

# DO THEY ENJOY PRIVILEGES?

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A series of articles under the heading "Do they enjoy privileges?" appeared in "Young India" recently. The Committee of the Indian Chamber of Commerce, Calcutta, thought that if they were reprinted in the form of a pamphlet, it would be found useful on the eve of the sitting of the Round Table Conference. They therefore decided to do so.

## DO THEY ENJOY PRIVILEGES?

It is the barest truth to say that in every walk of life "the Englishman by reason of his belonging to the ruling class occupies a privileged position" and that "he has risen upon the ruin of India's commerce and industry." The words, in fact, are only a paraphrase of the impartial testimony of H. H. Wilson, the British historian of India, that "the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms."

British trade in India is a legacy from the East India Company, the history of whose transactions, in its later days, came to be the history of British India.

To know the secret of the strength of the British commercial giant, one must go back to the period when the foundations of British rule in India were being laid. One will find him carrying on private trade even though in the employ of the East India Company, claiming all sorts of rights and privileges including exemption from all duties and committing, to quote the words of Mr. Verelst, who was a Governor in Calcutta, "infinite oppressions." Even Warren Hastings felt compelled to protest against "the oppression committed under the sanction of the English name." English agents trampled on the authority of the Nabob's government and forced transactions at the point of the bayonet. Herbert Spencer, in his *Social Statics* rightly remarks:

"The Anglo-Indians of the last 18th century—'birds of prey and passage,' as they were styled by Burke—showed themselves only a shade less cruel than their prototypes of Peru and Mexico. Imagine how black must have been their deeds, when even the

Directors of the Company admitted that 'the vast fortunes acquired in the inland trade have been obtained by a scene of the most tyrannical and oppressive conduct that was ever known in any age or country.' Conceive the atrocious state of society described by Vansittart, who tells us that the English compelled the natives to buy or sell at just what rates they pleased, on pain of flogging or confinement."

Thus were the foundations laid, and even though the Company was abolished in 1858 the identity, for all practical purposes, between British ruling and commercial interests was not destroyed and it remains.

It was mainly as a result of this virtual identity or alliance that Upper Burma was annexed to the Indian Empire and the cost charged to India. As usual in such cases, the agitation began with complaints of misrule against the King of Burma. The British Cabinet advised the India Government to be "slow to precipitate a crisis." The British merchants, however, could not wait. At a public meeting held at Rangoon in October, 1884, they urged annexation. The sins of the king were deliberately exaggerated to rouse public opinion in England and the Rangoon Chamber of Commerce addressed a circular letter to different Chambers in Great Britain, desiring them to bring pressure to bear on the British Cabinet. Taking advantage of a petty quarrel between the King of Ava and a British Company which had for years past worked the Ningyan teak forests and which had, according to a judgment of the High Court of Ava, defrauded the king of revenue amounting to £75,000, Lord Dufferin's Government commenced hostilities in November, 1885, and annexed Burma to India on January 1, 1886. Burma affords a glaring instance in which British Imperialism made itself the spearhead of British capitalist interests and saddled the cost on the Indian tax-payer.

Not in the field of trade alone has it been the policy of the Government to favour men of its own race at the cost of Indians and to deny to the latter legitimate opportunities of serving their motherland in the various spheres of human activity. The history of British rule in India is one long record of promises of absolute equality 'made to the heart and broken to the ear;' and there is hardly a Government department in which Indians are not the victims of racial discrimination in one way or another.

Indians have been and are debarred from obtaining certain posts simply because of their colour. We cannot forget what opposition there was, even from the King-Emperor, Edward VII, to the appointment of the late Lord Sinha to the Executive Councillorship of the Government of India. Until last year, no Indian was deemed capable enough to be a member of the Railway Board, and even now there is no permanent member on it. Similarly, no Indian has been considered suitable for the post of the Chairman or Vice-Chairman of a Port Trust in the whole of India despite the fact that Britishers, absolutely inexperienced in port administration, are chosen for such posts. This shows how the colour bar continues to operate in India against the sons of the land, so far as higher appointments are concerned. The strenuous and persistent fight that Indian public men and legislators have had to put up all these years for Indianisation proves the truth of the contention that in the administration of the country an Indian is a mere clerk. In fact, this has been said in so many words by some of those who have seen service as Ministers under the Reforms and who have found themselves invariably dominated by their I. C. S. Secretaries, who have direct access to the Governors and enjoy their confidence to a far greater extent than their chiefs.

Supplementary to the policy of the Government is the discriminating behaviour of British trade itself which com-

bined with its strong privileged position effectively keeps Indians out and prevents their full growth. In the lines that follow we shall try to furnish some information on this and the other points, though the instances that are given are only illustrative and names for obvious reasons have mostly been withheld. As one compares the present with the past, one notices that the methods of exploitation are not so crude as in 1765 but then they cut with far greater precision and on a much wider scale.

#### COTTON.

The writer had referred to the cotton industry. It is the most unfortunate instance, from his point of view, because it is in this more than in any other industry that the Britisher has made use of his privileged position and his political supremacy to throttle an indigenous industry. In the face of the imposition of prohibitive duties in England, the keeping of the Indian market free, the levy of a cotton excise duty on Indian piece-goods and of preferential duties on British piece-goods, it is preposterous to argue that British commercial interests are established in this country by fair methods and open competition, without any undue assistance from the State.

The Government of India, from the very beginning, identified themselves with the interests of the English cotton industry as against the Indian. As evidence of this, we have the history of the cotton import and excise duties. As early as 1861, the Finance Member of the Government of India wrote in defence of the reduction which he had made in the duty on British cotton goods: "(1) The duty injuriously affected the interests of British manufacturers and commerce . . . (4) the determination of the fiscal policy of India depended upon England, thus a tax in India injurious in operation to British interests has not the slightest chance of being tolerated . . . (7) and lastly, I confess that in the

present state of things in Lancashire (trade depression owing to the Civil War), I should be very unwilling to postpone for a single day any benefit they may get from reduction." This was just the beginning. The policy was extended till in 1882 all duties on cotton goods were removed. In 1894, when the fall in the sterling value of the rupee rendered fresh taxation necessary, a 5% *ad valorem* duty was re-imposed on cotton manufactures, but at the same time an excise duty of 5% was imposed on all yarns of 20s, and above, spun in power mills in India. A more atrocious legislation followed in 1896, when the import duty was reduced to 3½% and a countervailing excise duty of 3½% was imposed upon cotton piece-goods woven in Indian mills. This unprecedented act of fiscal injustice was done again in the interests of Lancashire. *The London Times* commenting upon Lancashire's agitation of 1917-18 for an increase in the Excise Duty, made the following vehement, but honest, remarks:

"The Indian cotton excise duty has always been politically, economically, and above all morally indefensible. It has been deeply resented from the outset and has remained an open sore. The plea that 'the poor Hindu' will have to pay more for his clothing is merely nonsensical. At the bidding of Lancashire, the Hindu peasant has had to pay more for his clothing for twenty years because although it is made in his own country, it is subject to an excise duty."

The duty was finally abolished in 1926 after a persistent agitation of three decades. But this was followed by the appreciation of exchange and subsequently by the concession of preference to British piece-goods in the tariff schedule.

#### SHIPPING.

The case of ship-building and shipping industries is analogous. The employment of Indian-built and Indian-

manned ships in the trade between England and India was prohibited on account of the agitation of British ship-builders, ship-wrights and seamen. On the other hand, British shipping enterprise was assisted in its initial stage through Government subsidy, as is clear from Martineau's Life of Sir Bartley Frere. Secondly, mail subventions are given by the Government to British shipping companies, foreign-going, coastal and inland, which is an instance of Government assistance. In 1924, the Government renewed the mail contract with the B. I. S. N Company for an annual subsidy of Rs. 15,18,000 for 10 years. They also pay annually from the Indian Treasury amounts varying between Rs. 6 to Rs. 7 lakhs for carriage of mails from Marseilles to Shanghai and Adelaide. The annual subsidy paid to the Irrawaddy Flotilla Company for carriage of mails in Burma is Rs. 2 lakhs per year, and to the Arracan Company Rs. 1,60,000. Besides, the Bihar and Orissa Government and the Bengal Government pay about Rs. 67,000 per annum to the Rivers Steam Navigation and the India General Steam Navigation Cos. for postal subsidies and river conservancy. All these are non-Indian companies. Thirdly, in 1923 the contract for the carriage of coals to Burma was closed for a period of ten years on terms which the Government refused to disclose, without even giving any Indian company an opportunity to submit their tender despite previous assurances to the contrary. Moreover, British shipping companies were, until quite recently, immune from the Indian income-tax, and the inequity was removed only after the question was raised in the Assembly in 1922.

In British shipping companies, Indians are never employed in higher grades of work, either ashore or afloat as deck-officers, engineers or wireless operators. The only employment open to them is that as lascars or clerks in offices. Sir John Bell, admitted, in his evidence before the Indian Mercantile Marine Committee, that in the whole fleet (con-



sisting of about 123 steamers and 8 motor vessels) of the concern with which he was connected, there were only one or two Parsi engineers, while there was not a single Indian deck-officer, and no efforts were made to provide training for Indians in the sea-faring line. Representatives of British shipping are also opposed to the establishment of a training-ship. After the establishment of the *Dufferin*, a conference of ship-owners trading with India was held in London at the instance of the Shipping Federation in 1927 where it was emphasised that it was unfair to British Deck Officers to have a training ship in India which should look to Indian shipping companies only and not to British shipping companies for employment. This clearly shows what status Indian employees have held and are likely to hold in British commercial and industrial firms unless the controlling interests are in Indian hands.

In these shipping concerns, there is a foreign personnel, foreign management, stores are purchased and repairs are effected almost entirely in foreign countries while marine insurance is also foreign. It is beyond doubt that a very large proportion of the money earned by British shipping concerns, say nearly 75 per cent. goes out of India and if the total earnings of British shipping are estimated to be about 10 crores of rupees annually, nearly 7 to 8 crores constitute a regular annual drain.

As regards inland navigation companies also, they enjoy a number of privileges owing to their racial affinities with the Railway Board, the owners of the jute mills and Agents of non-Indian insurance companies. The non-Indian inland navigation companies have private agreements with certain railways for through traffic precluding similar agreements with other, that is, Indian, companies. It was stated before the Indian Mercantile Marine Committee that the European inland navigation companies made an

agreement with the jute mills restraining them from accepting jute carried on vessels owned and managed by Indians and, subsequently, the insurance companies would not insure goods carried on Indian vessels at the same rate as goods carried on the vessels owned by European companies.

European insurance companies working in India seem to follow a policy avowedly anti-Indian in character. Ships with Lloyds 100 A1 Certificates and regarded irrespective of Indian ownership as first-class risks by experts in London have been graded second-class by the insurance agents in India solely on the ground of their Indian ownership.

Lastly, European stores for use in India are not allowed to be conveyed to India in ships other than British without the express permission of the Secretary of State.

#### RAILWAYS.

Of the extent of racial discrimination in the Railway service, both in regard to higher and subordinate posts, little need be said here. On some of the lines, the percentage of even the latter held by Europeans and Anglo-Indians comes to about 83, while 70 is a general average. There are a number of posts which do not figure in the list of subordinate establishments published by the railways, and here again appointments are governed by the principle of racial distinction. For example, on some of the lines, there are two grades of guards and it is only Europeans or Anglo-Indians who are, as a rule, appointed to grade I. There is inequality not only in regard to the initial and maximum salaries between the two grades, but also in regard to the scales of allowances applicable to them. Despite assurances to the contrary, the Railway Department in appointing men as ticket collectors, drivers, traffic inspectors, etc., is still guided by its traditional policy of discriminating against Indians.

In the case of some of the technical services, the recruitment does not take place on an entirely competitive basis, and in the case of European and Anglo-Indian candidates, a certain amount of nomination comes in.

Even in the provision of medical relief, distinctions are made. Separate blocks are provided for Indians and Anglo-Indians, and while the senior officer attends to Europeans and Anglo-Indians, the junior officer attends to Indians. In regard to nurses, there have been cases in which nurses have refused to attend Indian patients. As regards provision for maternity cases, little or nothing has been done for Indians.

There is the same discrimination in other respects, and whether it is a question of providing accommodation or of looking after comfort and convenience, European and Anglo-Indian employees or passengers are given a preferential treatment at the cost of the Indians. "Where does it not exist," said an important member of the Assembly once, "this racial discrimination? . . . Will he (Sir Austin Hadow) come with me to a place called Lonavala on the Great Indian Peninsula Railway? I will point him out racial discrimination with a vengeance. There is a Railway Institute there constructed out of railway revenues. There is a billiard table provided and two or three tennis courts. There are railway quarters about 50 in number, with nice roads, beautiful little gardens which fairies of ancient times might envy in their cleanliness and beauty, with nice flowers growing in them. Who occupies them? Not one Indian. There is a pretty little school . . . so nicely situated in rustic surroundings. Who occupies it? European children. There is a co-operative society where tempting articles are displayed on the counters. . . . Who manages it? European members of the railway staff. And yet we are told that there is no racial discrimination."

Reference may also be made in this connection to the provision of huge catering establishments and restaurant-cars for the convenience of European passengers.

In spite of the large number of Indian employees, there is a very great disparity between the amounts spent by the Railways on European and Indian education. It has been computed that while the expenditure in European primary schools is Rs. 57 per pupil, that in Indian schools is only about Rs. 9 per pupil. In the middle schools the corresponding figures are 62 and 14 and in the case of high schools 205 and 15. Figures were quoted in the Assembly sometime ago which showed that the East Indian Railway was spending about Rs. 3,65,000 on the education of European and Anglo-Indian children as against Rs. 75,000 spent on the education of Indian children. The highest grant given by it to an Indian high school was Rs. 4,500; and all such high schools together received only Rs. 14,700. On the other hand, it was contributing about Rs. 1,34,000 to meet the deficit in the budget of one institution, the Oakgrove Boarding School at Mussoorie, meant for European and Anglo-Indian children.

So far as the Indian community is concerned, it is made to suffer in more ways than one by the discriminating policy of the railways, and though much has been said and written on the subject, its grievances are still un-redressed, especially in regard to the provision of wagons and sidings. The following extract from the minutes of evidence tendered before the Indian Railway Committee will illustrate the nature of the Indian complaint :

“He (Mr. J. N. Ghosh, representing the Indian Mining Federation) cited in his written evidence a more recent case in the Dharmaband Colliery which he originally purchased for Rs. 41,000. It was not until a European Mining Engineer offered to arrange to get

the siding, on condition of one-half of the property being sold to him for the nominal sum of Rs. 12,000 that railway siding and loading accommodation could be secured."

"Summing up the Mining Federation's complaints with regard to wagon distribution, the Chairman said, he understood it to be that wagons are not divided fairly between Indian and European-owned collieries. The important contracts generally go to the large collieries which are usually in the hands of Europeans."

In more recent times, the Indian Produce Association of Calcutta had to protest against the practice of giving undue preference to European traders in the matter of wagon supply at Kidderpore Docks for the despatch of Australian wheat. They quoted specific instances in which wagons had been so supplied without any regard to rotation.

Railway freights in India have been so framed as to foster the export and import trade at the cost of inland trade. They encourage traffic to and from ports rather than internal traffic. The charges, generally operate to the disadvantage of the Indian industries, especially the cottage industries. Indirect protection is often given to European firms by so classifying their goods as to give them the benefit of lower rates. Mr. Mukhtar Singh gave an instance in the Assembly in which a European company was being charged a special rate for sugar. "There is a special rate," he said, "charged from and to Rosa for sugar. May I inquire why this distinction is made? On the East Indian Railway even, any person who wants to book his sugar from Rosa is not charged the same rate as Carew & Co. have to pay. I do not understand why a distinction is made in the case of a certain firm. The only answer that can be given is that in one case it happens to be an English firm and in the other case the very poor people. It might be said that Carew & Co. are a very

big firm and manufacture very large quantities of sugar and therefore special rates are given to them. May I enquire why the same rates are not given to other firms which also run up-to-date factories?" He showed that while the rates for sulphate of ammonia had been reduced, those for sulphuric acid, which is used for manufacturing the former, had been put up. The reason, according to him, was that sulphate of ammonia had recently been introduced into this country by a British firm.

Recourse to the Indian Stores Department has not been made compulsory for the Railways who have their own Controllers of Stores. These are generally Europeans and, not infrequently give undue preference, in the matter of the purchase of stores for the Railways. The magnitude of the harm done in this respect to indigenous interests will be apparent from the fact that the State is the biggest consumer of goods in the country and annually spends crores to purchase requirements for the Army, the Railways, the Port Trusts etc.

#### COAL. -

Discrimination is exercised in classifying coal, as will be apparent from the following evidence of Mr. Ghosh before the Railways Committee :

"With reference to the suggestion that the first class coal is mostly in the hands of European firms, Mr. Ghosh urged that the classification of coal appeared to depend on whether the ownership of the colliery was European or Indian. He maintained that the same coal which in the possession of a European firm is treated as first class is described as second class if possessed by an Indian. He mentioned for example, a colliery at Chatabar, near Mugma, which now belongs to Villiers, Ltd., but formerly belonged to Kunja Bihari Choudhary. It had

changed hands between various Indian proprietors, and so long as the property remained in Indian hands Mr. Ghosh said nobody took the coal, but it is now accepted by the Mining Engineer as Admiralty Coal."

The Railways in the days when they had no collieries of their own, seldom purchased coal from Indian collieries on the plea that it was of an inferior kind. Now they consume their own coal which is in no way superior to Indian-owned coal.

The Chief Sanitary Officer on the Mines Board of Health is invariably a European even though properly qualified Indians are available, simply because European collieries would not like to see an Indian in the post.

The history of mineral-prospecting in India is full of instances of preferential treatment accorded to European companies. There is one particular instance in which an Indian made a geological survey of a certain area and submitted a report to the Government; and in the meantime all the best tracts were given away to European companies.

The best Government Khas lands containing mica in Chota Nagpur are leased to Europeans who have sublet them to Indian firms.

When Europeans, even with all the assistance which the State readily gives them, find it difficult to compete with Indians on equal terms, they bring pressure to bear on the Government to pass some measure which will handicap their competitors. An instance in point is the Mica Bill forced through the Bihar Council in the teeth of popular opposition.

#### PLANTATIONS.

The history of indigo plantations in Bengal and Bihar is sufficiently well-known. In Bengal the oppression of the planters continued for about half a century and came to an

end only after the Indigo Disturbance of 1859. The Rev. James Long was fined and imprisoned by the High Court of Calcutta for translating into English a Bengali work exposing the high-handedness of the European planters. In Bihar, indigo plantation continued till a much later date, and nobody is better acquainted with its record than Gandhiji, through whose exertions substantial relief was brought to the tenantry of Champaran about a decade and a half ago.

At present the most important plantation crop in which Europeans are interested is tea. The assistance given to tea-planters in the early stages of the industry will be apparent from the following questions put to and answers given by Mr. J. Freeman, who appeared before the Select Committee on Colonisation of India (1858):

"1922. Are you not aware that both in Assam and Kumaon the Government established tea-plantations for the express purpose of trying experiments, for the sake of the settlers, and with the avowed object of handing over their plantations to the settlers, as soon as the experiment had been shown to be successful, and as soon as settlers could be found willing to take them?— That is what I refer to; that in the first mootings of the cultivation of tea the Government took the initiative and encouraged it, and went to some expense in taking the necessary steps towards it. Then some Europeans took it up on a larger scale, and that attempt was not successful; but somewhere about 14 years ago, in consequence of this new arrangement, where the Government gave them more favourable terms about the land that they were to concede to them, from that arose the present company.

"1923. Did not the Government in fact bear the whole of the expense of the experiment, and hand over, both in Assam and Kumaon, their plantations to the



settlers on very liberal terms?—That I am unacquainted with: I will not say that it was so or that it was not so.

“1924. Did not the Government send Mr. Fortune and others before him into China to get seed and to get tea-markets, Chinese and otherwise, to inform them as to the Chinese system of culture, for the express purpose and sole object of instructing the settlers in India?—I do not know for certain whether that experiment was made by the Government: I believe it was so: but I know that Chinamen were brought in the first instance. It was hoped through them that the natives in India would get an insight into the cultivation of tea, but it failed, so far.”

Having done the spadework at the cost of the Indian tax-payer, the Government made a gift of the industry, as it were, to men of its own race and gave them additional assistance with measures which virtually made slaves of those who went to work on the plantations, specially in Assam. The labourer was bound by a penal contract to serve for a specific period. If he failed, or if sought shelter elsewhere, he could be punished criminally. And, the planter had even the right of arresting him. The abuses prevalent for many years in the recruiting areas and the conditions of work on the Assam plantations make sickening reading for all. Men and women have been induced by fraud and misrepresentation to migrate to Assam only to find themselves virtual slaves, confined in areas to which the public have no right of access and deprived of all freedom of movement or association.

No statistics are available of the deaths from “enlarged spleens” on the tea gardens; but the few cases that have got publicity through the courts constitute a grim commentary on the methods pursued on these plantations by their European Managers or proprietors in dealing with labour.

JUTE.

As everywhere else racial discrimination is here also practised in a variety of ways. To give some instances things are so managed that the incidental advantages by way of commission brokerage etc. accrue mostly to Europeans. Discrimination is made in buying and selling due to which some Indian firms are compelled to sell in the name of Europeans to obtain a fair price. The mills never place their insurance with Indian firms. They have further made it a rule to purchase their raw material, coal, and stores from European dealers, even though they may have to pay higher prices. A minor instance in point is their adherence to the practice of purchasing selvage yarn from a European company in spite of the fact that they could get it cheaper from Indian manufacturers. Until recent times, some of the mills and exporters of gunny products refused payment by cheques from Indians.

There is an absence of definite standards of quality of jute and the sellers are always at a loss to know what they are expected to tender against their contracts. These standards are, from time to time, so manipulated as to suit European interests. The Government has been urged to pass a measure similar to the United States Cotton Standards Act, but so far it has done nothing.

We shall give one more instance—one that is common to other European establishments also. All the high posts in the mills are held by Europeans.

So much for the mills. A recent instance of official favouritism was the refusal of Government to raise its tiny little finger to help the Bengal agriculturists even when jute has been so low, simply because such help would not have been in the interest of the mills. The contrasts with Government action elsewhere in giving some protection to cotton and

wheat. There are other forms of favouritism too. The Bengal National Chamber of Commerce recently voiced its protest against official forecasts of the jute crop which are unduly influenced by the interested opinion or advice of the European jute magnates.

#### BANKING.

In the field of Banking also the European has benefited from the fact of his belonging to the ruling race. The institution of banking, even foreign banking, was well established and flourishing in India long before the advent of the British in the country. But as the power of the East India Company grew, most of the foreign and inland trade of the country passed into the hands of the servants of the Company. This naturally ruined the indigenous banker along with the indigenous trader, and enabled the foreign banker to gain an undeserved foothold in the country and prosper unimpeded by native competition. Not only did the foreign bank grow upon the enforced ruin of its indigenous prototype but it also became a serious impediment to the growth of native trade and industry. It adopted from the beginning the policy of giving scanty patronage to Indian enterprises—a policy which has been continued to the present time. We shall only give a few instances.

Lala Harkishanlal in his evidence before the Industrial Commission said that there was “a conspiracy set up with the determined object of destroying the banking of the Punjab, in which officials and non-officials joined, and made every possible effort and took every possible measure to destroy banking which would have really done immense good to the province and to outside. . . .” In the course of the same evidence he said again :

“I also know that an application was made by a European to an Anglo-Indian bank for loan and he was

first asked to state that this loan would not benefit any Indian in any form or shape or any existing bank in any form or shape; and he was told that if he assured them of that the loan would be negotiated, otherwise not."

These quotations tell us of the state of affairs, as they were more than a decade ago. The situation has not changed since then. Important evidence was tendered before the Central Banking Enquiry Committee which went to show that the foreign Exchange Banks discriminate against national businessmen in more ways than one. There were many specific and definite complaints made against the Exchange Banks by Indian merchants appearing before the Committee. Of these there was complete unanimity on one, namely, that in the matter of financing export and import trade the Exchange Banks always differentiated between Indian and European firms. Almost every commercial body that gave evidence before the Committee made this charge against the banks.

There were other charges too. For instance, it was said that in response to enquiries made about Indian firms in foreign countries the Exchange Banks often gave indifferent references as compared with references given about European firms of even lower standing. This would naturally give an unjustified advantage in foreign markets to competing European firms. Again, Indian merchants applying for loans are asked by these banks to submit their balance sheets audited by only those auditors of whom the banks approve. Furthermore, the foreign banks always insist upon the Indian merchants insuring with non-Indian firms for exports and imports which they finance.

In spite of all this Exchange Banks have been allowed to possess a monopoly over the type of business they do. The Imperial Bank is debarred from engaging in Exchange

business as it will be entrenching on the ground held by European banks; while it is allowed to compete with Indian Joint Stock Banks, although it is a Bankers' bank and trades mostly with money deposited by the State and other public bodies.

The borrowing policy of the Government, combined with the assistance given to the Imperial Bank in opening its branches throughout the country has virtually dealt a death-blow to indigenous banking as carried on by the shroffs.

#### CONTRACT WORK.

In contracting work, there is the same discriminating treatment. To give only one instance, the contract for labour supply to the E. I. Railway, the B. N. Railway, the Collector of Customs (*e. g.*, for Salt Golas) and the Port Commissioners, Calcutta is with one single non-Indian Company, Messrs. Bird and Co. In the case of Port Commissioners Messrs. Bird and Co. are paid annually something to the tune of Rs. 25 to 30 lakhs for their contract work and this contract extends over a period of 40 years and virtually constitutes a monopoly, as the contract is not for a definite period and no tenders are invited.

#### MISCELLANEOUS.

The Calcutta Electric Supply Corporation altered its Articles of Association to secure that the control of the Company shall remain in the hands of British subjects, and this precaution was pressed upon them by the Government of Bengal.

Licenses for the supply of electricity in important towns are generally given to European firms while in one province the industry has come to be a virtual European monopoly.

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There has been a remarkable readiness on the part of the Government to order enquiries for the grant of protection and even to provide it in case of industries which are largely in European hands.

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