

Dhananjayrao Gadgil Library



GIPE-PUNE-026932

INDIAN ECONOMICS

By the same authors

ELEMENTARY ECONOMICS (3rd ed., 1948)

ELEMENTARY PRINCIPLES OF ECONOMICS (5th ed.,

ELEMENTS OF INDIAN ECONOMICS (4th ed., 1946)

INDIAN ECONOMICS

A Comprehensive and Critical Survey

BY

G. B. JATHAR, M.A.

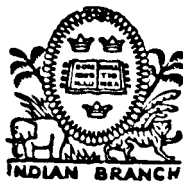
Indian Educational Service (Retired)
Principal, Karnatak Education Board's Arts College,
Dharwar

AND THE LATE

S. G. BERI, M.A.

Bombay Educational Service (Class I)
Professor of Economics, Sydenham College of
Commerce and Economics, Bombay

VOLUME I
NINTH EDITION



GEOFFREY CUMBERLEGE
OXFORD UNIVERSITY PRESS

Oxford University Press, Amen House, London E. C. 4

GLASGOW NEW YORK TORONTO MELBOURNE WELLINGTON

BOMBAY CALCUTTA MADRAS CAPE TOWN

Geoffrey Cumberlege, Publisher to the University

FIRST PUBLISHED 1928

SECOND EDITION 1930

THIRD EDITION 1931

FOURTH EDITION 1933

FIFTH EDITION 1937

SIXTH EDITION 1939

SEVENTH EDITION 1942

EIGHTH EDITION 1947

NINTH EDITION 1949

X. 2

F8; H9.1

26932

PRINTED IN INDIA

THE MADRAS PUBLISHING HOUSE (1945) LTD., MADRAS 2 AND PUBLISHED BY
GEOFFREY CUMBERLEGE, OXFORD UNIVERSITY PRESS, MADRAS 2

SYNOPSIS OF CONTENTS

CHAPTER I

SCOPE AND DEFINITION [pp. 1-5]

1 Definition. 2 A second possible meaning. 3 A third interpretation. 4 Indian Economics: a separate subject of study. 5 Indian Economics not merely an exposition of economic principles with Indian illustrations. 6 Ranade's valuable work. 7 Western economic theory and Indian Economics.

CHAPTER II

INDIA'S PHYSICAL ENVIRONMENT AND NATURAL RESOURCES

[pp. 6-32]

1 Natural resources and their importance. 2 India: area and population. 3 Geographical location. 4 Deficiency of harbours. 5 Inland communications. 6 Attempts to overcome disadvantages of physical location. 7 Three well-marked divisions of India. 8 The peninsula. 9 The Indo-Gangetic plain. 10 Himalayan and peninsular rivers. 11 The Himalayas. 12 Physical and climatic contrasts. 13 Seasons in India. 14 Rainfall. 15 Vital importance of rainfall. 16 Climate. 17 Tropical climate in relation to economic progress. 18 Forests. 19 Utility of forests. 20 Forest conservation. 21 Area under forest in India. 22 The object of forest administration. 23 Indian forests as suppliers of raw materials. 24 Major and minor forest produce. 25 Potentialities of Indian forests. 26 Geological composition. 27 Mineral production. 28 Coal. 29 Iron. 30 Manganese. 31 Gold. 32 Petroleum. 33 Mica. 34 Saltpetre. 35 Other minerals. 36 Salt. 37 Building stones. 38 Cement-making materials. 39 Lime. 40 Vegetable resources. 41 Animal resources. 42 Sources of power. 43 Water-power. 44 A poor people in a rich country.

CHAPTER III

POPULATION [pp. 33-77]

1 Total population. 2 Factors determining density. 3 Density and prosperity. 4 Distribution of the population according to religion and community. 5 Distribution of population according to occupation. 6 Population in towns and villages. 7 Population according to sex. 8 Distribution according to age. 9 The Indian birth- and death-rate. 10 Death-rate. 11 Growth of population. 12 Problem of over-population in India. 13 Preventive checks. 14, Marriage rate in India. 15 Lower fertility. 16 Social customs: prolonged lactation, etc. 17 Infanticide. 18 Poverty and disease. 19 Conclusion. 20 Over-population, and national income. 21 Positive and preventive checks. 22 Other remedies than deliberate check of numbers. 23 Limitations of these remedies. 24 Scarcity of labour as an argument against over-population. 25 Agricultural development. 26 Relief from inter-provincial migration. 27 Relief from emigration. 28 Population and production. 29 Increase in wealth an indirect but powerful remedy. 30 Importance of deliberate restriction. 31 Limitation of families: pros and cons. 32 Methods of limiting population. 33 Migration. 34 Eugenics. 35 Public health and sanitation. 36 Education. 37 Racial aptitudes.

SOCIAL AND RELIGIOUS INSTITUTIONS [pp. 78-97]

1 Influence of social and religious institutions on economic activity. 2 The caste system. 3 Three main types of castes. 4 Origin of the caste system. 5 The rigidity of the caste system. 6 Merits and achievements of the caste system. 7 Caste system indefensible in its present form. 8 Endogamy and racial degeneration. 9 Caste prevents correspondence between aptitude and function. 10 Immobility of capital and labour. 11 Caste a hindrance to large-scale enterprise. 12 Caste and dignity of labour. 13 Caste antagonistic to principle of equality. 14 Influence of Western civilization on caste. 15 Vitality of the caste system. 16 Remedy for the evils of the caste system. 17 The joint family system. 18 The origin of the joint family. 19 Merits of the joint family system. 20 Defects. 21 Modern disintegrating influences. 22 Laws of inheritance and succession. 23 The Mitakshara and the Dayabhaga systems. 24 Inheritance under the two systems. 25 Economic effects of the laws of inheritance and succession. 26 Is Indian spirituality responsible for India's economic backwardness? 27 Appeal to history. 28 Influence of religious belief on economic activity generally exaggerated. 29 Fatalism a heritage from unsettled political conditions in the past. 30 Process of reinterpretation of religion to harmonize it with changed conditions. 31 Causes other than religion for Indian pessimism.

CHAPTER V

ECONOMIC TRANSITION IN INDIA [pp. 98-130]

1 Industrial Revolution in England. 2 Four main features of the Industrial Revolution in England. 3 Results of the Industrial Revolution. 4 Morison's classification; the old type and the new type of countries. 5 Characteristics of the old order. 6 Characteristics of the new order. 7 The old economic organization; the village. 8 How the village arose and why it persists. 9 The typical Indian village. 10 Village organization: (1) Agriculturists. 11 (2) The village officers. 12 (3) The village artisans. 13 Self-sufficiency and isolation of the village. 14 Absence of money, etc. 15 Custom and status. 16 Custom and rent. 17 Custom and wages. 18 Custom and prices. 19 Towns under the old economic order. 20 Indian industries in the past. 21 Causes of the decay of Indian industries and progressive ruralization. 22 Industrial Revolution in England and in India: a contrast. 23 The village in transition. 24 Features of the village in transition. 25 Transition in village occupations—I. Transition in agriculture. II. Transition in the village crafts. 26 Transition from status and custom to contract and competition. 27 Transition in industries. 28 Two tests of industrial progress. 29 Modern forces influencing the growth of towns. 30 Influences making for the decline of towns. 31 'Sudden transition from local to international economy.' 32 Is industrialization desirable for India?

CHAPTER VI

AGRICULTURE: PRODUCTION AND EXPORT [pp. 131-72]

1 The place of agriculture in Indian economics. 2 The need for agricultural development. 3 Statistics of area under different crops in British India. 4 Estimated yield and area of principal crops (including crops in certain Indian States). 5 Scope for intensive and extensive cultivation. 6 Relative importance of crops. 7 A survey of the principal crops of India—I. Food crops. II. Non-food crops. 8 Exports of agricultural products.

CONTENTS

vii

9 Restrictions on the export of foodstuffs. 10 Restrictions on the export of raw materials.
11 Low yield and its causes. 12 Is the soil progressively deteriorating in India?

CHAPTER VII

AGRICULTURE : LAND AND ITS PROBLEMS [pp. 173-202]

SUBDIVISION AND FRAGMENTATION. 1 The idea of an optimum holding. 2 Unit of cultivation and unit of ownership. 3 Evils of subdivision and fragmentation. 4 Case for fragmentation and subdivision. 5 Extent of the evil in India. 6 Causes of subdivision and fragmentation. 7 What is an economic holding? 8 Remedial measures. 9 The Bombay Small Holdings Bill of 1927. PERMANENT IMPROVEMENTS. 10 Absence of permanent improvements and its consequences. IRRIGATION. 11 Necessity and importance. 12 Classification of irrigation works. 13 Extent, growth and revenue. 14 The irrigation policy of the Government. 15 Irrigation versus railways. 16 Waterlogging and salt effervescence. 17 Canal colonies in the Punjab.

CHAPTER VIII

AGRICULTURE : LABOUR, EQUIPMENT AND ORGANIZATION [pp. 203-37]

1 The human factor: its unsatisfactory nature. 2 A comprehensive scheme of rural education. 3 Physical inefficiency of the peasant: its causes and cure. 4 Bhole Committee Report. 5 Need for closer contact between village and town. 6 Hired agricultural labour. 7 The landlord and his place in the rural economy. 8 The duties and responsibilities attaching to land-ownership. TECHNIQUE AND EQUIPMENT. 9 Technique: methods of cultivation. 10 Manure. EQUIPMENT. 11 Implements. 12 Live-stock. 13 Problem of fodder supply. 14 Cattle-breeding. 15 The Veterinary Department. 16 Reserve capital. ORGANIZATION. 17 Importance of rural industries. 18 Dairy-farming, etc. 19 Economics of khaddar. 20 Some other rural industries. 21 Defective marketing of agricultural produce. 22 Co-operative sale. 23 Certain improvements in marketing organization. 24 The new marketing organization. 25 Work done by the marketing organization. 26 Need for warehouses, standardization of weights and measures, etc.

CHAPTER IX

RURAL INDEBTEDNESS [pp. 238-72]

1 Rural indebtedness: a serious problem. 2 Extent of indebtedness: early inquiries. 3 Estimates of agricultural indebtedness by provincial Banking Enquiry Committees. 4 The causes of indebtedness. 5 State policy regarding rural indebtedness. 6 Measures to avoid unnecessary debts. 7 Measures for the improvement of the civil law. 8 Legislation regarding licensing and control of money-lenders. 9 Debt conciliation and liquidation. 10 Recent debt conciliation legislation. 11 Compulsory scaling down of debts. 12 Restrictions on the transfer of land. 13 The supply of money and credit. 14 Report of the Agricultural Finance Sub-committee, 1944.

CHAPTER X

THE CO-OPERATIVE MOVEMENT IN INDIA [pp. 273-324]

1 Meaning of co-operation. 2 Co-operation in Germany. 3 Co-operation and its uses

in India. 4 Co-operative Credit Societies Act, 1904. 5 Review of progress from 1904 to 1912. 6 The Co-operative Societies Act, 1912. 7 Progress of the movement subsequent to the Act of 1912. 8 Co-operative movement during the war of 1939-45. 9 Classification of co-operative societies. 10 Primary agricultural credit societies. 11 Non-agricultural credit societies: THE NON-CREDIT CO-OPERATIVE MOVEMENT. 12 Some general questions. 13 Single- versus Multiple-purpose society. 14 Non-credit agricultural movement. 15 Non-credit non-agricultural societies. 16 Housing societies. 17 Central societies. Co-operative finance. 18 Unions. 19 Central co-operative banks. 20 Provincial co-operative banks. 21 Is an all-India co-operative bank necessary? 22 The Reserve Bank of India in relation to agricultural (co-operative) finance. 23 Role of the Reserve Bank in relation to co-operative banks. 24 The state in relation to the co-operative movement. 25 Co-operative Institutes, etc. 26 A critical estimate of the co-operative movement in India. 27 Re-orientation of the co-operative movement. LAND MORTGAGE BANKS. 28 The need for land mortgage banks. 29 Three types of land mortgage banks. 30 History of land mortgage banks in India. 31 State aid to land mortgage banks. 32 The Madras and Bombay schemes. 33 Operations of land mortgage banks. 34 Limitations of land mortgage banks. 35 Commercial land mortgage banks.

CHAPTER XI

THE STATE IN RELATION TO AGRICULTURE [pp. 325-41]

1 The evolution of the Agricultural Departments. 2 Functions of the Agricultural Departments. 3 Demonstrations of new methods and improved implements. 4 Other items of state aid. 5 Agricultural education. 6 Village uplift: the Gurgaon experiment. 7 Recent schemes of village improvement. 8 Royal Commission on Agriculture. 9 Government action on the Report: the Simla Conference. 10 The Imperial (Indian) Council of Agricultural Research. 11 The Russell-Wright Inquiry. 12 Need for more food-production and planned development.

CHAPTER XII

LAND TENURES AND REVENUE [pp. 342-95]

1 Historical survey of land revenue in India. 2 Three kinds of land tenure. 3 Two main forms of village constitution. 4 Constitution and types of joint or landlord villages. 5 Landlord estates including more than one village estate. 6 Sub-proprietary and tenant rights. 7 Other than occupancy tenants. 8 General features of occupancy privilege. 9 New drive for tenancy legislation in zamindari provinces. 10 Tenancy in ryotwari provinces. 11 The Bombay Tenancy Act (1939). 12 What is a settlement? 13 Requisites of a settlement. 14 Classification of settlements. 15 Zamindari settlements: Permanent Settlement in Bengal. 16 Criticism of the zamindari settlement of 1793 in Bengal. 17 The Permanent Settlement in Benares and Madras. 18 Subsequent history of the Permanent Settlement. 19 Temporary Settlement with the remaining zamindars in Bengal and with the talukdars of Oudh. 20 Mahalwari settlements. 21 Principles of assessment in mahalwari systems. 22 Mahalwari settlement operations in the United Provinces. 23 Mahalwari settlement of the Punjab. 24 Malguzari settlement of the Central Provinces. 25 Ryotwari settlement: the ryotwari system of Madras. 26 The ryotwari system of Bombay. 27 Main features of settlement in Bombay. 28 The Assam system. 29 State ownership versus individual ownership. 30 Land revenue: a tax or rent? 31 Permanent versus temporary settlement. 32 Land Revenue Commission, Bengal (1938-40). 33 Term of settlement. 34 Principles of assessment. 35 Rental value as a basis of assessment. 36 Ricardian theory in relation to the land revenue in India. 37 A new basis of assessment. 38 Rate of assessment: a recommendation. 39 What

CONTENTS

ix

should be the limits of enhancement? 40 Application of principles of taxation to land revenue. 41 Principle of formal justice. 42 Legislative control. 43 Progress of land revenue legislation. 44 The Bombay Land Revenue Code (Amendment) Act (1939).

CHAPTER XIII

INDUSTRIES : A GENERAL SURVEY [pp. 396-427]

1 Industrial history of India during recent times. 2 Survey of the policy of the state in relation to industrial development. 3 Industrial development during the war of 1914-18. 4 The Indian Munitions Board. 5 Industrial boom after the war of 1914-18. 6 Trade depression. 7 Industrial recovery and recession. 8 Introduction of protective tariffs, etc. 9 The Congress move for industrial planning for India. 10 Industrial development during and after the second world war. 11 Reconstruction Committees set up. 12 Consultative Committee of Economists. 13 Handicaps of Indian industry. 14 American Technical Mission. 15 Industrial backwardness of India. 16 Benefits of industrial development. 17 Reactions of industry on agriculture. 18 Capital for industries. 19 External capital. 20 Amount of foreign capital. 21 Foreign capital in India : main issues. 22 Objections to foreign capital. 23 Uses and advantages of foreign capital. 24 Restrictions on external capital. 25 Position of foreign capital under the 1935 constitution. 26 Need for developing internal capital resources.

APPENDIX

PARTITION AND AFTER [pp. 428-35]

1 Population. 2 Agriculture. 3 Minerals. 4 Industry and Trade. 5 Transport. 6 Currency and Exchange. 7 Banking. 8 Public Finance. 9 The division of assets and liabilities.

INDEX [pp. 436-42]

APPENDIX
*PARTITION AND AFTER*¹

§1. Population.—The following table, based on the figures of the 1941 census, shows the area, in thousands of square miles, and population, in millions, of the two Dominions and of the States outside them :

	Popula- tion (millions)	Per cent of total	Area (1000 sq. mi.)	Per cent of total area	Density
INDIAN UNION					
Provinces ...	230	57.8	627	40.1	368
States ...	68	17.6	418	26.5	167
Total ...	298	75.4	1,045	66.6	299
PAKISTAN					
Provinces ...	66	16.9	236	14.9	280
States ...	5	2.6	129	8.1	37
Total ...	71	19.5	365	23.0	195
Hyderabad ...	16	4.1	82	5.2	198
Kashmir ...	4	1.0	82	5.2	49
Grand total ...	389	100	1,574	100	241

Nearly 64 per cent of the total Pakistan population is concentrated in Eastern Pakistan, which accounts for only 25 per cent of the total area of Pakistan. The density of population in Eastern Pakistan is as high as 718 as against 136 in Western Pakistan.

The percentage of urban population is 14 in India and 8 in Pakistan.

It is officially estimated that, as a result of communal disturbances on the eve of the partition, 5 million Muslims migrated from India to Pakistan and there was an influx of about the same number of non-Muslims into India. This still leaves about 32 million Muslims in India and 15 million non-Muslims in Pakistan.

§2. Agriculture.—The following figures relating to the year 1938-9 show that nearly half of the total area is uncultivated in both Dominions, the proportion of cultivated land being a little higher in India than in Pakistan. Per capita sown area in India is 0.75 acre and in Pakistan 0.64 acre. 15 per cent of the total area is under forest in India as against 5

¹ This appendix is largely based on Professor C. N. Vakil's timely and useful publication, *Economic Consequences of the Partition*, second edition.

per cent in Pakistan. Of the uncultivated area Pakistan has a larger proportion than India not available for cultivation.

Classification of area (in million acres)	Indian Union		Pakistan		Hydera- bad	Kash- mir	Total area
	area	%	area	%	area	area	
Net sown ...	204	42	43	37	27	2	277
Current fallow ...	47	9	11	9	3	0.3	61
Total cultivated ...	251	51	54	46	30	2.3	338
Forests ...	74	15	5	5	6	2	87
Not available for cultivation ...	80	16	30	26	10	3	123
Other uncultivated ...	86	18	26	23	2	1	115
Total uncultivated ...	240	49	61	54	18	6	325
Grand total ...	491	100	115	100	48	8.3	663

251 million acres or 18 per cent of the cultivated area is under irrigation in India, while 54 million acres or 36 per cent of the cultivated area is under irrigation in Pakistan. Most of the irrigation works, however, are located in Pakistan.

An area equal to 183.6 million acres or 78 per cent in India and 37.7 million acres or 77 per cent in Pakistan is under food crops. Per capita acreage under food crops is 0.61 in India and 0.54 in Pakistan. But owing to irrigation facilities, the yield of crops per acre is higher in Pakistan with greater scope for reaping more than one crop in the year. Pakistan thus enjoys a surplus, while India has a deficit of from 3 to 5 million tons of food-grains.

India has to import cotton and jute from Pakistan. On the other hand groundnuts, coffee and tea are entirely Indian products for which Pakistan is dependent on India.

The position of Pakistan, in respect of milk is more favourable than that of India. Pakistan also has a more abundant supply of hides.

§3. Minerals.—It is needless to point out that annual production in India is at present far superior to that of Pakistan in respect of minerals.

Mineral	India (1944)	Pakistan (1944)
Coal (lakh tons) ...	248	3
Iron (lakh tons) ...	23	—
Copper (lakh tons) ...	3.3	—
Manganese (lakh tons) ...	3.7	—
Bauxite (tons) ...	12,135	—
Petroleum (million gallons) ...	66	21
Mica (cwts) ...	139,000	—
Chromite (thousand tons) ...	21	19
Gypsum (thousand tons) ...	26	58

§4. Industry and Trade.—Dislocation of the industrial structure may be said to be one of the major evil consequences of partition. Artisans and skilled workers who were mostly Muslims migrated to Pakistan leaving the factories in East Punjab almost without labour. Hindu capitalists fled to India leaving factories in West Pakistan without managerial skill. While cotton and jute are grown mostly in Pakistan, the cotton and jute mills are mostly located in India.

An idea of the distribution of various industries can be had from the figures given below relating to 1942 :

Industries	India	Pakistan
Cotton mills	357	15
Jute mills	111	—
Sugar mills	176	15
Iron and steel	36	—
Cement factories	57	8
Paper mills	19	—
Glass factories	112	5

The total number of cotton mills in 1943-4 was 410, out of which only 15 were located in Pakistan. The textile and jute mills in India largely depend upon Pakistan for their raw material.

India's share of the industrial establishments in undivided India is 86 per cent and of persons employed in industries more than 90 per cent are to be found in India. Pakistan lacks many major industries, and in average size those she has are inferior to India's. There is also much greater diversity of industrial development in the Indian Union than in Pakistan.

Though Pakistan has a few cement factories, they are dependent on India for coal and gunny-bags and her sugar factories have not developed *pari passu* with the area under sugar-cane.

The most serious drawback of Pakistan's industrial structure is the total absence of iron and steel factories.

Pakistan is more preponderantly agricultural than the Indian Union. While undivided India had a monopoly of the export trade in raw jute, the Indian Union is now the world's heaviest importer of that commodity which has to come to her from Pakistan. Similarly the Indian Union has now to import about one million bales of cotton (mostly medium- and long-staple) from Pakistan which includes the most important cotton-producing areas of undivided India. The Indian Union has an unfavourable balance of trade with Pakistan as well as with the outside world. One of the difficult problems for the Indian Union, and to a lesser extent for Pakistan, is that of bridging the gap between exports and imports by an increase in the former and a decrease in the latter or both.

§5. Transport.—(i) *Railways*. The total capital at charge of the Indian railways is Rs. 702 crores as against Rs. 136 crores of the Pakistan railways. Of the total route mileage of undivided India, 77 per cent is in the Indian

Union. The following table shows the division of railways according to mileage :

Indian Union	Miles	Pakistan	Miles
1. N.-W. Railway (East Punjab comm. lines) ...	1,610	1. N.-W. Railway Comm. lines Strategic	3,110 1,817
2. Assam Railway Broad gauge ...	376	2. Assam Railway Broad gauge	503
Metre gauge ...	1,399	Metre gauge	999
3. E.I.R. B.B.C.I. B.N.R. G.I.P. M.&S.M. O.T.R. S.I.R. Bezwada & Dhor Kurnool	21,180	3. Jodhpur-Hyderabad Railway	319
Total	24,565		6,748

The Indian Union is relieved of the burden of the strategic lines of the N.-W.F. Railways which were responsible for a total loss of Rs. 42 crores during the period from 1924 to 1946. Acceptance of the scales of pay as recommended by the Central Pay Commission and the rising prices of stores and fuel are however factors which will to some extent offset this relief.

The movement of refugees severely dislocated the railway finances as well as the general administration in both the Dominions. During a period of two and a half months, the railways were called upon to move as many as three million refugees. This strain was too much for the engines and bogies that were already worn out and had long needed replacement.

The future of Indian railways, however, is fairly bright and their position is steadily improving. The following table reveals the enormous rise of railway income and expenditure since the Partition :

	Undivided India 1939-40	Indian Union 1948-9	Pakistan 1948-9 ¹
Gross revenues	102.73	190	36.89
Total working expenses ...	69.93	159.78	37.15
Net miscellaneous revenue ...	0.64	2.16	—
Net revenue	33.44	32.38	—
Interest charges	29.11	22.53	—
Surplus profit	4.33	9.85	—

The N.-W. Railway and the Assam-Bengal Railway which have been split up between the two Dominions earned a profit appreciably smaller in proportion to that earned by the other railways. This implies that Pakistan will probably have a deficit railway budget, although it has not accepted the pay scales of the Central Pay Commission.

¹ The figures for Pakistan are inclusive of revenue under Posts and Telegraphs.

Imports of spare parts from the United Kingdom and the manufacture of some of them in her own ordnance factories, the reduction of delay in the turn-round of wagons and engines, and drastic measures to check ticketless travel have greatly helped to improve the position of railways in India.

(ii) *Shipping.* Undivided India had only 150,000 tons of shipping which amounted to 0.24 per cent of the world total. Out of this, the share of Pakistan amounts to not more than 40,000 tons.

(iii) *Roads.* Out of a total—metalled and unmetalled—mileage of 315,000, India has 265,000 and Pakistan 50,000 miles of roads.

§6. *Currency and Exchange.*—The following were the main provisions of the Pakistan Monetary System and Reserve Bank Order, 1947.

(i) Indian notes were to continue to be legal tender in Pakistan till 30 September 1948.

(ii) On 30 September 1948, the Reserve Bank of India was to retire as a note-issuing authority for Pakistan. Since that date Pakistan has had unfettered authority to make her own currency arrangements.

(iii) After 1 April 1948, the Reserve Bank might issue 'Pakistan notes'.

(iv) Assets equal in value to Pakistan notes were to be transferred by the Issue Department of the Reserve Bank of India to the Government of Pakistan soon after the 30 September 1948.

(v) Pakistan is to accept Indian notes from the Reserve Bank of India in certain circumstances until 1 October 1949, but they are to be replaced by Pakistan notes as and when required.

(vi) For one year after the issue of Pakistan coins the Indian rupee and subsidiary coins will remain legal tender in Pakistan.

Accordingly Pakistan notes and Pakistan currency have been issued from the dates specified.

Pakistan has had authority to declare the par value of her currency from October 1948. Considering the position of Pakistan in respect of foreign trade, it is surmised that Pakistan currency will remain on a par with the Indian rupee.

§7. *Banking.*—The number of banking concerns in the two Dominions immediately after the Partition is given in the table below :

	India	Pakistan
SCHEDULED BANKS :		
Head Offices	85	13
Branch Offices	2,428	620
Total	2,513	633
NON-SCHEDULED BANKS :		
Head Offices	462	157
Branch Offices	1,175	411
Total	1,637	568
Grand Total	4,150	1,201

Pakistan's share of banks was in proportion to population. But after the Partition many banks and indigenous bankers migrated from Pakistan to India. As might be expected, the result has been a considerable decline of banking business in Pakistan. Bank advances and bills discounted have declined and time-deposits have dwindled from about Rs. 39 crores to about Rs. 18 crores. The wholesale flight of Hindu capitalists with their funds and valuables from Pakistan naturally aggravated the situation.

The West Punjab Government floated a Finance Corporation with a capital of Rs. 1 crore mainly to finance the cotton and wheat trade. Before the Partition this finance was provided by Hindu capitalists.

As mentioned in the Pakistan Monetary System and Reserve Bank Order, 1947, a Central Pakistan Bank, called 'The State Bank of Pakistan', has been instituted since 1 July 1948 to manage the paper-currency, public debt and exchange of the Dominion. The structure of the Bank is almost the same as that of the Reserve Bank of India.

§8. Public Finance.—Estimates of central revenues of both the Dominions are given below in lakhs of rupees, based on figures for 1944-5 :

Heads of Revenue	Share of India	Share of Pakistan	Total
1. Customs	29,32	8,97	38,29
2. Central excise duties	32,87	5,27	38,14
3. Corporation tax and taxes on income:			
Ordinary	52,95	4,43	57,38
Surcharge	32,73	2,84	35,57
4. Business profits tax	11,00	1,00	12,00
5. Civil administration	1,91	57	2,48
6. Currency and mint	9,60	2,86	12,46
7. Civil works	59	18	77
8. Interest	1,37	41	1,78
9. Opium	1,04	—	1,04
10. Receipts from States	46	14	60
11. Receipts in connexion with war	14,32	4,23	18,60
12. Net receipts from Posts and Telegraphs	7,89	2,36	10,25
13. Net receipts from railways	24,64	7,36	32,00
14. Deduct share of income-tax distributed to provinces	—21,25	—5,31	—26,56
Totals	200,44	35,29	235,63

These estimates proved substantially correct as revealed by the budget figures for 1948-9. The estimates in respect of provinces are given below in lakhs of rupees, based on figures for 1944-5 :

PAKISTAN PROVINCES :			
West Punjab	...	...	14,95
Sind	...	...	8,80
N.-W.F.P.	...	...	1,84
East Bengal	...	...	18,84
Sylhet	...	...	1,00
Baluchistan	...	...	20
INDIAN PROVINCES :			
East Punjab	...	...	8,06
U. P.	...	...	27,47
Bihar	...	...	12,75
Orissa	...	...	3,18
Assam	...	...	4,92
C.P. & Berar	...	...	9,62
Bombay	...	...	33,67
Madras	...	...	41,24
West Bengal	...	...	14,78

Partition has brought with it an enormous increase of expenditure for both the Dominions. For the suppression of communal riots and maintaining law and order in general it has become necessary to strengthen the defence and police services.

Another incidental item of heavy expenditure is in connexion with the relief and rehabilitation of refugees. This is likely to continue for a few years to come.

One of the results of widespread disturbances was incalculable damage to food crops which greatly worsened the food situation in the country. The expenditure on food subsidies has consequently risen steeply.

The extra burden, mainly due to an increase of unproductive expenditure, besides aggravating inflationary tendencies, has necessitated the postponement of many nation-building schemes that had been projected.

Payment of overseas pensions and interest on pre-partition loans amounting to about Rs. 68.5 crores a year is to be the sole responsibility of the Indian Dominion for a few years to come.

§9. The division of assets and liabilities.—A financial agreement, laying down broad principles for the distribution of assets and liabilities between the two Dominions, was signed on 12 December 1947.

On 1 March 1947, the amount of interest-yielding assets was Rs. 1,000 crores, the uncovered debt, Rs. 867 crores, and cash and securities held on the Treasury Account, Rs. 514 crores.

The division under the agreement is approximately as follows :

	India (Rs. crores)	Pakistan (Rs. crores)
Interest-yielding assets	835	165
Cash balance	325	75

PARTITION AND AFTER

435

Of the debt of Rs. 867 crores, Pakistan's share comes to 17.5 per cent. One-third of the military stores went to Pakistan which was also granted an advance of Rs. 6 crores to enable it to work its ordnance factories.

The interest on securities both in India and in Pakistan will be met by the Indian Government alone for some time, after which Pakistan will be required to pay its own share. It is to discharge its indebtedness to India by annual payments extending over a period of 50 years, beginning from the fifth year of partition. India's liability to holders of securities in Pakistan will be about Rs. 7 crores.

INDEX

- Abbot, A. and Wood, S. H., 205
 Abhyankar, N. G., 247, 251, 254, 256-7, 262
 absentee landlordism, evils of, 211
 Achariyar, Srinivasa, 211
- Acts—
- Agricultural Produce Markets, Bombay (1939), 156, 232, 335
 - Cess (1940), 340-1
 - (Grading and Marketing (1937), 235
 - Agriculturists' Loans (1884), 264, 266
 - Relief, U.P. (1934), 251, 253-4
 - Assam Debt Conciliation (1935), 256
 - Bengal Agricultural Debtors' (1935), 256-7
 - Jute Regulation (1940), 156-7
 - Money-lenders' (1933), 251; (1939), 251-2
 - Bombay Agricultural Debtors' Relief (1939), 260-2; Amendment (1941), 249-50; (1947), 250
 - Co-operative Societies (1925), 279, 308, 321
 - Land Revenue Code (Amendment) (1939), *see* LAND REVENUE CODE
 - Revenue Tribunal (1939), 395
 - Central Provinces and Berar Relief of Indebtedness (1939), 258, 260
 - Child Marriage (1929), 52
 - Coal Grading Board (1925), 22
 - Mines Safety (Stowing) (1939), 22-3
 - Commercial Crops Market, Madras (1929), 156
 - Consolidation of Holdings, Punjab (1936), 185
 - U.P. (1939), 186
 - Co-operative Credit Societies (1904), 275-8; (1912), 277-9
 - Cotton Ginning and Pressing Factories (1925), 156, 231
 - Markets, Bombay (1927), 156, 232
 - C.P., 156
 - Transport (1923), 156, 231
 - Debt Conciliation, C.P. and Berar (1933), 256
 - Madras (1936), 256
 - Sind (1939), 256
 - Deccan Agriculturists' Relief (1879), 247-9, 253, 266
 - Emigration (1922), 73
 - English Overseas (Credit and Insurance) (1920), 424
 - Government of India (1935), 425-6
 - Income-Tax (1886), 375
 - Industrial Finance Corporation (1948), 419
 - Khoti Settlement, Bombay (1880), 355
 - Land Alienation, 317
 - Improvement Loans (1883), 264-6; amendments, 265
 - Revenue (Amendment), Punjab (1929), 366, 384-5
 - Live-stock Improvement, Bombay (1933), 219
- Acts—
- Madras Agriculturists' Debt Relief (1938), 254, 259-60
 - Co-operative Land Mortgage (1934), 320
 - Money-lending, in various provinces, 250-5
 - Oudh Rent (1921), 351
 - Prevention of Fragmentation of Agricultural Holdings (Baroda) (1933), 187
 - Punjab Land Alienation (1901), 263-4; amendments (1938), 264
 - Punjab Regulation of Accounts (1930), 250-1
 - Relief of Indebtedness (1934), 256
 - Restitution of Mortgage Lands (1938), 264
 - Reforms (1919), 279
 - Salt (Additional) Import Duty (1931), 27
 - State Aid to Industries, 418
 - Steel Industry Protection (1924), 424
 - Sugar Industry Protection (1932), 145; (1939), 146
 - Takkavi (1871, '76, '79), 264; (1883-4), 264-6
 - Tariff Amendment (1939), 140
 - Tenancy, 122, 349-56
 - Agra (1859), (1901), and Amendment (1926), 35
 - Bengal (1859), 351; Amendment (1885), 349, 351-2; (1928), 351; (1939), 354
 - Bihar (1938), 353
 - Bombay (1880), 352; (1939), 355-6
 - C.P. (1939), 354
 - Madras (1908), 351
 - Punjab (1887), 351
 - U.P. (1939), 351, 353-4
 - Trusts, Indian (Amendment) (1934), 318
 - U.P. Agriculturist Debt Redemption (1939), 262
 - Usurious Loans (1918), 249, 266; amendments, 250-1
 - Wheat (Import Duty) (1931), 140, 330
- Adarkar, B. N., 28, 147
- B. P., 145-7
 - administrative centralization, effects of, 116, 127
 - agriculture, 428-9
 - absence of permanent improvements in, 190-1
 - commercialization of, 118-19
 - co-operative movement in, 280-7, 289-93, 303-15
 - deterioration of soil, 171-2
 - equipment of, 215-22
 - exports of foodstuffs and raw materials, 161-9
 - human factor, 203-13
 - irrigation, 191-202
 - labour in, 203-13
 - landlord, 211-13
 - land revenue, 342-95
 - tenure, 345

- agriculture, low yield of, 169-71
 - marketing, 228-37
 - organization, 222-37
 - place and importance of, 131-2
 - reaction of industry on, 414-15
 - rural indebtedness and, 238-72
 - state policy in relation to, 325-41
 - statistics, 131-6
 - technique, 213-14
 Agricultural Associations, 216, 326
 - Commission, Royal (Indian)-
 - - appointment of, 337
 - - Government action on the report of, 337-40
 - - views and recommendations of, 14-16, 19-20, 59, 61, 131, 142, 169, 171-2, 178, 180, 188-9, 193-5, 198-9, 201, 213-14, 216-22, 224, 226-30, 232-3, 237, 239, 242, 249-50, 257, 265, 292, 294, 296, 308, 313, 326, 328, 330-2, 340
 - Conference (Simla), 337-8
 - credit corporations, 268-9, 272
 - Departments, Imperial and Provincial, 118, 141, 152, 154-5, 160, 170, 172, 215-16, 219, 229, 232-3, 324-30
 - Economics, Indian Society of, 186-7, 238, 332
 - education, 330-2
 - Finance Sub-Committee, 266-72
 - labour, efficiency of, 203-11
 - - enforced unemployment of, 222-5
 - - scarcity of, 119
 - marketing, 228-37, 268
 - policy during and after the recent war, 341
 - products and crops, 132-4
 - research in India, 325-8, 330, 337-41
 - - Imperial (Indian) Council of, 45, 141, 147, 220, 325-6, 338-41
 - - Institute, 160
 Akbar, 57; land revenue system of, 109, 342, 345, 359
 alluvial tract, 17
 Altekar, A. S., 102
 Ambedkar, B. R., 86
 Ambegaokar, K. G., 187
 American Technical Mission, 410
 Anderson, F. G. H., 179, 188, 376, 384
 Andhra Valley Power Scheme (1922), 31
 animal resources in India, 29
 Anjaria, J. J. and Nanavati, M. B., 63, 226
 annewari classification of soil in Bombay, 369-71
 Anstey, Percy, 5
 - Vera, 19-20
 antimony, 49
 artisan, Indian, *see* CRAFTS IN INDIA
 Asoka, 28
 Aurangzeb, 111, 373

 Baden-Powell, B. H., 102, 104, 345-6, 349-50, 357, 360, 361, 363, 371-5
 Baird-Smith, Col., 363
 bajra, 133-4, 141
 Banerjee, Prarnathnath, 92
 banks, 432-3
 - co-operative, 231, 268, 288, 299-307, 309-21; quasi-co-operative, 315-16
 banks--
 - Imperial Bank of India, 264, 303, 415-16
 - industrial, 415-19
 - joint-stock, 268, 415-16, 418
 - land mortgage, 269-72, 303-4, 315-24;
 see also AGRICULTURAL CREDIT CORPORATIONS
 - Post Office Savings, 210, 248, 415
 - Reserve Bank of India, 230-1, 240, 255, 262-3, 270, 278-9, 285, 291-2, 299-301, 303-7, 311-16, 318, 416, 432
 Banking Enquiry Committees--
 - Bengal, 241-2, 251, 288
 - Bombay, 237, 242, 249
 - Burma, 241
 - Central, 223, 233, 237, 240-1, 243, 251, 253-6, 264-5, 285, 311, 315-17, 415-18, 427
 - C. P. and Berar, 237, 251
 - Provincial, 223, 232, 236-7, 239-41, 250-1, 264-5, 317, 418, 427
 - Punjab, 236-7, 263
 - U.P., 222, 248, 351
 Bardoli Report, 247, 376, 385-6
 barley, 11, 141, 162
 Basir Ahmed Khan, K. M., 186
 Basu, S. K., 416
 Bentinck, Lord William, 148, 363, 365
 Beri, S. G., on agricultural marketing, 223
 Besant, Annie, 66
 Bevin, A., 407
Bhagavadgita, 96
bhaiaachara, principle of, 347
 Bhalla, Ramlal, 178
 Bhandardara dam, 199
 Bhatgar dam, 199
 Bhatnagar, B. C., 88
 Bhore Committee (1943), 207-9
 Bible, 95
 birth-control, 64-8, 75
 birth-rate in India--
 - checks on, 51-8
 - figures, 48
 - marriage customs and, 51-3
 - poverty and, 55
 black cotton soil, 17
 Blacker, C. P., 75
 Blunt, Sir Edward, 358
 Bombay Money-lenders' Bill (1938), 249-53
 Bombay Plan, 49, 406, 408
 boom, industrial, after 1914-18, 401
 Bose, S. C., 405
 boycott, 397
 Bradlaugh, Charles, 66
 Brayne, F. L., 214, 332-3
 Briggs, John, 372, 378
 Brij Narain, 201
 Brown, J. C., 19
 Buchanan, D. H., 123, 397, 423
 building stones, 28
 Burdwan, Maharajadhiraja Bahadur of, 379
 Burns, W., 136, 203

 cadastral record, 356-7
 Calvert, H., 211, 222, 404, 412, 415
 canal colonies in the Punjab, 197, 201-2
 Cannan, E., 50
 Canning, Lord, 363, 378

- capital in India (*see also* FOREIGN AND INDIGENOUS), 123-4
 — for industries, 416-27
 — internal, need for developing, 427
 Carr-Saunders, A. M., 12, 53, 413
 Carver, T. N., 411
 caste system, 78-87
 cattle-breeding, 219-20
 Cauvery Reservoir Project, 198
 Census of India (1941), 33-4
 — Reports, 38-44, 63, 68-9, 71
charka, 129, 225-7
 Chatfield Committee, 406
 Chatterji, H. S., 78, 81
 Chatterton, Sir A., 113
 cholera, 49, 127
 Choudhary, B. K. Roy, 379
 civil law about money-lending, improvement of, 248-50
 climate, 9-12
 Clive, Lord, land revenue system under, 359
 Clouston, Dr, 131, 171, 191, 294
 Clow, A. G., 397, 401
 coal, 19-23
 — Committee, Indian, 22
 — Mining Committee (1936), 22
 — Grading Board, 22
 — Mines Stowing Board, 22-3
 coffee industry in India, 148
 Colebrooke, Sir J. E., 361
 Collett, A., 211
 Committee, Adult Education, Bombay (1938), 206
 — Indian Central Cotton, 155-6
 — — — Jute, 158
 — Lancashire-Indian Cotton, 153, 155
 — on Imperial Preference, 404
 — Vocational Training, Bombay (1938), *see* ABBOTT AND WOOD
 — Zakir Husain, 214
 communications, inland, 7
 condiments and spices, 29, 133
 Congress Ministries, 279, 329, 337, 353-4, 394, 406
 — Party, 353
 contraceptives and overpopulation, *see* BIRTH-CONTROL
 co-operation in India, 273-324
 — All-India Co-operative Bank, 303
 — Consumers' Co-operative Societies, 294, 296
 — Co-operative and Rural Development Department, 335
 — Co-operative Department, 229, 335
 — Co-operative Institutes, 308-9
 — co-operative insurance, 288, 290
 — — Land Mortgage Banks, 267
 — — marketing, 229-31, 236-7, 295-6
 — — movement for agricultural credit, 269-71
 — — non-credit societies, 293-7
 — — societies, primary, 267, 280-97
 — central co-operative banks, 267, 299-301
 — — unions, 297-9
 Cornwallis, Lord, 344, 359-62, 380
 cottage industry, 225
 cotton, 152-6
 — Committee, Indian (1917), 155
 — — — Central, 155-6, 299, 231-2, 338-9
 cotton industry (old) in India, 108-14
 — mill industry, 100, 126, 397, 403
 Cotton, C. W. E., 19, 139, 168
 Cox, Harold, 65, 67
 crafts in India, 108-14
 — transition in, 119-21
 Crewe, Lord, 398
 Crop Planning Conference (1934), 328
 crops, survey of, 137-61
 crystalline tract, 17-18
 cultivation, efficiency of, 203-7, 210, 213
 — methods of, 213-14
 — scope for extensive and intensive, 134-6
 — unit of, 173-4
 cultivator, Indian, 203-11
 Cunningham, W., 106
 currency and exchange, 432
 Curzon, Lord, 197, 275, 325, 378, 398
 custom, dominance of, in India, 106
 — prices and, 107
 — rent and, 106-7
 — status and, 106
 — transition from, to competition, 121-2
 — wages and, 107
 Dacca muslins, 109, 233
 dairy-farming, 223-5, 290, 294; *see also* LIVE-STOCK
 Dalhousie, Lord, 15, 113, 123
damdupaf, *see* MONEY-LENDING
 Darling, Sir M. L., 55, 96, 129, 201-2, 217, 238-9, 241, 243-6, 307, 310, 333-4
 Darwin, L., 66, 68
 Das, A. C., 55
 — N., 419
 Datta, K. L., 61, 167, 172
 Davidson, Captain, 369
 Dayabhaga system, *see* INHERITANCE AND SUCCESSION
 death-rate in India, 45-7
 Debt Adjustment Boards, Bombay, 250, 260-2
 — conciliation and redemption, 255-63, 266-7
 Deccan Riots Commission (1875), 233, 242, 247-8
 Deccan trap tract, 17
 Decentralization Commission, 116
 density and prosperity, 34-6
 Deshpande, Sir M. G., 257
 differential railway rates, 397, 412
 Dubey, 61
 Dundee power-looms, 157
 Dupernex, H., 275
 Dutt, R. C., 112-13, 198-200, 378, 381, 420
 East India Company, 104, 109, 111-13, 148, 158, 359-60, 363, 365, 397-8
 Economic and Industrial Survey Committee (Bombay), 224, 419
 economic holding, 182-5
 — organization (old), 103-4
 — reconstruction in India, post-war, 407-10
 — transition in India, 98-130
 Economists, Consultative Committee of, 407-9
 Edey, E. H. H., 222
 Egyptian scheme of loans, 236-7

- Elphinstone, Mountstuart, 116, 372-3
 emigration, 71-3
 — Standing Committee on, 73n.
 endogamy, 83
 eugenics, 75-5
 Ewbank, R. B., 265
 export duties, 165-9
 external capital, 27, 124, 419
 — Committee, 419-21, 424, 427
- Famine Commission (1880 and 1901), 39,
 115, 197, 238, 245-7, 249, 325, 396
 Famine Inquiry Commission (1944), 62, 64,
 136-7, 178, 185, 189, 193, 200, 217,
 225, 345
 — Insurance Grant, 198
 Farnavis, Nana, 344, 368
 Farukhsiyar, Emperor, 343
 fatalism, Indian, 95
 Fay, C. R., 308
 Fermor, Sir Lewis, 22
 fibres, Indian, 29, 152-8, 167-70
 finance, public, 433-4
 Fiscal Commission, 165, 167, 404, 411-12,
 419, 424-5
 Florence, P. S., 50-1, 66
 Floud, Sir Francis, 382, 384
 fodder supply, 160-1, 218-19
 food crops, Indian, 132-69, ch. vi, *passim*
 — policy, 341
 — production, planning of, 341
 foodstuffs, exports of, 161-7
 foreign capital, *see* EXTERNAL CAPITAL
 — position of, under the new constitu-
 tion, 425-7
 forests, 13-17
 Forest Research Institute, 16
 formal justice in taxation, principle of,
 390-3
 fruits, 18, 133, 137, 228, 231
 Fuller, Sir Bamfylde, 82
- Gadgil, D. R., 104-5, 107, 110-11, 118,
 121, 124, 126, 200, 249, 266
 Galloway, Col., 372
 Gandhi, M. K., Mahatma, 205, 225
 Ghurye, G. S., 78, 80, 87
 Giri, V. V., 405
Gita Rahasya, 96
 Goldscheid, Professor, 68
 Goldsmid, 368
 Gordon, L. S., and O'Brien, C., 273
 Grady, Dr Henry, 410
 Grant, James, 373
 Gregg, R. B., 225
 Gregory, Sir T. E., 392
 groundnuts, 133, 149-52, 214
 Grunzel, J., 126
 Gupte, K. S., 249
 Gurgaon District, 332-4
 Gyan Chand, Professor, 45, 55, 62
- Hammond, J. L. and B., 98, 112-13
 handicrafts, 108-14, 118-21, 222-8
 hand-spinning and hand-weaving, 120-1,
 225-8
 harbours, 6-7
 Harris, D. G., 191, 195, 201
 Hastings, Warren, 363, 381
- Hatch, D. S., 333
 Himalayas, 8-11
 Hindu, 36, 42, 53, 90-5, 221, 343, 347
 Hobson, J. A., 392
 Hope, Sir T., 348
 Hough, Eleanor M., 311
 housing, co-operative societies for, 297
 Howard, Sir A., 136-7, 191, 201
 Hubbard, G. E., 397, 420
 Huque, M. A., 380
 Hutton, J. H., 52
 hydro-electric power, 19, 22
- Ibbetson, Sir Denzil, 276
 Imperial Institute of Sugar Technology,
 147
 — Preference, 404
 implements of agriculture, 216-17
 income-tax, 383, 391-3
 indebtedness, rural, 238-72
 indentured labour in foreign countries,
 72-3
 Indian National Congress, 396, 402, 405
 indigenous capital, 415-19, 427
 indigo, 158-9
 Indo-British Trade Agreement (1939), 155
 Indo-Japanese Trade Agreements, 153
 industrial backwardness of India, 410-12
 — banks in India, *see* BANKS
 — Commission, Indian, 16, 18, 29-30, 109,
 111, 120, 131, 398-401, 403, 411-12,
 417-18
 — Conference, Indian, 396
 — development of India, 396-427; in the
 years 1914-18, 399-401; after 1939,
 406-12
 — finance, 415-17
 — labour in India, 123-4
 — planning for India, 405-6, 408-9
 — policy, 80, 106, 397-9, 411
 — recovery and recession, 402-3
 — Revolution in England, 41, 59, 98-100,
 113, 127, 132
 — — — India, 123-4; contrast between the
 two revolutions, 114-16
 — — — Europe, 80, 106
 — Research, Board of Scientific and In-
 dustrial, 151, 407
 — — Fund, 407
 Industrialization—
 — cottage industries and, 108-16
 — desirability of, 128-30
 — over-population and, 58-9, 63-4
 — progress of, 124-6
 industries, Indian, causes of decay of, 111-14
 industry and trade, 430
 infant marriages, 51-3
 — mortality, 41, 46-7
 inheritance and succession, laws of, 90-2
 iron products, 23-4, 119
 Irrigation Commission, 200-1, 264
 — in India, 191-202
 Irvine, H. D., 294
 Irwin, Lord (Halifax), 382
- Jack, J. C., 222
 Jevons, Stanley, 182, 188
 Joint Parliamentary Committee (1919), 393,
 404

- joint-family system, 87-90
 joint-stock companies, 418-20
 Joshi, G. N., 426
 jowar, 17, 141, 162
 jute, 156-7, 164, 166, 168, 171, 406
 — Committee, Indian Central, 158
 — industry, 402-3
- Kaji, H. L., 228
 kala-azar, 49, 206
 Kale, V. G., 93-4, 125, 376
 Karandikar, S. V., 74-5
 Karve, D. G., 62
 Keatinge, G. F., 119, 182, 215-16, 218, 221-2, 343, 369
 Ketkar, S. V., 83
 key industries, 115, 410
 Keynes, J. M. (Lord), 5, 125, 212-13
 khaddar, economics of, 225-8
 Khandekar, D. G., 279
 Kimberley, Lord, 265, 363
 Knowles, L. C. A., 11, 104, 112, 123
 Kolar gold-fields, 25, 30
 Koran, the, 96
- labour, scarcity of, 59-60, 118-19
 laissez-faire, 3, 99, 114, 244, 398
 Land Mortgage Banks, 258, 260-1, 267, 345-8; *see also* BANKS
 — Committee, Bombay (1934), 320-1
 — policy of Indian Government, 329, 375-82; *see also* LAND REVENUE
 — Revenue Assessment Committee, Bombay (1924), 363, 368-71, 378, 385-6
 — Code, Bombay (1879), 368-9, 393-4; as amended (1939), 368-71, 394-5
 — Commission, Bengal, 349, 351, 360-3, 372-3, 378-84, 389, 394
 — legislation, 393-4
 — policy and rural indebtedness, 245-7
 — settlements in India, 356-71
 landlord, place of, in rural economy, 379-82
 landlord villages in India, 380
 landlordism, absentee, in India, 380; *see* CARVER, T. N.
 Latthe, A. B., 335
 Law, Sir Edward, 275
 Layton, Sir Walter, 392
 Leake, Martin, 107
 leather industry, 124, 406
 lime, 28
 Linlithgow, Lord, 329
 List, Friedrich, 4
 live-stock, 13-14, 21, 215, 217, 292-3, 295, 336, 339, 341; *see also* DAIRY-FARMING
 Livingstone, A. M., 233
 Lokanathan, P. S., 417
 Loveday, A., 113
 Low, Sidney, 81
 Luzatti credit societies, 287-8
- Machiavelli, N., 382
 Mackenna, Sir James, 138
 Mackenzie, Holt, 364
 Maclagan Committee on co-operation, 273, 275, 277-8, 282-3, 290, 295, 298, 303, 307
 — Sir Edward, 238, 247
- Madan, J. A., 320
 mahalwari land revenue settlements, 364-7
 Mahtab, Sir Bijay Chand, 379
 Maitland, F. W., 413
 malaria, 45, 49, 55, 75
 Malaviya, Madan Mohan, 109, 111, 398, 424
 malguzari land revenue settlements, 358; *see also* MAHALWARI SETTLEMENTS
 Malik Amber, land revenue system of, 343
 Malthus, T., 50, 54, 66
 manganese, 24-5
 Mann, H. H., 175-8, 182
 Manu, 54, 85, 342, 372
 manure problem, 214-15
 Marathas, 343-4, 368
 Marketing Society, Provincial Co-operative, Bombay, 236
 — — — — Madras, 231
 marriage rate, 51-3
 — early, evil effects of, 62-3
 — poverty and, 55
 Marshall, Alfred, 2
 Marvin, F. S., 129-30
 Matheson, M. C., 120
 Mayne, J. D., 90-1
 Mayo, Lord, 325
 Megaw, Sir John, 42
 Mehta, Sir Chunilal, 177, 187-8
 — V. L., 280, 286, 291, 300; and Subbaiya, V., 290
 Menon, C. G., 320
 mercantile marine, 7
 Merchant, K. T., *see* WADIA, P. A.
 Meston, Sir James (Lord), 316
 metal industries, 108-10
 Metcalfe, Sir Charles, 102
 migration, 60-1, 68-73
 milk, 217, 219-20; *see also* DAIRY-FARMING
 Mill, J. S., 173
 — James, 79
 millets, 141
 mineral industries, 124
 minerals, 18-26, 429
 Minto, Lord, 363, 381
 mirasi tenure in the Deccan, 343, 369
 Mitakshara system, *see* INHERITANCE AND SUCCESSION
 Mody-Lees Pact, 155
 Mohammedan, 91-4, 96, 342, 347, 372
 money-lending and usury, 243-5.
 — legislation, 248-64, 271-2
 — Reports on, 238-41
 Montagu-Chelmsford Reforms (1919), 116, 401; Report, 397, 400, 404
 moral restraint, 66
 Moreland, W. H., 57, 397, 400
 Morison, Sir T., 100-1, 104-5, 361, 374, 426
 Morley, Lord, 398-9
 Mudaliar, Sir Ramaswami, 408
 Mukerjee, Radhakamal, 62, 176, 211
 — Radha Kumud, 342
 Mukherji, B., 186
 Mulla, Sir D. F., 90
 Munitions Board, Indian, 400-1
 Munro, Sir Thomas, 116, 363, 373
 Myric, H., 273
- Naidu, B. V. N., 282

- Nair, Sir Sankaran, 393
 Nanavati, Sir Manilal B., 299, 313
 — and Anjaria, J. J., 189
 Naoroji, Dadabhai, 396
 natural divisions of India, 7-9
 — resources, 6, 124
 Nehru, Pandit Jawaharlal, 405
 New York crisis, 402
 Nicholson, J. S., 6
 — Sir Frederick, 238, 247, 275, 316
 Nila-mula scheme, 31
 Northcote, Sir Strafford, 363
- occupations, 37-9
 oil-fields, 25, 30
 oil-seeds, 29, 149-52
 opium, 159
 optimum population, 50
 Orissa famine, 325
 overpopulation, problem of, 49-68
 ownership of land, controversy regarding,
 see LAND POLICY
- Panandikar, S. G., 400, 417
 Pardasani, N. S., 426
 Parliament, British, 111-13, 404
 Partington, Mrs, 130
 Pattani, Sir Prabhshankar, 262
 Permanent Settlement, 316, 358-64, 371-3,
 378-83
 pessimism, Indian, 93, 96-7
 pests, 49, 170, 224, 293
 Pétain, Marshal, 65
 petroleum industry in India, 18, 25-6
 Phipps, H., 325
 physical features, 9-10
 Pillai, P. P., 125
 Pimpla Soudagar, 177-8
 pisciculture, 224
 planned food production, 341
 Planning Committee, National, 405-6
 plantation industry, 123
 population, 428
 — urban and rural, 39-41
 — methods of limiting, 66-8
 — movements of, 68-73
 preventive checks on, 51-9
 Post Office Savings Banks, *see* BANKS
 post-war reconstruction, 49
 poverty of India, 32, 39, 49, 190
 prices, agricultural, 119, 122, 140, 163-7
 primogeniture, law of, 92
 Pringle Settlement, Bombay, 246
 provincial autonomy, 350, 394, 404
 — Economic Conference (1934), 336
 pulses, 141
 Puntambekar, S. V., and Varadachari, N. S.,
 226
- Radhakrishnan, Sir S., 82, 93, 95-6
 Raiffeisen societies, 274, 281, 283
 rainfall, 10-11
 Rajagopalachari, C., 113-14, 226, 412
 Ramakrishnan, K. C., 292
 Ranade, M. G., 3-5, 41, 73, 106, 109, 114-15,
 265, 363, 396
 Rao, V. K. R. V., 404
 rape and mustard, 152
 Rates (Railway) Advisory Committee, 412
 rationalization, 410
 raw materials, exports of, 163-4, 167-9
 raw sugar (*gur*), 144-5
 Ray, S. C., 247
 Reconstruction Committees. Post-war,
 407-8
 record of rights, 187
 religion, influence of, 92-7
 Reserve Bank of India, *see* BANKS
 revenue farming, 343-4
 Ricardo, D., 376, 386-8
 rice, 11, 133-4, 136-9, 162, 164, 330
 Richey, J. A., 330
 Riskey, H., 51, 55, 78-9, 82, 85
 river system, 7-10
 Roberts, P. E., 344
 Roger Mission, 406
 Ronaldshay, Lord (Marquess of Zetland),
 75, 97
 Rural Development Board (Bombay), 335-6
 — — Department, 335-6
 — education, 204-6
 — indebtedness, 238-72
 — industries, *see* SUBSIDIARY INDUSTRIES
 — reconstruction, 206
 — Uplift Committee, District, 335
 ruralization of population, 111, 125, 132
 Russell, Sir John, 340
 Russell-Wright Inquiry, 340-1
 ryotwari (land revenue) settlements, 367-74
 — villages, 103, 346
- sahukar, *see* MONEY-LENDING AND USURY
 saltpetre, 26
 Samaldas, Sir Lalubhai, 321
 sanitation, public, 75
 — village, 206-99
 Sarda Act (1930), 52
 Sargent Committee, 407
 Sarkar, J., 83
 Sassoon, Sir David, 325
 Schulze-Delitsch societies, 274, 287
 seasons, 10-11
 Sedgwick, L. J., 71
 Seligman, E. R. A., 7, 87, 90, 128, 273
 Sénart, M., 79-80
 Servants of India Society, 332
 sesamum, 151
 Shenoy, B. R., 419
 Sher Shah, land revenue system of, 409-11
 shipbuilding industry, 113
 Shirname, Dr T. G., 238
 Shore, Sir John, 342, 360
 silk manufacture, 111-12
 Simla Agricultural Conference, 337-8
 Sinha, J. C., 316
 Sivaswamy, K. G., 247, 249, 251, 253, 256
 Slater, Dr Gilbert, 125, 222, 420-1
 Small Holdings Bill, Bombay, 186-90
 Smith, Adam, 68, 99
 — Vincent, 57
 Smuts, Field-Marshal J. C., 76-7
 social and religious institutions, 78-97
 soil, deterioration of, 171-2
 Sovani, N. V., 56, 63, 73
 Spinners' Association, All-India, 405
 spirituality, Indian, 92-7
 state and agriculture, 325-41
 — — industry, 396-405

- State—
 — ownership of land, 371-8
 Statutory Commission, Indian, 380
 steel and iron industry, 126, 400, 402, 415, 424
 Stock Exchange Enquiry Committee, Bombay, 401
 stores purchase policy, 411
 Strachey, Sir John, 1, 9
 Strickland, C. F., 247, 250, 252, 255, 258, 273, 308, 336
 subdivision and fragmentation of holdings, 173-90
 subsidiary industries for agriculturists, 222-8
 Sugar Convention, International (1937), 147
 — industry, 142-8, 330
 — — Protection Act, *see* ACTS
 Sukhatme, P. V., 45
 Sukkur Barrage Irrigation Project, 154, 193-4, 198
 Sutlej Valley Works, 198
 swadeshi, 124, 397, 400
 Sykes, Sir Frederick, 334
- takkavi loans, 191-2, 211, 263-6
 Tariff Board, 16, 20, 22, 25, 27, 330, 370, 372, 374-5, 378, 382, 388-92, 401-2, 404
 Tarlok Singh, 189-90
 Tata hydro-electric scheme, 30-1
 — Iron and Steel Company, 23, 415
 Taxation Enquiry Committee, 169, 342-3, 350, 360, 366-8, 370, 372, 374-8
 Tea Association, Indian, 148
 — industry, 148-9, 164
 Technical Mission, American (1942), 406, 410
 tenancy legislation, *see* ACTS AND BILLS
 textile industry, 110-13
 Thomas, P. J., 62-3, 240
 Tilak, B. G., 96
 Timur, Institutes of, 342
 Tippu Sultan, 373n.
 tobacco, 159-60
 Todar Mal, 342
 Townsend, Meredith, 76
 — Committee on Co-operation (1927-8), 319
 trade centres, 7
 — depression, 401-2
 transition in India, economic, 98-130
- unemployment, middle-class, 413
 universities, Indian, 332
Upanishads, the, 95n.
upri tenure in the Deccan, 343
- usury, system of, 39-141, 129-30; *see* MONEY-LENDING
- Vakil, C. N., 253, 428
 Vesugar, J., 32
 Veterinary Department, 220-1
 village, Indian, 101-7
 — aid scheme, Bombay, 207
 — transition in, 116-23
 — improvement scheme, 334-7
 — industries Association, All-India (1934), 223-4
 — landlord village, *see* LANDLORD
 — uplift, 332-7
 — — the Gurgaon experiment, 332-4
 Visvesvaraya, Sir M., 136, 170, 213, 224-5, 311
 Vizagapatam, 6
 Voelcker, J. A., 172, 203, 325
- Wacha, Sir Dinshaw, 316, 80, 82
 Wadia, P. A., and Joshi, G. N., 128, 179, 387
 — and Merchant, K. T., 44, 73, 176
 war (1914-18), effects of, on industries, 18, 20-1, 155-6, 399-400
 — (1939-45), effects of, on
 — — co-operative movement, 279-80
 — — cottage industries, 296
 — — industries, 18, 21, 154
 — — Land Mortgage Banks, 317
 — — national planning, 406
 — — state policy regarding agriculture, 341
 War, Sino-Japanese, 20, 153
 — with Japan (1942-5), 154
 Wardha Education Conference (1937), 205
 — Scheme, 204, 331
 water-power, 30-2, 411
 Waterways, Irrigation and Navigation Commission, Central, 109-341
 Wattal, P. K., 41, 46, 51-2, 60, 62
 Weber, Professor, 109
 Wedderburn, Sir William, 265, 316
 Wellesley, Lord, 363, 381
 wheat, 139-41
 Wilson, H. H., 112, 372
 Wingate, Captain, 363, 368
 Wolff, Sir Henry, 238
 Wood, S. H., *see* ABBOTT
 — Sir Charles, 363
 Worswick, T., 165
 Wright, N. C., 160, 224, 340
- Young, Arthur, 104
- Zakir Husain Committee, 205
 zamindari, 372-3
 — (land revenue) settlement, 343-5, 358-63