

Educational (1915) Department.

ORDINARY MS.

G.O., No. 8 Egl mi

DATED 5-1-1915.

[Despatch Abstract.]

Communicating the Director of Industries a
Copy of the resolution relating to the org-
nisation of a bureau of industrial infor-
mation proposed

NOTES CONNECTED WITH RESOLUTION ON MATTERS OF
GENERAL PUBLIC INTEREST.

[SUBJECT.—*Bureau of Industrial Information.*]

*Resolution proposed to be moved by the Hon'ble Mr. K. R. V. Krishna Rao Pantulu
at the meeting of the Legislative Council to be held on 20th November 1914.*

XII

~~XXXX~~ This Council recommends that His Excellency the Governor in Council may be pleased to direct that the Bureau of Industrial Information which has been sanctioned in connection with the Department of Industries be ordered to be organised at once on the lines of the Boards of Trade in other countries, to obtain samples of finished articles manufactured from all kinds of raw materials exported from India and to issue bulletins explaining the process of their manufacture and the markets for such manufactures.

When the appointment of the Director of Industrial and Technical Enquiries

(Z) Paragraph 2 of G.O. No. 249, Revenue, dated 2nd February 1907.

was created in 1907 it was laid down as one of the most important functions of the officer that he should, as far as possible, assist, with information and advice, all who wished to exploit any new branch of industry or to introduce any fresh technical process likely to promote the industrial development of the country and this

(A) Please see paragraph 13, page 6 of G.O. No. 2112, Revenue, dated 3rd August 1908.

was forthwith given effect to. In 1908 the Industrial Conference held at Ootacamund recommended, among other things, that "under the Department of Industries

Resolution 6 on page 215 of papers relating to the Ootacamund Industrial Conference.

"a bureau of information and an industrial museum should be provided from which information could be given and

(S) Paragraph 4 of G.O. No. 2894, Revenue, dated 17th October 1908.

"obtainable on points of commercial importance and interest." This resolution was accepted by the Government and was pointed out by them to the Director as one in respect of which immediate action

(R) Page 17 of G.O. No. 3446, Revenue, dated 27th October 1910.

might be taken. But nothing was done in the matter, as the whole question of the constitution of the department was under correspondence with the Secretary of State; and the orders of the Secretary of State received in 1910 declining to sanction permanently the establishment

(R) Paragraph 7 of Despatch, page 18 of G.O. No. 3446, Revenue, dated 27th October 1910.

of a Department of Industries with a Director at its head, gave a set-back to the further development of the scheme relating to the formation of the bureau. Though Lord Morley in his final despatch stated that his objections did not extend to the establishment of a bureau of industrial information or to the dissemination from such a centre of intelligence and advice regarding new industries, processes or appliances, Mr. Chatterton clearly pointed out that the establishment of

(K) Paragraph 2 of Mr. Chatterton's letter, page 2 of G.O. No. 274, Educational, dated 12th May 1911.

a bureau was impracticable, so long as he had to work as Superintendent of Industrial Education in the Educational Department and that, till the Secretary of State's orders were received on the further representation made to him by this Government to revive the Department of Industries, no final disposal of questions relating to such points as the Bureau of Industrial Information and the Industrial

Museum was possible. These final orders on the proposals of this Government to constitute a Department of Industries were received only in November last. According to these, the functions of the department are to be governed by the limitations laid down by Dr. Morris Travers in his letter to the United Provinces regarding the Technological Institute at Cawnpore. The chief functions of a Director of Industries, as defined by Dr. Travers, are—

Government of India's letter, dated 7th June 1913, page 2 of G.O. No. 892, Revenue, dated 21st March 1914 and Despatch to and from the Secretary of State, pages 4 and 5 of the Government Order.

Please see paragraph 5 of Secretary of State's Despatch on page 24 of G.O. No. 3851, Revenue, dated 30th December 1912.

Extract from Dr. Travers' letter printed on pages 24 and 25 of G.O. No. 3851, Revenue, dated 30th December 1912.

(i) to collect information as to existing industries, their needs and the possibility of improving them or of introducing new industries ;

The Department of Industries should be a bureau of industrial and technical information—

(ii) to carry out and direct experiments connected with his enquiries ; and
(iii) to keep in touch with local manufacturers, to bring the results of his experiments to their notice and to obtain their co-operation in the conduct of operations on a commercial scale.

2. The Department of Industries was actually revived in April last ; and

Mr. Tressler is already taking steps towards the formation of the bureau. He recently applied for sanction for the employment of three clerks to begin with, to deal with technical papers, prepare abstracts and attend to library and other work connected with the bureau. This has been granted. Proposals in regard to the provision of the necessary accommodation for the bureau and for the purchase of bookshelves and filing cabinets are separately under consideration

G.O. No. 892, Revenue, dated 21st March 1914.
Paragraph 6 of Mr. Tressler's letter, page 4 of G.O. No. 1189, Educational, dated 22nd October 1914.

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3. In his note on the reorganization of the Department of Industries printed with G.O. No. 983, Educational, dated the 18th August 1914, Mr. Tressler has

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given an idea of the functions which he proposes to assign to the bureau. He contemplates dividing it into three separate sections, viz., the industrial, commercial and scientific. In brief the specific functions of these three branches will be—

Pages 8 and 9 of G.O. No. 983, Educational, dated 18th August 1914.

(a) *Industrial* will deal with methods of production, cost, plant, etc., and will have a library and a museum attached to it

(b) *Commercial* will constitute an intermediary between the producer and the buyer and will correspond with all Commercial Intelligence Bureaus and Chambers of Commerce ; a trade sub-section thereof will establish wholesale relations between the small Indian producer and the wholesale purchaser and will maintain registers of *bona fide* producers and purchasers to stimulate trade.

(c) *Scientific* will ordinarily collect all scientific information and work out the results to be deduced therefrom and will also make scientific tests and experiments.

3. The work of the Bureaus attached to the Departments of Industries in India is being supplemented by the activities of the Commercial Intelligence Department of the Government of India to which are attached the Director-General of Commercial Intelligence and the Director of Statistics. The functions of this

department are specified in paragraph 3 of the Government of India's letter No. 5256-5264-10, dated the 29th June 1914. The main purposes of the department are—

- (i) to keep in touch with the commercial opinion in various business centres,
- (ii) to investigate into questions arising from materials collected by the Director of Statistics, the causes of the decay of industries, of increased prices, falling wages, diminishing outturn, etc.,
- (iii) to collect regular and spontaneous information regarding any developments of industry or commerce, and
- (iv) to answer trade enquiries.

The Director-General of Commercial Intelligence also edits the "Indian Trade Journal." The question of the reorganization of the Commercial Intelligence Department so as more to correlate the work in the provinces with the Imperial Department is engaging the attention of the Government of India and that Government have called for the remarks of local Governments on it. One of the suggestions made in that connection is whether the duty of collecting commercial information and of conveying information on important commercial questions to the commercial public may be entrusted to Provincial agencies, such as Directors of Industries. The subject is being dealt with in the Revenue Department.

4. The Hon'ble Mr. K. R. V. Krishna Rao requests in his present resolution that

- (i) the Bureau should be organized on the lines of the Boards of Trade in other countries,
- (ii) the Bureau should obtain samples of finished articles manufactured from all kinds of raw materials exported from India, and
- (iii) the Bureau should issue bulletins explaining the process of their manufacture and the markets for such manufactures.

5. As regards (i), it is observed that the Board of Trade in the United Kingdom is practically a department of the Government, which supervises commerce and industry in that country. There are several branches of the Board dealing separately with commerce, labour, statistics, harbours, fisheries and other matters. The Commercial Intelligence Department of the Board collects and disseminates accurate information on general commercial questions and collects and exhibits samples of goods of foreign origin competing with similar British goods. It keeps a register of British firms who may desire to receive confidential information relative to their respective trades and supplies that information free of charge.

Please see pages 127 and 128 of Encyclopaedia Britannica, Vol. XXVII.

P.R.

6. It will be seen from paragraphs 2 and 3 *supra* that the Bureau attached to the Department of Industries, when developed on the lines contemplated by Mr. Tressler together with the Imperial Department of Commerce and Industry, may be expected to serve almost the same purpose as the Board of Trade. Both the former are now either being constituted or reformed.

7. The second request of the Additional Member is that the Bureau should obtain samples of finished articles manufactured from all kinds of raw materials exported from India. This would appear to be the main object of the original proposal to establish an industrial museum, recommended by the Ootacamund Industrial Conference of 1908. Mr. Chatterton, while recommending in 1911 the postponement of the consideration

of the question until the Secretary to State's final orders were received, stated that arrangements had been made to develop a section of it in the workshops attached to the Director's office, that so far the result had not been very encouraging and that he was inclined to think that it would have to be abandoned in favour of a scheme of special industrial museums connected with each centre of technical and industrial instruction. Mr. Tressler however now contemplates to establish a museum in connection with the Bureau. It will thus be seen that the establishment of a museum or museums is a settled fact but that the location of such institution—either at the central office (Bureau) or at the industrial centres—is apparently a question to be decided as the department develops.

P.R.

8. The third request of the Additional Member is that the Bureau should issue bulletins explaining the process of manufacture of the articles obtained from other countries and the markets for such manufactures. One of the functions of the Director of Industries is to investigate the possibility of improving existing industries or of introducing new industries and to bring the results of his experiments to the notice of local manufacturers. The issue of bulletins to explain the process of manufacture of articles is thus a natural sequel. Prior to 1910, the department issued occasional bulletins, Mr. Chatterton's monograph on the working of leather and his pamphlet on lift irrigation being examples. The issue of similar pamphlets and bulletins by the department with the help of the experts, seems unobjectionable and will naturally be done as the department grows and as information which will be useful to the public is gathered.

P.R.

As regards information about the markets for manufactured articles, it is submitted that as pointed out in paragraph 2 *supra*, the dissemination of such information is a legitimate function of the department. The Director of Industries may be able to afford information on this point from the statistics maintained by him in the Bureau.

P.R.

9. The resolution pleads for the *immediate* establishment of the Bureau on the lines indicated. Though, in view of the existing crisis, such immediate action is necessary and desirable, it is doubtful whether it will be possible to develop the Madras Bureau at once to the stage desired. It will be a matter of some time before the necessary accommodation is made available, useful material is gathered, experiments are made and other matters are settled for the Bureau to be useful to the public. Special steps are however being taken by Mr. Tressler to meet the present crisis; an allotment of Rs. 10,000 has been placed at his disposal for developing the industries; the employment of four supervisors for the purpose is being sanctioned; a hydraulic press for crushing oil-seeds is being purchased; and other measures in similar direction are also under consideration. Besides these it will be seen from the issue of the Indian Trade Journal of the 29th October 1914 that the Commercial Intelligence Department of the Government of India are arranging to issue a series of "brief memoranda or leaflets on different industries explaining statistics of import, export and local production (if any) and giving a sketch of what has been done or attempted in India hitherto and the general circumstances of the industry, together with details, as far as possible, of the prices and usages of the various markets." It is also intended to supplement these memoranda by an exhibition, which will, if feasible, be held in Bombay and Madras as well as in Calcutta, showing samples of certain kinds of goods imported from Germany and

Austria, together with samples of similar goods manufactured in India and specimens of those manufactured in other competing countries. If these are given effect to, enough would obviously be done to carry out the aims of the present resolution.

P.R.

10. In the circumstances stated above, it is for consideration whether it may be explained in answer to the resolution that steps are already being taken on the lines similar to those suggested in the resolution with a view to its being withdrawn.

11. The file may, it is submitted, be circulated to His Excellency the Governor and the Hon'ble Mr. A. G. Cardew through the Revenue Department.

Orders solicited

P.R.—11-11-14.

S.K.—10-11-14.

C.R.—10-11-14.

The Honourable Member wants that the Government should develop the Bureau in a particular way—on the lines of the Board of Trade in other countries—and that *at once*. The Bureau is being developed naturally on lines which have been adopted with success in other countries; but we can hardly commit ourselves to a cut and dry scheme in advance; and we should rather feel our way as we proceed. In matters like this it would be a mistake to ignore the thousand and one circumstances which would go to constitute "local conditions." And in any case we cannot do the whole thing *at once*.

P. RAJAGOPALA ACHARIYAR—11-11-14.

His Excellency—

Honourable Member (Revenue)—

As His Excellency is now away and as papers cannot be sent to him now, it is for consideration whether, as a *special* case, the file may not be circulated to the Honourable Member in the first instance.

C.R.—11-11-14.

Will Honourable Member (Revenue) please note on this first as a special case?

P. RAJAGOPALA ACHARIYAR—11-11-14.

The first step which, in my opinion, is necessary is to revise the arrangement which was come to in G.O. No. 892, Revenue, dated 21st March 1914, and to place the bureau of information under the Revenue Department. The division of control which was sanctioned in that Government Order has now been tried for six months and more and I have no hesitation in saying that it has proved unsatisfactory. The control of the department of Commercial Intelligence in the Government of India is, as will be seen from Mr. Enthoven's letter of the 29th June 1914, No. 5256-5265-10, under the Department of Commerce and Industry and the Government of India's letter shows that it is intended that the Directors of Industry should be brought into touch with the Imperial staff. The Government of India's letter brings out very clearly the inappropriateness of keeping the Director of Industries in this Presidency under the Educational Department except in so far as he deals with the inspection of industrial education.

2. The Revenue Department in this Presidency itself requires to be re-named. It is not merely a Department of Revenue, but it also deals with Forests, Agriculture, Fisheries, Trade and Commerce and it will, if the above change be accepted, also deal

with the question of industries. I think therefore that the title of the department should be altered so as to indicate more clearly the scope of its functions. In the Government of India there are two departments, one entitled "Revenue and Agriculture" and the other "Commerce and Industries." We can hardly call the Revenue Department in this Presidency the Department of Revenue, Agriculture, Commerce and Industries, because that title will be too long but I think that the department might well be turned "The Department of Revenue and Industry", the word "Industry" being wide enough to cover Agriculture, Commerce and Trade.

3. As regards the development of the Industries Department and of the Bureau of Industrial Information in particular, I should be quite prepared to consider the suggestion contained in the resolution to the effect that the department should be organized on the lines of the Boards of Trade in other countries. We cannot of course, as Mr. Rajagopala Achari has pointed out, tie ourselves down to any definite hard and fast scheme of development; but if the Additional Member who moves this resolution has any useful information to bring forward on the subject of the development of the Bureau of Industries, there will be no harm in giving him an assurance of sympathetic consideration of his proposals. The resolution should, I think, be discussed in Council.

A. G. C[ARDEW]—12-11-14.

Submitted to His Excellency for orders.

P. RAJAGOPALA ACHARIYAR—13-11-14.

For Council

(30) P

14.11.14.

Please see note
at (P)

Educational Department

(14) Please see page 210 of Council proceedings put up. The resolution regarding the organization of the Bureau of Industrial Information has been accepted by the Govt in principle. It is for consideration what further action should now be taken to carry out the recommendation contained in the Resolution. It may perhaps be sufficient to communicate to Mr. Dresser for guidance a copy of the Resolution and the Council proceedings connected with it, with the request that he will address the Govt in due course if any further action is considered by him necessary. A Draft is submitted below.

[The Honble Mr. Cardew has noted in another connection that the control of the Bureau must be transferred to the Revenue Dept and with it the other operations of the Dept of Industries except those relating to industrial education. The whole question was brought up for discussion in Council on the 15th instant. It is understood that the Honble Mr. Cardew is drawing up a separate list of subjects to be dealt with in Revenue + Edu. Dept.]

OK
21.12.14. CR

21.12.14. I think that it would

b

Office to Communicate to the
President a copy of the proceedings
of the Council on the resolution
passed by Mr. K. A. N. Krishna
New Venture. No report need
be asked for from the Director.
The whole subject is under the
consideration of the Govt. and
is not likely to be lost sight of

Bo No. 46
23.12.14

22/12/14

H. E.
H. M. (Ooo)

26.12.14.

H.E. the Govt has not accepted my proposals for the transfer
of certain branches of the Director of Industries' work to
the Revenue Secy. One of these branches is the Bureau
of Industrial Information, which thus remains a subject
to be dealt with by the Educl Dept. & papers on this subject
need not be circd to me in future.

26.12.14.

J. M. H. M.

1
Extract from the Proceedings of an adjourned Meeting of the Council of the Governor of Fort St. George assembled for the purpose of making Laws and Regulations under the provisions of the Acts of Parliament, 24 & 25 Vict., C. 67, 55 & 56 Vict., C. 14, and 9 Edw. 7, C. 4.

The Council re-assembled at the Council Chamber, Fort St George, at 11 A.M. on Tuesday, the 24th day of November 1914.

STATE DEVELOPMENT OF INDUSTRIES.

His Excellency the PRESIDENT:—"Now we proceed to Resolution No. XI. I do not know how far these resolutions could be grouped. So far as I can see, Resolutions Nos. XI and XII deal with the same subject. I do not know if the Council would like to take the discussion of all the resolutions together?"

The Hon'ble Mr. B. V. NARASIMHA AYYAR:—"We might have a discussion on only one resolution."

His Excellency the PRESIDENT:—"We can discuss Resolution No. XI, and those who have proposed Resolutions Nos. XII, XIII and XIV can speak on Resolution No. XI."

The Hon'ble Mr. K. CHIDAMBARANATHA MUDALIYAR:—"My resolution differs a little from the other resolutions."

His Excellency the PRESIDENT:—"If the Honourable Member wishes to move his resolution separately, he is within his rights; I only wish to know for the information of the Council what the Honourable gentleman wishes to do."

The Hon'ble Mr. K. CHIDAMBARANATHA MUDALIYAR:—"I should like to move my resolution separately."

His Excellency the PRESIDENT:—"Then we will take Resolutions Nos. XI, XII and XIV."

The Hon'ble Rao Bahadur B. NARASIMHESWARA SARMA:—"With regard to Resolution No. XIV, though I will not move it, I should like to wait. It depends upon what takes place in the discussion on general principles."

His Excellency the PRESIDENT:—"The Honourable gentleman is quite within his rights. We will take Resolutions Nos. XI and XII."

The Hon'ble Mr. K. R. V. KRISHNA RAO:—"The resolution I have the honour to move runs in these terms:—

'XI. (a) This Council recommends that His Excellency the Governor in Council may be pleased to move the Secretary of State for India, owing to the dislocation of trade and disturbance of markets created by the present war in Europe, to re-consider the orders passed by him precluding the Local Government from themselves embarking on commercial undertakings in this Presidency calculated to develop its internal industrial resources and make it less dependent on foreign countries.

'(b) This Council recommends that in the incipient stage of the industries of the Presidency, the actual development of our industries, in the case of those which have to be worked on European methods to enable them successfully to compete with foreign articles, should not be left entirely to private enterprise, but that the Government should embark on industrial undertakings of all kinds on a commercial scale to serve as object lessons and incentives to private enterprise.

'(c) This Council recommends that a beginning may be made by starting on a commercial scale, employing European experts if necessary, industries connected with oil-seeds, namely, crushing seeds, refining oils and manufacture of soap, stearine, glycerine, candles, tallow, lard and other products.'

"My Lord, in this resolution, I am not asking the Government to accept any policy which is against their principles. In the year 1908 at the Industrial Conference held at Ootacamund they appointed a sub-committee which proposed that

(Mr. K. R. V. Krishna Rao.)

the Government might undertake as pioneers the introduction of new industries for the industrial processes for the purpose of training students or apprentices or for demonstrating that such industries will be commercially successful. This is one of the recommendations made by the sub-committee during the Industrial Conference held in 1908. Again the Government in their order stated as follows:—

‘His Excellency the Governor in Council recognizes as a general principle that the exploitation of industries should be regarded not as a normal but as an exceptional function of Government and on the general question of the limitations that should be set to the functions of the State in attempting to promote industrial development, His Excellency in Council has no hesitation in accepting the conclusions arrived at by the conference. With the restrictions which the conference has laid down, the Government are convinced that private enterprise has nothing to fear while it may have much to gain from the association of the State in the work of promoting the industrial development of the country.’

‘Again, my Lord, it was also suggested by Mr. Alfred Chatterton that the Government help and the Government pioneering of industries will be beneficial to the establishment of new industries in Madras. He stated as follows: ‘I would submit that in some cases, the Government may run risks which commercial men cannot afford to do, and that in many cases the Government organization can successfully undertake work at very much lower cost than private people.’ He further stated: ‘I fully recognize that, if any considerable industrial development has to be recorded in the Madras Presidency in the next decade, it must be with the co-operation of mercantile knowledge, and the people of this country, and much more will be done if we can establish a feeling of mutual confidence.’ From this statement, My Lord, it appears that the Government were then prepared to start new industries and their policy was not against the starting of industries on commercial basis. Unless industries are started so as to make them commercially profitable, these industries cannot be undertaken by others and mere experimental and demonstrational purposes of industries will be of no use for the stimulating and starting of new industries in the province.

‘In their Order No. 2681, Revenue, dated 16th September 1914, your Excellency’s Government have expressed the anxiety to take the opportunity created by the present war to develop such industries as can successfully compete with foreign manufacturers, taking the present circumstances and environments into account. While thanking your Excellency’s Government for their intentions, we join in the regret that the orders of the Secretary of State for India preclude the Government from embarking on industrial concerns on any commercial scale. The steps proposed by the Government to be taken now are not sufficient. Mere encouragement by words will not rehabilitate the industries which have long become dead in this Presidency or captured by foreign Governments now at war with Great Britain. Nor would mere advice regarding the starting of new industries help much without substantial Government aid. For some years past the markets in India have been flooded with cheap German and Austrian goods and, owing to the present stoppage of their importation, trade has become dislocated as has been recognized by the Government. We are all aware that Japan, who is an ally of the English Government, has been trying her best to take the place of Germany and Austria. While Japan has taken this opportunity of developing her industries and starting new ones, the opportunities which India has ought not to be overlooked without being utilized as far as possible to start profitable industries in this country. Indian opinion is unanimous in thinking that the present opportunity should be fully availed of in starting profitable industries and that Japan and other countries who have already realized the situation and are doing their best to develop their industries should not be allowed to hinder Indian enterprise. We agree with Your Excellency’s Government in thinking that new industries on a vast scale can only be thought of, but cannot be introduced all of a sudden, for the reason that we still depend upon foreign countries for the machinery, skill and expert knowledge required for the purpose. But a beginning must nevertheless be made at some time or other and I am sure that the Government will agree with me that this is the best opportunity for such a beginning. The position of India in the British Empire is one of the greatest problems of the future and it is necessary that the leaders of opinion should recognize that its status will largely depend upon its economic condition. Unless facilities for industrial education and enterprise are provided in the country, India cannot hope to

(Mr. K. R. V. Krishna Rao.)

maintain any decent position in the industrial world and become prosperous. After the war is over, industrial competition will become keener than ever before and, if this opportunity is not availed of and India made to respond equally with the western world to the stimulus of the titanic struggle now going on, it must lose all ground in the sphere of industries. This opportunity should therefore be utilized to its fullest extent. The country is poor and, unless Government come to its help at this juncture, there may not be any hope of developing industrial enterprise in future even though Government may then be prepared to help to the very best. In this resolution, therefore, I request your Excellency’s Government to move the Secretary of State for India to reconsider the orders passed by him in 1903, so as to encourage local industries.

‘From the year 1901 to the year 1908 there was a special department started under Mr. Chatterton, which, in addition to pumping and boring work, was allowed to start on a commercial scale chrome tanning industry and aluminium work. And it is indeed for this reason that those two industries have found a firm footing in this Presidency and are being successfully worked by private individuals. A separate department was created in 1908 but was subsequently abolished by the orders of the Secretary of State for India, apparently for no sufficient reason. The Government could not, in the face of those orders, do anything effective either in the establishment or development of new industries. The fact that chrome tanning and aluminium industries have become successful owing to their being pioneered and the same worked on a commercial scale, ought to have convinced the Government that in order to make other industries successful Government help is necessary to begin with. But during this year, the Secretary of State has passed an order re-establishing the Department of Industries which was abolished in 1910, with the object, among others, of helping and advising private enterprises in industrial undertakings, but prohibiting Government from themselves starting such undertakings on a commercial scale as before. Large quantities of raw materials of every description are being yearly exported from India to foreign countries, where they are manufactured into finished products of merchandise, some of which are again imported into India. At the present stage it may not be possible to utilize fully all the raw materials available in this country and turn them into finished products, but it is not certainly impossible to convert at least a portion of such materials into finished products in this country, provided that sufficient help, encouragement and protection are afforded by Government and industrial concerns on a commercial scale are started by them as in other countries. Even in England, where industries have been in existence for years and where the industrial development has attained a very enviable condition, Government have found it at present necessary to help the starting of new industrial enterprises with State-aid. The Government there have indicated their willingness to subscribe a part of the capital and guarantee interest on debenture loans raised for the purpose of starting dyeing industry in England as has been lately announced (*vide* telegram in the *Hindu* dated the 15th instant). I am hopeful, in view of the State-aid given in England, the Secretary of State for India will be pleased to re-consider his order and enable this Government to start industrial concerns. The Government have guaranteed interest for railway enterprise in India and have thereby succeeded in developing a large system of railway communication in the country. They can likewise try the same course as an experiment in the matter of industrial concerns as well, as is being done in England at present. If this guarantee system as in the case of railways, is introduced for industrial enterprise also in this country, there is every possibility of large industrial concerns being opened and the resources of the country developed to the fullest extent. It was also recommended at the Industrial Conference in 1908, that the Government might start industries, to begin with, and then hand them over to private individuals for being worked up with their capital. I wish the Government would try that experiment and help the country through the present crisis in developing its industrial resources.

‘If the Department of Industries is to work properly and discharge its legitimate duties, it must be relieved of the work which it is at present obliged to do, devoting all its energies to boring work and erection of small installations which legitimately belong to the Department of Agriculture, as remarked by the Director of Agriculture

(Mr. K. R. V. Krishna Rao.)

in his administration report. The pumping and boring work may very advantageously be left in the hands of the Director of Agriculture who deals with ryots and the Department of Industries be made to look after the industrial development of the country and suggest ways and means for starting new industrial concerns and rehabilitating the already existing ones which have become failures on account of lack of sufficient capital and expert knowledge and help. The Department of Industries may also be made to consist of a number of Indian engineers and Indian scientists who may be trained experts in the several trades and industries, so as to enable them to help similar concerns which may be started in the future. If this is done, it will result ultimately in not only encouraging and establishing new industries on a sufficiently large scale but also in imparting a sort of technological education to the people of this country on a large basis. It is necessary to teach the Indians how to work up the raw materials produced in the country for the local needs, and since technological experience cannot be obtained abroad, technical experts should be imported from foreign countries and money found to enable them to start industrial concerns on a commercial scale. Such concerns helped by the Government will not only serve as object lessons but will also serve as important technological institutions wherein suitably qualified persons in this country will have facilities of undergoing such a course of instruction both in the factory and office as will enable them to work similar enterprises afterwards.

"In the Conference held at Ootacamund in 1908 special stress was laid on the starting of sugar manufacture and oil-pressing on a large scale.

"The total value of the imports of the Presidency has increased from 9½ crores of rupees in 1910 to 16.85 crores in 1913-14; similarly the value of exports from this Presidency has increased from 19.37 crores to 25.70 crores. The following statement shows the value of the exports of different articles from this Presidency:—

Articles of Export.

	Value.
	LAKHS.
Oil-seeds	532.89
Coir	89.72
Fibre for brushes and brooms	13.36
Manures	14.83
Oils	43.52
Cocanut oil	22.48
Ground-nut oil	4.34
Oil-cake	55.14
Castor	13.4
Ground-nut seed	344.48
Copra	155.45
Sugar	8.89
Jute	77.77
Hemp	9.44
	THOUSAND.
Wax	83

"We thus see that we are exporting 5.33 crores worth of oil-seeds which forms about 20.73 per cent. of the whole exports. The importance of oil-seeds can be seen from the fact that the increase in the value of exports during the last three years is nearly 204 lakhs. The average for the five years ending 1910-11 is 2.43 crores, while in 1913-14 it is 5.33 crores. With regard to oil-cake the total value of export is 55 lakhs which forms about 2.15 per cent. of the total exports, while the value of oils exported is only 43.52 lakhs and add forming 1.69 per cent. of the total exports. The value of exports connected with oil-seeds is 24.75 crores or 25 per cent. of the total exports.

"Thus, it can be seen that the most important article of export is oil-seeds. For the establishment of an industry in this produce, Government help and co-operation is highly necessary. It is not only the export of these seeds in such large quantities that forms an economic danger to the country but the loss of the cake which is the finest manure for agricultural purposes, especially as this is a country mainly dependent upon agriculture. Oil-cake, besides serving as a manure, is also used

(Mr. K. R. V. Krishna Rao.)

as food for cattle and to a certain extent for man also. It was observed at the Industrial Conference that the export of oil-seeds in large quantities is an economic danger as a large quantity of manure and fodder for cattle, in the shape of oil-cakes is thereby lost.

"While the value of machinery imported for rice and flour is 2.3 lakhs, that for mining 6.1 lakhs and for textiles 9.7 lakhs, it is only .2 lakh for oil-crushing and refining machinery. This clearly proves the extreme lack of enterprise in oil-crushing industry and Government help in this direction is therefore urgently necessary. 1.4 lakhs worth of oils, 1.1 lakhs worth of soaps, about one lakh worth of stearine, 2.8 lakhs worth of candles and 6.5 lakhs worth of manures and bones are yearly imported from other countries. It is clear from this that 22.7 lakhs worth of by-products of oil-seeds exported from this Presidency are imported to this country again. Out of the products manufactured from the large quantity of oil-seeds exported from this Presidency deducting what is consumed in those countries themselves and exported to other countries, India is getting back this large quantity of the manufactured articles. The importance of industries connected with oil-seeds can only be estimated by comparing the cost of the oil-seeds with the aggregate cost of all the products which can possibly be manufactured from them.

"Now that the war in Europe has caused a dislocation of trade and it is necessary that all trade relations with Germany and Austria-Hungary will be discontinued even after the cessation of hostilities, this crisis may be taken as an opportunity for the development of industrial enterprise in this country in the interests of its economic well-being. Since many of the industries in France and Belgium and to some extent in the United Kingdom are at a standstill on account of the present war, it may be possible for the Government to secure the services of experts on even very liberal terms to start new industries in this country.

"There is no immediate prospect of foreign capital being invited to start industries in India on a large scale as has hitherto been done in the case of tea and coffee. To encourage the starting of industries successfully without delay, it is necessary that Government should start a few of these industries employing European experts so that such industries may serve as object-lessons to Indian capitalists who, though they fight shy to invest capital in new enterprises at first, would always be ready to invest money to any extent if assured that the manufactures can successfully and profitably be worked and the products command a ready sale in the market.

"The Government have, no doubt, been awarding scholarships to students learning some particular industry or other in foreign countries but such students are now being greatly handicapped for want of sufficient opportunities for learning the secrets of the industries and also on account of the peculiar environments quite unsuited to this country. In case industries are started here, they will afford very great opportunities for a larger number of persons to train themselves in their working.

"Government are aware that during the last eight years, a great deal of activity was noticeable in all parts of the Presidency in starting industrial concerns on a small scale and people willingly subscribed and took shares in them. But those concerns have mostly failed owing to want of capital and proper support and capacity in the promoters of such concerns to work them successfully. A strong desire for industrial development is being manifested but proper guidance and adequate support are everywhere wanting. To avert a repetition of such state of things, where capital to start a new industry or develop one already established is needed, Government should help in all possible ways both in finance and proper advice with necessary safeguards. It is impossible for industries, either to be revived or newly started, to compete with foreign ones unless some sort of protection is given by the State as is done in several other countries including the United Kingdom at present, where the State has come forward to help all industrial concerns and pre-eminently the dyeing industry. No country has flourished industrially without State assistance at the initial stage. Even in England, the champion of free trade principles, State intervention and help have been found necessary under the extraordinary circumstances created by the present war. Such sort of State help is even more necessary in India where conditions are very backward, people have become least enterprising, capital is sadly wanting, with fear of powerful and organized competition and lack of expert advice and help, but with an overabundance of raw

(Mr. K. R. V. Krishna Rao.)

material available everywhere which is now being carried to other countries to their immense profit and advantage. Government, by opening industrial concerns on a commercial scale and working them on European methods to enable them to manufacture articles as to make them successfully compete with foreign ones, would be achieving a double object of making these industries serve the purpose of technological institutions as well as practical object lessons to Indian people. My view in making this proposal to the favourable consideration of the Government, is certainly not to ask them to embark on a large commercial and mercantile enterprises which they cannot do, but to suggest to them the necessity and desirability of starting profitable industries to begin with and handing them over to private capitalists after they are fully equipped and put on a profitably working basis as was done in the case of aluminium works and chrome tanning industry.

"In view of the enormous quantities of oil-seeds and copra exported every year and the large quantities of imports of manufactured products from those oil-seeds into this country, it is highly necessary that the Government should establish industries connected with oil-seeds to begin with, employing European experts and working them on a commercial scale. The Government in their Order No. 2802, Revenue, dated 26th September, have expressed their opinion that it would be better to procure hydraulic plant capable of dealing with a larger supply of oil-seeds no doubt; but it has been clearly stated that it is only for experimental and demonstrational purposes and they do not seem to have any intention of starting other industries connected with oil-seeds.

"In this connection, I may be permitted to say that the United Kingdom imported last year unrefined cocoanut oil to the extent of nearly 4 lakhs of cwts. from Germany costing 8.60 lakhs of pounds sterling and only 20,089 cwts. costing 43,320 pounds sterling from India. Again, the quantity of oil-seeds, cake and cotton imported into the United Kingdom from Germany was 71,040 tons costing 387,908 pounds sterling, while it was only 8,964 tons costing 51,111 pounds sterling from India. During the year 1913-14, 98 lakhs of rupees worth of copra alone was exported to Germany. Of the total value of Rs. 130 lakhs worth of copra exported from this country, Germany alone took 103 lakhs of rupees worth of the produce. Thus it is clear how enormously large is the quantity of copra and oil-seeds exported to Germany as also the large quantity of oil imported by the United Kingdom from Germany. Instead of England allowing such large exports being made from India to Germany and importing from Germany not only the finished products but also unfinished products such as unrefined oil, it is advantageous both for England and this country to have those products manufactured here alone and exported from this country direct to England. As the trade with Germany has become paralysed, the large quantities of copra and oil-seeds cannot now be exported as hitherto been and will have to be utilized here alone. France which is in turmoil at present will not be able to take large exports of copra and oil-seeds from India. It is therefore opportune that, at present, industries connected with oil-seeds and copra should be started by Government on a large scale in this Presidency without delay. Otherwise agriculture connected with these kinds of produce is also likely to suffer to a large extent. England, in its attempts of capturing German trade, has enough work to attend to in starting new concerns such as the manufacture of dyes, toy-making, etc., which are at present, Germany's monopoly of the world's market; and it may not be possible to start such industries at present with any success in India. While England will be deeply engaged in starting such industries which require special expert skill and scientific knowledge, India may be encouraged with the necessary help and aid as to enable her to produce and send to England finished articles from oil-seeds which have during the last decade replaced olive-oil and its products and thus become the daily necessities of life in England and other European countries. At present, a large quantity of oil and copra is exported from this country to Marseilles and Antwerp and a few Black Sea ports and also a small quantity to England. It is impossible now that Marseilles will take imports from India; and likewise Belgium will not be able to take large imports from India. Though a small quantity of imports may be continued to be taken by England, yet a large quantity of oil and copra will have to remain in this country, and perish sooner or later without any chance of their being exported to those countries."

(The President; Mr. K. R. V. Krishna Rao; Mr. Ramabhadra Nayudu; Mr. Subbarayalu Reddiyar.)

His Excellency the PRESIDENT (interrupting):—"The Honourable gentleman seems to be quite unconscious that he has exceeded his time by four minutes, and I must ask him to bring his remarks to a close."

The Hon'ble Mr. K. R. V. KRISHNA RAO:—"I will finish my remarks in two minutes."

His Excellency the PRESIDENT:—"I must ask, in fairness to other Honourable members, that he will resume his seat as soon as possible. He has been speaking for 34 minutes."

The Hon'ble Mr. K. R. V. KRISHNA RAO:—"Therefore, in commending this resolution to the Government, I hope the Government will be pleased to make a strong representation to the Secretary of State for India to enable him to pursue a policy which they themselves initiated some time back, and thus help this country in its industrial regeneration."

The Hon'ble Diwan Bahadur V. RAMABHADRA NAYUDU:—"My Lord, I have great pleasure in seconding the proposition moved by the Honourable the Zamindar of Polavaram. It is not necessary for me to add to his remarks. But I should like to say a few words from an agriculturist's point of view. The Government are already aware that 80 per cent. of the population of India depends upon agriculture and it is needless for me to remind the Government that it should be their earnest concern to help the ryot in every manner possible. Dr. Voelcker, a great authority on agriculture, has pronounced that India is a country very much in need of nitrogen which is the plant-food. The oil-seeds which are exported from India on a large scale contain a good deal of nitrogenous substance and nearly 25 million acres are cultivated with oil-seeds. If that be so, oil-seeds yield a great quantity of manure and, if these are exported to foreign countries, the valuable manure is not returned to India and thus India becomes impoverished. Dr. Voelcker has well stated that the export of oil-seeds means the export of India's soil fertility. The import of oil from Germany into India is very small. The figures quoted by the Honourable mover are appalling. I think it would be a great thing if the Government would consider the question of giving all possible help for starting oil presses in India.

"Besides oil-seeds there is the other agricultural industrial crop, viz., sugarcane. India is the largest consumer of sugar. But the area under cultivation is only very limited. Only the primitive method is still followed in the manufacture of sugar. Therefore help from Government is necessary. We import a great deal of beet sugar from Germany, Hungary and Mauritius. India on account of its poverty wants all the help that could be given and is not able to compete with other countries in this matter. Anyhow it is your Lordship's Government that should come forward and help the ryots in the matter of refining sugar in India. I beg to second the proposition moved by my Honourable friend."

The Hon'ble Rao Bahadur A. SUBBARAYALU REDDIYAR:—"I beg leave to support this resolution. Your Excellency, I will be very brief in what I say. Coming as I do from South Arcot, almost the centre of the ground-nut tract on the coast, I may be permitted to give the Council a rough idea of the extent of the damage sustained by the ryots under the head of ground-nut after the breaking out of the war. Owing to the commercial value and importance of the ground-nut crop, the ryot has almost invariably devoted every dry field available, whether it be well-fed, or rain-fed, for the cultivation of the ground-nut crop. The crop is produced twice a year, once in July-August—that is, on well-fed lands—and later in November-December—that is, on rain-fed or *manavari* lands. The yield in July-August is meagre and scanty, being only about 1/16th of the quantity of the later crop in December. Usually a portion of the yield is reserved for local consumption and the rest of it is shipped to Marseilles. The average export per year of ground-nut is roughly 30 lakhs of bags, worth about 4½ crores at the price of Rs. 15 per bag. The present condition of affairs in ground-nut tracts is, we have on hand unshipped about half a crore worth of ground-nut seeds, being the balance of the last year's seeds of the July yield. We have also on hand about half a crore worth of oil-cake usually shipped to Hamburg, but which could not be shipped now on account of the war. We expect by the end of December to gather and have in readiness about roughly 6 crores worth of

(Mr. Subbarayalu Reddiyar ; Mr. Cardew.)

ground-nuts. I may mention this year—I do not know if it is fortunate or unfortunate—was a year of abundance for ground-nut; and so we expect an yield of about six crores worth about the end of December. In other words, we have on hand a commodity worth about seven crores of rupees to dispose of. I say seven crores at Rs. 15 per bag if such price were available. But unfortunately nobody cares now for the ground-nut crop. No dealer will offer for it and no banker will advance any money on it. The result will be that, if the war continues, this $6\frac{1}{2}$ or 7 crores worth of seeds will remain only to rot in the hands of ryots, because there is no market for them. What is wanted for local consumption has been used up, and the rest must rot, because the ground-nut cannot keep well—I mean the kernel will not keep more than four months, although in shell it may keep for double that time. So the ryots' condition there is deplorable, such as to enlist the sympathy of the Government. If the war does not come to a close soon, it is worth the serious attention of the Government to consider what should be done.

“My Honourable friend the mover has suggested various methods as to how to improve the condition of industries in this country. I am in full agreement with him as regards his suggestion. We feel persuaded that, if the Government do take the matter in their hands as he has suggested, the salvation of industries is promised. The Government which popularised the establishment of the chrome tanning industry and the aluminium industry and introduced the establishment of fly-shuttle looms ought to be able to deal with the ground-nut industry as well. We have a most grateful recollection of the beneficent work done by Mr. Alfred Chatterton in this Presidency for the three industries I have referred to; and if only the Government will take steps in that direction, my humble submission is that other Chattertons will be available to do the beneficent work that he has done. It may be that, when the war closes, keen competition might arise again from Marseilles, and local industry might be threatened if started. But I am persuaded that, if we could but persevere, we are in the long run bound to succeed as we have in other industries. I beg, therefore, to support the resolution.”

At this stage the Council adjourned for a short interval and re-assembled at 3 p.m.

The Hon'ble Mr. A. G. CARDEW:—“Your Excellency, the Honourable the Zamindar of Polavaram began his speech by remarking that this resolution which he has moved is not contrary to the principles held by this Government, and he quoted the Government order of 1908. It is quite true, at any rate, that this Government did in 1908, as they do now, sympathize very strongly indeed with the desire which is at the bottom of this resolution that the industrial resources of the Presidency should be developed. In 1908 a Conference was held, the object of which was to promote industrial development. I was the Secretary to that Conference. A good deal of action was taken at that time to promote the industrial development of the country and, although difficulties have arisen in regard to the lines on which such action should be taken, the desire of this Government to promote industrial development has never in any way diminished.

“I may remind the Council, your Excellency, that in 1910 the views of the Government regarding the special direction in which such development was to be carried on formed the subject of correspondence with the Secretary of State. The Secretary of State in his despatch said:

‘I have examined the account which the Madras Government have given of the attempts to create new industries in the province. The results represent considerable labour and ingenuity, but they are not of a character to remove my doubts as to the utility of State effort in this direction unless it is strictly limited to industrial instruction and avoids the semblance of a commercial venture. So limited interference with private enterprise is avoided, while there still remains an ample and well-defined sphere of activity. The limit disregarded, there is the danger that the new State industry will either remain a petty and ineffective plaything, or will become a costly and hazardous speculation. I sympathize with the Conference and the Madras Government in their anxiety for the industrial development of the province, but I think that it is more likely to be retarded than promoted by the diversion to State-managed commercial enterprises of funds which are urgently required for the extension of industrial and technical instruction.’

“That was the policy which the Right Honourable the Secretary of State laid down in 1910. After that a resolution of this Council was passed in 1911 that the Madras Government should ask the Secretary of State to re-consider his position. The

(Mr. Cardew.)

reply of the Secretary of State on that subject in 1912 stated that His Lordship must re-affirm his predecessor's decision against the extension of its activities to trading on commercial lines. At the same time the Secretary of State desired to point out that the Government of Madras appeared to have placed too limited a construction upon the orders given in his predecessor's despatch of July 1910. The policy which was then sanctioned was that State funds might be expended upon familiarizing the people with such improvements in the methods of production as modern science and the practice of European countries could suggest. The despatch proceeds to state:

‘This need not be interpreted as confining instruction solely to industrial schools. I am prepared to recognize that in certain cases instruction in industrial schools may be insufficient and may require to be supplemented by practical training in workshops where the application of new processes may be demonstrated; and there is no objection to the purchase and maintenance of experimental plant for the purpose of demonstrating the advantages of improved machinery or new processes and for ascertaining the data of production.’

“These are the instructions of the Secretary of State and they have been accepted by this Government. It is the duty of this Government, so long as these instructions hold good, to carry them out, and it would be impossible therefore for the Government to accept the resolution, which goes directly contrary to the policy which the Right Honourable the Secretary of State has laid down. However anxious this Government may be to promote the industrial development of this Presidency, it is our duty to follow the line of development laid down for us by the Secretary of State. The Honourable the Zamindar of Polavaram referred to the assistance which is said to have been given to the industries of Europe by the British Government at Home. I have also seen a statement in the papers to the effect that the British Government is taking a large share in the promotion of the dyeing enterprise. I must admit that I have no information at all whether these statements, which have appeared in a telegram, are well founded. I do not know whether the Honourable mover of this resolution has any definite information as to any change of policy which has been shown to have occurred at Home. If it were shown that the Government at Home had changed its policy in consequence of the outbreak of war in a manner which would justify this Government in addressing it again, I think the Government would be quite prepared to consider the possibility of again suggesting to the Secretary of State the desirability of re-considering the limitations which have been placed upon us. But, so far as I am aware at present, no real evidence exists as to what line the Government at Home have taken. Until we are in possession of something which will justify this Government in moving in the matter, it is not possible for the Government of Madras to re-open the question which has been apparently closed by the Secretary of State's despatch.

“The special ground upon which the resolution which has been moved today is based, is the occurrence of the great war in Europe which has interrupted the importation of certain classes of goods. I must confess, your Excellency, that the more I look at the effect of the war, the more doubtful it seems to me whether the existence of the war and the interruption which it has caused in imports and the disruption it has caused in credit and trade generally do not add more to the difficulties of the situation in connection with the creation of fresh industries than they give facilities for such creation. The Government in a communiqué in September last, which I think was quoted by the Honourable the Zamindar of Polavaram, drew attention to the inherent difficulties which exist in the creation of new industries and pointed out that, while it might be possible to develop existing industries in consequence of the opening given by the stoppage of certain imports, it was extremely doubtful whether it was at all possible to start brand-new industries, which require capital, just at a time when it would be most difficult to raise capital, and which require buildings which it would take a long time to erect and machinery which, owing to the lack of shipping facilities, it may not be easy at once to procure. On this subject I may draw attention to the remarks which appeared in a well known Calcutta paper, *Capital*, which in its issue of the 5th November, a recent issue, remarked: ‘There is no sphere of action in which keener or more highly instructed intelligence is needed than in the foundation of new manufactures’. It goes on to say:

‘It must be remembered that even in Great Britain it is the adaptation of old, rather than the foundation of new, industries which is in view, and that with Great Britain's immense reserves of capital, skill and industrial energy the work involved is relatively simple.

(Mr. Cardew.)

In India the conditions are hardly the same. Capital, skill and an adequate market are all alike absent in this country, and it would be dishonest to do otherwise than emphasize these facts.

"These remarks coincide very much with the opinion that the Madras Government expressed in the communiqué of September. It is extremely difficult to start new industries. The effect of the war is a two-edged weapon. On the one hand it seems to give opportunities for increased manufactures and on the other it contracts credit and places many other difficulties in the way of starting any fresh commercial undertaking. The first step which must obviously be taken in regard to any commercial enterprise is the provision of capital. Here it is evident that in India where capital, as in most other parts of the world, shows itself to be exceedingly easily frightened, where the Marwari has been drawing in his money in all directions, there is probably less money available for any fresh enterprise than at any other time in the past. Then, when you have got capital, you want experts. Experts can only be obtained after inquiries at home which must take a considerable time, though interrupted employment at home may turn some out of work and make them available. Machinery and buildings cannot be improvised in a moment and the ultimate effect on markets is so obscured by the temporary conditions induced by the war that it is extremely doubtful and difficult to say what will be the result in any particular direction.

"The Honourable the Zamindar of Polavaram put in the forefront of his programme the question of oil-seeds and the industries which might be developed in connection with oil-seeds. He suggested that the Government should forthwith start industries connected with oil on a large scale. Your Excellency, the difficulties connected with any such industry are enormous. It has been estimated that in order to deal adequately with the ground-nut crop in this country machinery to the value of 2 crores would have to be put down. Supposing that that machinery could be obtained and immediately brought into work, which is of course quite impossible, it might all have to be scrapped at the end of the war unless the conditions then were such that industries would pay under the normal state of affairs in Europe and not under the present special and exceptional state of affairs. Supposing that a large industry in ground-nuts and in the pressing of oil were started, the question which would have to be considered by any body who wished to go into that industry would be whether a market for the produce was to be found in India or in Europe. If a market were to be found in Europe, it would be necessary to take into account the fact that European countries have imposed, and will probably maintain in future, a protective duty against oil. In order to secure themselves against India's undertaking this fresh industry, they admit nuts free but put a special duty on oil, so as to prevent its coming in by encouraging the importation of nuts instead. This is one difficulty which would probably possess considerable importance. The second point is that oil is more difficult to transport than nuts. Oil has to be taken in steel drums or something of that sort or barrels, whereas nuts can go in bags. When they arrive at the other end, nuts can be sorted but not oil. I am sure that all people who know something about the matter know that there is the strongest possible disinclination in Europe to buy oil from India, at present at any rate, because of the fear of adulteration. Unless we start by building up a reputation for oil of a certain quality and unless that were established, it is improbable that oil pressed in India and sent home would be accepted at all in European markets. That is what I have been told. Perhaps that is in some ways the chief difficulty, because so many goods that are produced in India are more or less tampered with in this country. Cotton, I believe, is damped and wetted and wheat is full of dirt and so on. India does not possess a good reputation for sending home goods of a thoroughly good standard of quality. That will be a great difficulty in the way of a large industry in oil. Then there are many other sides of the question which it will take too long to go into. Oil-cake, which possesses a market in France, would not possess an equally good market here.

"If, on the other hand, the object of a manufacturer who set up presses and started oil manufacture were to supply Indian markets, the question is whether there would be room for the extension of the consumption of oil. No doubt there would be room for improved methods of pressing oil, and it is true that something might be done to reduce the cost of pressing in this country and to introduce the use of improved presses, but nevertheless at present India probably

(Mr. Cardew.)

gets all the oil it wants although it does not get it in a very economical manner. It is very doubtful whether there is any room for a large increase in the consumption of oil as such. But it is suggested in the resolution that the manufacture of soap, glycerine, candles, tallow and so on might follow the production of oil. I am not able to speak to this Council with the smallest authority on this subject, but I believe it is true that the oils which we have principally to dispose of, such as coconut oil, groundnut oil and cotton-seed oil, are all of them valuable classes of oil which it would not pay to turn into such products as soap, tallow, glycerine and candles. I am told that the normal price of Cochin oil is £42 per ton, ground-nut oil about £35 a ton and cotton-seed oil £32 a ton. To treat these oils by the hardening processes which are necessary, or at any rate useful, in order to produce soap, glycerine and candles would cost about £10 per ton and that brings up the cost of production per ton to considerably over £40; whereas, I believe, fats produce in Europe from inferior oils and subjected there to a process of hydrogenation can be produced and put on the market and made available free of all charges, f.o.b., at about £41 per ton, so that it is probable that it would be a dead loss if we attempted to turn into soap the valuable vegetable oils of India—oils of the better quality, which are used in Europe for edible products such as olive oil. It has been suggested that margarine or butter might be made in this way. But I do not think that there is a large consumption of butter in India. What the population of India want is ghee, and the question of making ghee is a very difficult one. There you have to consider the tastes of the consumer and it is very doubtful indeed whether, even if you had the greatest experts, you could do anything in the way of producing ghee which would suit the palate of the Indian consumer. These are all difficulties in the way of a large development of the industry connected with oil-seeds and I must say that I feel very doubtful indeed as to whether any successful solution of these difficulties could be found. At the end of the war you would have to return to the conditions prevailing before it, and I am afraid you might be badly left with a heavy expenditure on machinery and buildings and an unprofitable industry.

"Looking at the imports into India which were set out in a recent note by the Director of Industries, there are certain classes of articles regarding which it looks as though something might be done in the way of starting fresh industries. Of glass, there are considerable imports, Rs. 17 lakhs per annum; of paper Rs. 22 lakhs; and of matches Rs. 12 lakhs. In all these cases we have to face the initial difficulties of putting down machinery, obtaining experts (without whom nothing can be done) and putting up buildings in which to put the machinery; and the chances of success that remain at the end are very problematical. I suppose that the gentleman who brought this resolution may say that this is the very reason why Government should intervene. I have already pointed out that under the orders of the Secretary of State, we are not allowed to intervene on anything like a commercial scale. If, therefore, anything has to be done it will have to be done, I am afraid, by some form of private enterprise and I think that now is the time when some bodies in Madras or in India, who are interested in the development of the country, may come forward and endeavour first of all to put up the money, without which nothing can go on. The South Indian Chamber of Commerce, which is of course keenly interested in the development of the country and which includes all the Indian commercial magnates in Madras, now have an opportunity which will enable them to come forward and formulate a scheme, raise capital and start a limited liability company. If they raise capital, I think it is quite possible for them, with the assistance of such experts as Government can offer to advise, to make a venture in this direction. I must confess that I am not myself very sanguine about it. It will be very difficult, up-hill work. But I think that is the direction in which action should be taken. People like the South Indian Chamber of Commerce should form, or the Indian Bank should finance, a company which may make an experiment in the most hopeful direction which can be found. As to which that direction is, I am not prepared to offer an opinion. I doubt very much whether Mr. Tressler, who is our Director of Industries, could do very much more than give vague advice, but he will be glad to give any advice he can give in the matter. As a matter of fact, Mr. Tressler is doing as much as he can in the direction of assisting the development of industries. In only this

(Mr. Cardew; Mr. Kesava Pillai.)

morning's paper a note is published which contains a statement by Mr. Tressler, dated 14th October, of what he is actually doing in the matter of glass, for instance. He says he has arranged for the glass works in Madras to be placed at his disposal. Glass works in Madras, speaking ignorantly, I think possess a fair chance, a sporting chance of success. I understand that all that they want is a fair trial. That is an opportunity for the Indian public to find some more capital to try and see whether glass works, in which there is certainly a large foreign trade, might be developed. Mr. Tressler is also in communication on the subject of other articles, such as pencils, matches, charcoal, paper and wool, the very enumeration of which—the fact that there are such a number of substances, to be taken up one after another—throws doubt on the possibility of the Director himself, unaided, being able to do anything unless he is substantially supported by the public.

“The Government themselves have taken action in various ways to endeavour to assist various industries which are affected by the war. One of these which is likely to suffer very much, as the Hon'ble Mr. Subbarayulu Reddier told the Council, is the ground-nut industry. In order to help that, the Madras Government telegraphed to the Secretary of State and asked his good offices in the matter of trying to find new markets for the ground-nut crop of Southern India. The Director of Industries also addressed the Board of Trade on the same subject, pointing out that large supplies of ground-nut are available. The Madras Government have also moved the Secretary of State on two other occasions asking his Lordship to do what he could to assist the coir and cocoanut industry which has been considerably affected by the war. In both directions some improvement has actually occurred. Inquiries regarding ground-nut are coming forward and I understand that the general prospects seem to be more or less improving. Whether or not there is any possibility of the whole crop being taken up when it comes into the market in December, it is impossible at present to say. But I understand that the ground-nut crop does possess some value at present. The state of the coir and cocoanut industry is better; there has been a distinct improvement, prices have rallied from the lowest level, and both America and England are taking supplies of cocoanut oil and copra. Another industry which is very much affected is the dyeing industry, and we reminded both the Secretary of State and the Government of India and asked the Secretary of State to endeavour to accelerate the supply of alizarine dyes and also to put us in communication with the manufacturers of aniline dyes, either in England or Switzerland or in any other friendly or neutral country where there is a sufficient supply of the dyes which are so much required for the weavers in this Presidency today. We also asked them to obtain certain consignments of dyes which are held up in German ships in the Suez canal. We have also communicated with the Secretary of State and invited His Lordship's attention to the possibility of improving the existing facilities for financing the crops which will go out from this Presidency in the course of the next two months, including ground-nuts, coffee and other products of this Presidency. But difficulties exist, I understand, as for example in the fact that the exchange banks are unable on account of the war to accept bills unless drawn on London banks.

“The Madras Government have thus done what little they could to assist the industries in this Presidency and would be glad to do more if it were possible. I do not think myself that the particular proposal brought forward in the resolution is one which can be accepted and as I have already dealt with it at great length I will not detain the Council longer on this point. I fear that my statement will be found rather depressing but the Madras Government are extremely anxious to assist in this matter and if any fair means or opportunity of further assistance to industries occurs we shall be very glad to take advantage of it. The difficulties of the situation are, however, very great indeed and I am not sanguine that it will be possible to do very much.”

The Hon'ble Rao Bahadur P. KESAVA PILLAI :—“The Hon'ble Mr. Cardew says that this Government may be able to make an advance in the improvement of industries in this country if there is to be a change of policy at Home. Once before when a resolution was brought before this Council by the Hon'ble Mr. Seshagiri Ayyar the Government were in entire sympathy with the resolution and the Government of India also approved and submitted the recommendations of the Madras Government to the Secretary of State. Lord Morley vetoed those recommendations.

(Mr. Kesava Pillai; Mr. Ramachandra Rao.)

I believe there was a little modification of the policy of Lord Morley after the Right Hon'ble Lord Crewe took charge of office. Agriculturists are now in anxiety about the ground-nut produce. They have sown a lot of ground-nut and there is no marketable value now for it and merchants do not ask for it. Most people are in great difficulties to pay their assessments and, if there is some industry opened in this country betimes, there may be some demand for ground-nut and they may be able to pay the assessment. Even cotton has gone down and the only advantage to ordinary people under the present circumstances is likely to be that food grains may become cheap. But that would not help agriculturists. Lord Morley says that State funds can be utilized for familiarizing people with such improvements in the methods of production as modern science and the practice of European countries might suggest. I think in that way improvement of the situation may be expected, at any rate in the ground-nut industry so as to make the best use of ground-nut as a marketable commodity. If what Lord Morley has laid down be done by Government, I think the ryots will be benefited. They are in great difficulties. If European experts are brought in to make the people familiar with the way of manufacturing ground-nut oil in the European way and also soaps and candles, ground-nut produce will be profitable to the people. In that way at least the Government can do some service at this time. I do not know when the war may be over. It may take one or two years. The condition of the people who are depending upon ground-nut to pay their assessment had better be imagined when there is no value for ground-nut. If Government undertake to familiarize people with some sort of industry in which that can be utilized, they will be but doing their duty by the agricultural population.”

The Hon'ble Rao Bahadur M. RAMACHANDRA RAO :—“The Hon'ble Mr. Cardew's reply to this resolution would seem to indicate that it is the desire of my Honourable friend who moved the resolution that he expected the Government at once to undertake and immediately place all industrial development under Government control. I do not understand the resolution in that light. All that has been aimed at is to indicate to the Government our earnest desire for some step in advance in regard to the industrial condition in this Presidency. My Lord, I think there has been considerable misapprehension with reference to the intentions of Government in regard to the progress of industries in this Presidency. The Hon'ble Mr. Cardew is peculiarly fitted to deal with this question and I regret that in the elaborate answer which he has attempted in regard to this resolution there are no indications of any intended advance in industrial development in this Presidency. The last order to which attention has already been invited merely directs Mr. Tressler to offer advice to such persons as are interested or as have a desire to invest money in the solution of industrial problems. That is the only thing which I think has been done in consequence of the modified orders of the Secretary of State. I believe, my Lord, that, if that is so, far too narrow a construction has been placed upon the Secretary of State's Despatch. Under paragraph 4 of the latest despatch of the Secretary of State it is quite clear that your Excellency's Government may devote public funds for elucidating the data of production and that workshops may be constructed where the application of new processes may be demonstrated. The despatch goes on to say that, ‘there is no objection to the purchase and maintenance of experimental plants for the purpose of demonstrating the advantages of improved machinery or new processes and for ascertaining the data of production.’

“My Lord, a great difficulty in starting a new industry in this Presidency has been that nobody is willing to embark his own money on an experiment. It is certainly unnatural under the present industrial conditions to expect that anybody could be found to embark on concerns in which success is problematical. I might perhaps draw the attention of the Honourable Members to one or two extracts from a recent article of Mr. Chatterton, who must be expected to know something of what he is talking about. He says: ‘At any rate in the present condition of the Presidency, it is certainly not at all possible to find persons to embark in these concerns where it is not at all clear that any industry would be successful.’ I would particularly invite attention to this paragraph in that article.

“Larger views must prevail and higher forms of employment must be found for the increasing numbers in India who are seeking to utilize in some profitable way the education they have received at the cost of the State. We must teach the people how to work up the

(Mr. Ramachandra Rao ; Mr. Cardew ; Sir Francis Spring.)

raw materials produced in the country for the local needs and since technical experience cannot be obtained abroad, technical experts should be imported from abroad and money found to enable them to start experimental industrial plants working on commercial lines. Each of these pioneer factories should be open to suitably qualified men from all parts of India and they should be put through such a course of instruction both in the factory and the office as will enable them to start similar factories.

"This, I would respectfully urge, is within the wording of the Secretary of State's despatch."

The Hon'ble Mr. A. G. CARDEW :—"What are you reading from?"

The Hon'ble Rao Bahadur M. RAMACHANDRA RAO :—"From an article by Mr. Chatterton. What he proposes is within the terms of the resolution. State factories may be started for demonstrating the possibility of starting specific industries and, as soon as success is established and the data of production are ascertained, the Government will withdraw from the concern altogether. That is the spirit of the resolution and I regret to see that, so far as the Hon'ble Mr. Cardew's statement goes, there is no indication of doing anything for the development of industries except offering advice to persons who may be inclined to invest their money in those concerns. That is an unsatisfactory feature of the reply and I would earnestly request your Lordship's Government to do something more in the line indicated in the Secretary of State's despatch, in regard to ascertaining which industries will best pay in this Presidency, and to finding out reliable data of production by the construction of State factories and undertaking new processes with a view to demonstrate their commercial success. That is the spirit of the resolution."

"As regards the desire for industrial development, it is not only here in this Council that this has been expressed, but your Lordship will have noticed that the industrial question throughout India is receiving considerable attention. The Director of Commercial Intelligence paid a visit to Bombay last month and discussed the situation with the leading men and, as a result of the various representations made that certain specified industries should be encouraged by State aid, he has promised the Chairman of the Indian Chamber of Commerce that their views would receive the consideration of the Imperial Government. In the same way in the United Provinces similar efforts are being made and similar representations have been made to Government. It would appear that the possibility of manufacturing sugar and of various other industries is being investigated in that province. In the Punjab also similar representations have been made to Government; and in Bengal a special officer has been appointed for the purpose of inquiring into the possibility of starting new industries more or less on the lines discussed in this Council. I think the whole question of the industrial policy since the outbreak of war is receiving very great attention not only here, but throughout the world. I trust that instead of merely promising advice to the people who would sink money in experiments, your Lordship's Government should endeavour to establish the possibility of commercial success in such of those industries as can possibly be taken in hand. That should be the attitude of Government in reference to this matter. As regards the change of policy, the Hon'ble Mr. Cardew's statement that representations would be made, if there was a change of policy at home, is satisfactory. I trust that in other respects something will be done in the direction indicated by my Honourable friend."

The Hon'ble Sir FRANCIS J. E. SPRING :—"It may be useful if I mention that at the last meeting of the Council of the Indian Institute of Science we decided to take immediate steps for the appointment of a Director of the Institute in the place of the Director who has recently resigned; and we came to the conclusion that instead of having, as the late Director was, an expert in pure chemistry, the new Director should be an expert in applied chemistry, an expert in fact in precisely such things as those dealt with in clauses (b) and (c) of Resolution No. XI? Our intention as a council, if we get the necessary money, which we hope to do, and if we can get the right kind of Director, is that he should always have under him two to four men, not professors but expert workers, over and above the existing professors, in his own department, on an engagement, as a rule, of three, four or five years. These men will be experts in their own several branches of industry. Possibly a man of that kind might be engaged on a salary of Rs. 700 or Rs. 800 a month for four or five years. In one year he might for example deal with nothing but the utilization of vegetable oils; in another year it might be wood

(Sir Francis Spring ; Mr. Chidambaranatha Mudaliyar ; Mr. K. R. V. Krishna Rao.)

distillation and the manufacture of the various products derivable from the distillation of wood; in another year it might be sugar. I hope that the new Director will have under his orders two to four of these kind of men, the best experts available. It seems to me that something will result in that way. It will not come immediately. As for making an immediate beginning and ascertaining what can be done to save the unhappy ryots of the South Arcot and other oil districts from the poverty which will undoubtedly arise as a result of the war, I do not see what it is possible to do. I have been talking with officials like the Hon'ble Mr. Buckley. It seems to me that anything that one can think of really takes too long a time to get into effective action, and it would mean a crore of rupees or so to get out oil-crushing machinery. Then when you crush ground-nut you have to make a place where you can keep the oil. For this, the only thing that suggests itself to me is underground cement tanks. But nothing can be done this season. I suppose the Honourable mover would be satisfied if Resolution No. XII were passed: 'that the Bureau of Industrial Information which has been sanctioned in connection with the Department of Industries be ordered to be organized at once on the lines of the Board of Trade in other countries, to obtain samples of finished articles manufactured from all kinds of raw materials exported from India and to issue bulletins explaining the process of their manufacture and the markets for such manufactures.' It has occurred to me more than once that if Mr. Tressler had specimens of the products of the ground-nut we might get into touch with Mr. Olivarez, the American Consul, and in this way something might be done to remove the difficulty of finding a market. I do not think that much good will come from adopting the resolution."

The Hon'ble Mr. K. CHIDAMBARANATHA MUDALIYAR :—"From all that we have heard about this resolution, I believe that a fair case has been made out for an urgent representation being made to the Secretary of State. I do not believe that the Honourable Member who spoke on behalf of Government has given us even that assurance. There is particularly the ground-nut crop which, if it is not exported, is not only a serious source of menace to the agricultural people but will mean starvation to them. Unless they are able to dispose of the ground-nut they grow, they will not be able to buy their food. I believe a fair case is made out for making a representation to the Secretary of State. We should not wait until we see what the British Government does in Great Britain. Your Excellency, this is a subject which does not occur again and again. This is an acute form in which it never occurs except perhaps once. I believe it is a duty that the Government owe to the people of this country; they depend upon them to move urgently in the matter, obtain the necessary sanction, looking to the magnitude and unique nature of the difficulties that the people labour under, and see that redress is promptly rendered."

The Hon'ble Mr. K. R. V. KRISHNA RAO :—"My Lord, in the first part of the resolution I have made a request to make a representation to the Secretary of State to reconsider his orders that the Government ought not to enter into the starting of new industries. I only request the Government to make another representation to the Secretary of State, though the Hon'ble Mr. Cardew said it was not likely to be considered. It is true, my Lord, that the Secretary of State for India passed orders in 1910 not only abolishing the Department of Industries but also prohibiting this Government from starting any industry on a commercial scale. In 1911, as my Honourable friend Mr. Kesava Pillai has stated, a resolution was passed here for instituting an industrial survey in this Province and the attitude of the Government at that time was very favourable; they were not only prepared then to make representations to the Secretary of State in favour of their being enabled to start industries, but they did also, I believe, make a representation of that kind. In 1912 again, as the Hon'ble Mr. Cardew just now told us, the Secretary of State telegraphed his unwillingness to permit this Government to start industries on a commercial scale, but gave his consent to the purchase of machinery necessary for experimental and demonstrative purposes. The news that State-aid is now being given to the dyeing industries in England is, no doubt, from information received by a telegram, but I believe that that information is not incorrect. I am glad that the Hon'ble Mr. Cardew has promised in the course of his speech that, in case that information is true, this Government will not find it difficult to make a representation again to the Secretary

(Mr. K. R. V. Krishna Rao ; Mr. Cardew.)

of State. I understand it is so. It is said by the Hon'ble Mr. Cardew that this is not the proper time for starting new industries because there is not a sufficient amount of capital now, nor is it possible to have the necessary equipment of machinery, which cannot be supplied from foreign countries at once, and that it would take a long time for the construction of buildings necessary for these industries; and he has also incidentally remarked that panic has for some time existed among Marwaris and that they were withdrawing all their capital and trying to go away to their own country. It is true, my Lord, that it will take some time to have the necessary buildings constructed and also to get the machinery, but I do not think that it would take so very long as to make it impossible for this Government to start these industries. It is indispensable that some sort of pioneering work has to be done if industrial development is aimed at, whether now or hereafter, and I commend this opportunity to the Government for taking in hand the opening or starting of new industries. The Hon'ble Mr. Cardew said that I have indicated in my resolution that the oil industry should be started on a large scale. I do not mean thereby that the oil industry should be started on such a scale as to absorb all the oil-seed available in the Presidency. My object is that these industries should be started on a sufficiently large scale as to make it pay on a commercial scale. I do not think that there will be much difficulty in starting one on that scale and making it useful also for demonstrative purposes, for which also, I believe, the Secretary of State for India has given his sanction as has been quoted by my Honourable friend. All the difficulties that have been enumerated in the Government Order published and pointed out by Mr. Tressler have been enumerated with regard to the export of ground-nut and ground-nut oil including the difficulty of finding drums for the oil. These difficulties, I think, are not such as cannot be overcome. It is no doubt true that the Government have asked the Director of Industries to publish leaflets that could be circulated in England and abroad for finding markets for a large quantity of ground-nut available in the country. This will sufficiently help foreign merchants in purchasing ground-nuts, but not for any industry being started here. At present there are no doubt transport and exchange difficulties which the Government intend finding facilities to remove. But those facilities will only help exports being made from this country and they will not help any industries being started here. My object is not for facilities being found for our produce to be exported but for the utilization of that produce, to some extent at least, in industrial pursuits in this country. My Lord, large quantities of oil-seeds, fibre and coir are now held up owing to this war as security under produce loans and are deteriorating both in value and quality. There is an apprehension that sooner or later they will perish unless some sort of use is made of these products. In order that a beginning may be made to show people and demonstrate by practical object-lessons in industries as to what can be done with these particular products, I want Government to help in starting industries so that the people may learn how they would pay if started on a sufficiently large scale. Unless these industries are started on a sufficiently large scale on a commercial basis, they will not pay. And unless it is demonstrated to the people that they are paying concerns, there is no prospect of private people taking them up. So it is necessary for the Government to start them not merely for demonstrative purposes, but on a scale sufficiently large so that people may take to them and private concerns may spring up in these particular directions hereafter. That is my chief object in putting forward this resolution and asking your Excellency's Government to view this favourably and accept it as far as possible."

The Hon'ble Mr. A. G. CARDEW :—" I do not think I have much to add to what I have already said on this subject. The Government have already placed the Director of Industries in funds in regard to the experiments which he has recommended. As I have already stated, if it is established that the attitude of the Home Government on the subject of State assistance of industries is altered, the Government here will certainly take steps to get the Secretary of State to let us undertake action in this country similar to that which the Home Government is undertaking in England. That is the undertaking that the Hon'ble Mr. Chidambaranatha Mudaliyar particularly wanted. But I may point out that even if we had the power, we should find it difficult to know in what direction to move; because, as I have said, the existence of the present state of things, due to the war, renders it more difficult than usual to

(Mr. Cardew ; Mr. Narasimha Ayyar ; the President ; Mr. K. R. V. Krishna Rao.)

undertake any really useful industrial experiment. We are dealing with a state of affairs which is temporary and may disappear in three months, six months or eighteen months—it is impossible to say how long. When that state of affairs disappears all the conditions with which we start will be altered, and we shall have no use for the machinery and buildings brought in to tide over a temporary crisis.

" As regards ground-nuts, I have not had any practical suggestions which would enable us to obtain the help which my friend the Hon'ble Mr. Kesava Pillai wants, except that we have actually communicated with the consular agents in other countries in order that Canada and the United States may do something to find a market for the ground-nuts. We may be able to do something more, but to start an industry that would enable us to utilize the ground-nut crop that will be coming in from the fields in the course of two or three months from now seems to me evidently impossible. No industry can be started in two or three months to deal with these crops.

" The Director of Industries has sent up certain proposals regarding the pressing of oils. These proposals will be carefully considered; and if we find that there is a fair chance of doing something to introduce fresh presses, which may assist the production of oil in the country, the Government will take action. On the whole, I do not think that it is possible for the Government at this stage to accept the resolution. We can only say that we shall endeavour to watch the position as closely as possible; and if any opening occurs to enable us to take modified action, the Council may be sure that immediate advantage will be taken of the opening."

The Hon'ble Mr. B. V. NARASIMHA AYYAR :—" We have been discussing Resolution No. XI. Is Resolution No. XII also included ?"

His Excellency the PRESIDENT :—" Yes."

The Hon'ble Mr. B. V. NARASIMHA AYYAR :—" Would the Hon'ble Mr. Cardew say something under Resolution No. XII ?"

His Excellency the PRESIDENT :—" With a little bit of alteration we can accept Resolution No. XII."

The Hon'ble Mr. A. G. CARDEW :—" I do not understand what is meant by the words "on the lines of the Board of Trade in other countries." The creation of a Bureau of Information is part of the scheme of the Department of Industries and we shall follow the lines of the Board of Trade in London so far as that is concerned with industrial information. We have no objection to Resolution No. XII in principle, but the only question is, whether it is so worded as to make its meaning clear. I understood that the Honourable the Zamindar of Polavaram was going to treat XI and XII together and his speech covered both."

The Hon'ble Mr. K. R. V. KRISHNA RAO :—" I want to move Resolution No. XII as well. In view of the general sympathy of the Government towards the industrial development of the country and their promise to do everything possible in that direction, I shall with your Lordship's permission withdraw Resolution No. XI."

His Excellency the PRESIDENT :—" Does that apply to Resolution No. XII ?"

The Hon'ble Mr. K. R. V. KRISHNA RAO :—" No."

The Hon'ble Mr. A. G. CARDEW :—" If Government are ready to accept Resolution No. XII with some verbal modification, will the Honourable Member be satisfied ?"

The Hon'ble Mr. K. R. V. KRISHNA RAO :—" Yes."

The Hon'ble Mr. A. G. CARDEW :—" We can only accept the general idea underlying Resolution No. XII."

His Excellency the PRESIDENT :—" If I may offer a word of advice, which is purely personal, to the Honourable gentlemen who put down these resolutions, I should be inclined to suggest that in regard to all these four resolutions the Council might well be satisfied with the discussion that we have had, because they all relate to the work of the Department of Industries. One says that a committee should be appointed; another says that steps should be taken to protect the ground-nut and leather trades during the continuance of the war, and there are two resolutions by the Hon'ble

(The President.)

Mr. Krishna Rao on the same subject. The question is large, as you are aware. The Hon'ble Mr. Krishna Rao has dealt with a resolution which relates to a wide subject, on the position of the Department of Industries and the correspondence which has taken place with the Secretary of State. I do not believe that there is any essential difference upon this whole question; I really do not believe that there is any essential difference; but we are influenced by the peculiar circumstances of the war; and there is some confusion, I think, between steps which are tempting, if not practicable, during the abnormal conditions of war, and on the other hand the normal development of the Department of Industries, which we all wish to see.

"If I may emphasize, in a sentence, what the Hon'ble Mr. Cardew has already said, I would say this; namely, that if members of the Council are seeking a special remedy for any special emergency or any special distress which arises in any particular industry in the Presidency during the war, you may be quite sure that the Government are closely watching the development of events. We are bound—it is our duty—and we should be failing in the discharge of our duty if we did not—we are bound to keep a very close watch upon the conditions of the various trades in the Presidency, and to propose to the Secretary of State, or the Viceroy, or whatever authority it may be, any special steps that we think may be necessary to meet these special emergencies. I think that the Council may be perfectly satisfied in regard to that. For instance, no special proposals or recommendations have been made today in regard to any special trade, but suggestions have been thrown out and those suggestions will be noted and have been noted, and the Council may be sure that they will be carefully considered and deliberated upon if necessity arises. That deals with the special emergency.

"The next idea which I think I have detected in the speeches of the Honourable Members is that it may be possible to utilize the war for the capture of the enemy's trade and that, during the disturbed conditions of the trade of the world, it may be possible to reap some advantage, some immediate advantage, for Indian trade, Indian enterprise and Indian undertakings. If we are to take immediate advantage, I suggest that this must lie rather with private traders who have staff, machinery, trade connections, experience and capital which they can invest or risk in such speculative enterprises. At the moment, it is impossible for this Government to rush in and take part in or endeavour to capture a particular trade of the enemy. It is quite true, and history shows it us, that great war generally has for its results some very large trade diversions or dislocations. The American war of 1861 had that effect in its destruction of the American shipping trade and the consequent advantage to British shipping and so forth. There are numerous instances. If we are talking of immediate changes, those are large economic changes which, I suggest, are rather unconscious than conscious, so far as regards the whole bulk of trade. Each shipper or merchant or trader seeks his particular opportunity and benefits by it. We may trust that some Indian capitalist may come forward and benefit in this way.

"Well, then, there is a third idea which is evident in the speeches and that is the idea which has played round the development of the Department of Industries. But this, I would suggest, concerns the permanent welfare and development of Indian trade, Indian manufacture, and Indian commerce. So far as the work of the Department of Industries is concerned, it may be the case that time will show that its present powers are not large enough. In the meantime its present powers have not by any means been exhausted. We have not got to the full length of exercising the powers which we already have. Therefore, within the present powers of the Department of Industries, I suggest that there is still a large field which we shall have to explore before we have a strong case for going further. It is quite true that these powers are not so wide as they were, but still, taking them as they are at the present moment, we have not by any means exhausted them. It is no doubt possible that, as soon as we have exhausted them, whenever that time comes, it may be quite advisable or practicable or desirable to move the Secretary of State and the other authorities to extend those powers. I do not predict it. At any rate there is a good deal we can do in accordance with the views of the Honourable gentlemen who have spoken today to carry out their suggestions, which we can do within the lines of our present powers, but Government funds are scanty and our undertakings in every direction must be more or less crippled by the circumstances of the war. What I do

(The President; Mr. K. R. V. Krishna Rao.)

suggest is this; if we are looking to the permanent welfare of Indian trade, let us remember that the circumstances now of industrial enterprises are not only abnormal but present abnormal difficulties, and I do not think that it would be at all in the permanent interests of Indian trade—I am distinguishing this entirely from the special emergencies of ground-nut—to encourage people to put their money into enterprises in circumstances of abnormal difficulty. It might simply lead to disappointment and what would otherwise be a healthy and successful enterprise might fail. For 10, 20, or 30 years, or a generation, you may have to face the disappointments and discouragement which would be incurred by risking money under these very difficult and abnormal conditions.

"But after all, I am only singling out what I have noticed in the speeches of the Honourable members and emphasizing what has already been said by the Hon'ble Mr. Cardew. I do not think that there is really any serious difference among us on the whole subject. Any differences which have appeared, I think, have been due to a confusion of thought between these different purposes which we have in view, especially the idea of emergency, the idea of capturing hostile trade, and the idea of the permanent welfare of Indian industries. I cannot help thinking that having had this discussion we should not carry it any further, or pass any definite resolution today. I really do not think we should. Government cannot accept some of the resolutions and I think the Hon'ble Mr. Cardew has already said that. I should personally prefer that there should be no difference on the subject and that it should go out to the public that the Council, as a whole, is vigilantly watching the situation and that the Government mean to take advantage of it in every way that is open to them.

"The Honourable gentleman does not press Resolution No. XI?"

The Hon'ble Mr. K. R. V. KRISHNA RAO :—"No."

With the permission of His Excellency the President, the resolution was withdrawn.

W. FRANCIS,
Ag. Secretary to Government, Legislative Dept.

Extract from the Proceedings of an adjourned Meeting of the Council of the Governor of Fort St. George assembled for the purpose of making Laws and Regulations under the provisions of the Acts of Parliament, 24 & 25 Vict., C. 67, 55 & 56 Vict., C. 14, and 9 Edw. 7, C. 4.

The Council re-assembled at the Council Chamber, Fort St. George, at 11 A.M. on Tuesday, the 24th day of November 1914.

ORGANIZATION OF A BUREAU OF INDUSTRIAL INFORMATION.

The Hon'ble Rao Bahadur M. RAMACHANDRA RAO :—“ Has Resolution No. XII been accepted ? ”

His Excellency the PRESIDENT :—“ The principle has been accepted.”

The following is Resolution No. XII :—

"This Council recommends that His Excellency the Governor in Council may be pleased to direct that the Bureau of Industrial Information which has been sanctioned in connection with the Department of Industries be ordered to be organized at once on the lines of the Boards of Trade in other countries, to obtain samples of finished articles manufactured from all kinds of raw materials exported from India and to issue bulletins explaining the process of their manufacture and the markets for such manufactures."

W. FRANCIS,
Ag. Secretary to Government, Legislative Dept.

READ AGAIN G.O. No., dated 191

” ” ” ” ” ” 191 .

READ ALSO:—

C. No. 3375, From the Legislative Dept., No., dated 191

395-7 Legislative. Proceedings of the Leg. Council. 191

” ” ” ” ” ” ” ” 191

ORDER.

Mis

No. 84201, dated 5-1-1915

A copy of the resolution relating to the organization of a bureau of industrial information, proposed to be moved by the Hon'ble Mr. K. R. V. Krishna Rao at the meeting of the Legislative Council held on the 24th November 1914 & of the Council proceedings ~~connected~~ connected with it is communicated to the Director of Industries with the request that he will address the Govt.

~~in due course if any~~
~~further action is considered~~
~~necessary with reference~~
~~to the recommendation~~
~~contained in the resolution~~
8K
21.12.14. for information.

22/12/14

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The S. J.
with copy
of res. &
Committee proceedings.

kept below.

8/2/23
WP
5/1/15

PB
5/1/15

When given for copying _____
When copied _____
When examined _____
When signed _____

} 191

READ AGAIN G.O., No. _____, DATED
191 _____

CURRENT No. _____

ENCLOSURES TO C. No. _____

ORDER OF GOVERNMENT.

A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DETTO.

PAPERS NOT FILLED UP, BEING MEANT FOR DESPATCH
IN ORIGINAL.

V.S.—

- A = Copy in full
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