CHAPTER VII

CONCLUSION

Historiography is synonymous to history, yet distinct in its own way as a discipline. It has emerged out of history as a pursuit of analysis and finally merges into history as praxis. However, this dialectics continues for understanding the past as coherent and meaningful exercise in historical epistemology. Contemporary scholars respond to immediate concerns in the light of prevailing institutions, ideas and structures. Professor Brij Narain, as an economist and publicist, actively responded to the politics in the fields of finance, commerce, economics, agriculture, taxation, industry and demography in the context of British imperialism. He was too close to the happenings, yet had a vision to situate these policies in the domain of emerging national aspirations and consciousness. The present attempt is to contextualise the contribution of Professor Brij Narain in economic history of the first half of the 20th Century Punjab in particular and India in general.

I

History is "an unending dialogue" between the present and the past, a dialogue between the events of the past and progressively emerging future ends. The historian's interpretation of the past, his selection of the significant and relevant, evolves with the progressive emergence of new goals. In fact, history can be written only by those who find and accept "a sense of direction" in history itself. History, therefore, acquires meaning and objectivity only when it establishes a coherent relation between past and future. History is the living past of man. It is the attempt made by man through centuries to reconstruct, describe and interpret his own past. History is collective memory, the store-house of experience through which people develop a sense of their social identity and their future prospects. History is a kind of research or inquiry. Since science is finding things out; and in that sense history is a science. History is the memory of past experience as it has been presented largely in written records. However, at practical level, history is the product of historians' work in reconstructing the flow of events from the original written traces or sources into narrative account.

Economics seeks to analyse and describe the production, distribution and consumption of wealth. Furthermore, it describes the consequences of choices made concerning scarce productive resources. Economics is the study of how individuals and societies choose to employ these resources; which goods and services will be produced; how they will be produced and how they will be distributed among the members of society. Economics lies on the edge of both science and history, since the economist is concerned with present and for the sake of the present with the past. History being a very comprehensive subject has many aspects such as political, constitutional, diplomatic, military, economic, social, intellectual, etc. Moreover, economic facts impinge upon the historian at every turn and every historian, no matter what his particular ideological standpoint maybe, is aware of their importance in the human story.

Economic history is a common domain of Economics and History. It is broadly concerned with the performance of economies in the past. The issues that are relevant to an economic historian range as widely as an interest in the growth, stagnation or decline of economies; the well-being of individual groups in the economy during the course of economic change; and the interrelationship between economic organization and performance. In fact, economic history represents a perennial conflict between city and country. As a result, economic history frequently spills over into the allied fields of social and political history. Economic history is inevitably a social science, applying the methods of Economics, Statistics, Sociology and Demography to the study of the past. It is also an essential component of the study of contemporary society, a bridge in both directions between the present and the past. Moreover, economic history itself cannot proceed without using the divergent techniques of both the economist and the historian. The central feature of economic history as an intellectual activity is its indissoluble blend of qualitative and quantitative elements. Economic history explains history by economic theory and economic theory by history. It underlines the interdependence between the two and also enriches them. The teaching of history suffers when too little attention is paid to its economic aspect and economic theory is dreary when it is divorced from its historical background.

II

Historiography means either the process of writing history or the study of that process. It is the history of history or the history of historical writings. In other words, it is 'the history of historical thought.' It is an independent branch of history in its own right. It has entered into field very late. Before the 19th Century, there was hardly an attempt to record the history of historical writing. Broadly speaking, it is scientific discipline that studies the science of history. E.H. Carr has rightly said that before you study the historian, study his historical and social environment. The historian, being an individual is also a product of history and of society. Historiography is and always has been critical. It does not take opinions of witnesses at their face value, but selects from them in order to distinguish the authentic from the inauthentic. The norms of historiography hold that there must be a *general principle* of selection. Different historians of different times have opted for different general principles of selection. It is commonly stated that historiography always deals with the past. It encompasses the study of ideas, which prompted a historian to adopt a particular line of thought. Historiography is not considered as an extra to the study of history but actually constituting it. Historiography has moved to center-stage as a core element in any historical education.

Nationalism is a product of a collective imagination constructed through rememoration. Nation has been considered as the rise of Capitalism. Nationalism seeks to exercise the same dominance by reserving to itself the criteria for nominating events and deeds historic. The master saga of nationalist struggles is built around the retelling of certain well-known and memorable events. Indian nationalist historiography growing partly in reaction to the pretentions and prejudices of British imperialist historiography on India, was at root concerned with national identity in the Pre-Colonial period. Nationalist historians and nationalist historiography are terms used in a comparative sense, in contrast to the colonial or imperialist attitude of foreign writers-particularly the British in the writing of Indian history. Contemporaries such as Dadabhai Naoroji and R.C. Dutt examined the British rule with economic perspectives.

Colonialism means the introduction of capitalist relations of production or capitalist structure into trade, industry, agriculture and banking, the introduction of state structure, legal and property relations, but not the development of capitalist production or of productive power. When George Balandier published his "The Colonial Situation", in 1951, colonial empires were at the heart of profound debates and struggles. In the 1950s and 1960s, it was an object of attack but not an object of careful examination. By the 1970s, Colonialism had been banished from the realm of legitimate forms of political organization. The burst of scholarship on colonial societies in the 1980s and 1990s, appears paradoxical. During the period of 1951-2001, there is rise, fall and rise of Colonial Studies. Colonialism, in the recent historical sense, designates the occupation and ruling of overseas territories, by European powers, aiming at economic, political and military benefits. It is the establishment, exploitation, maintenance, acquisition and expansion of colonies in one territory by people from another territory. It is set of unequal relationships, between the metropole and the colony and between the colonists and the indigenous population. Imperialism and Colonialism are virtually used interchangeably and refer to the phenomenon which appears when a state rules over distant areas inhabited by people ethnically and culturally alien and regard its own economic interests as paramount in regulating the economic life of such areas.

Imperialism can be defined as the domination and rule by a strong state over a subordinate state, territory and people that exist beyond the boundaries of the imperial metropole. In the ‘age of Modern Imperialism’ (1825-1914) disparity of power between Europeans and non-Europeans grew as a result of the Industrial Revolution which provided European empires with steamships and gunboats, repeating rifles and machines guns, railroads, new tropical medicines as well as attractive and seductive manufactured goods. Imperialism denotes a relationship: specifically, the relationship of a ruling or controlling power to those under its domination. In the age of Western Colonization, it meant not only ruling over other people but also sending one's own people to settle a foreign territory or colony. In fact, Imperialism became the highest form of Colonialism. Modern Colonialism did more than to extract tribute, goods and wealth from the countries that it conquered. In its broadest sense, Colonialism is 'a conglomerate of dominant-subservient relations'. It contains power relations whose roots are 'psychological as well as political'. Colonialism denied history to colonize. It deprived the subjects of their cultural rights and identity. While the Capitalist State is the instrument for enforcing the rule and domination of one class over another, the Colonial State is the organized power of the metropolitan ruling class for dominating the entire colonial society.

Economic nationalism is defined as an ideology that contrasts with economic liberalism in two major ways: (i) it rejects self-interest as the main guideline for organizing the social and economic; and (ii) it rejects the notion that market can maximize the welfare of collective. It relates to a set of national policies which regulate the relations between a country and the rest of the world. In the 17th and 18th Centuries, such policies were reflected under Mercantilism. When the system was dismantled in the early part of the 19th Century, the opposite of the trade was known as "protectionism". William E. Rappard argued that economic and political nationalism are closely related to one and the other. Economic policies are animated by the spirit of nationalism. Economic nationalism constitutes "all those national policies which tend to make the economic intercourse between residents of a country and people living beyond its boundaries more difficult than is economic intercourse among living within the country". It involves the notion of isolating, though not necessarily isolating, a country from the rest of the world. Economic nationalism as an ideology underscores three important components: its emphasis on the State as predominant actor, its bias towards industry over agriculture and its anti-trade bias. It advocates the policy of national self-sufficiency. During the phase 1880-1905 in India, economic nationalism as an ideology got crystallized on the problematic of poverty. The essence of British economic imperialism was situated in the subordination of Indian economy to the British interests.

III

Brij Narain was born in 1889, in a middle class family, in West Punjab. He was the son of a well-known Urdu poet and short story writer. He did his M.A. History from Punjab University, Lahore and M.A. Economics from Calcutta University in 1911. He was the student of Prof. Manohar Lal at the University of Calcutta, Calcutta. E.H. Carr has aptly remarked: "before you study history, study the historian; before you study the historian, study his social and intellectual environment. Each historian is product of his age". The purpose of historian is "to study, elucidate and demonstrate the historical past". He is bound to have had a purpose in mind when he enters his studies. Historians cannot exist in a vacuum. They live in the society of men and influence it whether they like it or not. In order to understand the history one must understand the historian and the age in which he lives, for herein lies the immediate objective of studying history. History is 'critical thinking of the past', in the 'totality of human experience'. History has become a meeting ground for various disciplines. As historians draw much from other social sciences such as Sociology, Economics and Political Science, the protagonists of these disciplines move to history for substantiating their formulations in the light of the past experience. Prof. Brij Narain was such an economist who had his roots in historical data, who could see the present in the light the past. Brij Narain was a brilliant teacher and a prolific writer. He taught Economics in S.D. College, Lahore, before Independence. His important works on Economics are:-

(i) Essays on Indian Economic Problems (1919);
(ii) Essays on Indian Economic Problems (1922);
(iii) The Population of India (1925);
(iv) Indian Economic Life : Past and Present (1929);
(v) India in Crisis (1934);
(vi) Tendencies in Recent Economic Thought (1935);
(vii) India before Crisis (1935);
(viii) Kirsana De Dukhre (1936);
(ix) Indian Socialism (1937);
(x) India Before and Since the Crisis, Vols. I & II (1939);
(xi) Marxism is Dead (1939);

(xii) Charkha Marxism, Indian Socialism (1941);
(xiii) Principles of Economics (1940);
(xiv) Indian Economic Problems: Pre-War, War and Post- War, Part I, II & III (1944);
(xv) Curve Fitting for the Students of Economics (1944);
(xvi) Money and Banking (1946); and
(xvii) Economic Structure of Free India (1946)

During the early 20th Century, Prof. Brij Narain, witnessed the entire development in the Punjab and minutely took notice of each move of the colonial officials. Prof. Brij Narain was of the opinion that the laws of Economics could be equally applicable to industrially advanced and economically backward countries. Many historians and even Economists are not familiar with the name of Prof. Brij Narain. It is noteworthy that Prof. Brij Narain was member of number of committees and boards. He also presided over many peasants and socialist workers' conferences. In the early 1930s, Socialist-minded leaders like Jayaprakash Narayan, Minoo Masani, Achuyt Patwardhan and Ashok Mehta lodged in Nasik Jail decided to form a Congress Socialist Party wedded to Marxism within the Indian National Congress. A group of the left wing Congressmen disillusioned with the policy of Congress met in July 1933 for organizing Socialists. On May 17, 1934, the Congress Socialist Party was established at Patna. In the Punjab, the leaders such as Professor Brij Narain, Jeevan Lal Kapur and Lala Feroz Chand formed the Punjab Socialist Party. He was a regular contributor to *The Tribune,* Lahore in the 1920s, 1930's and the 1940's taking cognizance of the colonial policies. Apart from economic problems, he contributed a lot on contemporary issues. He was an intellectual and an institution in himself. He visited many countries in the course of his career and was highly influenced by the policies adopted by Russia, Japan and China. Prof. Brij Narain analytically commented upon the diverse facets of economy, like wages and prices, population, trade, industry, agriculture, monetary policy, transportation, production, distribution, consumption patterns, savings, banking, etc. He had shown deep concern for Indian economy broadly but remained close to the Punjab as he had special concern for the province. Prof. Brij Narain's vast literature on colonial economy is a treasure worth possessing and probing. In fact, as a contemporary writer, he had seen and evaluated the British policies and their ramifications. Professor Bipan Chandra, in his General Presidential Address to the *Punjab History Conference*, Patiala (1981) dwelt extensively on the Punjab. He referred the Punjab economy, peasant mobilization and impediments to its progress. He acknowledged "excellent work" and "our debt to one of Punjab's great scholars, Prof. Brij Narain." The S.D. College, Ambala has constructed a Hall in the memory of Late Prof. Brij Narain. Prof. Brij Narain falls in line of original thinkers in Economics in India. In fact, he wanted to lay the foundation of modern India. He was the first Indian economist who made original contribution to the development of science of Economics.

As an internationally acclaimed economist, he had written several articles in support of the view that Pakistan would be fully capable of being economically feasible and self-sufficient. He had decided to remain in Pakistan and even the most diehard Muslim Leaguers were convinced that he was a man without any prejudice. Ishtiaq Ahmad provides a graphic picture narrated by Som Anand who migrated from Lahore. It was said that Mr. M.A. Jinnah asked Professor Brij Narain to stay on and he had fully made up his mind to devote to serving Pakistan. He sincerely believed that M.A. Jinnah wanted to create a democratic state wherein non-Muslims would have equal rights. A mob arrived in the area he lived on the Nicholson Road, Lahore. They were burning and pillaging abandoned Hindu and Sikh houses. Professor Brij Narain went up to them and advised them not to do so as it was now Pakistan property. His arguments convinced the first lot who moved away. Soon after, some other more Ruffians arrived and began pillaging and burning. Again, he went up to them and presented the same arguments. But one of them shouted, "he is *Kafir* (infidel), Kill him". The mob fell upon him and Pakistan's most ardent Hindu champion was lynched mercilessly on August 14, 1947. His murder was a terrible shock to those Hindus and Sikhs who had decided to remain in Pakistan. Such Punjabis moved out of Lahore towards India.

In 1957, some of his students and well-wishers proposed a Memorial Fund. Pandit Mohan Lal, Finance Minister, Punjab wrote highly and nostalgically about the contribution and personality of Professor Brij Narain. His colleagues, fellow economists, activists kept the memory of Professor Brij Narain in a number of ways. The Panjab University, Chandigarh has instituted Professor Brij Narain Memorial Lecture thus inviting scholars primarily of Economics and also of Social Sciences articulating their views on the concerns Professor Brij Narain often voiced in his writings. Recently, historians have brought into limelight Prof. Brij Narain's contribution on economic history.

IV

The British Indian Empire was the most important component in terms of the number of colonial subjects and in terms of the resources extracted from it. In fact, no organization in history had done to promote the free movement of goods and capital than the British Empire in the 19^{th} and early 20^{th} Centuries. In 1898, Lord Nathaniel Curzon, the Viceroy of India, sounded a new note: "India is the pivot of our Empire. If the Empire loses any other part of its dominion, we can survive, but if we lost India, the Sun of Empire will have set". British colonialism in India represented the most spectacular example of Imperialism practiced in modern times. For about two hundred years, India remained victim of colonial imperialism as a result of which its economy, society and polity became an appendage of British capitalist and industrial interests. Broadly speaking, India passed through three stages of colonialism: In the first stage (1757-1813), trade and plunder were the main features of colonialism in India; In the second stage (1813-1858), India served as a market of British manufacturers with economic drain of its resources at the same time; and in the last and third stage (1858-1947), finance capital led to intensive exploitation of Indian labour backed by all the forces of Crown.

With the Battle of Plassey (1757), the British East India Company established its hold over Bengal. Its aftermath was a reign of plunder and pillage. Onwards, the state revenues were used to finance exports from India. There was no import of silver into Bengal from 1757-1797. The East India Company decisively established its control the export-import trade of India from the three principal coastal settlements of Calcutta, Bombay and Madras. The Famine of 1770 was "an appalling specter on the threshold of British rule in Bengal". In the tragedy, at least one third of the inhabitants of Bengal perished. Lord Cornwallis introduced the Permanent Settlement in 1793 which caused greater impoverishment of the tenant-cultivator due to the burden of high revenue assessment. Adam Smith in his work *An Enquiry into the Nature and Causes of the Wealth of Nations (1776)* highlighted abuses of monopoly of East India Company as it caused damage to private enterprise. A basic feature of colonial rule was that no basic changes were introduced in the colony in administration, the judicial system, transport and communication, methods of agricultural or industrial production, forms of business management or economic organization, education, culture and social organization. By 1780s, a fully articulated colonial economy began to take shape. Edmund Burke, speaking on the Fox's East India Bill (1783) described the desolating effects of the perpetual drain from India. The cumulative surplus transferred from India to England over the years 1765-1812 came to around £ 122.8 million.

The Charter Act of 1813 ended the trading monopoly rights of the East India Company in India. Meanwhile, the Industrial Revolution in England dramatically changed the whole pattern of trade. From 1813 to 1858, India witnessed a classic age of free-trade industrial capitalist exploitation converting India rapidly into a market for Manchester textiles. The East India Company eased to exist as a trading body in 1833. During 1800-1850, the colonial objective changed from seizing Indian commodities to seizing Indian markets. Onwards the 1820s, the policy of free trade began. Starting in the 1830s, the British textiles began to appear in and soon to inundate the Indian markets. During 1814-1850, four commodities dominated Indian exports, indigo, raw silk, opium and cotton which accounted for 56 to 64 per cent of total value. The British imports increased more than fourfold during 1800-1850. The East India Company set up the most powerful standing army the region had ever seen, established courts of law and gradually turned its attention away from conquest to governance.

In the mid 1830s, the revolution in the steam communications led to the opening of the Red Sea Route. The steam engine became a motor of economic growth. It caused a drastic change in the organization of the work force and productivity leading to mass production of goods at cheaper rates. The impact of technological change made England ‘the workshop of Europe’. In 1853, Lord Dalhousie took the decision to construct railways in India. The railway network penetrated the exterior markets and sources of raw materials in the colony and linked them to port cities. The situation in England was quite contrasting. The rate of capital formation in England had begun to rise in the mid 18th Century. By the end of 18th Century, it reached sustained average of more then 5 per cent and moved to 10 per cent in the later 1850s. By 1850s, English Capitalism set in for a new stage. It gradually transformed itself into monopoly capitalism. From 1850-70, Great Britain was the forge of the world, the world’s carrier, the world’s ship builder, the world’s banker, the world’s workshop. A large amount of British capital was invested in India in railways, irrigation schemes, plantation, coal mines, jute mills, shipping, trade and banking. The advance of railway construction in India was spectacular: In 1853, started with 20 miles, it reached 25,373 miles in 1901 and becoming the fourth largest in the world in 1910. The railways completed the ‘colonization’ of the Indian economy, putting all its erstwhile isolated segments inside the net of British free trade. The Colonial Government favoured railways over irrigation in India. By 1902, it invested only about Rs. 38 crore on irrigation as against Rs. 370 on railways. Indian agriculture experienced stagnation, yet the pressure of land revenue continued. Throughout, the 19th Century, land revenue remained the best revenue yielded. Nevertheless, little was done to promote agricultural technology.

The social history of India from 1858 to 1918 unfolded a sad tale of suffering and mortality in the wake of recurring famines. There were famines in 1860-61; 1865-67; 1868-70; 1873-74; 1876-79; 1898-99; 1911-12; 1913-14 and 1918-19. The famines affected the growth of agriculture, indigenous industry and population. India witnessed increasing food exports amidst famines. The famines hastened the process of differentiation and dispossession of the peasantry. The making of a colonial economy was the outcome of a complex alliance between an English trading company and the interests of private and free British capital that saw in India enormous potential for profit. The British imports increased eight-fold between 1850-1913.

With the annexation of the Punjab in 1849, the process of colonialization of its economy and society hastened. The region could be opened up as a market for the produce of British labour and be developed into a supplier of raw material and food stuff with a view to increase agricultural production and revenue from land. In the exploitation of economic resources of the Punjab, the British went about it in a most spectacular development in the history of productive irrigation. Colonies were planted in practically desert areas which caused rural migrations on the large scale. Irrigation projects completed between 1860 and 1920 brought 10 million acres of land under cultivation changing not only economy but also demography of the Punjab. Development of the irrigation infrastructure transformed Punjab agriculture into one of the most export-oriented in the whole of Asia thus making a significant contribution to strengthen and deepen colonial relationship between England and India. In 1869, one per cent of the wheat was protected by the canals which increased by nearly 151 per cent in 1901. By 1880, wheat replaced cotton as the principal item of export. In 1905, it broke all records in the British Empire by exporting 13.8 million tons of wheat through Karachi seaport. Karachi contributed 80 per cent of the Indian exports in wheat in 1912. The area under cotton increased from 6 million acres in 1866 to 11 million acres in 1901. Thus, the Punjab was converted into an agrarian appendix and incorporated into the system of capitalist world economy.

The chief function of the roads and the railways was to facilitate the export. Macadamized roads were introduced in the Punjab. By 1878, it was reported that there was no part of the province which was not roughly supplied with all the necessary roads. In 1903, the Punjab had 2054 miles metalled and 20,874 miles unmetalled roads in the Punjab. Economically, the railways linked the commerce of the Punjab closer to that of India. The railways precipitated exportation of grains to foreign countries that caused high prices and intensified famines.

Land revenue was the mainstay of the British rule. Its revenue policies were evolved to ensure maximum collection which was mostly 99 per cent. In the 1860s, debate was initiated about increasing debt of the peasantry. By the 1880s, it had become a major concern. In the 1920s, inquiries revealed that debt was continuing to mount and money lending was flourishing in the Punjab. The land market developed. The prices of land increased from Rs. 14 per acre in 1874 to Rs. 77 in 1900. The average land prices rose from 31 times the annual revenues in 1875 to 127 times in 1910. Consequently, the trend of land alienation began which was 431 per cent between 1865 and 1900. The mortgaged area was estimated to have increased by 200 per cent between 1875 and 1900 and the sale of cultivated land by 413 per cent during 1870-1900. The Punjab Land Alienation Act (1901) was passed to place restrictions on transfer of land in the Punjab. Onwards, capital began moving out of agrarian circuit to commercial and industrial circuits. From 1901, for over a decade, the urban castes gained ascendency in industry and banking.

Brij Narain studied agrarian economy under colonial constraints. He identified 'the chief problem of India' as 'the growing pressure of population on the soil'. It required 'fundamental changes in the economy'. He suggested 'the only one solution i.e. rapid industrialization'. Brij Narain considered agricultural country 'a poor country'. In India, agriculture engaged 65.2 per cent of the total population in 1901 and 79.9 per cent in 1921. The expansion of food grain acreage lagged well behind the roll of increase in population between 1916 and 1941. However, debate resonated in the metropolis. In 1911, J.M Keynes criticised the "current opinion in India" having 'patriotic fervour for the industrialization'. The frequency of famines under the Crown was staggering. Between 1851 and 1900, there were more than 24 famines with an average of mortality of 2880 per day. Brij Narain considered famine 'a disease of all agricultural countries'. The famine came to a question of poverty. The British officials held out a strict Malthusian view of Indian situation, being certain that the famines were inevitable given the population-resources ratio. Brij Narain seriously observed the movement of population. The real increase in 49 years between 1872 and 1921 was about 54 million or 20.1 per cent. The growth was higher in European countries as compared to India in percentage points between 1870 and 1930: India 33 per cent; Germany 57 per cent; Italy 53 per cent; Denmark 100 per cent; France 8.7 per cent; Belgium 61 per cent; Denmark 100 per cent; England & Wales 75 per cent and Europe 64.3

per cent. Furthermore, he noticed skewed sex ratio in India per 1000 males 954 females in 1911 and 940 in 1931. The deficiency was the greatest in the Punjab per 1000 males 844 females in 1881 and 817 in 1911 and 831 in 1931.

In the initial stages, summary settlement was introduced in the territory under John Lawrence in 1847. During the period of Maharaja Ranjit Singh, the share of the government was at half of the produce. The cultivators were directed to pay their land revenue in cash which they wished to pay in kind. Experience in Madras and Bengal afforded the British insight and expertise to gauge Punjab's potential as the "model" agricultural province from the 1860s onwards. The Mahalwari system was introduced, where whole village community was collectively assessed for land revenue. By the end of the 19th Century, the land revenue and cesses together did not exceed forty per cent of the net assets. The myth about the Punjab was cultivated that it was predominantly a province of peasant proprietors. This notion had hardly any basis in reality. The Punjab was much a land of Zamindars, rich peasants, middle and small peasant proprietors, occupancy tenants, tenants-at-will, agricultural labourers and agricultural servants constituting the most oppressed and exploited sections of rural Punjab. Brij Narain writing in the times of M.L. Darling confronted the view martialling evidence from various reports and colleting data with demographic and economic trends. The pattern of landownership was highly differentiated. In the distribution of land in 1925, about 58.3 per cent of total number of owners, owing less than 5 acres each, held about 12 per cent of the land, while 3.7 per cent of the largest class of owners (50 and more acres) held more than one quarter of the total cultivated land. It is noteworthy to state that though 80 per cent of the population was dependent on agriculture, only one per cent out of eight owned any land at all. In 1939, the percentage of owners owing less than 5 acres of land increased to 63.7 and held 12.2 per cent of the land; the landlords holding 50 acres and above land constituting 2.4 per cent of the population held 38 per cent of the total land. Tenants formed second but very important section of the rural society. They constituted 31.8 per cent of rural working population in 1935. In 1937, the tenants-at-will held 48.2 per cent of the area. With the pressure on land increased, the tenants resorted to *batai* system. The total area under tenancy cultivation increased from 9 million acres in 1891 to 15 million acres in 1937 constituting 66 per cent of the total area. The Punjab experienced fragmentation of holdings rendering them uneconomic. Landlords commanded the situation in large parts of the province. Brij Narain put forth the idea of 'impartibe' holding to check subdivision; other view was consolidation of holdings. Moreover, the number of bullocks increased with the increase of cultivation, while the average size of holdings decreased with an increase in the number of cultivators. There was enormous waste of human labour and cattle power. Brij Narain urged usage of power machinery for better cultivation as production was cheaper than the bullock labour.

There was considerable expansion of the area under food grains during 1895 and 1916 and onwards the area and yield had been practically stationery. The rapid development of irrigation in the Punjab resulted into water-logging as one of the serious problems. In 1926-25, about 1,25,000 acres had actually been thrown out of cultivation by the rise of sub-soil water to the ground surface. Brij Narain suggested methods of preventing soil deterioration: (a) afforestation of rain tracts; (b) terracing the land; and (c) construction of earth and stone embankments. Waterlogging affected the health of the people. In 1908, it was responsible for a severe epidemic of malaria in Amritsar. Furthermore, he suggested agricultural reforms consisting of three points: (i) Diversion of surplus agricultural labour to manufacturing industries by the adoption of an intensive policy of industrialization; (ii) Nationalization of agricultural land; and (iii) Active participation of the State in agriculture.

There was an unprecedented and continuous growth of rural indebtedness under the British rule in India and the Punjab as well. The Famine Commission (1880) concluded that two-third of the land holding classes were in debt, one-third of them deeply and inextricably. Sir Edward Maclagan expressed the view that the total debt of India at the beginning of the 20th Century was Rs. 300 crore in 1911. M.L. Darling estimated the total debt of British India (including Burma) as Rs. 600 crore and in the case of the Punjab Rs. 90 crore in 1921. In 1929-30, the Punjab Provincial Banking Enquiry Committee put the debt of the Punjab at Rs. 135 crore.

By 1937, the rural indebtedness swelled to Rs. 1800 crore. The problem of rural debt became grave in the Punjab in the 1860s. By the 1920s, only 17 per cent of the proprietors of the Punjab remained free from debt. The average debt per indebted proprietor rose from Rs. 66.3 in 1919 to Rs. 600 in 1930. In spite of the policy level intervention, enquiries made in the 1920s revealed that debt mounted and moneylending continued to flourish. The customary interest charged by moneylenders was 18.75 per cent and in certain cases 24.25 per cent. Tenants and agricultural workers were charged higher interest rates from 25 to 37.5 per cent. The Punjab contained only 7 per cent of the population of India and her share of debt exceeded 16 per cent of the total debt, thus making the Punjab 'a heavily indebted' province. The peasants sold gold, even houses to pay land revenue and *abiana* (water tax) and thereby pushed them to jaw of poverty. Brij Narain considered the economic condition of the peasant 'worse than that of a peon'. Moreover, the burden of the loans taken by agriculturists had increased three to four times their original value. The burden of the debt upon the peasants owing to the fall in prices had gone up to the extent of 70 per cent. Debt per cultivated acre had gone up from Rs. 31 to Rs. 45 and debt per head of those supported by agriculture from Rs. 76 to Rs. 104. Most of the debt of the peasantry was unproductive. Brij Narain suggested that the Government should take over the responsibility of giving loans in its own hands. He underlined the fact that the Economic Depression (1929-30) had made the condition of the peasants even worse.

Brij Narain focussed on the instruments of financial architecture which the British introduced in India for the consolidation of their rule. It included finance, currency, money, banking and commerce. He provided long view of financial and commercial developments with a view to situate Indian economic problems in the first half of the 20th Century. In 1835, the rupee was established as a standard coin throughout the territories of the East India Company. A great variety of gold and silver coins were in circulation. Silver was used chiefly as standard money. The Act No. XVII of 1835, made the silver rupee of 180 troy grains eleven-twelfths fine and standard throughout British India. Hence, bimetallism gave place to monometallism. In December 1852, it was declared that with January 1853, "no gold coin would be received on account of payments due or in a way to be made to the Government in any public treasury within the territories of the East India Company". However, the Chamber of Commerce in India submitted memorial to the Government praying for the introduction of a gold currency. In December 1859, James Wilson viewed these proposals and disapproved as value of gold coin measured in silver was fluctuating day to day. In a separate Minute, he submitted proposal for a paper currency. The main objection to the paper currency was that the people of India would be slow to appreciate the advantages of paper money as they accustomed to the use of money of intrinsic value. In 1864, the Bombay Association submitted a memorial to the Viceroy Sir John Lawrence praying for the introduction of a gold currency. Charles Trevelyan, in his Minute dated June 20th 1864, argued for the introduction of gold into circulation. He provided evidence about the tendency among the people in India to rely on the gold as a medium. In November 1864, the Secretary of State suggested as an experimental measure that Sovereign and the half-Sovereign should be received into and paid out of public treasuries in India for ten and five rupees respectively. To Government of India on May 7th, 1874 passed a Resolution making it clear that the Governor General-in-Council was "not at present prepared to take any step for the recognition of gold as a legal standard of value in India". The production of silver had increased. The gold was appreciating due to decreased production. Every fall in the gold value of the rupee meant a real addition to the burden of the Home Charges. The Government was either forced to economize or increase taxation through such unpopular measures as salt tax, income tax and enhancement of land revenue.

In 1893, the Secretary of State appointed a Currency Committee, presided over by Lord Herschell. On its recommendations, three notifications were issued: (i) issue of rupees in exchange for gold presented at the Indian mints at the rate of 16d to the rupee; (ii) authorizing the receipt of Sovereigns and half-Sovereigns by the Government in payment of taxes and other Government dues to 16d to the rupee; and (iii) the issue of currency notes in exchange for British gold coin or gold bullion at the same rate. The value of the rupee reached a new low of 13d in 1893. In 1898, the Fowler Committee was appointed. It proposed that the Sovereign and the half Sovereign should be declared legal tender throughout India at Rs. 15 per Sovereign and that a Gold Standard with its "normal accompaniment", a gold currency should be established in India. The Government of India accepted the recommendations of the Fowler Committee. The Sovereign was declared legal tender. The Gold Standard was instituted. The central idea of the Gold Exchange System was that gold was not required for internal circulation but for the payment of international debt. The Standard Reserve was kept in London. In April 1913, the Chamberlain Commission was appointed 'to maintain the exchange value of the rupee'. The Commission was not in favour of introducing gold circulation in India. The exchange value of the rupee was completely divorced from its bullion value. As the price of silver continued to rise, the maintenance of the old ratio 16d to the rupee had become impossible. The Secretary of State raised the price from 1S.5d on 28thAugust 1917 to 2s.4d. on 12th December 1919. The Babington-Smith Committee in May 1919 recommended the raising of the exchange value of the rupee to 2s (gold). In October 1920, exchange fell rapidly. In 1927, the exchange value of the rupee was fixed at 18d gold. Brij Narain considered the rupee over-valued at 18d gold. He favoured the lower rate of exchange.

There were five types of banks operating in India. The Imperial Bank of India; Joint Stock Banks; Exchange Banks; Cooperative Banks and the Indigenous Banking System. The village moneylender, the private banks in towns and shroffs in the Presidency towns formed the foundation of the Indian credit system. In 1921, the Imperial Bank was founded by amalgamating the three Presidency banks of Calcutta, Bombay and Madras. It acted as a kind of Central Bank. The Imperial Bank kept the whole of Government balances on which it did not pay any interest. The Reserve Bank of India was established on April 1, 1935 under the Act. The Reserve Bank was authorized to purchase, sell and discount Bills of Exchange (including Treasury Bills) drawn in the United Kingdom and maturing within 90 days. With the transfer of the note issue to the Reserve Bank of India in 1935, the control of both the currency and the banking reserves of the country passed into the safe hands. The main business of the Exchange Banks was to finance India's import and export trade. Their number was 18. Gold was the medium of payment in foreign trade. Payments in foreign trade were usually made by means of Bills of Exchange. The village *mahajan*, the shroffs in the Presidency towns, the Joint Stock banks and the Imperial Bank took a share in financing the internal trade. *Hundis* were used in the internal trade. The growth of Joint Stock Banks was rapid in India. In 1870, the number of banks was 2 with capital and reserve of Rs. 11.5 lakh and deposits amounting to Rs. 14 lakhs. In 1935, the number went upto 38, the capital and reserve reached Rs. 5 crore and deposits to Rs. 84.4 crore. The percentage of cash to deposits was unduly low. Between 1913 and 1917, no less than 87 banks failed with a paid-up capital of Rs. 1.75 crore. Brij Narain considered this crisis due to 'lack of experience and mismanagement'. From 1913 to 1924, as many as 161 banks in India failed involving the large amount of about Rs. 6.75 crore. In the whole, the banking facilities remained 'very inadequate'.

On the April 1, 1921 the separation of Provincial from Imperial finance was effected. Between 1913-14 and 1920-21, Indian revenue increased from Rs. 128 crore to Rs. 215 crore or 68 per cent and expenditure from Rs. 124 crore to Rs. 241 crore or 94 per cent. The net cost of the military services during 1913-1921 increased about three times. The total debt amounted to Rs. 411 crore in 1913-14 and Rs. 544 in 1920-21, an increase of Rs. 133 crore. The largest increase in the ordinary debt took place in 1917-18 when India made a special contribution of £100 million in the World War I. New taxation was added by supplementing the Income Tax; by a Super Tax on the highest incomes; by raising the duty on import of cotton goods from 3½ per cent to 7½ per cent; by raising the duties on exports and by imposing a surcharge on railway goods traffic. The estimates for the 1930-31 showed a gap of Rs. 5.50 crore between income and expenditure. The increase in taxation took the form of a surcharge of 25 per cent on the rates in force, lowering the exemption limit of the Income Tax to Rs. 1000; curtailment of the list of goods imported free of duty; the imposition of special rates of duty on some imports such as boots, shoes and artificial silk piece goods and an enhancement of postal rates.

Brij Narain considered the foreign trade ‘a very good index of the economic activities of the people’. India being a debtor country was bound to export goods in order to pay interest on Sterling loans and funds invested in India by foreigners. India was gradually transformed from being on exporter of manufactured products largely textiles into a supplier of primary commodities, importing finished consumer goods and certain intermediate industrial goods as well in return. There was a considerable increase in the volume of Indian foreign trade especially after 1870. The adoption of a free trade policy by Great Britain and rapid industrialization of the Continental countries, the USA and Japan created a new level of demand for raw materials and foodstuffs. A major expansion in the world trade coincided with Britain's own mid-Victorian economic boom and her emergence as “the workshop of the world”. In the 1870s, the United Kingdom dominated the foreign trade with India. In the 1880s, Germany, Japan, the USA had a large share in the foreign trade. Imports with these countries steadily increased. On the whole, the progress of India's foreign trade during 1857-1900 was unprecedented progress of India's foreign trade which affected both agriculture and industry. Long view of the average annual rate of growth during 1835-1940 shows that it was 3.23 per cent for the exports and 3.68 per cent for imports. In the 1860s, imports grew at 10.1 per cent.

The commercial and tariff policy was 'deliberately framed as to give most favoured treatment to British interests'. Nationalists historians almost without exception looked upon tariff policy as the main instrument of British economic imperialism. The general rate of duty on imports into India was 10 per cent *ad valorem*; almost all goods exported were taxed at the rate of 5 per cent. England faced tough competition from the United States, Germany, Japan and other developed countries. These countries followed protectionist policies. Joseph Chamberlain who was champion of Free Trade in 1883, turned a tariff reformer in 1903. While speaking at Birmingham, he stated that 'all the conditions had changed'. He advocated protection. Meanwhile, National Debt of England had increased. Before the World War I, it amounted to £653.3 million and reached at £7,300 million in March 1919. England moved towards protective tariff regime. Imperial Preference was considered 'only defence against foreign protection'. Joseph Chamberlain delivered a speech in 1905 on "preference, the true imperial policy". The United Kingdom adopted the policy of Imperial Preference in 1919. One of the principal objectives of the preferential tariff was to deprive foreign countries of a great part of their share in India's import trade.

India's total volume of international trade which had stupendously grown in the 19th Century when India became a typical outward oriented colonial economy, began to be effective after the World War I. Between 1920 and 1939, India's volume of internal trade in sugar increased by three times, in cotton piece goods, iron steel, raw hide and skins and cement, it nearly doubled. In tanned hides and skins and leather, it increased by eight times during 1933-1939. In 1923, a Tariff Board was set up. India's major industries such as textiles and iron and steel received a certain measure of protection. In November 1932, the Imperial Preference came into force. No duties were to be levied on Indian goods imported into the United Kingdom which were admitted free of duty under the British Import Duties Act (1932). However, the Indian Legislative Assembly voted the termination of the Ottawa Trade Agreement in 1936. A new trade agreement with the United Kingdom was signed. It came into operation on April 1, 1939 in spite of its rejection by the Indian Legislative Assembly. The chief features of the new Agreement were the linking the preference for the United Kingdom.

Traditionally, India had been described as the 'sink' of the precious metals. The import of gold came to India to a sudden end when England abandoned the Gold Standard and India was linked to Sterling. Onwards September 1931, India started selling gold to the world on an unprecedented scale. Between 1931-32 and 1938-39, on an average more than half of the total visible positive balance of trade was met through the net exports of treasure. The gold export from India was an index of the impact of Economic Depression. In the first phase (1931-35), the gold exports constituted one third to one quarter of the total exports. Brij Narain noticed a connection between the London price of gold and gold exports. A large rise in the

London price caused exports to increase. From October 1931 to December 1932, gold exports amounted to Rs. 107 crore. On March 2, 1933, it was stated in Indian Legislative Assembly that “a very large percentage of the sale of gold represented the forced sale of capital resources to provide for ordinary, everyday necessities of daily life". The export of gold was a sign of India's growing poverty. Upto March 24, 1934, total gold exports amounted to Rs. 174 crore.

There was enormous rise in the prices of food-grains which Brij Narain considered 'a comparatively recent phenomenon'. The prices showed a tendency towards a slow and gradual rise between 1861 and 1905 on account of influence of the export trade. After 1905, the prices of food grains and almost all other articles rose almost continuously till 1914. The debate started about the nature and causes of the price rise. The Government of India appointed a Committee in 1910 under K.L. Datta for the investigation of the problem. The Committee submitted its Report in 1914. It concluded that the general causes of the rise of prices throughout the world were an increase in the demand for staple commodities in the world markets, the increased gold supply from the world's mines, the development of credit, and destructive wars and growth of armaments. The Government of India did not accept this new. However, the Government admitted that the rise of prices during 1890-1912 was not the effect but the cause of increase in the circulation of rupees. The Datta Committee under-estimated the monetary circulation and over-estimated the growth of business. Brij Narain concluded that the rise of prices in India during 1904-12 was due to the inflation of the rupee circulation (including notes). The note circulation steadily increased before and during the War: Rs 5,445 lakh in 1910-11 and on last day of March 1917, the average circulation was Rs 8,637 lakh. The War found Indians unprepared and the people were paying the prices of unpreparedness. In 1920, the prices had reached at peak. The Calcutta series of Index Numbers (July 1914-100) showed a rise of general prices to 202 in 1920. Professor Brij Narain joined the debate on the issue of general rise of food prices in India and the Punjab in specific. In an essay entitled "A General View of Indian Prices", he questioned the economic and statistical validity of Mr. K.L Datta’s arguments. Professor W.H. Myles joined the debate. Brij Narain put forth that rise of prices was principally due to inflation and rise in the cost of cultivation. He studied the trends in the Punjab food prices from 1841 to 1920. The rise in prices enriched the large cultivators who had a surplus to sell and not the small cultivators who produced very little more there what was required for their own consumption. However, after 1920, a steady fall in the prices followed. It was reduced to 141 in 1929 and 87 in 1933. The Economic Depression was of great intensity and of extraordinary persistence. It caused a heavy contraction of the world trade. India suffered more than any other country. By March 1933, the fall in prices in India amounted to 42 per cent. The fall of prices made agriculture more unremunerative. The burden of rural debt increased beyond the capacity of the borrower to pay. The Great Depression disintegrated "the whole structure of international economic life," the world trade contracted by two-third. Brij Narain cited the case of Sweden and Germany where the financial policy of state played formidable in recovery and created conditions of full employment. In India, peasants were forced to distress sale of their holding of gold.

Commenting on the 'Indian versus Western Industrialism' Brij Narain testified economic transformation of India in the arena of industries. Writing in 1919, he noticed concentration of labour and capital in factories, competition between steam power and hand power. He differed with Professor Radhakamal Mukherjee who combined agriculture with cottage industries. Brij Narain, considered such a description 'more or less idealistic'. He reminded to those who opposed Western industrialism that 'agricultural country meant a poor country' and the growth of civilization depended upon the growth of town life, which in its turn depended upon the growth of industrialism.' He concluded that 'industrialism alone could save India'. Indians would have to fight the West with the same weapons which it employed against India.

Before the advent of the Europeans, India was the "Industrial Workshop" of the world. The industrial backwardness of India was due to several causes among which the neglect of applied science, the *laissez faire* policy of the Government and shyness of Indian capital for modern enterprise. Brij Narain considered 'unrestricted freedom' of importation responsible in no small way for the industrial backwardness of India. Indian capital remained chiefly locked in agriculture. The World War I brought out in a striking manner the industrial poverty of India. In February 1917, Munitions Board was set up at the suggestion of the Commander-in-Chief. Its primary object was to meet the demands of the armies operating in Mesopotamia. It helped materially in the development of Indian industries by purchasing in India articles and materials needed for the civil and military departments and for the railways. The Munitions Board encouraged 'key' industries such as roller skins, pickers, sheep skins for rice polishing, belting, glass industry poultry, tea chests, asbestos, boiler composition, glucose, coir articles etc. The Industrial Commission (1918) called for 'policy of energetic intervention in Industrial affairs'. It recommended the establishment of Imperial and Provincial Department of Industries, the organization of scientific and technical services and technical education, change in policy of purchase of stores by the Government. The Indian Fiscal Commission (1921) favoured protectionist policy for the development of industries in India. On its recommendation, the Government appointed Tariff Board in July 1923.

Brij Narain pointed out that there was no lack of raw materials required for the development of metallurgical industries. The production of minerals made rapid strides during 1895-1914. The coal industry was one of 'almost uninterrupted progress'. The average coal production for the period 1891-95 was 2.4 million tons which reached 15.7 million tons in 1914 and 29 million tons in 1940. The Iron and Steel Company was established in 1907. It commenced its active operations in 1912. Jamshedji Tata founded the Tata Iron and Steel Company (TISCO) at Sakchi in Bihar later renamed Jamshedpur. During the World War I, the Company supplied the Government with 1500 miles of rails and nearly 3,00,000 tons of steel material. The Tata Company produced two-third of the whole output in India. Brij Narain considered the steel industry of national importance and deserved protection. Under the protection, industry progressed rapidly and in 1934 protection was extended till 31st March 1941.

One of the remarkable features of the foreign trade during the decade 1890-1900 was the enormous rise in sugar imports. Imports chiefly came from Mauritius and Java. A great deal of sugarcane was grown in India. In the 1920s, there were on average one million hectares under sugarcane. Most of this was converted into *gur* instead of being refined in factories. In 1930, India imported one million tons at a price of Rs. 109 per ton. In 1937, India had 137 sugar factories and total production of sugar exceeded one million tons. India had become self-sufficient and imports declined. Area under sugar cane reached 4.4 million acres in 1935-36. The United Provinces accounted for 57 per cent and Bihar 24 per cent of the total production.

The growth of the match industry in India was a classical example of beneficial effects of protection. The production of matches reached upto 18 million in 1927 with 27 factories in India. Imports declined and Indian production amounted to 24.4 million gross boxes in 1935-36 which was sufficient to meet the demand. The cement industry enjoyed many natural advantages in India. Limestone of excellent quality existed. Between 1900-1910, imports of cement increased from 43,000 tons to 1,35,000 tons and 1,65,723 tons in 1914-15. In 1927, there were 10 Indian cement manufacturing companies with an actual output of 4,77,640 tons while imports amounted to 1,17,695 tons. In 1926, Associated Cement Companies (ACC) was formed with 11 competing firms. India attained self-sufficiency. In 1942, India's cement industry came under the control of Defence of India Rules as per the War efforts. The manufacture of paper according to modern methods was started in 1870 with Bally Mills on the Hoogly. The grant of protection to paper industry marked a new phase in the development of the industry. In 1926, nearly 9 mills were working in India with total output of 32,144 tons and 71,000 tons in 1939-40.

The first cotton mills were established near Calcutta in 1818 and in Bombay in 1851. In 1861, there were a dozen cotton mills at work in India. The number of mills had risen to 58 in 1879-80 and 274 mills in 1925: 77 in Bombay, 58 in Ahmedabad and the remaining 139 in all over India. The Cotton Textile Industry (Protection) Act 1930 granted protection to the industry. In 1929 about 1893 million yards of cloth was produced in the Indian mills which was doubled about 4084 million yards in 1937-38. The imports of cloth had fallen to 591 million yards in 1937-38. There was considerable substitution of local textiles for imports. In 1896, Indian mills supplied only 8 per cent of the total cloth consumption and 76 per cent in 1945. In the 1930s, there was a rapid expansion of mill production of cloth. Brij Narain considered the future of the cotton mill industry 'bright'.

Brij Narain focussed on the fate and fortune of the cottage industries in India. During the 17th and 18th Centuries, handicrafts were highly organized at the levels of specialization and localization. Prominent centers were Delhi, Lahore, Agra, Patna, Banaras, Dacca, Ahmedabad and Srinagar. India was self-sufficient and exporter of handicrafts to the world. Prominent handicraft industrial activities were hand spinning, *gur* making, flour grinding, rice pounding, cotton grinding, rope making, basket-weaving, mat making, sericulture and tobacco manufacture, toy and lac manufacture, carpet weaving, silk weaving, metal work, brass and copper wares, enameled, jewellery, calicoes, brocade work, fabrics in double weaving, glass bangles, embroidered cloth, damascene work, paper mache, marble work, *lungis* and *sarees* etc. The displacement of older industrial activity depended on the scientific progress. The weaver had taken to mill yarn, the dyer to synthetic dyes, the brass and copper smith to the sheet metal and blacksmith to iron rolled convenient sections, the tailor employed serving machines and town artisans took to improved tools of Europeans and American industries. In 1901 agriculture supported 65.2 per cent of the population and 15.5 per cent in Industry. In 1921, the share of agriculture increased to 79.9 per cent and declined in industry to 10.7 per cent. Brij Narain blamed the British imports for playing 'the most destructive' part. He concluded that the position of the cottage worker was 'hopeless', and the cottage industry was 'doomed to destruction, slow and gradual'. Handloom weavers were not paid better than that of unskilled labourers. The Fact Finding Committee (Handloom Mills) 1940, stated that the earnings of handloom weavers between 1929-1940 had a drastic fall as high as 70 to 80 per cent.

In 1788, Sir Joseph Bank suggested the growing of tea in India. With the end of East India Company's monopoly in 1833, it turned to tea industry. In 1841, the first Calcutta sale was held in 1841. In 1852, the competitive quality of tea was established. The first garden in Cachar was established in 1855, in Sylhet and

Darjeeling in 1856 and in Chittagong and Chhota Nagpur in 1862. The value of tea increased from Rs. 206 crore in 1876-77 to Rs. 806 crore in 1903. Propaganda to increase the sale of tea or to encourage tea-drinking in India was carried on by the Indian Tea Market Expansion Board. It was estimated that the consumption of tea in India rose from 18 million lb in 1902-03 to 90 million lb in 1939. Jute industry was regarded as India's second most important industry next to cotton. It was a leading export industry, concentrated in Bengal region. Its exports started in 1791. After 1850, the world conditions were favourable for the growth of jute manufacturing industry. During 1900-1913, the number of looms increased by 135 per cent while employment nearly doubled. In 1913, there were 64 jute mills working in India and 93 jute mills in 1926-27 employed 3,33,659 persons. The area under jute cultivation reached to 3.1 million acres in 1928-29 and yield to 9.9 million bales. Export of the raw jute was valued at Rs. 32 crore and of jute manufactures at Rs. 45.46 crore. The total output of jute manufactures reached 1.3 bales million in 1939-40.

The Punjab like other provinces was ill-equipped financially and the technically for the onerous task of industrial development. In the year 1902, there were only 152 factories in the Punjab and 887 in 1939. The Punjab was one of the largest cotton producing provinces. It had scope for the expansion. About 88 per cent of the total cotton was exported. In the Punjab, the Department of Industry maintained industrial schools where a great variety of arts and crafts were taught in the areas of carpentry, blacksmith, weaving, fitter and turner course, foundry course, metal work, cane work, mechanical engineering, engine driving, electrical work and shoe making. There were Tanning Institute, Jalandhar. The Punjab grew about half a million acres of sugarcane. There were seven sugar factories, mostly refineries in 1931. After the protection was granted, the sugar institutions such as the Mayo School of Arts, Lahore, Institute of Dyeing and Calico Printing, Shahdara, Demonstration Weaving Factory, Shahdara, industries in the Punjab rose from 7 in 1931 to 32 in 1933. The rising price of *gur* impeded the growth of sugar industry in the Punjab. The province had to import sugar and the result was that sugar factories decreased to only 4 in 1939. The industry did not grow as the imports curtailed the Indian market. There was strong preference for British Cement. Brij Narain lamented that the development of industries were seriously hindered by the lack of financial facilities. With the growth of industries in India, problems relating to payment of wages to persons employed in industry took an ugly turn. The wages were not uniform.

Brij Narain situated colonialism in the historical context rather than a political instrument of British Imperialism. He provided economic critique of colonialism. He dwelt on the principles of Economics. Economics 'deals with man as he is' not with an abstract or 'Economic Man'. He differed with the term Indian Economics in the same way that its advocates thought that Indian conditions did apply. Indian Economics did not mean a new science of Economics. Economics laws were applicable to Indian conditions in understanding economic problems.

The agrarian economy of the Punjab was integrated with the world market. The colonial economy furthered the processes of commercialization of land and produce in the Punjab. The agrarian structure impacted the social configuration of the peasantry. Absentee landlordism dominated in Bengal, United Provinces and Punjab as well. The landlords dominated provincial councils particularly in the Punjab. The tenants who cultivated 60 per cent of the land lived in poverty and want. They had no voice in the administration of the country. The Punjab which was called the land of peasants, 60 per cent of the land was cultivated by tenants paying rents in cash or kind. The predominant form of rent in the Punjab was *batai,* a share of the gross produce paid to the landlord as rent. Population pressure and decline of handicraft industries led to rise in cash rents and competition among the land hungry peasants. The colonial officials created villain out of *Shahukar* or *Mahajan*, the moneylender. Brij Narain, while acknowledging the rapacity of the moneylender, tried to situate the argument in the economic conditions of the cultivator. With low net per capita income of Rs. 66.4, turning around 9 *annas* per day with two dependents, the presence of the moneylenders became necessary. Brij Narain had hopes on the cooperative movement. Yet, he realized the limitations as there were 89 per cent of the rural families in the Punjab unaffected by the cooperative movement in the mid 1920s. During the Economic Depression (1929-30), the peasants turned towards the cooperative societies.

The Economic Depression (1929-30) originating in the USA spilled over to the capitalist economies of Europe and their colonies. The crisis was caused and perpetuated by a world wide contraction of credit. It had a protracted nature. It was more severe in Indian than in the industrial countries of the West. Brij Narain responded to the crisis in his work *India in the Crisis* (1934). He argued that India suffered more than other country as the numbers dependent on agriculture were excessive and agricultural organization was not easily adjustable to fall of prices. He favoured relief to the farmers and felt that unless alternative means of livelihood were discovered, the position of cultivators was found to deteriorate. He extended the argument to agrarian production and yield of crops. He noticed that area under seven principal crops (rice, wheat, jawar, bajra, barley, gram and ragi) remained 'practically stationary' during 1935-40. During the years 1935-36 to 1941-42, there was no net export but net import of foodgrains. Paradoxically, India had become a food importing country.

Brij Narain associated educated unemployment to the systems of education which prepared the students 'for clerical vocations which were proclaimed to be over- stocked and offered insufficient avenues of employment'. The Punjab Government constituted unemployment committees in 1927 and 1938. The total number of educated unemployed in the Punjab stood at 1,50,000. The Government service could absorb only 0.4 per cent of the population spending 42 per cent of the provincial revenues (Rs. 4.5 crore) thus giving very little scope in Government service for reducing the incidence of unemployment. With the rapid growth of students, there was no surprising that educated unemployment attained 'serious dimensions'. He suggested 'raising the cost of obtaining degrees for maintaining equilibrium between the supply and demand'. He considered 'economic planning' as one and only solution of the problem of educated unemployment. He advocated industrialization as 'the only solution of educated unemployment'.

Brij Narain joined the debate on taxable capacity in India. He defined 'taxable capacity' as 'the maximum amount that the people could contribute towards the expenses of the state. Findlay Shirras argued that India was 'lightly taxed' country. Brij Narain questioned it. He proposed effective taxation for 1920-22 as 75 per cent of taxable capacity. Findlay Shirras suggested per capita of India in 1922 at Rs. 116 as against per capita income of Rs. 750 (£50) for the United Kingdom. The colonial officials projected production as an index of prosperity in the Punjab. However, Brij Narain arrived at Rs. 66.4 as net per capita income in 1925-26. Land revenue was more burdensome tax which even the poorest land owner could not escape. In the Punjab, 58 per cent of the total owners owned less than 5 acres thus living on the margin. The taxable capacity of the landowner depended not on gross but net income. The land revenue had no exemption limit. Water rate was levied as a tax. The Punjab canals were source of considerable profit to Government. In 1927-28, the canals earned 15 per cent on capital. The water rates were rigid and inelastic and did not reduce when prices fell 'rendering cultivation unremunerative'. The land revenue and water rates provided more than 60 per cent of the total revenue of the Punjab Government.

Brij Narain linked economic distresses in India to maldistribution of wealth. The fall of prices which produced ruinous consequences for India was attributed to over production. In India, distribution of wealth was 'inequitable enough'. Brij Narain identified landlordism affecting the distribution of wealth of 'considerable importance in the Punjab'. In the Punjab in 1931, about 2 lakh non-cultivating proprietors lived on rent paid in money or kind as compared with 17 lakh cultivating owners, 11 lakh cultivators and 5 lakh agricultural labourers. Brij Narain underlined planning for solving the problem of maldistribution of wealth. A state planned, state directed and state controlled system of production could lead to building up a sound industrial system on modern times. It could withdraw labor from the villages thus reducing the growing pressure on land. He noticed that top heaviness of the administration could only be maintained through increased taxation.

Brij Narain dwelt on war economy and reconstruction in the Post World War II. Both the World Wars (1914-18; 1939-45) necessitated requisition of massive food supplied from Asia. The Punjab played significant role in the supplies of material especially foodgrains and manpower. The Colonial State during the War had turned more exacting for foodgrains which precipitated food crisis both at the level of production in India critical. Food production declined at annual rate of .02 per cent during 1924-44. In November 1939, the War Supply Board was constituted. The rural population was rallied to intensify the area under cultivation through "Grow More Food" campaign in the Punjab. In 1943, the campaign was intensified. The Punjab exported about 1,62,000 tons foodgrains. The actual exports of foodgrains from the Punjab stood about 6,80,000 tons from March 1, 1945 to February 1946. Stagnant food production and massive exports led to shortage of foodgrains in the Punjab. Brij Narain called for cessation of food exports. He advocated food imports to the extent of 5,00,000 tons of foodgrains to build up a Central Foodgrains Reserve. The rationing was introduced in July 1943, in 13 cities and areas in India. The Government of India introduced food requisitioning and price control. By early 1947, about 900 towns with a total population of 152 million inhabitants received rationed food in India. The War created conditions resulting in black marketing, hoarding and malnutrition. Food had been hoarded by everyone-ordinary consumers, traders, merchants, cultivators and landlords. The greatest profit out of the misery and starvation of the people had been by non-working landlord. Speculation, hoarding and profiteering aggravated the rise of prices. Brij Narain noticed that many classes of 'fixed incomes were living in India in a state of semi-starvation'. He argued that lack of food was the real cause of distress. The rise of prices was only an expressional lack of food.

The war economy brought in 'galloping inflation'. The inflationary pressure emanated largely from the massive expansion in the public expenditure. Between 1939 and 1945 nearly Rs. 3.5 billion were spent on defence purposes in India. The Government of India financed the War by making the mints work harder. The total money supply (notes in circulation, bank deposits, cash holdings and deposits with the RBI) rose from Rs. 3.17 billion in August 1939 to Rs. 21.9 billion in September 1945. The note in circulation shot up from Rs. 2300 million in 1939 to Rs. 12,000 million in 1945. There appeared non-monetary gap between production and consumption. This gap was filled by the creation of more paper money. Brij Narain linked inflation with the rise of prices. He argued that more money in circulation meant increased demand. The greatest gainer by the rise of prices was the non-working landlord. Brij Narain focused on the increasing public debt in India: 1914 with Rs. 179.77 crore; 1919 with Rs. 358.78 crore; 1939 with Rs. 709.96 crore and 1943 with Rs. 1208 crore. After 1945, India ceased to be vital to India's pressing needs being neither a source of essential supplies nor a net contributors to the Dollar Pool.

With the end of the War approaching, Post-War planning or reconstruction plans were chalked out. On March 4, 1944, Mr. G.D. Birla explained the Bombay Plan at the annual meeting of the Federation of India Chambers of Commerce and Industry (FICCI). The Bombay Plan was extremely modest in its aims. Brij Narain called it 'India's first attempt to think on constructive lines in the economic sphere'. The War created opportunities for Indian capitalists. They made huge profits by manufactures and sale of poor imitations of consumers goods which were in normal times imported from abroad. However, the Bombay Plan relied for finance on 'created money'. Brij Narain criticized the Bombay Plan on this account. He favoured orthodox methods of finance such as savings of the people but not savings due to 'created money'. Brij Narain visualised national reconstruction of the Indian economy in the Post- War period. His critique of colonialism was centered on national moorings wherein the purpose was to put an end to exploitation of Indian resources both men and material. Unfortunately, he was not destined to see it!