

McA-7749

Govt. of 1882 Madras.
JUDICIAL.

No 3025 W of M. K. R. P.

Communicated
to the Supt. Engineer
in Circle.

13.11.82

Issued *S/C*
Recd. *g/p* Encl.

G.O., 4th November 1882, No. 1774.

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NOVEMBER.

3 copies

One copy to S. E. Circle

Jails.

Recording, with remarks, letter from the Inspector-General of Jails stating that he will confer with the Superintendent, Central Jail, Cannanore, on his visit to that jail regarding the necessity for extending the workshed accommodation.

S. E. Circle
Recd 15-11-82

No 3025 W of M. K. R. P.

With or dy. Encl. in Receipt Book

Recd 15-11-82
to Mr. S. P. R. P.
With order
Encl. in Receipt Book

No. 404-14 M.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

CIVIL WORKS

Miscellaneous

Simla, October 18, 1882.

Copy of the following forwarded to the Local Governments, Administrations, and officers marginally noted for information and guidance, with special reference to paragraph 15.

The Governments of Madras, Bombay, Bengal, North-Western Provinces and Oudh, and the Punjab in the Public Works Department.
The Chief Commissioners, Central Provinces, British Burma, Assam, and Coorg.
The Resident at Hyderabad.
The Inspector General of Military Works.

By order,

G. F. L. MARSHALL, Major, R.E.,

Under Secretary.

Nos. $\frac{20}{1106-19}$, dated 22nd September 1882

RESOLUTION—By the Government of India, Home Department.

Read again—

Home Department Circular letter to Local Governments and Administrations,
Nos. $\frac{16}{1070-79}$, dated 19th August 1881, on the subject of manufactures as carried
on in the jails of British India.

Read also the replies to the above Circular letter—

From Government of Madras, No. 2398, dated 21st November 1881.
From Government of Bombay, No. 6466, dated 30th September 1881.
To Government of Bombay, No. 1359, dated 14th October 1881.
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From Chief Commissioner of Coorg, No. 947-59, dated 20th September 1881.
From Chief Commissioner of Assam, No. 1412, dated 15th October 1881.
From Resident at Hyderabad, No. 382, dated 5th October 1881.

RESOLUTION.

The Governor General in Council has had under consideration the principles which ought to regulate the action of Government in this country in the matter of jail manufactures, and has in the course of the enquiry had occasion to examine the systems at present followed in the different provinces

Sept 15-11-82 to their representative.
 10/18/11 With order
 Encl. in Receipt Book

of British India, and the discussions which have at various times taken place in connection with this subject. It is not, however, necessary for present purposes to go further back than to the proceedings of the Prison Conference of 1877.

2. The Conference having accepted the principle that long term prisoners should be located in central jails, went on to decide that such central jails should be the seats of profitable industries. The nature of these industries was discussed in a paper submitted to the Conference by the Inspector General of Jails in Bengal, in which it was urged that, in the interests of the 'Indian tax-payer,' prisons should be made, as far as possible, self-supporting; and it was argued that 'the Prison Department had an equal right with any private individual to manufacture articles for sale in the open market,' and 'to employ State capital and convict labour in free competition with private capital and free labour.' 'Even' (it was said) 'should the case be otherwise, there can be no possible objection to the manufacture of articles required for use by the great departments of the State.' 'There is thus,' the writer of the paper contended, 'this alternative open to the Government, either to allow the jails to compete with free labour, or to employ them in the manufacture of articles required for consumption by the State.' The Conference was invited to affirm this principle, with the further proposition that 'the employment of machinery in prisons promotes rather than interferes with jail discipline, at the same time that it enormously increases the profits from manufactures.' The discussion which followed turned principally upon the question of the employment of machinery in jail industries, and eventually the conclusion came to on this point was that 'steam or other machinery might be unobjectionably introduced into jails for the purpose of carrying on manufactures for Government.' The general feeling of the members, and ultimately their formal deliverance on the general question, was to the effect that if the labour of prisoners were devoted chiefly to the production of articles required by Government, no serious question need arise as to the competition of jails with private trade. The other specific recommendations put forward by the Conference were—

- (1) that multifarious manufactures should be discouraged everywhere, and especially in district jails, and that Jail Superintendents should be taught to look for profit to one or two industries carried on on a large scale;
- (2) that district jails should be made branch manufactories subordinate to central jails, the Superintendents of the latter supplying the former with work, and undertaking to dispose of their manufactured products;
- (3) that in view of the large amount of jail buildings that had still to be undertaken, the Superintendents of central jails should train and organise bodies of masons and carpenters for employment where their services might be required.

3. The conclusions arrived at by the Conference were generally approved by the Government of India in their Resolution on its Report dated the 30th April 1878; and eventually the Military Department and Police Department were directed to give jail manufactures the preference over goods procurable in the local market, on condition only that the rates at which they were supplied were equal to, or not in excess of, those demanded by local contractors or traders for goods of the same quality.

4. Since these orders were issued, the attention of the Government of India has been more particularly drawn to the importance of removing all obstacles to the spontaneous development of manufacturing industries in India, and it has become necessary to reconsider the whole question of jail manufactures and the position which the State should take up with reference to these and to the local markets. It is now very clearly recognised that the greatest economic want of India is the creation of industrial pursuits. The Famine Commissioners at Part II, page 175 of their Report, write as follows :—

"At the root of much of the poverty of the people of India, and of the risks to which they are exposed in seasons of scarcity, lies the unfortunate circumstance that agriculture forms almost the sole occupation of the mass of the population; and no remedy for present

evils can be complete which does not include the introduction of a diversity of occupations, through which the surplus population may be drawn from agricultural pursuits, and led to find the means of subsistence in manufactures or some such employments."

In the soundness of these views the Governor General in Council has repeatedly of late expressed his concurrence, and the subject has been pressed upon the attention of all the Local Governments. The only possible remedies for the state of things that prevails throughout agricultural India are, in the first place, the improvement of communications to facilitate the movement of the surplus population, from overstocked tracts, and the more general distribution of surplus food; and in the second, the creation of new employments for the superabundant hands. The Governor General in Council does not suppose that the direct action of Government can do much towards the creation of industrial employments. But it is distinctly the duty of the State to do nothing to hinder their spontaneous growth, and, as far as it legitimately can, to stimulate and assist their development.

5. In this view the Governor General in Council finds reason to fear that there is much in the present system of jail manufactures to which objection may fairly be taken upon economic grounds. Not merely are the suggestions of the Prison Conference as regards avoiding multifarious employments generally disregarded, but there is strong evidence that in many places the products of jail labour do supplant and compete with private industry in the local markets to a very serious extent. This last fact is no doubt one the significance of which will be differently viewed by those who accept the arguments laid before the Prison Conference, and by those who object altogether to any appropriation by the State of profits which might otherwise fall to private trade. There can, however, be no doubt that the time has come when the Government must look into the question more closely, and endeavour to discover the true limits of State action in this matter of jail industries.

6. It may be desirable at the outset to notice very briefly one or two of the main arguments which have been advanced in support of the present system.

It is said that by selling articles of jail manufacture, the Government is, by so much, able to relieve the tax-payers of some portion of the expense which would otherwise be thrown on them in order to support the jails. The value of this contention is to some extent lessened by the necessity of receiving with some caution all departmental calculations of the profits derived from such manufactures. When Government becomes a manufacturer, there is no practical check on the profit and loss account, such as applies in the case of a private trader. The accounts are merged in the transactions of the province and the empire. The officer concerned in no way finds his own private income affected. It is sometimes doubtful whether in the compilation of the accounts of profit and loss all the items that a private trader would have to reckon in are considered, especially when these take the form of capital; and, as above remarked, there is no practical check which would serve to demonstrate their presence or absence.

7. This criticism, however, only affects the detail of the calculations. Another, and more important, rejoinder may be made to the argument now under discussion. It seems to the Governor General in Council that in that argument the fallacy is involved of only looking to the direct receipts paid into the Treasury, of separating the interests of the country from those of the Government, and of supposing that any measure which checks the productive employment of capital, and, therefore, the accumulation of wealth in the country, can possibly benefit the Government. If Government, by its own action, hinders the productive employment of capital, and, therefore, the accumulation of wealth, it must inevitably, by so much, render the tax-paying community less capable of bearing any burthens which may be imposed upon it. The receipts on account of taxation will, in some form or another, be less than they otherwise would be. This is quite certain, although it is, of course, impossible to represent, in arithmetical form, the precise

results which will accrue. All that can be said is that it is easier to under-estimate than to over-estimate the effect which Government action will produce.

8. This leads up to the consideration of another argument which has been advanced in defence of the existing system. It is alleged that the outturn of articles manufactured by the jails is so limited that, practically, free labour cannot suffer from the competition. This argument can only be accepted with great caution. It is to be remembered that, when once Government begins to compete with private trade, the effect produced is altogether disproportionate to the actual outturn of the Government manufactory. What private traders fear is not only what Government does, but what it might do. If a manufacturer of bricks, or blankets, or carpets, or whatever the article may be, suddenly finds that another manufacturer has started a similar business and has entered into competition with him, he knows, with tolerable certainty, what he has to fear. He knows that he and his competitor will compete on equal terms. He knows especially that if his competitor, in order to undersell him, lowers his prices to such an extent as to realise a loss, he must either raise his prices before long, or become bankrupt. But in competing with Government the conditions of things are wholly different. In this case the manufacturer finds himself in competition with an adversary, possessed of what, for the purposes of this argument, may be considered an unlimited amount of capital, and who can perfectly well carry on his business for years with a total disregard of the ordinary laws which in private life must govern commercial transactions. It is also to be borne in mind that whilst, in most cases, the private trader, against whom Government competes, only carries on his business at one spot, there are generally several jails in each province. The gain at one jail may, therefore, be made to compensate for the loss at another. For these reasons Government competition must be regarded from a wholly different point of view from the competition of an ordinary trade rival.

9. Perhaps it may be the case that in a country like England, which possesses very extensive manufacturing industries, jail competition cannot exercise any very appreciable effect, though even in England the sale of jail manufactures has admittedly excited a great deal of opposition. But it is impossible in this matter to apply to India without qualification the experience of the working of a similar system in England. The stages of industrial advance in the two countries are very different. Many Indian industries are only in their infancy. A degree of Government competition which in England may be comparatively harmless, might in India do a great deal of harm. It is not the duty of Government, either in India or elsewhere, to foster the artificial growth of indigenous industries by the adoption of methods,—such, for instance, as a high protective tariff,—which are opposed to sound economic doctrine. But it is the duty of Government in India, even more than elsewhere, to carefully remove all hindrances to the spontaneous development of those industries. The proposition that jail manufactures, as they are at present carried on in India, do not check the growth of native industries is a very doubtful one. Complaints on this score from private traders are by no means unfrequently heard.

10. There is one further general argument to which reference may be made. In some cases it is admitted in the reports now before Government that jail manufactures undersell private trades. Thus, in the Central Provinces the Inspector General of Jails says—

“Jail Superintendents have always great difficulty in disposing of their stocks of oil, and can often only do so by underselling local manufactures.”

In most cases it is alleged that prices are fixed at rates as high, or even somewhat higher, than those which prevail in the local market. So long, however, as there is no actual loss upon the raw material employed in the manufacture, there is nothing practically to prevent such a lowering of prices as would undersell local traders; and when stocks of unsold articles are heavy it is difficult probably to avoid such a result. It is admitted, indeed, that in fixing prices regard is not always had to economic considerations.

“The price of jail manufactures,” writes one Inspector General, “is regulated by their market value without reference to the cost of production.” “I have it in my power,” says another, “to order the acceptance of any rate which may be fixed upon, provided it covers the cost of raw materials.”

It is true that a distinction is said to be made between articles sold to the public and those sold to Government departments, the price in the former case being higher than in the latter; but it is doubtful whether this distinction is always preserved in practice. In many instances it is to be feared that the prices are fixed in a purely arbitrary fashion for both Government and the public.

Moreover, it is to be observed that whenever the outturn of the jail is considerable—as is not unfrequently the case—the argument that prices may be fixed according to local rates, and thus any interference with private trade may be avoided, must, of necessity, fall to the ground. In such cases the jail manufactures must to a great extent make the price. It is impossible to say what the local rates would be if no such manufactures existed.

11. Turning now to the consideration of the principles by which the decision of Government on the whole general question must be guided, the Governor General in Council will say at the outset that he entirely concurs in the view that jail labour ought as a rule to be productive.

There is a universal agreement of opinion amongst the highest authorities on the management of prisons in condemnation of the system of purely unproductive labour. The Governor General in Council fully accepts that principle. It is, however, necessary to define somewhat more precisely what is meant by unproductive and productive labour. By unproductive labour is meant purely penal labour which does no good to any one, such as the treadmill, carrying shot, piling up logs of timber and unpling them again, and the like.

By productive labour is meant the opposite of all this, that is to say, labour which, in some form or another, leads to an increase of wealth. It is to be observed that, for the purposes of this argument, there is a great distinction between making labour productive and making it as productive as possible. The former process is, and the latter is not, a necessary requirement of prison management. One or two illustrations will make this point clear. Sawing timber is a very proper occupation for prisoners. It is productive labour. When the timber is sawn it may be used for building or other purposes. But if it is desired to make the labour of sawing timber as productive as possible, a saw-mill might be more profitable than manual labour. In this case sawing by hand may be a requirement of prison management, but sawing by machinery is not necessary from the point of view of prison management, and is objectionable from the economic point of view, as it would compete to a greater extent than was necessary with the legitimate trade of persons who have invested their money in saw-mills. Again, at one Central Prison, a large number of prisoners are employed in driving two capstans connected with the machinery for making woollen twist. Whether woollen twist should be made at all in jails by machinery may be a doubtful question; but supposing this special industry to be sanctioned, the driving of capstans is a very proper way of employing prisoners. But if, in order to make the woollen manufactory of the Jail in question as productive as possible, steam machinery were substituted for the labour of these prisoners, the change would, in the opinion of the Governor General in Council, be very objectionable, as bringing Government capital into competition with private capital to a greater extent than is necessitated by the requirements of prison management.

12. Although, therefore, jail labour may be made productive, it should be carefully directed in such channels as to interfere as little as possible with the growth of private industries. The Governor General in Council cannot help fearing, on a perusal of the papers now before him, that the minor interest involved in making the jail manufactories as profitable as possible has but too often been allowed to override the major interest involved in avoiding, so far as the necessities of prison management admit, every hindrance to the spontaneous development of native industries. It is, as already remarked, the plain duty of the Government to abstain most carefully from

any action which shall hinder the spontaneous growth of such industries, and this consideration appears to be so important as to throw into insignificance any consideration based on the direct profits which, it is alleged, are derived from jail manufactures. The amount of those profits, for all India, appears only to amount to about £100,000 a year.

13. The cardinal principle, therefore, which the Governor General in Council would lay down is that, although the requirements of prison management necessitate the employment of prisoners on productive labour, yet at the same time that labour need *not* be made as productive as possible, and every endeavour should be made to turn it into channels which may, as little as possible, hinder the spontaneous growth of native industries.

14. Turning now to the practical application of this principle, the first point to which it seems desirable to direct attention is the question of extra-mural labour. "The best system ever devised," says the Surveyor General of Prisons in England, "for the employment of convicts is that of executing large public works by means of their labour." There can, the Governor General in Council thinks, be no question as to the correctness of this view. The Government of India has repeatedly insisted upon it. The subject was prominently noticed in chapter VII of the Prison Conference Report. But the papers on record in the Home Department seem to show that sufficient attention has hardly as yet been paid to the matter by Local Governments, although where the system of extra-mural labour has been tried, as in the case of the Sirhind and Soane Canal works, the results have been satisfactory. Without doubt, there are difficulties in the way of employing convicts extra-murally. In the first place, there is danger in employing the more desperate characters in the manner proposed. A large discretion must, of course, be left to the Jail Superintendents in selecting men for extra-mural employment. In the second place, strong police guards are required, which involve extra expense. In the third place, convict camps may have to be formed, as appears to have been done in the case of the Soane Canal works, or the suggestion of the Prison Conference of 1877 may have to be adopted (Report, page 109), to the effect that portable jails should be constructed. This would, of course, involve increased expenditure. There is, however, no reason for supposing that the extra expenditure either on police guards or on portable jails constitutes an insuperable difficulty. In the case of a public work executed by the State, it would be quite justifiable to charge any such extra expenditure to the work. The cost would in all probability be more than recouped by a saving in expenditure on free labour, and indeed the experience of the Punjab Government in connection with the Rupar public works jail proves that this form of employment is really very remunerative, while the convicts have enjoyed better health than in the ordinary jails of the province. As regards public works constructed through the agency of private enterprise, an endeavour might very well be made to contract for the employment of convict labour. In the case of a railway passing for a considerable distance through a thinly-populated district, any private Company would not improbably be very glad to employ convict labour. Of course the Company would have to bear any extra cost for guards or for portable jails, but they might, when it was of great importance to open out any particular tract of country, be given the labour either *gratis* or at very low rates.

15. The Governor General in Council requests that Local Governments will now consider, in communication with its Public Works Department, on what large public works, whether under State or private management, convict labour can be most suitably employed, and that plans for the establishment of convict camps on or near such works may be carefully worked out. Labour on public works should in future be looked upon as the principal mode of employing long term prisoners throughout British India.

16. It will, of course, be impossible to dispense altogether with in-door employments. For district jails and lock-ups, for all short term prisoners, and for the prisoners left in the central jails after the drafts to public works have been made, such industries must still be maintained. But the Governor General in Council is clear that the use of steam machinery in any jail is quite indefensible. Its introduction in future is absolutely prohibited. The jails in

which it has been already established are fortunately few in number, and are nearly all situated in Lower Bengal. The Government of India requests that any Local Government in whose jails steam machinery is employed for any purpose whatever will make arrangements for disposing of it to private purchasers at a fair valuation at a very early date. The preferable course would be that the purchaser should remove the machinery altogether from the jail premises and establish a private factory outside. But if there is any great difficulty in so arranging, the Governor General in Council would be prepared to consider whether it would be possible, with due regard to the requirements of jail discipline, to allow a private Company or individual to purchase the machinery only as it stands, and to arrange for the lease to such purchaser of the jail factory building, on condition of his agreeing to employ convict labour only in his operations and to pay for this at market rates. In such a case the jail authorities would simply contract to supply labour in certain quantities, but would be solely responsible for the strict maintenance of discipline, the lessee covenanting to refrain from interference with the arrangements of the jail officers in this respect.

17. As regards European machinery driven by treadmills, capstans, or other applications of convict labour, there is not the same radical objection to this as to steam machinery, provided that it is but sparingly used, and that only those prisoners are employed on the machines who are not fit for heavy manual labour. But it should not be introduced in any jail where it does not now exist, and the Governor General in Council would prefer that it should be got rid of, where it is devoted to any other purpose than the supply of actual jail requirements.

18. In the next place the Governor General in Council feels bound to insist upon the adoption of the recommendation made by the Conference of 1877, as to the discouragement of multifarious employments. From the reports received from Local Governments, it would seem that almost every conceivable trade and calling has been introduced into one or other of the jails in India. This should be remedied without delay. There should be a certain number of authorised industries, and no others should be allowed anywhere without the special sanction of the Government of India. In the selection of these industries careful attention should be paid to their penal character.

In the opinion of the Governor General in Council the weaving of coarse jute, cotton, or woollen fabrics by means of ordinary hand-looms, the making of coarse matting, brick and tile making, hand-sawing of timber, oil-pressing, stone-breaking, and soorkee-pounding, are the forms to which in-door prison labour should everywhere be limited. The weaving of fine cloths, and the making of such things as table-cloths, towels, curtains, and the like, should nowhere be permitted. Private enterprise can already supply such articles, and the occupation is in any case not sufficiently penal. Carpet and rug-making may be allowed where the trade is already a jail specialty, and until private enterprise shows itself ready to supply the demand. Tent cloth may be woven, but the work of fitting up the tents and making all such accessories as chicks, purdahs, poles, &c., should be left to outside labour. Spinning, twine-making, and making up clothing, &c., should only be allowed in female jails. All such occupations as boot and sandal making, blacksmith's work, carpentry, rattan work, furniture making, tailoring, making up horse clothing, book-binding, paper-making, pottery work, sugar-making, silversmith's work, and rope-making, must be discontinued. Jail Superintendents should be instructed by their Local Governments to set themselves without delay to remodel the in-door industries of their jails in order to bring them into harmony with these orders of the Government of India.

19. In some jails printing and lithographing have been introduced. The Governor General in Council is very doubtful whether these are at all proper occupations for prisoners. The work done must now however be confined to work for Government offices, and as far as possible to form-printing from stereotype blocks. Only hand-presses can under any circumstances be permitted. The work upon these may be made sufficiently penal, but composing of type cannot be considered such. Most of the Government work now done in the jails could be unobjectionably made over on contracts to outside presses, and the Local Governments should be prepared to close their jail presses whenever satisfactory arrangements of this kind are offered. The printing of current

correspondence and of confidential papers can be properly done only in Secretariat or other office presses.

20. There remain for consideration the general questions—to whom Government should dispose of its jail manufactures, and how it should fix the price of these when disposed of by sale.

The first object to which jail industries should be devoted is of course the supply of jail requirements. When these are satisfied, and not before, the question of sale to other departments and to the public will arise. The Governor General in Council has decided that no obligation ought to be imposed upon other Government departments to give a preference to jail manufactures over the goods of private dealers. The jails must be left to compete for custom upon equal terms with other suppliers. But there is no objection to their arranging to furnish Government departments with any articles, such as they will in future be permitted to manufacture. Sales to consumers among the outside public ought to be discouraged, the jails dealing as a rule only with traders wholesale or retail. In this way the interference with private enterprise will be reduced to a minimum.

The price of jail manufactures must always include—

- (a) the price of the raw material;
- (b) the wages of jail labour, rated according to the wages of free labour of the same class in the neighbourhood.

The practice of rating skilled as unskilled labour should, where it exists, be discontinued;

- (c) a percentage for wear and tear of plant.

As to this a discretion must be allowed with reference to the nature of the trade and the plant employed. The Local Government should fix it in each instance, after enquiry as to the practice of the particular trade and the circumstance of the case;

- (d) a percentage on account of profits.

In the case of articles supplied to Government or to wholesale dealers, this may ordinarily be fixed at 10 per cent. on the cost of the raw material and labour; for sales to retail dealers at 15 per cent. on that cost; and for sales to private consumers at 25 per cent.

If the prices thus found are below the ordinary rates at which the goods could be procured by the same class of purchasers in the open market, they must be raised to at least such market rates.

21. The Governor General in Council trusts that the reforms prescribed in this Resolution will be carried into effect by the 1st of April next, and he desires to have a report as soon as possible after that date from each Local Government showing precisely for each jail in the province on what occupations the prisoners are then employed. It may not be possible to effect satisfactory arrangements for the disposal of steam machinery by the date mentioned, but the Government of India will expect to hear of the conclusion of such arrangements by the 1st January 1884 at latest. Existing contracts for the supply of jail manufactures must of course be carried out, but no new contracts should be accepted save such as are in accordance with the principles laid down in this Resolution.

If the abolition of steam machinery is found to involve any serious loss of profit to the Local Governments, the Governor General in Council will be ready to consider the propriety of making some allowance on this account during the currency of the existing provincial contracts and until the deficiency can be made up in other ways.

ORDER.—Ordered, that this Resolution be forwarded to the Local Governments and Administrations noted on the margin for information and guidance; to the Military and Public Works Departments, and the Department of Finance and Commerce for information; and that it be published in the Supplement to the *Gazette of India*.

Madras.	Central Provinces.
Bombay.	British Burma.
Bengal.	Coorg.
N. W. P. and Oudh.	Assam.
Punjab.	Hyderabad.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
CIVIL WORKS.
Miscellaneous.

To

No. 404-14M.

Simla, October 18, 1882.

Received

Principles regulating jail manufactures and
employment of convict labour in India.

21ST OCTOBER 1882, No. 1643, JUDICIAL.

GOVERNMENT OF MADRAS.
JUDICIAL DEPARTMENT.

READ--the following paper:--

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From Resident at Hyderabad, No. 382, dated 5th October 1881.

Resolution--

The Governor-General in Council has had under consideration the principles which ought to regulate the action of Government in this country in the matter of Jail manufactures, and has in the course of the inquiry had occasion to examine the systems at present followed in the different provinces of British India, and the discussions which have at various times taken place in connection with this subject. It is not, however, necessary for present purposes to go further back than to the proceedings of the Prison Conference of 1877.

2. The Conference having accepted the principle that long-term prisoners should be located in Central Jails, went on to decide that such Central Jails should be the seats of profitable industries. The nature of these industries was discussed in a paper submitted to the Conference by the Inspector-General of Jails in Bengal, in which it was urged that, in the interests of the "Indian tax-payer," prisons should be made, as far as possible, self-supporting; and it was argued that "the Prison Department had an equal right with any private individual to manufacture articles for sale in the open market," and "to employ State capital and convict labor in free competition with private capital and free labor." "Even" (it was said) "should the case be otherwise, there can be no possible objection to the manufacture of articles required for use by the great departments of the State." "There is thus," the writer of the paper contended, "this alternative open to the Government, either to allow the jails to compete with

free labor, or to employ them in the manufacture of articles required for consumption by the State." The Conference was invited to affirm this principle, with the further proposition that "the employment of machinery in prisons promotes rather than interferes with Jail discipline, at the same time that it enormously increases the profits from manufactures." The discussion which followed turned principally upon the question of the employment of machinery in Jail industries, and eventually the conclusion came to on this point was that "steam or other machinery might be unobjectionably introduced into jails for the purpose of carrying on manufactures for Government." The general feeling of the members, and ultimately their formal deliverance on the general question, was to the effect that if the labor of prisoners were devoted chiefly to the production of articles required by Government, no serious question need arise as to the competition of jails with private trade. The other specific recommendations put forward by the Conference were—

- (1) that multifarious manufactures should be discouraged everywhere, and especially in District Jails, and that Jail Superintendents should be taught to look for profit to one or two industries carried on on a large scale;
- (2) that District Jails should be made branch manufactories subordinate to Central Jails, the Superintendents of the latter supplying the former with work, and undertaking to dispose of their manufactured products;
- (3) that in view of the large amount of Jail buildings that had still to be undertaken, the Superintendents of Central Jails should train and organise bodies of masons and carpenters for employment where their services might be required.

3. The conclusions arrived at by the Conference were generally approved by the Government of India in their Resolution on its Report, dated the 30th April 1878; and eventually the Military Department and Police Department were directed to give Jail manufactures the preference over goods procurable in the local market, on condition only that the rates at which they were supplied were equal to, or not in excess of, those demanded by local contractors or traders for goods of the same quality.

4. Since these orders were issued, the attention of the Government of India has been more particularly drawn to the importance of removing all obstacles to the spontaneous development of manufacturing industries in India, and it has become necessary to reconsider the whole question of Jail manufactures and the position which the State should take up with reference to these and to the local markets. It is now very clearly recognised that the greatest economic want of India is the creation of industrial pursuits. The Famine Commissioners at Part II, page 175 of their Report, write as follows:—

"At the root of much of the poverty of the people of India, and of the risks to which they are exposed in seasons of scarcity, lies the unfortunate circumstance that agriculture forms almost the sole occupation of the mass of the population; and no remedy for present evils can be complete which does not include the introduction of a diversity of occupations, through which the surplus population may be drawn from agricultural pursuits, and led to find the means of subsistence in manufactures or some such employments."

In the soundness of these views the Governor-General in Council has repeatedly of late expressed his concurrence, and the subject has been pressed upon the attention of all the Local Governments. The only possible remedies for the state of things that prevails throughout agricultural India are, in the first place, the improvement of communications to facilitate the movement of the surplus population from overstocked tracts, and the more general distribution of surplus food; and in the second, the creation of new employments for the superabundant hands. The Governor-General in Council does not suppose that the direct action of Government can do much towards the creation of industrial employments. But it is distinctly the duty of the State to do nothing to hinder their spontaneous growth, and, as far as it legitimately can, to stimulate and assist their development.

5. In this view the Governor-General in Council finds reason to fear that there is much in the present system of Jail manufactures to which objection may fairly be taken upon economic grounds. Not merely are the suggestions of the Prison Conference as regards avoiding multifarious employments generally disregarded, but there is strong

evidence that in many places the products of Jail labor do supplant and compete with private industry in the local markets to a very serious extent. This last fact is no doubt one the significance of which will be differently viewed by those who accept the arguments laid before the Prison Conference, and by those who object altogether to any appropriation by the State of profits which might otherwise fall to private trade. There can, however, be no doubt that the time has come when the Government must look into the question more closely, and endeavour to discover the true limits of State action in this matter of Jail industries.

6. It may be desirable at the outset to notice very briefly one or two of the main arguments which have been advanced in support of the present system.

It is said that by selling articles of Jail manufacture, the Government is, by so much, able to relieve the tax-payers of some portion of the expense which would otherwise be thrown on them in order to support the jails. The value of this contention is to some extent lessened by the necessity of receiving with some caution all departmental calculations of the profits derived from such manufactures. When Government becomes a manufacturer, there is no practical check on the profit and loss account, such as applies in the case of a private trader. The accounts are merged in the transactions of the province and the empire. The officer concerned in no way finds his own private income affected. It is sometimes doubtful whether in the compilation of the accounts of profit and loss all the items that a private trader would have to reckon in are considered, especially when these take the form of capital; and, as above remarked, there is no practical check which would serve to demonstrate their presence or absence.

7. This criticism, however, only affects the detail of the calculations. Another, and more important, rejoinder may be made to the argument now under discussion. It seems to the Governor-General in Council that in that argument the fallacy is involved of only looking to the direct receipts paid into the Treasury, of separating the interests of the country from those of the Government, and of supposing that any measure which checks the productive employment of capital, and, therefore, the accumulation of wealth in the country, can possibly benefit the Government. If Government, by its own action, hinders the productive employment of capital, and, therefore, the accumulation of wealth, it must inevitably, by so much, render the tax-paying community less capable of bearing any burthens which may be imposed upon it. The receipts on account of taxation will, in some form or another, be less than they otherwise would be. This is quite certain, although it is, of course, impossible to represent, in arithmetical form, the precise results which will accrue. All that can be said is that it is easier to under-estimate than to over-estimate the effect which Government action will produce.

8. This leads up to the consideration of another argument which has been advanced in defence of the existing system. It is alleged that the outturn of articles manufactured by the jails is so limited that, practically, free labor cannot suffer from the competition. This argument can only be accepted with great caution. It is to be remembered that, when once Government begins to compete with private trade, the effect produced is altogether disproportionate to the actual outturn of the Government manufactory. What private traders fear is not only what Government does, but what it might do. If a manufacturer of bricks, or blankets, or carpets, or whatever the article may be, suddenly finds that another manufacturer has started a similar business and has entered into competition with him, he knows, with tolerable certainty, what he has to fear. He knows that he and his competitor will compete on equal terms. He knows especially that if his competitor, in order to undersell him, lowers his prices to such an extent as to realise a loss, he must either raise his prices before long, or become bankrupt. But in competing with Government the conditions of things are wholly different. In this case the manufacturer finds himself in competition with an adversary, possessed of what, for the purposes of this argument, may be considered an unlimited amount of capital, and who can perfectly well carry on his business for years with a total disregard of the ordinary laws which in private life must govern commercial transactions. It is also to be borne in mind that whilst, in most cases, the private trader, against whom Government competes, only carries on his

are required, which involve extra expense. In the third place, convict camps may have to be formed, as appears to have been done in the case of the Soane Canal works, or the suggestion of the Prison Conference of 1877 may have to be adopted (Report, p. 109), to the effect that portable jails should be constructed. This would, of course, involve increased expenditure. There is, however, no reason for supposing that the extra expenditure either on police guards or on portable jails constitutes an insuperable difficulty. In the case of a public work executed by the State, it would be quite justifiable to charge any such extra expenditure to the work. The cost would in all probability be more than recouped by a saving in expenditure on free labor, and indeed the experience of the Punjab Government in connection with the Rupar Public Works Jail proves that this form of employment is really very remunerative, while the convicts have enjoyed better health than in the ordinary jails of the Province. As regards public works constructed through the agency of private enterprise, an endeavour might very well be made to contract for the employment of convict labor. In the case of a railway passing for a considerable distance through a thinly-populated district, any private Company would not improbably be very glad to employ convict labor. Of course the Company would have to bear any extra cost for guards or for portable jails, but they might, when it was of great importance to open out any particular tract of country, be given the labor either *gratis* or at very low rates.

15. The Governor-General in Council requests that Local Governments will now consider, in communication with its Public Works Department, on what large public works, whether under State or private management, convict labor can be most suitably employed, and that plans for the establishment of convict camps on or near such works may be carefully worked out. Labor on public works should in future be looked upon as the principal mode of employing long-term prisoners throughout British India.

16. It will, of course, be impossible to dispense altogether with in-door employments. For District Jails and lock-ups, for all short-term prisoners, and for the prisoners left in the Central Jails after the drafts to public works have been made, such industries must still be maintained. But the Governor-General in Council is clear that the use of steam machinery in any jail is quite indefensible. Its introduction in future is absolutely prohibited. The jails in which it has been already established are fortunately few in number, and are nearly all situated in Lower Bengal. The Government of India requests that any Local Government in whose jails steam machinery is employed for any purpose whatever will make arrangements for disposing of it to private purchasers at a fair valuation at a very early date. The preferable course would be that the purchaser should remove the machinery altogether from the Jail premises and establish a private factory outside. But if there is any great difficulty in so arranging, the Governor-General in Council would be prepared to consider whether it would be possible, with due regard to the requirements of Jail discipline, to allow a private Company or individual to purchase the machinery only as it stands, and to arrange for the lease to such purchaser of the Jail factory building, on condition of his agreeing to employ convict labor only in his operations and to pay for this at market rates. In such a case the Jail authorities would simply contract to supply labor in certain quantities, but would be solely responsible for the strict maintenance of discipline, the lessee covenanting to refrain from interference with the arrangements of the Jail officers in this respect.

17. As regards European machinery driven by treadmills, capstans, or other applications of convict labor, there is not the same radical objection to this as to steam machinery, provided that it is but sparingly used, and that only those prisoners are employed on the machines who are not fit for heavy manual labor. But it should not be introduced in any jail where it does not now exist, and the Governor-General in Council would prefer that it should be got rid of, where it is devoted to any other purpose than the supply of actual jail requirements.

18. In the next place the Governor-General in Council feels bound to insist upon the adoption of the recommendation made by the Conference of 1877, as to the discouragement of multifarious employments. From the reports received from Local Governments, it would seem that almost every conceivable trade and calling has been introduced into one or other of the jails in India. This should be remedied without

delay. There should be a certain number of authorized industries, and no others should be allowed anywhere without the special sanction of the Government of India. In the selection of these industries careful attention should be paid to their penal character.

In the opinion of the Governor-General in Council the weaving of coarse jute, cotton, or woollen fabrics by means of ordinary hand-looms, the making of coarse matting, brick and tile making, hand-sawing of timber, oil-pressing, stone-breaking, and soorkee-pounding, are the forms to which in-door prison labor should everywhere be limited. The weaving of fine cloths, and the making of such things as table-cloths, towels, curtains, and the like, should nowhere be permitted. Private enterprise can already supply such articles, and the occupation is in any case not sufficiently penal. Carpet and rug-making may be allowed where the trade is already a jail specialty, and until private enterprise shows itself ready to supply the demand. Tent cloth may be woven, but the work of fitting up the tents and making all such accessories as chicks, purdahs, poles, &c., should be left to outside labor. Spinning, twine-making, and making up clothing, &c., should only be allowed in female jails. All such occupations as boot and sandal-making, blacksmith's work, carpentry, rattan work, furniture-making, tailoring, making up horse clothing, book-binding, paper-making, pottery work, sugar-making, silversmith's work, and rope-making, must be discontinued. Jail Superintendents should be instructed by their Local Governments to set themselves without delay to remodel the in-door industries of their jails in order to bring them into harmony with these orders of the Government of India.

19. In some jails printing and lithographing have been introduced. The Governor-General in Council is very doubtful whether these are at all proper occupations for prisoners. The work done must now however be confined to work for Government offices, and as far as possible to form-printing from stereotype blocks. Only hand-presses can under any circumstances be permitted. The work upon these may be made sufficiently penal, but composing of type cannot be considered such. Most of the Government work now done in the jails could be unobjectionably made over on contracts to outside presses, and the Local Governments should be prepared to close their Jail presses whenever satisfactory arrangements of this kind are offered. The printing of current correspondence and of confidential papers can be properly done only in Secretariat or other office presses.

20. There remain for consideration the general questions—to whom Government should dispose of its Jail manufactures, and how it should fix the price of these when disposed of by sale.

The first object to which Jail industries should be devoted is of course the supply of Jail requirements. When these are satisfied, and not before, the question of sale to other departments and to the public will arise. The Governor-General in Council has decided that no obligation ought to be imposed upon other Government Departments to give a preference to Jail manufactures over the goods of private dealers. The jails must be left to compete for custom upon equal terms with other suppliers. But there is no objection to their arranging to furnish Government Departments with any articles, such as they will in future be permitted to manufacture. Sales to consumers among the outside public ought to be discouraged, the jails dealing as a rule only with traders wholesale or retail. In this way the interference with private enterprise will be reduced to a minimum.

The price of Jail manufactures must always include—

- (a) the price of the raw material;
- (b) the wages of jail labor, rated according to the wages of free labor of the same class in the neighbourhood.

The practice of rating skilled as unskilled labor should, where it exists, be discontinued;

- (c) a percentage for wear and tear of plant.

As to this a discretion must be allowed with reference to the nature of the trade and the plant employed. The Local Government should fix it in each instance, after inquiry as to the practice of the particular trade and the circumstance of the case;

- (d) a percentage on account of profits.

In the case of articles supplied to Government or to wholesale dealers, this may ordinarily be fixed at 10 per cent. on the cost of the raw material and labor; for sales to retail dealers at 15 per cent. on that cost; and for sales to private consumers at 25 per cent.

If the prices thus found are below the ordinary rates at which the goods could be procured by the same class of purchasers in the open market, they must be raised to at least such market rates.

21. The Governor-General in Council trusts that the reforms prescribed in this Resolution will be carried into effect by the 1st of April next, and he desires to have a report as soon as possible after that date from each Local Government showing precisely for each jail in the province on what occupations the prisoners are then employed. It may not be possible to effect satisfactory arrangements for the disposal of steam machinery by the date mentioned, but the Government of India will expect to hear of the conclusion of such arrangements by the 1st January 1884 at latest. Existing contracts for the supply of Jail manufactures must of course be carried out, but no new contracts should be accepted save such as are in accordance with the principles laid down in this Resolution.

If the abolition of steam machinery is found to involve any serious loss of profit to the Local Governments, the Governor-General in Council will be ready to consider the propriety of making some allowance on this account during the currency of the existing provincial contracts and until the deficiency can be made up in other ways.

Order—

Ordered that this Resolution be forwarded to the Local Governments and

Madras.
Bombay.
Bengal.
N. W. P. and Oudh.
Punjab.

Central Provinces.
British Burma.
Coorg.
Assam.
Hyderabad.

Administrations noted on the margin for information and guidance; to the Military and Public Works Departments, and the Department of Finance and Commerce for information; and that it be published in the Supplement to the *Gazette of India*.

(True Extract.)

(Signed) A. MACKENZIE,
Secy. to the Govt. of India.

To the Secretary to the Government of Madras,

ORDER—dated 21st October 1882, No. 1643, Judicial.

Communicated to the Inspector-General of Jails whose careful attention is invited to the several principles of reform prescribed in the foregoing Resolution over the present system of Jail manufactures. A report as soon as possible, after the date fixed in paragraph 21, will also be submitted by him containing the information therein required.

2. Paragraph 15 of the Resolution will be communicated to the Public Works Department for the favor of remarks in connection with the subject therein mooted.

(True Extract.)

C. G. MASTER,
Chief Secretary.

To the Inspector-General of Jails.
,, Public Works Department.

Exd. J. Wright.

Govt. of 1882 Madras.
JUDICIAL.

Issued

Recd.

Encl.

G.O., 21st October 1882, No. 1643.

OCTOBER.

Jail Manufactures.

Communicating, with instructions, Resolution of the Government of India laying down certain principles of reform in the present system of —, so as to allow more scope for the growth of native industries.

4TH NOVEMBER 1882, No. 1774, JUDICIAL.

GOVERNMENT OF MADRAS.

JUDICIAL DEPARTMENT.

READ—the following papers:—

G.O., dated 16th October 1882, No. 2692 W., Public Works.

Read—the following letter from Colonel T. E. TENNANT, Inspector-General of Jails, to the Chief Engineer and Secretary to Government, Public Works Department, dated Ootacamund, 4th October 1882, No. 272:—

The Superintendent of the Central Jail at Cannanore brings to notice the inadequate workshop accommodation in that prison. When at Cannanore last year I satisfied myself that additional workshops were required. I have now the honor to submit for sanction the accompanying plan and estimate, amounting to Rs. 1,950, for extending the workshops along the radial walls in No. 3, No. 6, and No. 7 compartments.

2. The work will be carried out by convict labor under the directions of the Jail Superintendent. Funds are available from the grant of Rs. 30,000 allotted in the budget for the new District Jail at Kurnool; of this amount Rs. 4,000 were transferred by G.O., No. 2454 W., dated 21st September 1882, for Police lines at Párvatipur. The balance, Rs. 26,000, cannot be spent during the current year on the Kurnool Jail.

Order—dated 16th October 1882, No. 2692 W., Public Works.

The estimate, amounting to Rs. 1,950, for enlarging the workshop accommodation at the Central Jail at Cannanore, is sanctioned for execution by the Jail Department, the necessary funds being transferred from the Budget grant for the Kurnool Jail, Item No. 2 of the Convict Labor Fund Budget for 1882-83.

2. This sanction has been registered as Provincial No. 135 W. of 1882-83, and classified as Civil Buildings, Original Works.

(True Extract.)

(Signed) ROSS THOMPSON, Lieut.-Col., R.E.,
Ag. Under Secy. to Govt., P.W.D.

To the Superintending Engineer, Third Circle.
Fourth Circle.

" Examiner of Public Works Accounts.
" Inspector-General of Jails, with two enclosures.
" Judicial Department.

No. 1208.

MEMORANDUM.

With reference to his letter of the 4th October, No. 272, to the address of the Secretary to Government in the Public Works Department, and the sanction conveyed in G.O., 16th idem, No. 2692 W., the Inspector-General of Jails is requested to state

whether any expenditure in the direction proposed will now be necessary that jail manufactures are to be reduced.

27th October 1882.

(Signed) C. G. MASTER,
Chief Secretary.

From Colonel T. E. TENNANT, Inspector-General of Jails, to the Chief Secretary to Government, dated Ootacamund, 30th October 1882, No. 303.

With reference to your Official Memorandum, No. 1208, dated 27th October 1882, I have the honor to state that I am about to proceed to Cannanore to confer with the Superintendent regarding jail manufactures, and will duly communicate with Government regarding the necessity for extending the workshed accommodation in the Cannanore Jail.

2. There will be difficulties in the way of employing convicts on extramural labor at Cannanore in the manner proposed by the Government of India in their Resolution, dated 22nd September 1882. In the first place, the jail population, being chiefly composed of transportation prisoners, who have been rejected as physically unfit for deportation to the Andamans, these men are for the most part unfit for severe extramural labor on Public Works gangs; in the second place, there will be considerable danger in employing the more desperate characters outside the jail; further, strong Police guards will be required, which will involve heavy extra expenses; and in the third place, I am not aware that there are any large Public Works on the Western Coast on which the convicts can be properly employed.

ORDER—dated 4th November 1882, No. 1774, Judicial.

Recorded.

2. It is presumed the execution of the work has been suspended, pending the Inspector-General's visit.

(True Extract.)

G. Master
Chief Secretary.

To the Inspector-General of Jails.
„ Public Works Department.

Exd. T. O'Connor.