salary or wages of such persons is less than Rs. 100 per mensem, shall be entitled to benefits under this Act in respect of Health Insurance and Prevention of sickness except that any person claiming exemption under this Act shall prove to the satisfaction of Insurance Commissioners that he is in receipt of a regular income not dependent upon his own exertions unless any person chooses voluntarily to become a contributor under this Act.

3. All contributions payable in respect of employed contributors shall be at the rates specified in Schedule II to this Act and payable by employers and employed, voluntary contributors paying both contributions.

4. The contributions payable out of the revenues of the Province shall be in the proportion of one-fourth to three-fourths of the contribution payable under Section 8 of this Act.

5. The employer shall in the first instance pay contributions of himself and of his employees and shall be entitled to recover the latter's contribution out of wages.

6. Subject to this Act the Insurance Commissioner shall make regulations providing for all matters incidental to the payment of contributions and in particular regarding—

- (a) payment by means of adhesive or other stamp;
- (b) entries in and issue, sale and distribution of books containing particulars of payments by insured persons.

7. The benefits conferred under this Act shall include—

- (a) Medical treatment and attendance.
- (b) Provision of medicines and surgical and other instruments.
- (c) Treatment in Sanitoria and other institutions in the case of Tuberculosis and other diseases as specified under notification by the Ministry of Education.
- (d) Periodical payments payable for a maximum period of twenty-six weeks of specific sickness.
- (e) Payments after the period of twenty-six weeks so long as an insured person is incapable of work.
- (f) Payment to the wife of an insured person of a sum of rupees fifteen for every confinement.
- (g) Any other benefit duly notified in the Gazette payable as addi-

tional benefit out of those contained in Schedule III to this Act, under the heading additional benefits.

8. Where a woman is insured herself she shall be entitled to maternity benefit for six weeks before and six weeks after in addition to payments under Section 7 (f) of this Act or under any Maternity Benefit Act for the time being in force.

9. No insured person shall be entitled —

(a) to medical benefit during the first six months after the commencement of this Act ;

(b) to sickness benefit, unless and until twenty-six weeks have elapsed since his entry into insurance and at least twenty-six weekly contributions have been paid by or in respect of him ;

(c) to disablement benefit, unless and until one hundred and four weeks have elapsed since his entry into insurance and at least twenty-six weekly contributions have been paid by or in respect of him ;

(d) to maternity benefit, unless and until forty-two weeks have elapsed since his or her entry into insurance, and at least forty-two weekly contributions have been paid by or in respect of her or him.

10. Regulations shall be made and notified by the Ministry of Education for the due administration of benefits under this Act provided that no fine imposed for breaches of this Act shall exceed rupees ten for each such breach.

11. The Insurance Commissioners shall (a) make arrangements with duly qualified medical practitioners including Ayurvedic and Unani Practitioners for the purpose of administering medical benefits under the Act ; (b) prepare and publish lists of medical practitioners who have agreed to attend and treat insured persons ; (c) recognise the right of duly qualified medical practitioners to be included in the list on being satisfied ; (d) recognise the right of an insured person to treatment by a particular medical practitioner subject to his consent ; (e) distribute insured person among the approved medical practitioners ; (f) fix remuneration for the purpose of providing adequate medical relief where practitioners included in the list do not give satisfaction ; (g) make provision for the supply of drugs and medicines and appliances from approved and duly qualified firms, persons or bodies whose lists shall be published ; (h) recognise the right of such persons, firms or bodies to be included in the approved list

except where after enquiry such firms : persons or bodies are unable to ensure efficiency of service or accept and agree to the schedule of prices.

12. It shall be lawful for a District Board or Local or Municipal authority to make such arrangements as may be desirable with the Insurance Commissioners as to payment of monies or administration of institution for the purpose of this Act.

13. It shall be lawful for Insurance Commissioners to make such *prorata* or *per capita* allotment of sums as may be necessary for the purpose of providing sanatoria or other similar institution or for making contributions to Hospitals.

14. The Insurance Commissioners shall have the authority to appoint Area Insurance Committees or without the assistance and/or consultation of District Board and Local and Municipal authorities.

15. Where it is proved to the satisfaction of the Insurance Commissioners that a trade or business carried on by any employers is of a seasonal nature and subject to periodical fluctuation, and that those employers systematically employ persons through the year and work short time during the season when the trade or business is depressed, the Insurance Commissioners may make a special order reducing as respects such persons, the employed rate and the contributions payable by the employers and contributors to such extent and for a corresponding period during the remainder of the year, and the order may contain such incidental, supplemental and consequential provisions as may appear necessary for adapting the other provisions of this part of this Act to cases under this section.

16. All sums received under this Act shall be credited to a fund known as the Punjab Health Insurance Fund.

17. The Insurance Commissioners shall be appointed by the Ministry of Education and shall be a body corporate capable of suing and being sued; and of the Commissioners so appointed at least one shall be a duly qualified medical practitioner of at least ten years' standing in practice and one a legal practitioner also with at least ten years' standing in practice.

18. An advisory committee shall be appointed by the Ministry of Education to assist the Insurance Commissioners consisting of an equal number of representatives of employers and workmen.

19. The Ministry of Education shall by notified regulations define the powers and duties of the area Insurance Committees and shall set up, whenever necessary, local Medical Committees to assist Area Insurance Committees.

20. If any question arises—

(a) as to whether any employment or any class of employment is or will

be employment within the meaning of this Act or as to whether a person is entitled to become a voluntary contributor; or

(b) as to the rate of contributions payable by or in respect of any insured person; or

(c) as to the rates of contributions payable by in respect of an employed contributor by the employer and the contributor respectively;

the question shall be determined by the Insurance Commissioners in accordance with regulations made by them for the purpose:

Provided that if any person feels aggrieved by the decision of the Insurance Commissioners on any question arising under paragraph (a) he may appeal therefrom to the District Court with a further right of appeal upon any question of Law to such judge of the High Court as may be selected for the purpose by the Chief Justice, and the decision of that judge shall be final.

21. If, for the purpose of obtaining any benefit or payment under this Act, either for himself or for any other person, any person knowingly makes any false statement or false representation he shall be liable on summary conviction to imprisonment which may be simple or rigorous for a term not exceeding three months.

22. If any employer has failed to pay any contributions which under this part of this Act, he is liable to pay, or if any employer, any insured person, or any other person is guilty of any other contravention of or non-compliance with any of the requirements of this part of this Act or the regulations made thereunder in respect of which no special penalty is provided he shall for each offence be liable on summary conviction to a fine not exceeding Rs. 100, and where the offence is failure or neglect on the part of the employer to pay any contributions to pay to the Insurance Commissioners a sum equal to the amount of the contributions which he has so failed or neglected to pay, which sum when paid shall be treated as a payment in satisfaction of such contributions provided that no person shall be liable to any penalty in respect of any matter if he has acted in conformity with any decision in respect thereto by the Insurance Commissioners, or, if the matter is one which the Insurance Committee is competent to decide, in conformity with its decision.

23. Every assignment of, or charge on and every agreement to assign or charge, any of the benefits conferred by this Act shall be void, and on the bankruptcy of any person entitled to any such benefit, the benefit shall not pass to any trustee or other person acting on behalf of his creditors.

FIRST SCHEDULE.

PART I.

(a) Employment under any contract of service or apprenticeship written or oral, whether expressed or implied, and whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece or partly by time and partly by the piece or otherwise, or except in the case of a contract of apprenticeship, without any money payment.

(b) Employment as an outworker (that is to say, a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sales in his own home or on other premises not under the control or management of the person who gave out the articles or materials for the purposes of the trade or business of the last-mentioned person) unless excluded by a special order made by the Insurance Commissioners, and any such order may exclude outworkers engaged in work of any class, or outworkers of any class or description specified in the order, or may defer the commencement of this Act as respects all outworkers and the person who gave out the articles or materials shall in relation to the person to whom he gave them out, be deemed to be the employer.

(c) Employment in plying for hire with any vehicle or vessel the use of which is obtained from the owner thereof under any contract of bailment or in consideration of the payment of a fixed sum or a share in the earnings or otherwise, in which case the owner shall, for the purposes of Part I of this Act, be deemed to be the employer.

(d) Employment under any local or other public authority except such as may be excluded by a special order.

PART II.

(a) Employment in the naval or military service of the Crown, including service in Officers' Training Corps, except as otherwise provided in Part I of this Act shall exempt.

(b) Employment under the Crown or any local or other public authority where the Insurance Commissioner certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I of this Act.

(c) Employment as a clerk or other salaried official in the service of a railway or other statutory company, or of a joint committee of two or more such companies, where the Insurance Commissioners certify that the terms of employment are such as to secure provision in respect of sickness and disablement on the whole, not less favourable than the corresponding benefits conferred under this Act.

(d) Employment as an agent paid by Commission or fees or a share in the profits, or partly in one and partly in another such ways, where the person so employed is mainly dependent for his livelihood on his earning from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(e) Employment in respect of which no wages or other money payment is made where the employer is the occupier of an agricultural holding and the employed thereon, or where the person employed is the child of, or is maintained by, the employer.

(f) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value Rs. 1,200 a year, or in cases where such employment involves part-time service only, at a rate of remuneration which in the opinion of the Insurance Commissioners is equivalent to a rate of remuneration exceeding Rs. 1,200 a year for wholetime service.

(g) Employment of a casual nature, otherwise than for the purposes of the employers' trade or business, and otherwise than for the purposes of any game or recreation where the persons employed or engaged or paid through a Club, and in such case the Club shall be deemed to be the employer.

(h) Employment of any class which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

(i) Employment as an outworker where the person so employed is the wife of an insured person and is not wholly or mainly dependant for her livelihood on her earnings in such employment.

(j) Employment in the service of the husband or wife of the employed person.

SECOND SCHEDULE.

In the case of employed men and women the contributions to be paid by the employee shall be one anna per week.

In the case of an employer of such employed men and women the contribution to be paid by the employer shall be three annas per week.

In the case of the revenues of the province for each employed contributor the contribution to be paid out of the revenues of the Province shall be two annas per week.

THIRD SCHEDULE.

BENEFITS.

Sickness benefit : Rupees four per week throughout a period of twenty-six weeks.

Disablement benefits : Rupees two per week as long as the disability lasts.

ADDITIONAL BENEFITS.

- (1) Medical treatment and attendance for any person dependant upon the labour of a member.
- (2) The payment of the whole or any part of the cost of dental treatment.
- (3) An increase of sickness benefit or disablement benefit in the case of such of them as have any children or any specified number of children wholly or in part dependant upon them.
- (4) Payment of sickness benefits from the first, second or third day after the commencement of the disease or disablement.
- (5) The payment of disablement allowance to members though not totally incapable of work.
- (6) An increase of maternity benefit.
- (7) Allowances to a member during convalescence from some disease or disablement in respect of which sickness benefit or disablement benefit has been payable.
- (8) The building or leasing of premises suitable for convalescent homes and the maintenance of such homes.
- (9) The payment of pensions or superannuation allowances whether by way of addition to old age pensions under the Old Age Pensions Act (if any).
- (10) The payment, subject to the prescribed conditions, of contributions to superannuation funds in which the members are interested.
- (11) Payments to members who are in want or distress including the remission of arrear, whenever such arrears may have become due.

ANNEXURE.

STATEMENT OF OBJECTS AND REASONS.

The deterioration evident in the physique of the Punjabee Nation and the terrible incidence of disease and consequent suffering and want are facts which are undoubted under our social system, to-day. On the one side there is unattended and disease-stricken humanity unable to support itself in time of serious sickness and mostly uncared for, and on the other a medical profession which suffers like other professions from unemployment. This strange paradox is inherent in the very system under which we live. This Bill is designed to provide, under a system of voluntary as well as compulsory insurance, the harnessing of our resources and the resources of the medical profession for the alleviation of disease and the provision of benefits in millions of Punjabees homes.

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PUNJAB LEGISLATIVE ASSEMBLY.

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make provisions for Health Insurance.

The problem of providing relief to the agricultural classes who are subject to unemployment as a result of sickness or illness should be taken in hand immediately. The total number of non-cultivating proprietors who take rent in money or kind is not a small figure in the Punjab. The last census gave the figure of 320,673. There is no reason why this class of absentee landlord should not provide the necessary funds for the purpose of inaugurating the scheme of health insurance in the villages apart from the other sources that have been suggested or may be available for the raising of necessary money for this purpose. Along with systematised methods of providing medical aid and subsistence relief arises the great necessity of setting-up training centres, venereal clinics, ante-natal clinics, dental clinics, hospitals and dispensaries. All such organisation would require wide-spread activity in building, trade, manufacture, transport and would provide vast avenues for the employment of technical and non-technical staff.

Education.—The spread of compulsory free education as a solvent of the problem of unemployment amongst the educated classes, has been admitted by practically every witness who has been orally questioned by the Committee. The reasons are obvious. The present state of education as revealed by the figures given in the last report on the progress of education in the Punjab is disastrous. The percentage for boys and girls together, *i.e.*, those who are being educated, is 5.45 and of girls alone is 2.29. This is a very serious state of affairs, and all problems regarding the type of education are in my opinion merely detracting from the main issue namely the procurement of literacy for the entire population in the Punjab. The lack of literacy is a tale of neglect and of indifference to the needs of the people. Historically, it must be remembered, it is due to the fact that the British Government in India needed only clerks and subordinate officials to fill administrative posts and the system was designed to provide them with the minimum necessary for the purpose of running the Government of the country. There is a plaque marked 1536 on the embattled walls of the old city of Geneva commemorating the advent of compulsory education! But to-day in the year 1938 the virile Punjabi faced with a life of competition against a civilized and educated world, of necessity forced to utilize most complicated modern machinery at which he is employed earning a living, can boast of less than 6 per cent. of literacy among our people. And even here the type of education that is being imparted takes no note whatsoever of the changes that have taken place in the world. Mr. H. G. Wells has quite rightly emphasized that "the primary business of the teacher is to give the future citizen a picture of the world into which he has to go" and that teaching has become the important thing, not what is taught. Such indeed was the state of affairs not long ago in Russia. But within a few years after the revolution steps were taken to put an end to the illiteracy of the people. However, it has been stated by the Finance Minister quite recently that "judged by comparable statistical tests, the Punjab to-day leads in the matter of nation-building activity". I think it is necessary to examine this statement in reference to education. The latest figures reveal that for every 10.8 square miles of territory in the Punjab there is one recognized school for the general education of boys; and for every 50 square miles of territory in the Punjab there is one such school for girls. The total enrolment for the year 1935-36 was 1,274,482. But out of this figure about 700,000 boys and girls were in primary schools and again out of this figure 332,000 were in the first primary class. Further nearly one out of every four enrolled in the first primary class four years previously, succeeded in reaching the fourth primary class. Another startling fact is the steady fall from year to year in the total number of scholars, *i.e.*, between the year 1931 and 1935; a fall which in the case of boys continued even in 1935-36; and it is significant to note that when there was a decrease of 22,362 scholars in 1934-35, the Ministry of Education stated that "the decline is mainly attributed to economic depression in rural areas. While admitting the force of this cause; it is possible that this decline may indicate that the educational system does not entirely satisfy the requirements of the community in rural or urban areas." While the number of scholars has steadily decreased, the expenditure on education has steadily mounted. The total expenditure in 1935-36 from all sources was Rs. 3,22,09,041, being a little over Rs. 10 lakhs more than the previous year and out of this the Government contributed Rs. 1,68,45,765. The adjoining Province of the United Provinces spent in 1937-38 over four crores. Nominally there has been a compulsory Education Act in force since the year 1919 which is now about to be amended but which in my opinion leaves the matter of compulsory primary education very much where it was. The actual figures reveal that under this Act in the year 1935-36, compulsion was introduced in 2,936 rural areas and in 61 urban areas but the department itself admitted that "the operation of the Act has not been effective in the matter of enrolment, attendance and literacy. Serious efforts have not been made, nor vigorous propaganda carried on, to retain the scholars once admitted till the completion of their primary course, with the result that stagnation and leakage continued to predominate as in non-compulsory areas." It is interesting to note here how great is the leakage. In the year 1935-36, 332,133 students entered in the first year. By the time they got to the second year only 163,845 remained; the figure was again reduced in the third year to 123,703 and in the fourth year the figure comes down to 99,082. One educationist has remarked that this figure is given

under the paragraph ironically headed "The Progress of literacy". While the new Bill, which is now on the anvil, condemns the old Bill, root and branch, the new Bill itself is merely, like its predecessor, an enabling measure. What is needed is not a permissive measure but a measure of compulsion under State control. As it is to-day, a C 8 population is handling an A1 method of production with disastrous results both in agriculture and industry. The first and foremost need of the day in the Punjab is that immediate steps should be taken to provide compulsory free education. In this connection the controversy regarding the teaching of a basic craft or centring round various schemes like the Wardha scheme should not in any manner impede the march towards the goal of literacy but rather should the Government be prepared to accept every assistance and every suggestion that can be given by educationists deeply concerned with the tragic fate of their country steeped in illiteracy. In Japan all children of school going age are compulsorily at school for a period of six years. After completing this general course, unless they are going up for higher education, these children attend for two or three years, as the case may be, higher elementary schools in which such subjects as handicraft, agriculture, industry, commerce and domestic science are taught in addition to general subjects. This is an example to follow. Not only would the compulsory keeping of a child at school rob the unscrupulous employer of the incentive to substitute child labour for adult labour, but would produce a self-reliant population able to look after itself and able to avoid the stigma which, often unintelligently, is made to attach to the working classes, namely the stigma of inefficiency. It is impossible to obtain efficient production unless the labour employed in producing it is also made efficient. The ignorant villager is neither a help to himself nor to his neighbour nor to the institutions that serve him. The ignorant industrial worker is a menace to the machine that he employs, to his own well-being and to industrial production. Both of them are the victims of every charlatan who, in the present state of affairs, necessarily succeeds in preventing them from joining together in their own self-interest and demanding a civilised existence.

Vernacular as the Medium for Instruction.—It is necessary that a foreign language which is now to-day the medium of instruction should immediately be superseded by the vernacular—a recommendation which has been endorsed by the Anderson Committee and was accepted by the Senate of the Punjab University in 1934. The two educational experts who recently toured India, in reference to this matter, have strongly supported the introduction of vernacular as the medium of instruction in schools. But although the necessary regulations have been drafted by the Senate, no sanction to this decision has yet been given by the Government, for reasons which are entirely incomprehensible to any one but the officials concerned. It is amazing to me why the Punjab has not learned as far as higher education is concerned, lessons from the adjoining Provinces. In the United Provinces there are four unitary Universities at Lucknow, Benares, Allahabad and Aligarh, and an affiliated University at Agra. In the Punjab we serve the needs not only of our own Province but of the North-West Frontier Province and of Jammu and Kashmir and of the neighbouring Indian States, and yet there is only one unitary University. There is no reason why it should not be split up into a group of unitary Universities and the wasteful expenditure on intermediate colleges, which are more ornamental than useful, abolished.

Compulsory, free, Primary Education.—I do not intend to deal with matters, important enough in themselves, relating to the administrative side of education, but it is necessary that the fullest use should be made of the Public Services Commission in the matter of recruitment and selection. I am amazed, however, that in our century any objection should be raised against the provision of a compulsory system of free primary education on the ground of lack of finance. Not only is it necessary to raise the standard of primary education, but it is most important to provide equally for adult literacy. A ten year programme would not be amiss and following the example of Russia we could abolish illiteracy in a short period of time. To achieve this appears to me to be the primary duty of the State calling itself civilized; and one of the methods of providing relief for the large body of educated unemployed would therefore be for the State to inaugurate this scheme. It is not difficult to raise money to-day at 8½ per cent. and indeed not difficult for the State to raise a loan of Rs. two crores for the purpose of inaugurating the scheme. If a sum of Rs. 2 crores can be utilised for the purpose of drainage in the city of Lahore, I cannot conceive why it is impossible to utilise a sum of Rs. 2 crores for the purpose of providing compulsory free primary education involving, as it will, of course, recurring expenditure. It is possible to set up 20,000 school units in the Province, and it is possible to attach one square of land of 25 acres to each such unit in order that it may be communally cultivated, free of all taxation, the entire income of which should be utilized for the purpose of the school. I cannot conceive that the Government would not be in a position to provide the necessary land. But should there be any such difficulty, it can be got over by compulsorily acquiring, proportionately, from all owners beginning principally with not the owner cultivator but the absentee landlord, an area equivalent to one square of land in every village where the unit is located. I am quite convinced that the people

of our Province would extend every co-operation to the administration, accept every reasonable sacrifice in order to obtain the benefit of compulsory free education. The problem of the educated unemployed is almost solved at a stroke with the adoption of this scheme.

Remedies.—What then can be done to relieve the tragedy of unemployment and avoid its periodic increase? The first step that any civilized Government should take is to recognize that with the development of modern technology a certain basic unemployment is inevitable and that under the capitalist system, periodic waves of unemployment become a certainty. And having recognized this fact a civilized Government should proceed immediately to the adoption of measures which would relieve the distress caused by unemployment. I suggest the adoption of a scheme of unemployment insurance on the lines of the scheme presented by me in the form of a Bill in the Punjab Legislative Assembly which was opposed and defeated at the introduction stage by the Government. The Bill is as follows:—

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to make provisions for compulsory insurance against unemployment of every workman employed in certain trades.

1. This Act shall be called the Unemployment Insurance Act.

2. The expression workman in this Act means any person of fourteen years or over employed wholly and mainly by way of manual labour, clerical or supervisory capacity, whether under private, Municipal or public authority, provided that the total monthly wages of such person in employ whether engaged in manual, clerical or supervisory capacities under private, Municipal or public authority do not exceed Rs. 100.

3. The expression "Insured Trades" in this Act means such trades or employment which entitles a workman to compulsory insurance and includes the following:—

- (1) Buildings, Carpentry, Painting.
- (2) Constructions of works, roads and railroads.
- (3) Mechanical Engineering including manufacturing of Ordnance and Firearms.
- 4) Iron foundering.
- (5) Construction of Vehicles.
- (6) Saw Milling and Flour Milling.
- (7) Employment in factories or whatsoever nature governed by the Indian Factories Act, 1911, as amended or the Indian Mines Act as amended.
- (8) Employment in hotels, restaurants, Insurance, Banking and commercial offices, and as accountants, clerks, supervisors, typists, and teachers, employed privately or otherwise.
- (9) Transport of all descriptions.
- (10) All other employments in trade, business or organisation when such trade, business or organisation is for gain.

4. The Ministry of Public Works may from time to time by notification in the Gazette extend compulsory insurance against unemployment to other trades or vary the definition of workman with respect to age and may do so with or without modifications of rates of periods of benefits.

5. Every workman of the age of 18 or upwards shall pay one anna every week of his employment on remuneration (but if he or she is of an age between 16 and 18, then his or her contribution shall be only $\frac{1}{2}$ anna per week) and every employer of such workman shall pay three annas for every week that the employer pays the said worker any remuneration. Any period less than a week shall count as a week.

6. The employer in the first instance shall be responsible for the contributions both of himself and his employee and in case of the contribution of the latter, the employer shall be entitled to deduct the amount so paid from the wage bill.

7. There shall be a fund known as the Unemployment Fund made up of contributions of workmen and employers together with an annual contribution from the Revenues of the Punjab Government equal to half the total contributions received from employers and workmen.

8. The Punjab Government may at any time through the Ministry of Finance advance a sum not exceeding one crore towards the Unemployment Fund in case of emergency or otherwise; but this advance shall remain a first charge on the Unemployment Fund.

9. All expenses in connection with the administration of the Unemployment Fund and machinery set up under this Act shall be borne and expended out of the Revenues of the Province.

10. The Central authority for administration of the Unemployment Fund shall be the Ministry of Public Works which by notified regulations (which shall have effect as if enacted) for the purposes of carrying into effect the statutory provisions as to Unemployment Insurance, shall appoint Insurance Officers, Inspectors, servants and all necessary staff including the Court of Referees and the Umpire and make all such regulations as may be necessary for the purpose of carrying into effect the statutory provisions of this Act. Such regulations shall be laid before the Legislative Assembly which may annul, amend or alter the same.

11. All questions bearing upon Unemployment Insurance, in the first instance, shall be referred to inspectors appointed for various areas by the Ministry of Public Works. In case of dispute the matter shall forthwith be referred to the Court of Referees. Should the Insurance Officer's

verdict disagree with the verdict of the Court of Referees the matter shall be referred to the Umpire.

12. The Court of Referees shall consist of a chairman chosen by the Ministry of Public Works and an equal number of representatives of employers and employees.

13. The Umpire shall be appointed by the Ministry of Public Works and shall be an independent person. His decision shall be final.

14. Inspectors, Court of Referees and the Umpire shall have the right to reverse their decisions on discovery of new facts.

15. The weekly rates of benefits for all workmen and women between the ages of 18 and 60 shall be Rs. 2-8-0 per week. Young men and women between the ages of 14 and 18 shall receive a benefit of Re. 1-8-0 per week.

16. The benefit payable to a dependent whether a child or an adult shall be annas eight per week for each such dependent but in all such cases the dependent must be proved to be wholly maintained by the claimant and payment shall be made for a maximum of two such dependents at any one time.

17. No claimant shall be entitled to benefit unless (a) he has paid at least twenty-four contributions previous to the claim or 8 contributions within two years prior to the claim; (b) he does not refuse, except for good cause shown when offered an insurable and suitable employment at rates not lower than those of his previous employment; (c) he does not fail to carry out the directions given to him by officers of employment exchanges to be set up under the Act; provided that (i) no claimant shall be compelled to seek work in a Factory or business where a trade dispute has arisen, during the pendency of the Trade dispute; (ii) no claimant shall receive benefit if his unemployment is caused by a trade dispute during only the pendency of the trade dispute unless he can show that he was not directly participating in financing or interested in the trade dispute causing the stoppage of work; (iii) no claimant shall be entitled to receive benefit if he voluntarily leaves an employment or loses employment through misconduct or sentence of imprisonment for offences involving moral turpitude or is in receipt of benefit from other sources excepting pensions but including sickness benefit under any Health Insurance Act in force at any time.

18. All claims shall be settled by the Insurance Officer concerned within one week of the receipt of such claim but if the Insurance Officer does not allow the claim, he shall refer the claim for decision to the Court of Referees within a week of such disallowance. The Court of Referees

shall meet to decide the claim within a week of the reference made by the Insurance Officer and if the matter is referred to the Umpire the reference shall be made within a week of the decision of the Court of Referees and the decision of the Umpire shall be final.

19. Benefits received under this Act shall not be attachable either in bankruptcy proceedings or under any other process of law.

20. Every Municipality, District Board or Local Authority shall set up forthwith offices known as Employment Exchanges as directed by the Ministry of Public Works and every employer covered by this Act shall communicate his requirements within twenty-four hours in case of a vacancy, to such employment exchanges where registers of all insurable trades and such other particulars as may be necessary shall be kept for the purposes of facilitating the placing in employment of claimants under this Act.

21. Inspectors have the right to enter into any premises not being a dwelling house engaged as a factory in order to ascertain whether any insurable persons are there employed or whether the provisions of this Act are being complied with. Inspectors have the right to call for documents.

22. False statements knowingly made for the purpose of avoiding payments or obtaining insurance benefit where not due shall be punished on summary trial with simple or rigorous imprisonment which may extend to three months.

23. Failure to pay contributions shall be punished with a minimum fine of Rs. 100 for each offence. Such failure may also make the person liable to pay five times the unpaid contributions.

24. Any Inspectors or any aggrieved person or office bearers of a Registered Trade Union or of a Registered or Incorporated Employees' or Employers' Association may lodge a complaint or institute civil proceedings under this Act.

25. The Ministry of Public Works may make such provisions as may be necessary for the purposes of providing training and educational facilities for those entitled to benefit under this Act.

26. The Ministry of Public Works shall make necessary regulations for the purposes of carrying into effect the provisions of this Act by notification in the Gazette.

ANNEXURE.**STATEMENT OF OBJECTS AND REASONS.**

In spite of the lack of official statistics the existence of Unemployment needs no proof beyond such evidence as is readily available when, for instance, large employers advertise for vacancies. So serious is the situation that it is recognised on all hands that unemployment has become a menace. It is not sufficient that stress should be laid merely on the educated persons who are without jobs. The problem is a larger one which has to be dealt with in a comprehensive manner. But while other steps may be in contemplation to deal with the root of the evil it is the primary duty of every State which claims to be civilised to provide for its citizens who, through no fault of their own, are unable to obtain, though willing to work, the ordinary means of livelihood. And therefore while attempting by other legislative means to provide for a system which will ensure a job to every adult citizen it is incumbent on us, with the assistance of those who are fortunate enough to be still in employment, to see that no citizen of the Punjab suffers from absolute want.

The system followed in this Bill has been tried in other countries and has generally succeeded. There is no reason to anticipate why it should not succeed in the Punjab.

An acceptable scheme.—The Scheme suggested in this Bill is confined, to begin with to what may be termed industrial labour covered by the Indian Factories Act or by the Indian Mines Act. Practically every witness who came before the Committee to give oral evidence and whose statements were thus subject to cross-examination, admitted that as far as this particular class of workers is concerned, a scheme such as I suggest would not be beyond the bounds either of practicability or of finance. In fact the employers, when the financial figures were revealed to them, could not possibly object since the burden on industry was infinitesimal. Typical of these employers was one from Ambala who started by being doubtful but when he realized that in his own factory the cost would be proportionately less than Rs. 50 a month, he did not fail to recognise that that could not be considered as a burden. With an industrial population of about 70,000 covered by the Indian Factories Act and the Indian Mines Act, a payment by the State of even four annas a week towards the Insurance Fund gives a figure of Rs. 17,500 a week or a little over Rs. 9 lakhs a year, or a little more than practically three times the amount drawn by six Ministers as their remuneration during the course of the year. Less than forty I.M.S. officers cost us between 15 to 20 lakhs a year. Fantastic calculations have been made in the Report in reference to the cost of the Unemployment Insurance Scheme. Without any reference to what the scheme is or the machinery of the scheme, it has been sought to suggest that there will be payments only (and no income) out of the Insurance Fund and that the Government would be the sole contributory towards payments of this nature. Experience in countries where this scheme is in vogue, and this scheme is in vogue in most civilized countries, has shown that far from there being a deficit, a fund of this nature even with a large number of unemployed subsisting upon it, can be a solvent fund. In Great Britain the basic unemployment to-day is reckoned to be a million and a half to a million and three quarters, that is to say, people who can never find employment and yet the Unemployment Fund towards which both the employer, the worker and the Government contribute, is solvent to the extent of £80,000,000. Such sums, although sacrosanct, can certainly affect the expansion of credit made available for other purposes just as much as to-day Post Office Saving deposits, equally sacrosanct, are similarly utilised. I suggest that the scheme is eminently a practicable one, the only difficulty being the novelty of it to minds unaccustomed to think and feel in terms of the modern world. I must confess that with the development around us of modern industrial civilization, and even in our midst, we cannot hope to run the affairs of the State with the attitude of mind of the villager listening to the headman at a *hoogga* meeting. We must take steps not only to modernize our system but to modernize our minds if we are to save the Punjab from the terrible economic disaster that looms ahead of it.

It must be remembered that in every country where the scheme of unemployment insurance was first mooted there were many antiquated statesmen who were horrified at the idea of granting a dole, *i.e.*, something as they thought for nothing. The possessing classes are always getting something for nothing from the working classes and should be quite used to the idea. But this argument is a false one. In a contributory scheme it is the worker who pays principally, because even the employer's contribution comes out of the labour of the worker. And at all events modern industry in the most unashamed and unabashed manner demands State assistance when in distress, without any equivalent return, in the shape of subsidies, tariffs, quotas and the like. But if the worker demands similar treatment when out of employment the employing class is aghast at the proposition. It is the State's duty to assist the unemployed worker. It is indeed the State's primary duty.

Hours of work.—One of the methods employed during the last crisis, by civilised countries, to minimise the incidence of unemployment was the diminution of hours of work. The Unemployment Committee of the International Labour Office adopted the suggestion that all over-time should be abolished and that the hours of work should be reduced either by reducing the number of hours per day or the number of days per week of work, and suggested that the hours be reduced to 40 per week. In the Punjab as far as Industry is concerned, the hours of work are regulated by the new Indian Factories Act which in an amended form was brought into force after the report of the Royal Commission on Labour, of which I happened to be a member. Hours in industrial establishments were generally reduced from 60 per week to 54 per week, that is a 9 hour day for six days in the week. Mr. N. M. Joshi, Miss Beryl Le Poer Power, Mr. John Cliff, Mr. Kabir-ud-Din Ahmed, and myself suggested still lower hours, for the working week. Since the signing of that report the world has witnessed the ravages of a terrible wave of depression whose incidence in India was not visible until after that Report had been completed. Apart from the fact that a reduction in the hours of work makes available more employment through which the unemployed can be absorbed, another factor has intervened as a result of technological developments. During the last few years throughout the world the output per person has risen to phenomenal heights. In Germany in the coke industry the output per worker rose by as much as 67 per cent., for the cast iron worker 51 per cent., for steel worker 50 per cent.; in America in the petroleum

refining industry it rose by 88 per cent. and for cane sugar workers in America by 71 per cent. Faced with this individual increase in production arising out of rationalization and technological developments, industrialists throughout the world began to suggest two methods of creating a balanced situation whereby the displaced worker could regain employment, firstly to destroy the technical progress that had been achieved or secondly to shorten the hours of work. For instance, Mr. Henry Ford in 1929 decided to reduce the hours of work to 40, distributed over a five day week, in his motor car industry in Detroit. A quarter of million workers were affected by this change. In Czecho-Slovakia in 1930, Mr. Bata did the same thing but kept the five day week to a maximum of 45 hours. America and France have definitely gone on to the 40 hours per week basis. Under the Wages and Hours Act recently passed in America, this principle has been recognized along with the principle of the fixation of a minimum wage for all workers of roughly one dollar per hour, which is nearly Rs. 8 per hour; that is every worker gets a minimum of Rs. 120 per week in industrial employment in America. In the Punjab, however, in industrial areas a system which ordinarily is supposed to work for 9 hours a day but often, in disregard of all legal restrictions, works as much as 11 to 12 hours a day without any check by the Inspection Department, the solution is a simple one, namely, the creation of employment on a three or four shift basis, each shift being of six hours duration. An example will show what advantage the unemployed would derive from this. Instead of employing, let us say, two shifts of 90 workers during 8 hours each, an employer could engage three shifts of 80 workers during six hours each, thereby increasing the number of employed from 180 to 240 and the working period of the undertaking from 16 hours to 18 hours. It is quite possible also to get on to a basis of four shifts of six hours each if continuous running of the factory is demanded. Every country faced with this problem has had to deal with it on the basis of a reduction of the hours of work. In fact in Australia and New South Wales, Public Works contracts stipulate that the hours may not exceed 40 per week spread over five or more days with a daily maximum of 8½ hours. It must be remembered that the hourly rate of wages remains untouched. Again, in the United States of America under the Emergency Relief and Construction Act, the hours were fixed not to exceed 30 in the week and so too in Germany in certain branches of industry and in public offices hours of work were fixed at 40 per week. This was achieved by legislation but apart from legislation many private undertakings throughout Europe took a similar step on a voluntary basis. For instance a large oil factory at Harburg-Wilhelmsburg, in Germany, by introducing an extra shift engaged 350 additional workers to the thousand already employed, and the newly engaged workers included brothers, sons and other relatives of those already in service. The most interesting fact in connection with this is that it has been stated that after a few weeks of trial of the new system, it was found that the cost of production had not risen. After such a satisfactory experience of the reduction of hours of work with no reduction in wages, this factory published a pamphlet advocating this method as one of the most effective means of combating unemployment (December, 1930). The Kellogg Food Company in the United States of America whose chief factory is at Battle Creek, Michigan, reduced the hours of work from 8 to 6 in the day as from the 1st of December, 1930. This reduction enabled it, since it worked on a four shift basis, to increase the number of men employed, by 89½ per cent. The minimum wage offered by this Company was 4 dollars a day and the average wage was 5.40 dollars. Not only did this concern agree to reduce the hours of work but at the same time raised the basic hourly wage by 12½ per cent. so that the workers had more leisure and more purchasing power. So happy indeed was Mr. Brown, the President of the Company, that he wrote a pamphlet called "What of the six hours day?", and stated that if no unforeseen factors intervene, the Company would permanently maintain the system of four 6 hour shifts. Similarly, on the recommendation of the Polish National Committee on Unemployment, the sugar industry of Western Poland, an agricultural country like ours, introduced a four 6 hour shift and in consequence was able to employ 45,000 more workers. It is stated that in the Minerva Motor Works, by the reduction of hours to 40 per week, 400 extra workers were kept in employment and although hours of work were reduced, there was an increase in labour output, while at the same time this innovation had no effect on the cost of production. In the Fiat establishment in Italy, a new system was introduced according to which when production in winter was less and the hours were shorter, the workers were credited with the full wage for the full working week although they did not work the number of hours shown on their pay-cards and during the summer when they worked longer hours than 40 per week a debit was made for the extra hours while they still continued to get the basic wage plus the supplement, thus keeping in employment, by the reduction of hours to 40 in the winter, a large number of workers who otherwise would have been dismissed. Another method employed was the laying off of workers for 7 days in every 7 weeks without interruption of service as was done by the Berlin Post Office. In our own country too according to the

International Labour Office Report, 1938, the economic depression led to the reduction in hours of work of certain categories of employees and to general reduction in hours in certain industries. Unfortunately the method employed in India had little wisdom behind it. For instance in the Railway Workshops not only was the staff reduced but the working week was cut down by a day and-a-half or two days as in the Mughalpura Workshop resulting in a proportionate reduction in wages. Many industries in India were forced to close down during the depression, but where some intelligence was brought to bear upon this question as in the case of one Steel company which employs more than 24,000 workers, it is stated that the reduction in the hours of work gave satisfactory results. In December, 1931, the Jute Association of Calcutta after having increased the hours of work from 54 to 60 in a week during the depression, suddenly found itself forced to bring the week down to 40 which meant, of course, a terrible drop in the earnings of already poorly paid employees. The moral to be drawn is that a reduction in hours must not be accompanied by a reduction in wages. Even in Japan efforts were made to deal with the depression by reducing the hours of work, granting a large number of rest days and increasing the number of shifts. I recommend that steps should be taken immediately to introduce the 40 hour week for all industrial establishments in the Punjab and all offices, shops, business houses and such like establishments which to-day are absolutely unregulated and where long hours of work are proverbial. A large number of the unemployed would immediately be absorbed in such undertakings by the strict application of the principle of reduced hours of work. This would particularly affect vast bodies of workers who are unregulated to-day in the matter of hours of work—the mason, the carpenter, the labour hand in the building trade, the shop assistant, the clerk, the employees engaged in transport and those engaged in hotels and restaurants. I believe that enormous blocks of the population, by the acceptance of this suggestion, would be enabled to eat a satisfactory meal undisturbed by the thought as to where the next one is to come from. But in every case there should be no reduction in the basic wage.

Children and young persons.—Along with this legislative measure another method of very great importance should be adopted, namely, the withdrawal of young persons and children from employment. This would certainly happen if the Japanese system is followed of compulsory free education and if the school leaving age is increased. It is obvious that either one must reduce the number of persons applying for jobs or increase the number of jobs in order to put an end to unemployment. But while the jobs remain the same, by raising the school leaving age and the minimum age for admission to employment, an impetus would be given to those who are without employment in seeking new jobs. The minimum age for admission to employment should in no circumstances be less than 16. Can there be a worse tragedy than that of little children employed for long hours on a mere pittance—a tragedy not only for the parents or for the children, but a tragedy for the entire nation? What sort of a future generation are we building up out of the emaciated bodies and dulled brains of little children who should be at that age preparing themselves not for the purpose of being exploited by unscrupulous employers but for the duties of citizenship?

Planning.—The majority of the countries in the world have adopted the policy of planned public works in order to alleviate the fluctuations of employment. Examples of such planned public works are the setting up of health laboratories and public buildings as in Australia, the construction of roads, the enlargement of buildings and the transformation of schools as in Austria. In the latter country such schemes provided work for over 60,000 unemployed in 1935. Forty to sixty per cent. of the total cost goes in wages.

In the Punjab, what is needed most urgently is a great Housing scheme which will cover the rural areas, construction of roads, development of all sorts of communications, erection of schools, buildings, dispensaries and hospitals, storage plants, the extension of tube-well irrigation, as well as canal irrigation and the supply of electricity. The finest example of planned public works is to be found in the United States which, under the guidance of President Roosevelt, attempted to stem the tide of unemployment. During the fiscal years ending 30th June, 1934, 1935 and 1936, the ordinary budget was supplemented by an emergency budget financed by loan. Gayer, in his "Public Works in Prosperity and Depression" summarises the history of federal financing as follows :—

" In summary, the Federal Government borrowed to meet its deficit and later to meet huge emergency expenditure on the whole successfully, but not without difficulties at certain periods. The use of short term debt was a normal outcome of a period of stress. While the nation remained on the gold standard, its borrowing operations were complicated by large gold outflows to settle foreign accounts. Increasing reliance on Banks has later on not only facilitated short term borrowing but also involved

more and more direct connection between the national debt and general monetary conditions. Finally, the financing was accomplished in the midst of a persistent downward trend in general business and credit extension, in spite of open market operations and with a series of adjustments in the tax, budget and monetary structures which had an important bearing on treasury policy. During the months of 1933-34 when Federal financing was in part motivated by deliberate intention to raise prices and to stimulate business through the use of federally supported public works, the market continued to absorb Federal securities readily. In general, the credit of the Federal Government, measured by its ability to borrow at decreasing yields, improved from the inception of Public Works policy to date. The present policy of the Federal department is (1937) to reimburse municipalities with 45 per cent. of their expenditure for every dollar spent in wages on Public Works which are paid to labour taken directly from relief rolls."

I recommend the constitution immediately of a National Board under the supervision of a Supreme Economic Council (as suggested by me later on) to work out and institute comprehensive Public Works Schemes.

Industry and services and the profession.—The following facts should be borne in mind when we consider the problem of planning. The number of persons engaged in the textile industry during the last decade has remained the same in spite of the increase in the population of 13.5 per cent and the Census Report itself talks about the possibility that this may be partly due to the introduction of labour saving devices. The Metal industry with its nearly 93,000 workers shows, as well as the ceramic industry with its 114,000 workers and the wood industry with its 173,000 workers, a rise commensurate with the increase in the population. The food, dress and toilet industries are stationary. Hides and skins show a large decrease. The chemical industry declines by 8 per cent. Miscellaneous industry declines by 9.3 per cent. Transport shows an increase of 23.2 per cent., the figures being for 1931, 226,361 and for 1921, 183,741, that is roughly 43,000 more.

The Postal Department employs, exclusive of Delhi, a total of 14,000 employees. The Railways showed an increase of 25 per cent., the figures being a total number of 106,067, but retrenchment subsequently created widespread unemployment. 66,327 railway workers were those on wages of under Rs. 30 per mensem.

Hotels also show a big increase.

There is a 10 per cent. increase in public administration and the liberal arts, in public administration the figure having gone up from 56,813 to 96,716 and in local bodies from 6,125 to 16,624 and in village administration from 9,285 to 14,903 and service of State from 30,092 to 50,864. Two per thousand of the population is employed in public administration. In medicine the figures have increased from 17,608 to 29,685, Law : 5,621 to 10,297. The figure for letters, art and sciences has dropped by more than 3,000. Seven per thousand of the total population consist of beggars whose number is 208,616 !

The average area per agricultural worker nowhere exceeds 13.2 acres in the Province and the average for the whole Province is only 6.4 acres.

The total urban population is 3,067,464. There are more than half a million less women in the towns than men.

The number of hospitals and dispensaries in 1921 was 583 and in 1930 was 1,035. The number of indoor patients in 1921 was 93,005 ; and it was 181,482 in 1930. The number of outdoor patients was 4,921,076 in 1921 and it was 11,561,187 in 1930. This last figure shows a tremendous need for the expansion of medical aid throughout the Province. It shows that in spite of the paucity of the relief available, the tendencies represent the figure of every other inhabitant in the Province having been in need of medical attendance.

The extent to which India was affected by worldwide depression is shown by the fact that in 1931-32, imports and exports were nearly half of those of 1929-30, and there is no reason to believe that the volume of employment has not decreased on a similar scale during this period.

The number of factories was nearly doubled between 1921 and 1931 from 297 to 526, but the number of operatives was actually less in 1930 than in 1924 and only slightly more than in 1923, the figures being :—

for 1921,	42,428
„ 1923,	49,110
„ 1925,	58,533
„ 1930,	49,449

A Statistical Bureau.—According to the index number of world production prepared by the "INSTITUT FÜR KONJUNKTURFORSCHUNG", Berlin, industrial production before the world depression was really concentrated in four great industrial States—the United States of America 44·8 per cent., Germany 11·55 per cent., United Kingdom 9·26 per cent., France 7 per cent. Certain other European countries like Czechoslovakia, Belgium, Netherland, Switzerland, Austria and Canada, show a percentage varying from 0·80 to 2·22 per cent. The rest of the production was divided among United States of America 4·65 per cent., Italy 3·15 per cent., Japan 2·35 per cent., India 1·30 per cent.; Spain 1·20 per cent., Sweden 0·85 per cent., Poland 0·75 per cent., Argentine 0·65 per cent., which means that about ten countries were responsible for about 80 per cent. of the world's industrial production; whereas the others in which agriculture generally predominates were responsible for 20 per cent. only. It will, therefore, be seen that since great leeway has to be made up in the matter of industrial production in India the necessity for planned development under State control becomes the more urgent and insistent. What is it that I mean by planning? I do not mean merely the adoption of an isolated suggestion such as the creation of labour camps—a suggestion which was originally made by Mr. G. D. H. Cole and has been readily adopted by the Committee. My suggestion is not the creation of labour camps isolated from the rest of the economy of the Province, but the conversion of the entire Province into a labour camp. There must be first of all a clear objective and having established the objective we must then proceed to the discovery of the method for making the plan a success. The Webbs in "Soviet Communism: A New Civilisation" sum up the difference between planning for private profit and planning for the well-being of society:— "In a capitalist society, the purpose of even the largest private enterprise is the pecuniary profit to be gained by its owners or shareholders In the U. S. S. R., with what is called the Dictatorship of the Proletariat, the end to be planned for is quite different. There are no owners or shareholders to be benefited, and there is no consideration of pecuniary profit. The sole object aimed at is the maximum safety and well-being, in the long run, of the entire community." Now the question arises in the Punjab as to how, at present, within the framework of an almost feudal society, a planned economy can be put into action for the benefit not of the small proprietary class, but of the masses. The first great desideratum is the provision of correct statistical information and the creation of a Statistical Bureau. Without such a Bureau it is not possible to move an inch in furthering a coherent, far-reaching and effective plan. I suggest, therefore, that an Act, to be known as the Collection of Statistics Act, should be passed without delay. Every institution, public authority and Government Department whose activities can assist in the collection of data should be under a statutory obligation to keep and furnish correct statistics regarding its activities. If my suggestion regarding the provision of an Unemployment Insurance Scheme is adopted it will necessarily lead to the setting up of Employment Exchanges; and the classes covered by the scheme which, I hope, will be extended to all categories of workers, will be automatically registered. Japan has tried the method of employment exchanges without a National Unemployment Insurance Scheme. No one can assert that any great measure of success has been achieved by those exchanges or that correct statistics are available through them.

Planned economy.—With correct statistics we will be in a position to know for instance the figures for consumption of all commodities in the Punjab. Instead of making a guess of this nature as is done in the Report:—

"There must be quite a large number of persons belonging to agricultural classes who after receiving education up to the middle standard naturally reverted to their ancestral occupation.

There must be many others who on account of comfortable family circumstances or disinclination to work would not normally seek employment";

we would have actual facts upon which to work for the provision of a plan. We would know such facts as the total number of workers of all types, the movements of labour, the causes for such movement, the lack of particular types of raw material, the weakness of industrial production, the additional requirements in the matter of hospitals and schools and the exact number of the personnel required in the coming year. We would know what happened last year and what is sought to be achieved for the coming year. General objectives would, on the basis of these statistics, come to mind quite readily and the general policies to be pursued could be woven out of the fibre of past experience. The question would arise whether producers' goods should be developed first or consumers' goods. If the former, the needs of the nation which require immediate satisfaction would have to be deferred for a while. You can have more coal to use in the kitchen or to use in brick-kilns or in blast furnaces. And, therefore, the rate at which the needs of the future have to be provided for determines the present enjoyment of goods. And the same would apply to agriculture. What again should be the amount of the national income which should be invested in order to increase it for the future? What factories should be built to provide what necessities for the population? What production should be aimed at in these factories? What are the needs in the matter of the clothing of the

population? How are they to be met?

Supreme Economic Council.—All these matters require conscious planning. Therefore I suggest that a *Supreme Economic Council* should be set up which should make the necessary surveys and control the planned projects. It should consist of noted economists with a radical outlook, industrial experts, financial experts, technical planners, industrial chemists, agricultural experts, educational experts, medical, surgical, dental and optical practitioners, statisticians, road engineers, architects,—and indeed every type of expert who can tell us not only what to do, but how to do it. Some such scheme is in the mind of the Congress High Command; and the Industrial Planning Committee which has been set up is expected to assist in the general survey. The Punjab cannot wait. It must proceed forthwith to the setting up of a Supreme Economic Council. But the basic criterion *should be control and ownership by the State.*

A Fifty crore loan.—How is this planning to be financed? I suggest the raising of a vast loan by stages up to, if necessary, 50 or even a 100 crores. The experience of America shews that when Mr. Roosevelt's Government started creating vast relief works for which enormous loans had to be raised, with each successive flotation there was generally either an equal or lesser interest charged, the reason being not only the utility of such relief works but the addition they made to the purchasing power of the community. Our credit in the Punjab has been good. It should be possible to raise funds at between 3 or 3½ per cent. A portion of these loans which is utilised for industrial undertakings should certainly yield an excellent return as industrially the State would practically be creating a monopoly for its products. Only the other day in the Punjab, a match factory employing 500 workers had to close down because a colossal Swedish match combine was arranging to purchase it and had, by underselling, made it, for some considerable time, difficult for this match factory to compete. If the match combine decide not to operate this factory, the five hundred families will not have the consolation even of the much maligned dole. A factory of this kind creates a monopoly for the State—not only a monopoly, but a very profitable monopoly. And indeed there would be this assurance also that the profits earned would not go into the pockets of the private owners or a few absentee shareholders, indigenous or foreign, but would be utilised either for the benefit of the population as a whole or for the purpose of creating more employment through further investment in Industry. Let us take the case of cotton. The Delhi Cloth Mills which has favourably competed with down country mills in the markets of the Punjab, paid as much as 35 per cent. in dividend even at a time when Mills in Bombay were closing down and suffering enormous losses. We have cotton at our door, and there is no reason why the State should not compulsorily acquire the newly started Cotton Mills in the Punjab and start more of its own. There could be no lack of capital for industrial enterprises of this nature. Cotton Mill production steadily increased in the Province between 1926-1927 to 1931-1932 from 3,174,000 pounds to 5,171,000 pounds, dropping during the depression to as low as 2,700,000 pounds in 1934-35, but picking up in 1935-36 to the figure of 7,119,000 pounds but a figure 80 times less than that of Bombay and 15 times less than that of the United Provinces.

Electrical, woollen, petroleum concerns.—Apart from surveying for and opening up new industries according to the needs of the people of the Province, I suggest the making of all electrical power producing concerns a monopoly of the State. Concerns which take power from the State at less than an anna a unit, supply it to the public at four annas a unit. The balance sheets of electrical companies have only to be examined to realise that even where cheap power produced by the Hydro-Electric Scheme organized by the State is utilized by private electrical undertakings at low cost, the cost to the consumer is heavy and the profits large. Nor should the Woollen Mills in the Punjab be left to private control. All such concerns like the Dhariwal Mills should be acquired and operated by the State.

I have already suggested that the petroleum industry at Khaur whose shares are to-day quoted at 25 shillings or more above par should be acquired by the State. The terms of the lease are such that a foreign company pays very little commensurate with the value of the property. In reference to new industry or small industry the Supreme Economic Council should work on a planned basis in order to acquire or build all such industry.

Collective farms.—Along with this the State should intervene and rescue the peasantry out of its present miserable economic condition. In view of the fact that nearly 75 per cent. of our holdings are uneconomic and have come down to the average of about a little more than six acres, this disastrous state of affairs calls for the intervention of the State. There is only one method and that is for the State to come to the assistance of the uneconomic holdings by not merely consolidating on a small scale, but on a vast scale in the shape of collective farms where, with the application of new methods and the conclusions of research which is now going on on an extensive scale, a great advance could be achieved. Agriculture must be made to pay. It cannot be made to pay by affording facilities to the agriculturist Zamindar to become rich or to acquire property at the expense of his poorer *confrere*. It can be made to pay

only by the application of modern scientific knowledge placed at the disposal of a collective farm until a network of them is spread from one end of the Province to the other. In this connection it is interesting to note what a Government with a will, and a radical will, has been able to achieve for its people and how it has rescued them out of a state of dangerous economic depression. I speak of the recent policy of the Government of New Zealand. After the depression of 1929 and onwards there was a disastrous fall in the level of wages in New Zealand and a great deal of unemployment. Recently the Socialist Government in New Zealand has restored the wages to the old level. Between 1935 and 1938 the New Zealand Government has increased wages by £28,000,000. It has instituted a 40 hour week, guaranteed a fixed price for the dairy farmer, arranged for the national marketing of primary produce, passed a Prevention of Profiteering Act, initiated a 5 day week for all workers, and among other measures of relief, reduced unemployment by 85 per cent. and guaranteed minima wages.

In the Punjab, too, an essential is the guaranteeing of fixed prices to the peasantry.

Roads.—Our planned economy should undertake the immediate development of communications in the Province, stipulating in every public contract not only a fare wages clause, but also a maximum 40 hour week. Not only should there be development of communications, but the State should organize cheap transport in all areas of primary production. This should be done on the basis of a five year plan until decent feeder roads link every village in the Province with main arterial roads.

Housing.—Equally urgent not only for the sake of the health of the nation, but also in the interest of its wealth, is the need for a National Housing Scheme. There can be no doubt whatsoever that the vast majority of our population is living no better than the cattle which surround it. There is no more disgraceful aspect than the manner in which working classes live in over-crowded, insanitary, disease-infested slums. Only a National Housing Scheme can put an end to the greed of the profiteering landlord and the iniquitous land speculator. Improvement Trusts as far as the towns are concerned should be set up where they do not exist and should be energized where they do and a limit should be set of, let us say, ten years for the clearance of every slum and the provision of livable and sanitary houses. In the villages the rammed earth house should be constructed on a planned scale. It costs next to nothing, is cool in the summer and warm in the winter. *Pisé de terre* construction dates from Neolithic times and is similar to adobe buildings in Mexico, and was revived in 1921, but cannot become popular under the capitalist system because the cost is only the cost of the earth that is used in its construction and of unskilled labour. I suggest that detailed enquiries should be made regarding this kind of construction with the object of its eventual adoption for the purpose of rebuilding our villages on a more cheerful, useful and sanitary basis, with practically hardly any cost that cannot be borne directly by the village community itself—the cost being the cost of labour which the village itself would provide as it does at present. A great deal of the unemployment caused through sickness would be avoided and productivity increased.

Re-organization of Local Self-Government.—But all this can only be achieved with the re-organization of Local Self-Government. I suggest that a Provincial Local Government Board should be set up which would exercise the powers of the Government in Local Self-Government matters with a final appeal to a Tribunal. All local bodies would be constituted on the elective adult franchise basis with proportional representation, and taxation for the purposes of rural reconstruction would be on a local and provincial basis by means of graduated taxes exempting a minimum holding or an income. The present heavy cost of Police Administration would be greatly reduced by the entrusting of ordinary Police duties to civic guards operating under the authority of Local Bodies, chosen on the basis of adult franchise, and proportional representation in order to assure correct representation of minorities. A great impetus to economic regeneration can be given by the creation of elective Village Panchayats entrusted with such responsible work as the settlement of local disputes, the provision of civic guards for defined areas, education, health, sanitation, and similar matters. Both the Village Council as well as the District Council should be empowered to undertake industrial and agricultural enterprise under the aegis of the Supreme Economic Council. The provision for relief for the unemployed as well as the insurance of the health of the people would have their beginnings in the Village Council and through the District Councils and Municipal Bodies reach up to the National bodies in charge of these matters. Other tasks could also be assigned to these bodies according to the experience gained or the exigencies of the case. But it is necessary that recruitment to the services controlled by local bodies should be strictly regulated through the Public Services Commission.

Other matters.—There are many matters connected with the problem of unemployment which demand careful consideration. The first of these is the exchange policy of the Government. It is sophistry to pretend that artificial manipulations of the exchange ratio of a country cannot adversely affect its trading position. In 1927,

when the controversy regarding the exchange ratio came to a head and the proposal to keep the rupee which is now pegged to sterling at an exchange value of 1s. 4d. was defeated by, I believe, two votes in the Central Legislative Assembly and the rate fixed at 1s. 6d., what happened was that the pound sterling became cheaper to buy by 12½ per cent. and thus British goods could enter India 12½ per cent. cheaper than if the ratio had remained at 1s. 4d. In France quite recently the Franc was by Law brought down to an exchange value of 177 to the pound sterling from its then existing exchange value of about 180. No one knowing the facts, can deny that as a temporary measure, until prices readjust themselves on the basis of world parity, the lowering of the value of the Franc in terms of the pound sterling has given a fillip to French overseas trade and a substantial benefit to the French manufacturers. An exchange freed from control finding its own level according to the fluctuations of the trade balance (but a real trade balance in a country which is not a kept nation as ours is for the purposes of the British Empire) would be preferable to an artificial rate fixed in the interest of foreign manufacturers. This is a matter which has to be dealt with on an all-India basis.

Minimum wage.—The question of a minimum wage, however, is a matter of provincial concern. There can be no doubt whatsoever that from the technical point of view almost every industry in our Province can be considered to be a sweated industry both from the point of view of the remuneration paid and the hours and conditions of work. There is great necessity for the provision of a decent minimum wage not only for the women and children employed in industry, but also for the male working class population. Any one familiar with the actual remuneration earned week to week by industrial workers in the Punjab will realise without stress of further argument the necessity for the provision of minima rates of wages not only in the interest of the individual, but also in the interest of society and in the final resort in the interest of Industry itself. The laying off system produces, for instance, for the Dhariwal worker a wage surplus after all deductions have been made often from two to seven rupees a month. The same is the case with the employees in the Mughalpur Railway Workshop who after a great deal of agitation and great suffering succeeded in obtaining an extra period of employment. Children in the Carpet factories in Amritsar have no protection either against their exploitation by the jobber or the employer. Nor have women any protection in seasonal factories. And this is true also of large bodies of manual workers employed under the contracting system. It is not possible for me to understand the plea that is sometimes raised regarding the allegation that our industries have not sufficiently advanced to bear this burden. It does not matter what tragic burden the worker bears. It does not matter what colossal profits the employer makes. It does not matter whether it is true or not that the foreign manufacturer with whom the indigenous manufacturer competes, pays a ten times higher wage, sea freight and insurance charges, import duties, heavy land freight, interest charges while the goods are in transit; whereas the indigenous manufacturer has the advantage of cheap labour and cheap raw material—it does not matter so long as one shuts one's eyes to the exploitation of the human labour power of our Province.

Conciliation machinery.—Connected with the question of unemployment is the problem of Trade Disputes. I have had the misfortune of having been called in practically all over India in the capacity of a conciliator to settle trade disputes ranging from small machine repairing factories to colossal strikes involving in the case of the Tata Iron and Steel Company, 80,000 or more workers and in the case of the Textile Mills over a hundred thousand workers and nearly sixty thousand workers in the case of the coal miners and nearly forty thousand in the case of the last G. I. P. Railway strike. My experience based on the evidence of innumerable trade disputes leads me to the firm conclusion that the machinery recommended for the settlement of such disputes on the Railways by the Royal Commission on Labour is the only method of avoiding unnecessary hardship and enforced unemployment for thousands of workers in the course of a year in our Province. The machinery suggested is joint, there being equal representation both for employers and workers, the representatives being chosen by each party, with an absolutely independent and impartial chairman. I suggest the setting up of joint machinery for all industries and placing within the purview of the Joint Committee every matter relating to conditions of employment including wages and hours of work.

Collective bargaining.—The Law in my opinion should provide the compulsory imposition of a collective bargain in the matter of contracts for wages and conditions of work. Such a method would assist a great deal in the raising of the standard of life of the working classes and the prevention of gratuitous onslaughts on their conditions of employment. Under Section 7 (a) of the National Recovery Act in America the following rights were recognized: namely, the right to organize, to bargain collectively, to be represented by representatives of their own choosing; and other similar rights. The guarantee of such rights in the Punjab seems to be equally desirable in view of the frequency of trade disputes and unilateral action taken by employers leading to friction and the stoppage of work, and thereby causing a great deal of avoidable unemployment. Experience has shown that even with such safeguards sometimes it is

difficult to avoid a conflict, but it is at such moments that joint conciliation machinery would become operative. If the Supreme Economic Council undertakes the industrial development of the Province all such safeguards will necessarily gain in importance. Planning in industry also involves planning to the advantage of all workers whether in agriculture or in industry. The experience in America under the N. R. A. summed up, at almost the very outset, showed that with proper planning the average hours of work were reduced, the average real hourly earnings rose 11·7 per cent. in all specified industries, being as much as 59·5 per cent. in the cotton textile industry ; and while employment rose by 37·4 per cent. for all manufacturing industries, production increased in most cases, the increase for all industries being 46·9 per cent. At the same time in 1933, for instance, as many as four and a half million families received relief from public funds, the average expenditure being 66 million dollars per month. I think it is necessary for the Supreme Economic Council, when it is set up, to go into the fullest details of the recent changes brought about in social and economic reconstruction in the United States and the great advance made in the Soviet Union in order that the plans and policies that have succeeded in both countries should be looked for as guiding principles in the search for a better and more prosperous Punjab in which the amenities of a civilized existence will not be the privilege of a few but the right of the many.

Conclusion.—I do not think it is in good taste for me to mention any individual by name for the services rendered in completing the work of the Unemployment Committee on which every one including the Chaprasis and the Stenographers has contributed what each one could. Nevertheless the Report, halting and inadequate as it is, will undoubtedly create interest among the public, although I do not accept its economic theories nor many of its conclusions and inferences, or as sufficient its positive recommendations. The problem of unemployment cannot be solved by recommending, as has been done by the Committee, *inter alia*, the prohibition of obscene advertisements.

Let me in conclusion say this : The economic situation in the Punjab and, it is possible, all over India, is so serious in its sequence, so tragic in its incidence, so unharnessed in its confusion that it is no exaggeration to say that it is drawing the nation rapidly into the vortex of revolution. It is the material causes underlying the social order that brought about the revolution in France, the new order in Russia and the hope of one in America ; and there is no reason to doubt that the material causes underlying our social order will bring about a complete and cataclysmic transformation in the situation in India. Unemployment is one of the major material causes which, as if it were an earthquake, is capable of shaking the foundations of the social structure. It cannot, therefore, be dismissed with disdainful disregard of the major remedies available even under the capitalist system of industrial enterprise. It is for this reason that I have drawn attention to the major issues and the major remedies which require only the social will working in service of humanity for their satisfactory fulfilment. The millions who are hungry can no longer be put off with false assurances. The time has come to enter upon an era of positive achievement in ridding our Province and our country of a system which in the midst of plenty creates mass hunger and in the midst of civilisation condemns millions to an existence, not far removed, in most of its aspects, from mediæval feudalism.

D. CHAMAN LALL.

17th December, 1938.

APPENDIX.

Extent of Unemployment.

In regard to the general extent of unemployment, I had better note the evidence recorded which necessarily is of a general nature. I detail the evidence serially :—

- (1) *Kishab Krishna Sharma, Lahore.*—“Suicides and innumerable applications for even a single advertisement in a daily Paper amply show that employment has touched its extreme in the educated community. If all the educated people could be absorbed, where was the necessity of reservation in respect of professed religions in matters of service. It cannot be believed that the Government had no idea of the vast unfortunate class when they passed their budget. No fund had been reserved to be given doles to the educated unemployed or to do any good to them in one form or the other. The simple fact that the average income of an individual is six pice or thereabout per day which is much less than what is sufficient to keep body and soul together, is enough to give an idea of the great unemployment.”
- (2) *Principal, Government Intermediate College, Campbellpore.*—“I do not think it is necessary to stress the point that there is unemployment among the educated. That unemployment among the educated is widespread is abundantly clear. A reference to the Public Service Commission will easily prove that some times for one vacancy there are one thousand applications.”
- (3) *Inspector-General, Police.*—“The fact that widespread unemployment exists among educated men is shown by a considerable number of applications received from youths who have passed the First Art standard or have even taken Degree for enrolment in the Police as constables at a starting pay of Rs. 17 a month.”
- (4) *Assistant Registrar, Co-operative Society, Jullundur.*—The reliable data to prove existence of unemployment are :—
 - (a) There are matriculate Secretaries in Primary Credit Societies where they get an average pay of Rs. 5 per mensem. There are matriculates as Agricultural Muqadims. There are matriculates as Patwaris ; B.As. as Sub-Inspectors in the Co-operative Department. There is one as a Sub-Inspector.
 - (b) Two graduates have started Hair Cutting Saloons at Jullundur. Some graduates have taken to boot polishing as their profession. They join as constables. Graduates join the Military as sepoy’s.”
- (5) *Head Master, Government High School, Tanda Urmer.*—“My educated friends, relatives and acquaintances are wandering about unemployed.”
- (6) *Head Master, Government High School, Bhawani.*—“From year to year I see matriculates wandering about in search of job but in vain. During the year 1937, 28 passed the matriculation examination. Of these, 14 joined some Arts or Professional College ; one died and the remaining 18 are unemployed.
- (7) *General Secretary, Punjab educated Unemployed League, Lahore.*—This witness states in forwarding a memorandum regarding the demand of the unemployed that “either they should be provided with suitable work or be given doles by the Government.” The Memorial is signed by 878 unemployed, including professional trained persons with Indian Degrees ; one with foreign qualifications ; 11 are graduates, Mechanical or Civil Engineers, and the rest those who have received a literary education. The memorandum states that “highly educated persons have been seen applying for most ordinary posts carrying quite nominal salaries.” Further suicide cases among the educated unemployed at the average rate of 4 a month have been reported in the Press. Taking the year 1937 this witness states that excluding those who are likely to pursue their further studies, the Schools and the Universities turned out, making due allowance for deaths and those who may have been placed in work, a total of 17,622 individuals unaccounted for and presumably all of them without any occupation.

- (8) *Deputy Commissioner, Jullundur.*—"The problem is pretty grave and calls for immediate solution."
- (9) *S. T. C. Giddarbaha.*—"The unemployed very often vainly knock at the doors of different offices, factories and firms for employment."
- (10) *Malik Arjan Dass.*—"I remember that in reply to an advertisement inviting applications for the post of a Head Constable of Police in Africa, the number of applications received was so large that the advertiser after three or four days totally refused to come and receive his dāk and I had to send the hundreds of letters not taken delivery of by him personally to his house."

In the next category are those who are misplaced in their jobs as the result of the paucity of jobs available ;

- (11) *Principal, Intermediate College, Jhang.*—"Barristers-at-Law, LL.B.'s trained teachers are seen serving as clerks, Store-keepers, Supervisors, and are holding such other subordinate services which do not require specialized training. LL.B.'s Doctors, B.T.'s are seen working as Sports Agents and doing other sundary jobs where knowledge of law, etc., is of no importance."
- (12) *Professor Seth, Government, College.*—"I know of a few M. Sc.'s (Physics) who after a lot of trouble could secure only paid clerkships."
- (13) *Chief Secretary, Government Punjab.*—"As many as 800 applications only for approximately 25 clerical vacancies. The majority of these applications is from Graduates and Undergraduates."
- (14) *Deputy Commissioner Lahore.*—"Several graduates of the Agricultural College, Lyallpur, and even M.Sc.'s from there have joined the profession of law or have sought employment in offices having nothing to do with Agriculture."
- (15) *General Secretary, Punjab Educated Unemployed League,* refers to a case of a youngman who was a Manager of a big commercial concern in Bombay. Being without job, applied for that of a household servants; and the Secretary adds: "How pitiful indeed and yet the present social system is allowed to remain intact."
- (16) *Head Master, Government High School, Delhi.*—"There is a colossal wastage of energy and creative force and this too points to unemployment when we find Barristers and Lawyers taking to teaching, Doctors carrying on business and Engineers adopting the profession of the Stage or workings as Insurance Agents."

(It must be noted here that when a particular employer complains—as some employers are apt to do—of the lack of suitable candidates for a particular post, this is a statement which must not be taken at its face value without further enquiry. It is quite possible that the conditions of employment and the environment and the surroundings as well as the wage offered has a great deal do with the difficulty of what is known as finding a suitable candidate. But even then it is evident from the evidence that has been supplied to the Committee that the two-fold problem, namely (a) of the magnitude of unemployment amongst the educated classes; and (b) of people who find that they are not pursuing their proper avocation because they have been forced into unsuitable employment because of the urgent necessity of earning a small salary rather than perishing from starvation, is one of such importance that small measures adopted to meet its implications will be of no avail in relieving the distress or solving the problem. Amongst the causes that we put to the witnesses, were the following :—

- (a) General depression ;
 (b) Reduction in family income ; etc.

In reference to these questions a series of interesting replies were received which I proceed to summarize. Suggestions were made generally not in regard to the main causes which result in this widespread unemployment of the educated classes but suggestions for the better arrangement of jobs in order to provide more work for those who are without jobs. The stoppage of extra allowances and the engagement of extra hands; the stoppage of extensions beyond 55 years in service were suggested as remedies and Retrenchment both in Government and local body services was stressed as one of the important causes of unemployment.)

Principal, Forman Christian College, Lahore.—One witness stated that the ratio of supply to demand had increased a hundred-fold in the last 25 years.

Mr. Mohammad Hussan, Lecturer, Hailey College, said, "Raise the economic level of the people and the problem of unemployment amongst uneducated people will solve itself to a large extent."

I increase in the members of a family unit was another cause which operated by reducing the purchasing power of the members without adding extra income.

Principal, Law College, Lahore.—"The fall in Agricultural prices and the absence of modern amenities in the rural areas have driven men from hereditary occupation in connection with land to seek for clerical jobs and services."

Among other causes, the *Principals of the Amritsar Colleges* stated certain important ones :—

- "(a) Three out of every four inhabitants in India derive support from land, and whereas in 1891 only 59·8 per cent. of the population depended upon agriculture, in 1911 the percentage was 71·8 and in the last census report of 1931, it raised to 73 per cent. What does this imply?"

And then this witness proceeded to quote White and Shanbahan in the "Industrial Revolution and the Economic World to-day, 1922", a quotation referred to in the Report.

- "(b) Thirty years ago Indian trade was over twice that of Canada, over three times that of Japan. Now it is less than that of either Canada or Japan. During 1929-30 the total trade of Canada with a less than 8 per cent. of Indian population, was 15 per cent. more than that of India; whereas in the pre-war 1913-14 period, India's total trade was 67 per cent. more than that of Canada....."

From the economic point of view the problem of unemployment among the educated and the uneducated should be regarded as one and indivisible (which is a very sound conclusion to draw). The point of importance to note is that within a short period other countries have progressed, whereas India has receded but that, provided the Government has a definite progressive will of its own, there is no reason why within a short space of time than it has taken to recede to a dangerous point, India should not march ahead and gain her supremacy thereby raising the standard of the people and tackling simultaneously the problem of unemployment. These witnesses laid stress upon the agrarian crisis affecting all classes equally, and referred to the fact that it can even be shown that a reduction in the purchasing power of the working class has more serious repercussions than a similar reduction on that of the educated class because the latter is taken over partly by savings and partly by reduced imports, but that the economic interdependence of various classes is great, and that any measure adopted to relieve unemployment within one class must prove futile unless the economic circumstances of other classes are also improved. These witnesses further states that the world is witnessing the first agrarian crisis known to history. I presume the witness means of this magnitude. This crisis has lowered our general purchasing power with the result that we have to sell two to six times the quantity of major exports to industrial countries for the same amount of money they received before the crisis. The Government review of trade, 1937, states "that the year's quantum of exports was slightly bigger than that of 1928-29, but that the decline in prices amounted to 41 per cent." We are exporting according to this witness more than we did in the pre-war crisis period but we are getting much less. He states further that this "colossal and ever frowning poverty of the country is the main cause of the terrible condition of unemployment prevailing in India."

Further these witnesses sees no prospect of an immediate improvement but certainly a prospect of immediate worsening of the situation. They state that the present crisis affects those who were born between 1911 and 1921. During this decade the population increased 5·7 per cent. or eleven lakhs. But the increase between 1921 and 1931 was 14 per cent. or 29 lakhs. Therefore they draw the conclusion that the addition to the working population from now on will be at an increasing pace and will intensify unemployment both for the educated and the uneducated. The present crisis has done only this, namely that it has aggravated the existing situation. "The increase in population unaccompanied by a corresponding expansion of agricultural and non-agricultural occupations would have caused unemployment in any case in all classes but the slump has worsened the present situation by reducing the purchasing power of the major portion of the population which ultimately reduced the earnings of commerce, railways and business, etc." These witnesses holds that the reduction in family incomes of the educated classes

is at first an effect and not a cause of unemployment but once family incomes are reduced, unemployment tends to grow and a vicious circle is created in which the two evils strengthen each other. "In an agricultural country, however, reduction in family income is an important cause of general unemployment." On the question of the standard of living as a contributory cause of unemployment, these witnesses state. "It is difficult to see how a rise in the standard of living can be the cause of unemployment." According to them, restricting admissions to schools and colleges, is no solution and is beside the point. In England 2 per cent. of the students are partly or completely aided and in Russia the Government spends Rs. 158 per head on the education of its people.

Most of the witnesses, like the Deputy Commissioner of Sheikhpora, for instance, contented themselves without going to the root matter of the problem by looking for causes of unemployment in the kind of education that is received and by stating that it prepares youths chiefly for employment as clerks. This particular class of witnesses did not get down to the fundamental problem which is that even where technically qualified youngmen are available, the jobs are not available for them. But each and all seem to be agreed that a reduction in family income tends to increase unemployment and that the general depression has something to do with the increase of unemployment. Some of the witnesses confused the rise in the standard of living with the refusal to seek alternative employment and thus attributed a certain rise of unemployment to the rise in the standard of living. When the matter is properly probed, it will be discovered that the refusal to find alternative employment is based on the fact that an individual trained for a particular job carrying good remuneration is naturally averse to turning his hand towards an alternative job for which he has no aptitude and no training and that too on a very much lower pay.

Another witness, the Deputy Commissioner, Lahore, described unemployment amongst the educated to the tremendous increase in population, pursuit of literary education, tendency to settle in cities rather than in villages, lack of birth control.

I have mentioned this to show how most of the witnesses are unable to tackle the fundamental problem which is simply the re-arrangement of society in such a manner as to provide the necessary jobs for those who seek them.

The Extra Assistant Commissioner of Lyallpur considers that the scarcity of industrial concerns and factories is one of the causes that unemployment is daily increasing.

The Panchayat Officer, Ludhiana, states that the general depression is responsible for unemployment in agriculture, business and factory work and that the reduction in the family income is the result and effect and not the cause of unemployment and that the rise in the standard of living should add to the income and pave the way to employment.

The Punjab Arya Siksha Samiti, Gurudatt Bhawan, Lahore, states that the reduction in family incomes has restricted the purchasing power and therefore caused unemployment; whereas Sardar Mobindar Singh Kalsi from Quetta holds the contrary opinion.

The Manager, Heavy Repair Shop, Chaklala, holds that unemployment is inherent in the lack of development of natural resources.

The champion protagonist of the theory of the raising of the standard of life being a contributory cause of unemployment is Malik Arjan Dass whose opinion is quoted *in extenso* in the main body of the report. In regard to this matter, I shall have a word or two to say when I deal with this specific problem.

In regard to the measures suggested to relieve distress, the following are some, of them :—

Principal, Law College.—(1) Courses to train educated men in fresh avenues.

(2) Extensive programmes of development by the State, *e. g.*, improved communications; universal primary education; rural uplift; the setting up of employment bureaux; re-construction of the education system; country wide programme of industrialization.

The Principals, Amritsar Colleges, state that unemployment cannot be banished by making our educational system purely vocational, because unemployment exists even among technically trained persons. India is an undeveloped country suffering acutely from

a lack of professional servants, and needs more Doctors, better teachers, agricultural and technical experts, and these witnesses suggests therefore one should not talk of unemployment as an inevitable decree of fate. They further suggest that Public Works in which a high percentage of money is utilized for wages or on locally produced material would relieve the incidence of unemployment. These witnesses suggest relief measures such as unemployment Insurance ; Work Camps ; Emergency Jobs ; by the extension of libraries ; schools, museums and hospitals ; restriction on the importation of foreign professionals ; preventing retired men from seeking employment ; abolishing multiple employment ; lowering the retiring age ; Employment Bureaux ; Public Exchanges ; Fixation of minimum and maximum wage levels ; control of emigration ; creation of a solicitor class ; compulsory engagement of extra counsel in suits or appeals of the value of Rs. 5,000 or more.

Another witness, the Deputy Commissioner, Jullundur, suggests that Public Works should be taken in hand, the inadequacy of district and village roads put right as road construction will give employment to a very large number of unemployed surveyors, sub-contractors and clerks and with the opening up of the interior of the country, a large number of educated unemployed would be able to find work as motor car mechanics, chauffeurs, motor dealers, etc., and states that the United States of America and Germany have adopted road construction as one of the important ways of solving the problem of unemployment. Town planning, slum clearance, construction of bridges and embankments, afforestation, digging of wells, all these will absorb large numbers of Engineers, Surveyors, and Draftsmen.

From the Heavy Military Repair Shop, Chaklala, we get the suggestion that Public Works which would develop the natural resources and lead to the need for better roads, irrigation schemes, extended use of electricity, etc., should be worked on a general plan. Supply of cheap electric power to villagers, of the extension of communications and varied extension of Public Works, is suggested by the Assistant Registrar, Co-operative Societies, Rohtak.

Factories and Workshops should be opened on a large scale is the opinion of the Deputy Registrar, Co-operative Societies, Rawalpindi ; and agriculture should be treated as a most important industry and its development on scientific lines should be taken with seriousness. The administration, according to this witness, is too heavy and economy would save money for greater public utility.

Opening up of subsidized rural dispensaries is suggested by the Inspector-General of Civil Hospitals.

The Head Master, Government High School, Tanda Urmar, suggests the setting up of Sub-Committees by each local bodies to take charge of the problem of unemployment.

District Soldiers Board, Gujranwala, suggest teaching of subjects like tailoring carpentry, etc., in all schools.

The General Secretary, Punjab Educated Unemployed League, suggests the making of primary education free and compulsory ; and states that most of the young unemployed could be accommodated in about 20,000 schools in about 40,000 villages and that 50 acres of agricultural land should be attached to every single institution ; and that minor industries like Pottery, Toymaking, Electroplating, Dyeing, Printing, Leather Works, Simple Glass Ware, Photography, Stationery Requisites, etc., should be developed and run on co-operative lines. All Government Departments should purchase only national products. The State should take in hand the starting of large scale industries like Mining, coal, metallic ore and petroleum, engineering goods, railway plant, motor cars and ammunition, automobile, aircraft, heavy chemical industry, fabricated steel paper chemical fertilizer, ceramic industry. The aim should be to provide work and not profits. The re-habilitation of 40,000 villages in the Punjab ; bettering means of conveyance and transport, extending hospitals and post offices ; improving sanitary conditions ; would to a large extent relieve unemployment. The area in the Punjab is nearly 100,000 square miles and yet we have only 4,000 miles of metalled roads. By introducing standard and graduated cuts in the salaries of high Government officials, new jobs in the lower grades could be created and indianisation should be completed within twenty years. Working hours should be reduced to 40 a week and clerical staff, whether in Government service or in privately owned concerns, should be required to work for not more than 36 hours a week. Insurance against unemployment must be introduced.

Unemployment among uneducated persons—Extent.

Most witnesses agree that the extent of unemployment amongst the uneducated persons is difficult to gauge.

The Assistant Registrar, Co-operative Societies, Jullundur, says, some agriculturists work as private servants—a profession which, according to him, they hate it. They work as cleaners and motor drivers. They have taken to illicit distillation of liquors. They have become thieves and dacoits. As regards industrial labour, there are persons who know the work of pottery, tailoring and weaving but are working as ordinary labourers on four to five annas per day. They have got no name of their own.

The Textile Manufacturers Association, Amritsar, declares that there is acute unemployment among agricultural labour, industrial labour and other manual labour, such as blacksmiths, carpenters, etc.

The Principals of Amritsar Colleges state that among industrial workers unemployment is evidenced by a large amount of labour reserve and that there is no scarcity of unskilled or new workers. Manual labour shows signs of overcrowding and falling wages.

The District Board, Dera Ghazi Khan, asserts that labour is so cheap owing to unemployment among unskilled labourers that a labourer will carry a load to any distance for a mere paltry amount which is quite out of proportion to the labour which he undertakes.

Witnesses suggest the following causes among others :—

- Increase in population ;
- There being more hands than lands to till ;
- General depression ;
- The discarding of khaddar in the villages leading to the unemployment of weavers ;
- The decay of village industries ;
- Sudden and heavy fall of prices.

Remedies.

The Deputy Commissioner, Jullundur, suggests a well-thought-out scheme of :—

- (a) Primary Education in order to make the agriculturist a useful member of the rural community and a better cultivator.
- (b) Opening of rural schools will decrease unemployment not only among the uneducated but also among the educated as there would be an increased demand for their services.
- (c) Efforts should be made to raise the price level of commodities.
- (d) Devaluation of the rupee.
- (e) Adopting a policy of inflation. Owing to the restriction in currency issued, India has not been able to expand her money in circulation and the internal price level remains depressed. A suggestion is made that India should expand her currency issue by fifty crores of rupees immediately without cover, and issue it to the provinces for agricultural uplift on the condition that money is expended within the year of its issue. Since inflation has not caused any panic in countries like America, why should it in India ? Australia and New Zealand have depreciated their currency by 25 per cent.

Limitation of procreation is suggested by the Deputy Commissioner, Sheikhpura, and birth control is advocated.

The Deputy Commissioner, Lahore, suggests increase in the import duty on foreign wheat ; starting of cottage industries ; use of Indian made goods ; protection of nascent industrial institutions.

The Extra Assistant Colonization Officer, Lyallpur, suggests cottage industries ; raising of import duty on cloth ; consolidation of holdings.

The Subordinate Judge, Montgomery, suggests extension of industrial concerns and Public Works.

Punjab Arya Siksha Samiti Gurdas Bhawan, suggest village re-construction and resuscitation of village industries.

The Textile Manufacturers' Association, Amritsar, suggests industrialization of the province, and arrangements for marketing Indian products abroad as well as satisfactory trade agreements.

The District Board, Dera Ghazi Khan, suggests improvement of communications resulting in additional market facilities.

S. D. C. Giddarbah, suggests, "They should be induced to take to any other profession". An unhelpful suggestion.

One Bar Association suggests the lifting of the burden in the form of taxes and land revenue.

The Deputy Commissioner, Gurdaspur, suggests the formation of Agricultural Co-operative Societies, Trade Unions and Employment Exchanges; Colonization of new areas; Irrigation; development of cattle breeding, dairy farms, bee keeping, poultry farming, extension of herb and fruit work.

Relief.

The Bombay Mutual Life Assurance Society is strongly in favour of providing relief to able bodied persons who cannot find employment suitable or otherwise through circumstances beyond their control.

Punjab A. S. S. states, "It is one of the duties of a Civilised Government to provide relief to the unemployed.....The best plan would be to act through local bodies.....Without statisticians it is difficult to form an estimate of expenditure but money for this purpose can be raised by local rates, taxes on agricultural incomes."

The General Secretary, Educated Unemployed League, says that if Government realize their moral duty to administer to the needs of the starving millions and if they are alive to the dangerous possibility of the present social system "to which by the by they owe their present authority", being rocked by a violent revolution and if they wish at heart that the present structure of society be not swept away by a flood of desperation and fury of the hungry masses, they needs must devise an elaborate scheme for administering adequate relief to those who cannot find employment through circumstances beyond their control.

The Secretary, Prisoners' Aid Society, suggests the State should organize Unemployed Relief Homes through the agency of District Unemployment Bureaus.

The British Cotton Growers Association suggests the ideal way would be some form of unemployment insurance and adoption of the English system to the peculiar needs of India; such a scheme should be undertaken by the State..... and yet

"I feel that there is no urgent need for an Unemployment Relief Fund and in any case it will not be easy to know where to start. In England, agricultural labour has just come under the scheme.

Khan Sahib Ch. Nazir Ahmad, Montgomery, suggests that the State should find work, but should not give doles to the unemployed.

D. N. Misra suggests, "I do not recommend any relief to able bodied persons who are unemployed in the present condition of our Province." !!

The Additional District Magistrate, Sargodha, states; "This Committee recommends relief to persons who have been forced into temporary unemployment on account of sickness and other causes beyond their control. This relief should be commensurate with their status and society and the number of persons dependent on them."

The President, Municipal Committee, Palwal, suggests that relief should be given to able bodied persons who cannot find any employment suitable or otherwise. The relief to such persons should be given by the State or local bodies.

The President, Special Sub-Committee, Dera Ghazi Khan, suggests that local bodies and Government should extend a helping hand to the unemployed.

Sardar Narinder Singh, District Board, Jullundur, suggests that Government should provide relief.

The Chairman, District Board Gurgaon, suggests that Government and Local Bodies should assist unemployed persons.

The Chairman, District Board, Ludhiana, suggests that relief must be given by the State.

The President, Municipal Committee, Rohtak, suggests: "It is the duty of every modern State to provide relief to its unemployed.....Relief measures may be adopted by the State or by Local Bodies with State help."

The President, Municipal Committee, Pind Dadan Khan, suggest that relief must be given to able bodied persons who cannot find any employment.

The Vice-President, Municipal Committee, Dharamsala, suggests that able bodied persons should be given relief.

The President, Municipal Committee, Pasrur, suggests no relief.

The Town Committee, Giddr Bah, suggests, "As in foreign countries, the unemployed should be given subsistence and the Government should devise means to secure employment for them."

The Town Committee, Akalgarh : "agrees."

The Head Master, Government High School, Chakwal, says that relief for unemployed is the most humane act ; but points to difficulties. Nevertheless suggests experimental starting of the system in a few districts.

The Head Master, Government High School, Montgomery, states : "We advocate relief to able bodied unemployed. This would decrease the number of suicides which people are forced to commit on account of their unemployment and consequent starvation. Regard for human life is the most fundamental thing. The expenses should be borne partly by the Central Government and partly by the Local Bodies which can increase their income by taxing the wealthy."

The Head Master, Government High School, Karnal, says that he is against doles but wants Government to provide the unemployed with work and pay them wages at a reduced rate.

The Head Master, Government High School, Jagadhri, suggests that relief should be given to the unemployed. Work houses should be started in connection with doles and people should be given work and a living wage. Beggars should be fed and clothed and made to work.

The Head Master, Government High School, Dera Ghazi Khan, suggests the starting of work houses on co-operative lines.

The Head Master, S. D. High School, Gujrat, says: "Yes, since all unemployed are members of the State".

The Principal, Intermediate College, Jhang, prefers work and a living wage.

Professor Seth is not in favour of the dole system but suggests that if it is introduced the payment should not be more than ten rupees a month and at the same time a system of insurance of the unemployed will have to be introduced. The State, he says, should give this relief.

The Principal, Forman Christian College, says : "I would like to say yes but I am doubtful of the moral effect." He adds the unemployed through circumstances beyond their control should be given work for a few hours per week on Public Works which would be in the nature of relief. "I do not mean that they should be given long hours of work per day at low rates. It would be unjust to take advantage of their misery."

Professor Mohd. Hassan, Lecturer, Hailey College, says, "Something, however, must be done in sheer regard to the humanity and preserving the manhood of the country in some tolerable state of mind and health."

The Principal, Women's Medical College, Ludhiana, suggests some system of State and Contributory Insurance.

The Principals of Amritsar Colleges, suggest some form of relief as urgently required. The beginning of an Unemployment Relief Fund therefore may be made an experimental measure in some urban centre. Persons employed in regular industries, large and small, may be registered by the issue of cards to each by the Local Bodies. For each week or month a registered person is employed, he would be required to contribute a certain percentage of his wage to the Unemployment Relief Fund instituted by the Local Body. Contributions may be made by purchase of stamps especially issued. Employers should be induced to contribute their share to the Unemployment Relief Fund but measures should be adopted to prevent them from charging these contributions from the workers' wages. A sum equal to each worker's contribution should be contributed by the Local Bodies. It is suggested that the rate of contribution should be nine pies in the rupee and the rate of relief Rs. 5 per month. Assuming that the Fund has a membership of 5,000 workers whose monthly income is Rs. 75,000 per month, at the rate suggested the total income of the Fund per month will be Rs. 781-4-0 out of which half is the contribution of the Local Body. With this Fund, relief could be given to 146 persons per month on the average not allowing administration expenses.

The Principal, Intermediate College, Campbellpur, suggests that in every District Headquarter, there should be a State Work House to provide employment for the unemployed, and in bigger towns State Workshops.

The Eye Hospital, Gujranwala, state that the State should come to the help of both classes.

The Textile Manufacturers' Association, Amritsar, suggests that some sort of unemployment insurance may be tried as is in vogue in England, to which State, Local Bodies, employers and employees should contribute.

The Deputy Commissioner, Jullundur, says that financial State relief to the unemployed is impossible.

The Deputy Commissioner, Sheikhpura, on the other hand strongly advocates the grant of such relief and suggests its being given by the State or Local Bodies but that work should be taken in return for it.

The Deputy Commissioner, Lahore, thinks that the grant of relief will lead to general demoralisation "due to the circumstances in which we are living and the low standard of honesty which we cannot unfortunately boast of."

The Colonization Officer, Nili Bar Colony, Pakpattan, says that he does not think any scheme is practicable in a country where many unemployed persons live permanently at or near the starvation line. Relief is useless unless it gives a bare livelihood and a bare livelihood is all that a fully employed person can earn.

Extra Assistant Colonization Officer, Lyallpur, suggests that able bodied unemployed should be granted relief by the State; and not by the Local Bodies.

The Senior Sub-Judge, Montgomery, says they deserve relief by both the State and Local Bodies and adds that several practical schemes can be suggested if the State and the Local Bodies are inclined to this end.

The Sub-Judge, Pakpattan, says that he advocates relief, otherwise such persons will take to subversive activities, and the relief should be given by the State.

Heavy Repair Military Shop, Chaklala, thinks that the financial implications are enormous but that any form of relief should be in the form of providing work in return for food and keep.

The Director, Public Health, Punjab, does not agree to gratuitous payment, but thinks that any relief that is given should take the form of provision of work for which the individual is paid. He adds that if Local Bodies were to employ educated individuals to adequately staff their departments for the efficient carrying out of the fundamental services to the community, that this would be a tremendous step.

In rural Health Areas, Public Health staff is ridiculously inadequate.

The Registrar, Co-operative Societies, suggests work houses and in regard to the financial implications he says nothing—"Unless the statistics are known, nothing can be said."

The Assistant Registrar, Co-operative Societies, suggests the adoption of the English System of Unemployment Insurance and relief.

The Assistant Registrar, Co-operative Societies, Rohtak, suggests finding work instead of doles.

The Assistant Registrar, Co-operative Societies, Sialkot, does not agree.

The Assistant Registrar, Co-operative Societies, Gurdaspur, does not agree to relief but to the provision of employment through Local Bodies.

The Commissioner, Rural Re-construction, is against minimum rates for labour and doles for unemployed, on the ground that it is necessary first to create a mentality which regards worklessness, debt, and slovenly work and idleness as moral defects!!!

Mr. Huksar, Assistant Commissioner, dismisses the subject by stating that the dole is impossible in India with its poor finances.

A Bar Association suggests provision of work for the unemployed.

The Panchayat Officer, Ludhiana, states that it is the State's concern to maintain the unemployed.

The Deputy Commissioner, Gurdaspur, is against the dole system but in favour of unemployment relief works "whenever distress becomes particularly acute".

Relief in the case of unemployment due to sickness.

Out of 89 witnesses chosen serially, 85 were definitely in favour of granting relief

to persons who are unemployed as a result of sickness and some of them advocated a scheme of compulsory Health Insurance.

The oral medical evidence was overwhelming in favour of the Health Insurance Scheme.

Education.

A great many witnesses concentrated on the defects in our educational system and so have attacked the purely literary aspect of this education although some considered that the literary basis had done great good to India in that it had developed the national sentiment and demand for democratic institutions, whereas others held that it had multiplied a number of clerks.

There are some witnesses who think that the Government has been spending disproportionately on education, thus preventing adequate expenditure on engineering, Public Works, Transport, prevention of dust, and similar public services which would have promoted employment and a higher standard of living. (Mr. P. Marsden, Commissioner, Multan).

On the other hand, Mr. Akhtar Hussain, I.C.S., holds that the growth of education has comparatively speaking done more good than harm.

Most witnesses agree that the literary form of education is followed by most people with a view to entering Government service and that more stress should be laid on vocational training. It is added, however, that *pari passu* opportunity for absorbing the trained man should be provided.

The reduction in salaries in Government services is not recommended by some witnesses as it would lead to the lowering of standard of work, general deterioration and corruption. Others recommend a reduction in salaries of those who are in receipt of a hundred rupees a month or more. The reason for the preference shown for Government service is stated to lie in the comparative security obtaining in a Government job and if the question is looked at from the point of view of the numbers desiring Government services, it is stated that a lowering of the pay would not reduce the numbers seeking Government service; nor would it deter the pursuit of a purely literary education. Further it is stated that a majority of the educated are employed as clerks with a starting pay for Rs. 25 to Rs. 40 per mensem.

It appears that most witnesses objected to the literary form of education because of the existence of a large scale unemployment amongst those who have pursued this form of education. The argument that such education unfits a youngman from seeking his ancestral calling is met by the fact that it is not possible to expect a man with any education to go back to a calling where he can earn a precarious one anna per day.

Most witnesses agree regarding the starting of subsidiary industries and the creation of a system whereby educationally the student would be fitted for a place in such developed industry. It is suggested that checks should be placed in regard to the admission of students to the higher classes. Another suggestion has been that the number of schools should be limited to the openings to be filled in the various professions. For the purpose of spreading mass literacy, the Director of Public Instruction makes a suggestion to the effect that every entrant into Government service must be able to show that he has spent a certain amount of time, say, six months in a camp assisting in the spread of mass education. Money for the spread of education, it is suggested, may be had by the reduction in the pays of all Government servants as follows:—

Under Rs. 50	..	..	..	5	per cent.
Under Rs. 100	..	..	..	7	" "
Under Rs. 200	..	..	..	10	" "
Under Rs. 500	..	..	..	15	" "
Under Rs. 800	..	..	..	20	" "
and above	..	..	..	25	" "

Rural Uplift.

Drainage, communications, street flooring, removal of dirt, as part and parcel of the village re-construction scheme is advocated, thus providing employment.

Development of cottage industries is advocated.

Some witnesses suggest that there is a hatred of manual labour and that the dignity of manual labour should be taught to students—others give facts to disprove the assertion.

Some suggest the strengthening of character and giving of sincere guidance to youngmen.

The Head Master, Government High School, Lela, Muzaffargarh, draws a picture of the student who passing each examination seeks a job, and not finding one, goes on to the next, and after "his tiresome journey has come to end, he has lost in energy and health, spent whatever his parents had, having run them into debt and yet all avenues for employment are closed to him since for one vacancy there are ten thousand applicants."

In regard to the question of the refusal to pursue an ancestral calling as a result of literary education, the Principals of Amritsar Colleges, state that this need not be deprecated in all cases as new callings aspired to may naturally promise a bigger return than an ancestral calling but they add that as a matter of fact India is getting more and more ruralised and that it is the disastrous condition of the village which drives the villager out of the ancestral home since most of our villages are not worth living in.

For village uplift it is suggested by one witness that Medical and Health Centres should be opened. Each Centre to cost about Rs. 780 a year, including Rs. 50 as pay of a Sub-Assistant Surgeon, Rs. 10 as medicine, and Rs. 5 as rent per mensem. This centre would be run by University teachers and senior students. It would collect requisite data regarding the social and economic conditions of the people, organize sports, and rouse the women folk to the sense of responsibility. Another witness suggested itinerant portable puppet theatres.

The Director of Public Health suggested a Health League, to which each family should subscribe a certain amount per annum. If two hundred families pay Rs. 4 per annum, a Health Centre could be started.

Another witness suggested making the Chaukidars, Lambardars, Zaildars, responsible for the all round improvement of the villages and by the opening of experimental agricultural farms within the easy reach of every village; also the opening of model poultry farms and the like. They stress that the organization should come out of the village itself.

Agriculture—Extent of unemployment.

The Agricultural Assistant, Dera Ghazi Khan, reports that there are 841 villagers with a population of 52,068. Out of this population more than 80 per cent. pursue agriculture as their sole means of subsistence. Out of these 80 per cent. are unemployed and live on those who work on the fields.

The Indian Chamber of Commerce says that figure is not available but there is great unemployment among agricultural classes.

The Deputy Commissioner, Ludhiana, says, there is little permanent unemployment but seasonal and casual unemployment especially in winter after the Rabi sowings.

The Deputy Commissioner, Mianwali, says that the nature of unemployment among agricultural classes in Mianwali is such that they have nothing to do for about nine months in the year and then they depend mostly on timely rains.

The Deputy Commissioner, Rohtak, says unemployment is casual in those times in the monsoon phase. It is seasonal after sowing and harvest. He says that the fragmentation of holdings is resulting in large number of peasant proprietors being reduced to the status of tenants at will or agricultural labourers with fitful employment and that the same is the effect of the working of the Land Alienation Act owing to which the bigger fish is eating up the smaller fry.

The Deputy Commissioner, Muzaffargarh, says that the nature of unemployment seems now to be permanent though during certain seasons of harvest and sowing, fewer people remain actually idle. But that on the whole there are very many more dependant on the land than there need be who do some work lightly divided and who can be diverted to other employment.

The Deputy Commissioner, Dera Ghazi Khan, says gradual increase of population has made nature of unemployment permanent, and that a dry year throws out a large population in that district into unemployment.

He adds that owing to fall in prices here, the major portion of unemployed agricultural classes has begun to desert the ancestral calling, seeking employment as labourers, thus intensifying the problem of unemployment.

The same is true according to the Deputy Commissioner, Rohtak.

In regard to the remedies one witness suggest that what is needed is better distribution of produce as the villages produce enough to support the entire population and a little increase in the population does not matter. Others suggested subsidiary enterprise like starting pig-rearing, sericulture, lac culture, reduction of land revenue, sheep farming, etc., food preservation.

S. Lal Singh the Fruit Specialist of the Government of the Punjab, makes a valuable suggestion in regard to the fruit industry and the preservation of fruit. He advocates a primary school for each village 25,000 teachers were thus be employed to be increased annually by 10,000 and the average annual salary being Rs. 250 it would be an annual expenditure of 62.5 lakhs and the total expenditure for five years would be less than six crores. In other words he says Rs. one crore and twenty lakhs only would be spent to begin with. This would result in an appreciable increase in the output of the educated farmer and cottage industries would flourish leading to general prosperity, increasing scope for taxation, better distribution of wealth and more employment for the people. He advocates the imposition of a special tax of Rs. 5 per bicycle sold; a greater tax on boots and shoes imported in the Province and a tax on hosiery supplied by foreign manufacturers, all to be levied as octroi duty, and the funds diverted towards the Educational Fund, and if Local Bodies, according to S. Lal Singh, shoulder a portion of the expenditure on education, then the burden on the Provincial Government become proportionately less. He quotes from a reply given by the late King George the V, to an address of the Calcutta University in January, 1912 :—

“ It is my wish that there may be spread over the land a network of schools and colleges, from which will go forth loyal and mainly useful citizens, able to hold their own in industries and agriculture and all the vocations in life. And it is my wish, too, that the homes of my Indian subjects may be brightened and their labour sweetened by the spread of knowledge, with all that follows in its train, a higher level of thought, of comfort, and of health. It is through education that my wish will be fulfilled and the cause of education in India will ever be very close to my heart ”.

Khan Bahadur Nawab Muzaffar Khan states that his observations in his own and neighbouring villages shows that unemployment is greatly increasing “ in our villages ”.

The Labour Federation of Amritsar complains that there are 700 to 800 factories in Amritsar alone and there is no proper inspection. There are only four Superintendents of Industries in the Punjab and only one Chief Inspector of Factories. These very Superintendents are also additional Factories Inspectors and Inspectors of Wages for five districts or more each. The result is that it is impossible for them to check anything. In Amritsar there is one man acting as Superintendent of Industries, Additional Factory Inspector, and Inspector of wages, without a single assistant and he too shuts up his office and disappears on leave for four months with the result that there is no check on the hours of work which in some cases have been found to be working far beyond the legal limit. It is suggested that if double shifts were employed and the factories properly regulated, a large number of unemployed could be observed. There are some factories of which instance are given which are working 15 to 20 hours a day like the Indian Cloth Manufacturing Factory and the Hariram Puranchand Weaving Factory. Those without Power looms work for 15 to 20 hours a day, e. g., Khanchand Khairatiram Weaving Factory, the K. C. Textile Mills of Amritsar, the Maharaja Weaving Mills, Bharat Oudhar Cotton Factory being examples of factories working over time. It is stated that there are 300 factories working day and night. Further if the thousands of children between 7 and 16 getting one-third of the normal wages and working alongside their fathers are called off from the cotton, oil and other industries and adult hands employed, this would relieve unemployment, and the Memorandum states. This is possible only if the governing party compares these children to their own, taking the former to be the sons of the country and not the young ones of a pack of useful animals. They too need education, shelter and food which their parents cannot give them in full These children are our future artisans and machanics.

Development of communications, lowering of freight rates, would tend to decrease unemployment, according to certain witnesses.

Mr. R. Bradford says, “ I cannot supply figures but by 9 years personal experience of four villages on about 2,800 acres of land leased to me, I am sure there is much seasonal unemployment in this District.

Deputy Commissioner, Sheikhpura, says that the existence of unemployment amongst agriculturists whose sole means of subsistence is agriculture is a fact that can be verified by a visit to any village in the District and particularly so to a Saini, Arain or

Jangli village. The holdings have been subjected to minute sub-divisions and in any strict numeration the supernumeries should be classed as unemployed.

The District Board, Ludhiana, thinks that unemployment is increasing by leaps and bounds.

Senior Subordinate Judge, Montgomery, holds the same view.

Head Master, M. B. High School, Mozang, shares that view.

Government High School, Tanda Urmur : Head Master says he cannot furnish facts and figures but he has seen people wandering without work.

Head Master, Government High School, Leiah, Muzaffargarh, says that unemployment is increasing day by day.

The Administrative Officer, Salt Range Division, Khewra, says unemployment amongst the adjoining agricultural population is on the increase as is shown by the increasing demand from them for the officiating vacancies.

The Superintending Engineer, Warcha, says that the agriculturists find it hard to carry on with the income derived from the yields of their land and that they frequently apply for jobs as manual labourers in our workshops.

The Deputy Director of Agriculture, Gurdaspur, quoted in the main report, says that the data collected from eleven villages shows that 432 out of every thousand adults are unemployed and the figures of permanent and seasonal and casual unemployed are 29, 151 and 252, respectively.

The Chief Agent, Bombay Mutual Life Assurance Society, says, that the nature of unemployment is partly permanent, partly seasonal and partly casual.

The President, Punjab Arya Shiksha Samiti, says the unemployment is both permanent and seasonal.

The Assistant Registrar, Co-operative Societies, Jullundur, says unemployment is permanent.

The Assistant Registrar, Co-operative Societies, Ludhiana, says that in the barani tracts the unemployment is seasonal in the case of all farmers. There are cases where some persons cannot get employment in agriculture.

The Assistant Registrar, Co-operative Societies, Hoshiarpur, says, that unemployment is permanent.

The Assistant Registrar, Co-operative Societies, Rohtak, says : " Nature is both permanent, seasonal as well as casual ".

The Assistant Registrar, Co-operative Societies, Sialkot, says, unemployment is permanent and seasonal.

The Director of Agriculture says unemployment is seasonal as well as permanent, depending upon agricultural conditions in each District.

Mr. Bradford again quoted by the Board of Economic Enquiry, says, " It is a mystery to me how a tenant cultivator in this District survived the depression and much greater one how the village menials and paid labourers survived ". He says that there is seasonal unemployment on the land lease to him in spite of the fact that his study activities provide much extra work not available in the average colony village.

The Deputy Commissioner, Sheikhpura : Unemployment mentioned above should be classed as permanent.

The District Board, Dera Ghazi Khan : It is permanent except in seasons of adequate rainfall.

The District Board, Gurgaon : Unemployment is permanent.

The District Board, Ludhiana : All three kinds of unemployment are observed.

The Senior Subordinate Judge, Montgomery : Unemployment is permanent. Persons who have been forced to give up agriculture have seldom resumed that profession and the number of such persons is increasing every year.

The Principal, D. A.-V. College, Lahore, says that unemployment in agriculture is permanent, seasonal and casual.

The Head Master, Government High School, Chakwal, says it is permanent.

The Deputy Commissioner, Mianwali, says, that they have nothing to do for nine months in the year

The Administrative Officer, Salt Range, Khewra, says that unemployment is seasonal, but sometimes permanent.

Some remedial measures that have been suggested as well as semi-permanent remedies for the relief of unemployment in industries, include large scale planned industry; raising of the age of children in factory employment; establishing and raising the school leaving age of children; the prevention of female and child labour in such employment as is dangerous for their health or too much for their physique.

The Chief Engineer, Electricity, after a long cross-examination, agreed.

“ Q.—You recommend the scheme (training centres for the unemployed) along with the insurance fund (unemployment) so that the workers' dignity and moral remain in-tact ?

A.—Yes.”

Compulsory free education.—Mr. W. H. F. Armstrong, Director of Public Instruction, when asked by me, agreed that so far as employment is concerned, compulsory free primary education would certainly help. He stated further that to put the scheme into effect the expenditure would be Rs. 50 lakhs recurring and a crore initial which the Finance Department considered astronomical figures. The present figure including the University budget is Rs. 1,61,00,000.

Mr. Armstrong agreed that in order not to decrease the purchasing power of the workers, his hours should be reduced but not his salary.

Mr. Armstrong agreed that the literary form of education ought not to be blamed for the incidence of unemployment; and he was definitely of the opinion that it was not university education that caused unemployment but that it was caused by other circumstances.

A question was put to him whether if people with no experience were given financial assistance and they started little cottage industries, the result would not be that their products would be unsaleable. He said, “It is quite possible.” Also it was pointed out to him that the great danger was the exploitation of child labour in the cottage industries and that the solution would probably be State control on a large well planned scale.

When asked if a method of compulsory registration arose out of a scheme of unemployment insurance, whether it would be of assistance, Mr. Armstrong said, “Yes, I think so. The registration would be of full value if they knew all posts were to come through the Bureau.”

Extent of unemployment.

S. Ujjal Singh, stated that there was not much unemployment among the artisan classes and when pressed by me and asked where “did you get these facts from?”, he said, “There is no definite data available but my experience is that in whatever area you go you will find that the artisan class is not without employment, and when it was pointed out to him that 3,000 applications were put in for four vacancies of Mistris in the Mughalpura Workshop, and that nearly 2,700 workers were without a job in and around Dhariwal, Sirdar Ujjal Singh said that “that may be true, I do not know.”

When asked, Sirdar Ujjal Singh agreed that it was the duty of the State to create more opportunity for employment but did not agree to the grant of direct relief under the present circumstances. When asked what those circumstances were, he said that “Industries must be well-established. Until then it is not feasible to raise the cost in any manner.”

Dr. Dunningliffe, when asked, stated, “If a scheme of Unemployment insurance is introduced, it would be very expensive but at the same time it would introduce a high order of co-operation between the employer and the employed.”

Mr. Aftab Rai.—The experience of Mr. Aftab Rai regarding the cutlery factory is interesting from this point of view that he stated that he could capture the entire trade in India which amounted to about Rs. 94 lakhs worth of knives, forks and spoons. When I asked him how many people he would require to employ to meet the requirements of India, he stated that if he wanted to double the production, he would need only 5 or 6 men but a lot of machinery. In the matter of small pen-knives, two towns—Nizamabad and Wazirabad employ about 150 to 200 families to supply the entire needs of India.

Mr. Aftab Rai, when asked, "would you consider it the duty of the State to see to it that people who without any reason that they can ascribe, are unable to get a job, to keep them going until they can get a job?", answered "Yes". When asked "would you recommend the system of unemployment insurance?", he said, "Yes, that is the only way."

Further when asked about insurance whether it would be worked in a satisfactory way, he stated that he thought so. It was not easy but it could be done.

Mr. P. S. Sodhbans, Secretary of the Indian Chambers of Commerce, was asked by me:—

"Q. If you are in favour of the employer in case of necessity being assisted by the Government, why are you not in favour of an ordinary poor worker who through no fault of his own, needs the assistance of the States?"

He replied that he was not in favour of unemployment insurance relief until the State is highly industrialized. Asked further, "would it be a big amount if a sum of 8 annas per head per month is paid by the employers of labour in the Punjab, *i. e.*, Rs. 80,000 a month for industrial workers who number about 67,000?", he said that it was not a great burden and that it was not a great sum for the State to pay for the relief of unemployed and added that the people who needed, should get the benefit but that it was for the State to decide. He, however, agreed that if the scheme was confined in the beginning to industrial workers and to Government employees later on, it may be an infinitesimal percentage of the total return received by the industry.

Further on Mr. Sodhbans admitted that he was in favour of some method whereby the destitution caused by unemployment among educated could be relieved. He was asked by me, "Just as it was the duty of the State to see to the education of the citizens or to prevent the menace to their life by foreign attack, is it also not their duty to see that this menace to their life created by unemployment is prevented?" He answered, "Yes, certainly we want that this menace of unemployment should be got rid of." I asked him further, "If the Government of India can spend fifty crores of rupees a year to prevent the menace to the lives and safety of the citizens of India, could not a portion of that sum be utilized for the purpose of preventing the menace, to the lives and health and interest of the people who can find no jobs?" He answered, "I certainly agree with you. I have already stated that these people commit dacoities, suicides and also join subversive movements."

When he was asked about causes of unemployment, Mr. Sodhbans stated "the non-development of industries and agriculture and no proper education, but he admitted when his attention was drawn to the fact that America is one of the most highly industrialized countries in the world where development of industry had taken place right upto the last extreme but yet there were 11 million unemployed Americans and that therefore the development of industries in itself was not the remedy. He agreed.

Note.—This is but a birds'-eye view of the varied opinions expressed by witnesses and the sample I have given will afford a great deal of material for thought whether the emphasis is laid on the reduction of the high salaries paid in this Province or the starting of enterprises for providing cheap credit in rural areas or for industries or new methods of raising revenue like death-duties and the taxation of agricultural incomes exempting in both cases a certain well-defined minimum or on the growing permanent nature of unemployment in rural areas, or on the need for the provision of unemployment and Health Insurance. The fact remains that all these matters have created a ferment in the thought of the Province which properly directed must necessarily prove beneficial when we seek the larger remedy for the greater evil.

Summary.

Among other recommendations the following are some of the main ones :—

1. Guaranteed minima wages.
2. Guaranteed minima prices for staple agricultural produce.
3. The creation of State controlled collective Farms.
4. A scheme for Unemployment Insurance.
5. A scheme for National Health Insurance.
6. The reduction of the hours of work to 40 per week.
7. The prohibition of children and young persons being engaged in industry as substitutes for adults.
8. The creation of a Statistical Bureau.
9. The creation of a Supreme Economic Council entrusted with the task of industrial and agricultural and national planning under State Control.
10. The raising of a loan up to Rs. fifty crores or more for the purpose of industrial, agricultural and national planning.
11. The nationalization of all electrical, textile (cotton and woollen) and petroleum concerns.
12. Vast programmes of Public Works under the control immediately of a National Board and finally of the Supreme Economic Council.
13. A net work of feeder and arterial roads.
14. The provision of State operated cheap transport facilities for primary producers.
15. A National Housing Scheme.
16. The creation of a Provincial Local Government Board with its roots in elective village Panchayats, entrusted with various duties concerning health, unemployment and the control of Civic guards.
17. Readjustment of our exchange ratio keeping the interest of the Nation in the forefront.
18. The setting up of Joint Standing Conciliation machinery for the settlement of Trade Disputes.
19. Fair wages clauses in Public Works Contracts.
20. Legal sanction regarding collective bargaining.
21. Compulsory Free Primary Education under a ten year plan.
22. The setting up of National Co-operative concerns for the marketing and sale of primary products.