CHAPTER IX

SOCIO-ECONOMIC DISTURBANCES

In the summer of 1914 the Punjab was peaceful and prosperous. People were loyal and content. The spring harvest had been good and the Kharif crop promised well. But soon after the outbreak of the war gloom overshadowed the cheerful economy of the province.

Among the many evils that the war brought in its train, the most serious was the economic distress. The rise in prices, especially of the foodgrains and other necessities of life, made the lot of the common man, particularly in towns, miserable, and made him more and more susceptible to the influence of all kinds of political propaganda. The vagaries of the weather and the baffling monsoon had also played their part in the rise of prices during the course of the war, but in ordinary times the evil effects of uncertain weather might have been met and averted and would not have affected the people as severely as it did during the war.

The war acted in a two-fold way to raise the prices of commodities. In the first place it created the circumstances which disrupted the natural flow of the international

1. Leigh, H.S., Punjab and the War, p.9.
and internal trade, and secondly caused a psychic effect upon layman's mind with disturbing consequences on the banks and stock-exchanges.

As soon as the war news reached the common man, his first reaction was to lose faith in the paper currency and to run to the Post Office to withdraw his small savings deposited there. In the early months there was a tendency to refuse notes and insist on gold or silver coins even in small transactions. This continued till in the meeting of the Punjab Legislative Council held on 19 September 1914 O'Dwyer did his best to reassure the people and at his instance, leading men in every town demonstrated, by their personal acts, their faith in the Government currency notes and institutions.

In the first five months of the war, withdrawals from Post Office Savings Banks in the Punjab exceeded deposits by more than a crore and a half. The common man did not deposit even a single pie. Whatever little the Savings Bank received, came from the loyal notables who were asked by the Government to deposit the money by way of examples to the common man. This situation did not show any improvement during the next six months though it did not deteriorate further. By June 1915, however, the government succeeded in

7. GOI-Home-Pol-Deposit-March 1915-Pro. No. 52, p.10; The deposits during this period were only Rs. 33,14,273/- whereas the withdrawals were nearly 2 crores of rupees.
restoring public confidence in the administration and for next two and a half year, Punjabis did not lose much faith in paper-currency though its face value was much eroded.

Once again, however, the scare returned and now with greater alacrity in the beginning of 1913 particularly after the Government of India had issued one-rupee notes in shorter dimensions in April 1913.

The new one-rupee notes were viewed with grave suspicion in the Punjab particularly for a few months after their issue and could only be cashed at a considerable discount. The devaluation of the one rupee-note for a time so overshadowed the whole situation, that the Punjab Government became very nervous about it. In a confidential report to the Government of India the Punjab Government stated:

"In the present state of tension nothing short of the replacement of the small currency notes by silver and an ample provision of small silver coins for change will restore confidence. The danger of trouble arising from this cause is the more important because it affects all classes of the people from the highest to the lowest, the village as well as town. Feeling of nervousness among people reported from several districts .... The Deputy Commissioner Lahore says 'the general state is one of being on tenterhooks' and he

2. GOI-Woo-Pol-Deposit-August 1913 = No. 20, p.12.
considers that the struggling crowd seen daily in front of the currency office striving to get rupees (in coins) for small notes reflects on the loyalty of the Punjab and its confidence in the stability and solvency of the British Raj.\(^9\)

The situation was worsened when the speculators started purchasing notes at a discount all over the Central Punjab and sent them to Lahore for encashment, which made a great run on the currency office at Lahore. Very few paid in coins into treasuries and most of the money deposited was in notes. During the second fortnight of July 1913, for example, Rs. 59 lakhs in notes were deposited as compared to only Rs. 11 lakhs in coins.

The value of the 'sovereign' or the 'gold mohur' in terms of the Indian rupee rose rapidly. Before the war, the 'sovereign' stood at Rs. 14; in October 1916 it rose to Rs. 16-5-0; but at the beginning of 1918 it rose to about Rs. 17/-; in May it had gone to Rs. 18-10-0; in June to Rs. 20/- and in August 1918 'sovereign' was sold at Rs. 21-/-.

The uneasiness which resulted from the war stimulated the practice of hoarding metal currency. The agriculturist also insisted on the payments being made to him in metal.

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11. GOL-Home-Pol-Deposit-September 1913-Pro. No. 20, p.16.
To him only the metal currency appeared the real wealth. As the people of the Punjab had already lost their faith in banking business when a large number of banks had failed during 1913-14, the uneasy conditions created by the war made them more apprehensive. They now generally resorted to hoarding precious metals for their rainy days. The demand by the people of India for coins during the financial years 1917-18 and 1918-19 was so great that the Government had to mint coins of no less than Rs. 700 millions to take the place of those which had been hoarded. The Government of India had to face great difficulty in procuring silver for coins. Had there been no announcement that United States were arranging to supply a good quantum of silver, the anxieties of the Government of India would never have been relieved.

Apart from causing the above psychic effects, the war disturbed the economic condition of the Punjab in many other ways. The Punjab economy, in the absence of industrial base, depended solely on agricultural produce. But its success and failure was again determined by the monsoons.

It so happened during the period of war that the monsoons failed frequently and added to the adverse effect

13. RAJ, 1913-14, p. xi.
14. India in the years 1917-18, p. 78.
15. Ibid.
of the war. Decrease in rains caused less supply of grains but at the same time the war necessities increased the demands from inside and outside the province. Moreover the shortage of freight owing to the conditions created by the war led to the restricted movements of commodities from one place to another. The combined effect of these factors was steep rise in prices of necessities of life in the province.

Within a month of the outbreak of the war, the price of wheat had advanced from 12 seers to 3 seers a rupee, in the towns of the Punjab. On 14 September the Government of the Punjab drew attention of the Government of India to the deteriorating economic situation in the province and the political danger likely to be caused by the rise in prices. In October, the upward movement in prices became more marked and more rapid. The closing of Portonellas to the export of Russian wheat and the intervention of Turkey in the war were doubtless the main factors in this rise. By November 1914, the situation in the province had deteriorated so much that the wheat was being sold at famine rates. The Punjab Government informed the Government of India secretly that:

"If there is a factor in the political situation in the Punjab that gives ground for serious apprehension, it is the sudden rise in prices of

16. GOI-Nemo-Pol-Deposit-October 1914-Pro. No. 61, p. 1
17. GOI-Nemo-Pol-Deposit-October 1914-Pro. No. 61, p. 1
18. GOI-Nemo-Pol-Deposit-October 1914-Pro. No. 61, p. 1
19. Ibid.
wheat and floor.... The alarm to which this has given rise is reported by all districts; the people are said to be looking to the Government to do something to mitigate their hardships; and the grain dealers who rightly or wrongly are believed to be responsible, are bitterly assailed. In certain districts the rise is believed to have taken place independently of any local influence, while in others the people believe that the manipulations of the market by the local Daniaas are to blame. But in all it is expected of Government that it should intervene, preferably by fixing prices and prohibiting export, or should that not be feasible by measures of relief for the poorer classes."

Under pressure of the economic distress in the Punjab, the Government of India suggested restriction on the export of wheat to England but the Secretary of State for India opposed the solution and could agree to only partial restriction and that too with reluctance and after a long correspondence with the Government of India. The notification in this regard was issued on 28 September 1914.

This belated and half-hearted measure could not save the situation from further deterioration. The Government of

22. The Gazette of India Extraordinary, 29 December 1914, Department of Commerce and Industry, No. 2188-M.
India again parleyed with Secretary of State for the prohibition of export of wheat from India but its pleading failed to bear any fruit. The Government of India remained in a fix for a time and did not know what to do for the recovery of the market and to save the country from economic disaster. How serious was the economic condition of the people in the very first year of the war can be guessed by the following report which the Punjab Government submitted to the Government of India in the middle of February 1915:

"District Officers are unanimous in bringing to notice the gravity of the situation caused by further rise in the prices. A marked rise in the prices of all foodstuffs has taken place during the last fortnight and has been felt in every district. Notwithstanding the recent good rain, wheat is now selling at prices varying between 6 to 7 seers for a rupee in the central and southern districts. The rise of prices to a level which has never been reached in years of severe famine is causing much disquietude among the population in towns and the poor classes generally; and as exporting firms are already buying forward at

23. Dominie Papers Nos. 60a, Viceroy to Secretary of State, Tele P., dated 16 February 1915; Ibid., No. 131, Tele P., Secretary of State to Viceroy, dated 25 February 1915; The Lieutenant-Governor of Punjab pressed the Government of India time and again to take urgent measures to check the rising prices and to prohibit the export of wheat from India. The Viceroy wrote regularly to the Secretary of State for India about the precarious economic condition of the people in the Punjab, quoting O'Dwyer's letters, and asked his consent to prohibit the export of wheat, but the Secretary and the Home Government were most reluctant to do so. England was then in great need of grains and she had to look after her own interests first rather than those of the people in India or in the Punjab.
Rs. 4-12-0 a hundred or even higher, no fall can be expected when the new crop comes to the market, unless steps are taken to prohibit or regulate export."

The fixed salaried people were hit particularly hard by the spiralling prices and their resentment was soon reflected in workers' demonstration the like of which had not been seen before in the capital city of the Punjab. On 13 February about 2,000 employees of the railway workshop at Lahore gathered after the workshop had been closed for the Saturday afternoon and proceeded towards the Government House in an orderly procession to petition the Lieutenant-Governor of the Punjab for relief on account of the rise in prices.

The Lieutenant-Governor felt seriously concerned at such a public demonstration. He felt it might spread over to every town, storm the Government courts and officers and spoil the favourable political atmosphere in the province so assiduously built up by his government. He expressed this apprehension to the Government of India and suggested an announcement to the effect that the government was seized of the problem. O'Byer wrote:

"...the famine prices are a much more serious cause for anxiety than seditious agitation or political..."

24. GOI-Home-Pol-Deposit-March 1915-Pro. No. 55, p.16.
25. Ibid.
discontent. Those are confined to comparatively small sections in dealing with which the administration can count upon the active cooperation of the great mass of the people who are loyal and law-abiding. But the famine prices, which the people regard in a year of plenty like the present as due not to the act of God but to external causes within the control of Government, are creating severe privation among the mass of the people and an atmosphere of growing resentment which can only be dissipated by the early adoption and announcement of measures to secure that the people shall be able to purchase the necessities of life produced within the country at a reasonable rate."

Again the Government of India thought of prohibiting the export of wheat from India but was thwarted in the move by the British Government. The latter reacted sharply this time to the proposal. The Secretary of State for India wrote to the Viceroy on 25 February 1915:

"His Majesty's Government fear that the prohibition of export [of wheat from India] will gravely affect wheat supplies and prices here unless accompanied by such announcement of policy as will reassure market as to early supply forthcoming from India. We are confronted here by the prospectus of serious shortage..."
and panic prices which can only be counteracted if a substantial Indian supply is forthcoming in April and May."

On the same day, the Secretary of State again called to the Viceroy:

"Even temporary cessation of supplies from India would produce state which might be serious embarrassment in prosecution of war."

Nevertheless, the pressing needs of the Punjab forced the Government of India and the Secretary of State to come to a settlement. They decided on 26 February 1915 to prohibit all export on private account until the end of the year 1915. However, in the very nature of things again this half-hearted measure was doomed to failure.

The prohibition of private export of wheat had little effect in bringing down the prices, because stocks were at a minimum and the Government of India continued to purchase wheat on its own account and export it abroad as and when the British Government desired. This led to great suspicions in the mind of the Punjabi people about the government's intention to check prices and restore the country's economy.

Little wonder that the Indian intelligentsia regarded the optimistic statements of the Viceroy in this context.

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37. HM India Papers/No. 131, File 9, P. Secretary of State to Viceroy, dated 25 February 1915.
38. Ibid., No. 132, Ibid.
in the Imperial Legislative Council as no more than hollow pronouncement made to pacate the anger of the Punjabi people.

The dismal failure of the monsoon in 1915 added to the economic distress of the people. O'Dwyer frankly admitted in the Punjab Legislative Council that the monsoon of that year had been the worst known in the Province since 1877, and though Punjab was then in a much better position than 40 years earlier to face drought and scarcity, the failure of the rains in 1915 was a cause of grave anxiety to the province. The Kharif crop on barani lands (2/3rds of the area sown) had failed and even on well-irrigated lands it was a poor one. The only hope now lay in the produce of the canal-irrigated area. Then the fodder also failed to come in sufficient quantity the economic condition further deteriorated and the Punjab was faced with a serious calamity, especially in areas where there was little/or well irrigation. It was only towards the end of the year 1915, when Government of India stopped purchasing wheat that the condition eased a little.

The Government of India had for the time being stopped purchasing wheat for exporting abroad because wheat could be purchased by Britain at low rate from other countries owing to the bumper production in Canada and Australia.

in 1915. To ship wheat away from India was also a more costly affair owing to freight charges. This helped somewhat to improve the position in India or in the Punjab which was the main wheat producing as well as consuming province. Government's policy of controlling wheat distribution in order "to ensure a moderate level of prices, to safeguard the consumer and yet not to disappoint the cultivator of his legitimate profits" further eased the position slightly.

Unfortunately this turn in the favourable direction was short lived. Hardly had the situation improved in the Punjab by the above measures taken by the government and the timely rainfall in August 1916, when the Home Government made a sudden demand of wheat and that caused a spurt in price line once again.

During the last quarter of the year 1916, the Punjab was virtually demured of wheat for the benefit of Britain, and that deprived the province of any means to meet with success the future eventuality that might arise on account of drought.

During the winter of 1916-17 no rains fell resulting in a big fall in agricultural production. On Barani cultivation only 25% of the crop could mature. But the drain on the wheat stock of the Punjab to Europe via Karachi continued unabated.

37. Ibid., p. 215.
The situation assumed dangerous proportions in the beginning of 1917 due to transport bottlenecks. Government curtailed the railway and road facilities for civil use to accelerate increased military traffic at the instance of military authorities. The reduction of railway facilities especially for goods traffic gave rise to disruption of natural flow of internal trade, holding the areas of scarcity at ransom.

The failure of winter rains had already worsened the situation and caused anxiety but when the rains did come after a dry spell in April 1917, they were accompanied by heavy thunderstorms and hail causing serious damage to the standing crops in many parts of the province. Storms continued raging in the Punjab during May also and that made the weather very unfavourable for harvesting operations. At places grain remained lying on the threshing floor for several days and suffered damage in parts. Straw and Bhussa too were badly spoilt.

The prospects of the general economic condition of the Punjabis were improved a bit by the abundant downpour of monsoon in 1917. Green fodder supply position also improved. But in some parts too much rains caused floods and inundation, doing considerable damage to the crops and health of the people.

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39. Ibid.
40. GOI-Home-Pol-Deposit-May 1917-Pro. No. 70, p.11.
41. GOI-Home-Pol-Deposit-June 1917-Pro. No. 63, p.12.
42. GOI-Home-Pol-Deposit-September 1917, Pro. No. 5, p.14.
With the torrential rainfall, doing more harm than good, prices rose to a still higher level.

The rising prices hit the working class in towns very hard and the have-nots started assuming dangerous postures for the government. There was an open talk of strike in the North-Western Railway workshop at Lahore during the month of October 1917. They had genuine grievances and had been agitating for higher wages for a long time but the workshop authorities had refused to meet their demands. The workers of the workshop sought to meet the apathy of the authorities by strengthening their trade union organization and having done that threatened to go on a strike. They were inspired to do/a successful strike of the workers of Oudh and Rohilkhand Railways in United Provinces. The Lahore workers started hoping that some labour leaders from Oudh and Rohilkhand Railway would soon come in their midst to guide and conduct the strike at Lahore and they would force the authorities to concede their demand for higher wages. They had not reckoned with the possibility of O'Dwyer's stepping in to damage their struggle. O'Dwyer was most keen to crush the incipient unrest among the Lahore workers in its infancy. He assured the Agent of the Railway Company at Lahore that the Punjab Government would deport the leading agitators at once under the Defence of India Rules. That prevented the strike, at a time when the railway workers

44. GOI-HOME-Pol-Deposit-November 1917-Pro. No. 30, p.19.
45. Ibid.
46. Ibid.
were the best organised for it.

In December 1917, speculations were rife in almost all the Punjab towns. Owing to lack of conveyances and carriages at some places, the salt was being sold for 4 seers a rupee. Municipalities had opened fair-price shops to redress the plight of the poor but failed to cope with the great problem in the absence of adequate government support. The charitable work of Municipalities was further hampered by delays on the railways. The economic distress started increasing and began to be actually felt by unskilled workers and those with fixed incomes.

The economy took such an inflationary turn that despite the fact that wheat crop in the spring of 1918 was good, it was selling at places at the rate of six seers a rupee. When the monsoon of 1918 failed completely, it filled the cup of misery of the poor to the brim. sowings for the spring harvest of 1919 were hampered by the lack of moisture in the ground and much of the unirrigated area was left unsown.

A painful accompaniment of the misfortunes, resulting from the failure of the crops and rise in prices, was the frequent visitation of various diseases and epidemics during the war. That was chiefly due to government's neglect of the public health.

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48. Ibid.
49. GOI-Home-Pol-Deposit-May 1918-Pro. No. 65, p. 15.
50. RAAP, 1918-19, p.v.
health. The government's attention had remained concentrated on the war and the Medical Department of the government was depleted of its staff, equipment and medicines, which had all gone to war fronts. The skeleton service which was left in the province was hardly sufficient to meet even the normal requirements of the people.

Epidemics like plague caused serious loss of life and property in the Punjab. In the beginning of 1915 there occurred a wide outbreak of plague and unguarded for by the authorities led to disturbances and destruction of properties in villages and towns in the south-western districts of the Punjab. What had happened was that "the deserted houses of the shopkeepers proved too great a temptation for their hungry customers". Loss of life can be guessed from the fact that in March and April, weekly deaths by the epidemic exceeded 15,000, and in the first quarter of the year plague deaths exceeded one lakh.

Hardly had the plague subsided when during the summer of 1915 pilgrims returning from Hardwar brought cholera with them in the Punjab. That caused a number of deaths at many places, especially in the Kangra district. Cholera reappeared in August 1916 but fortunately this time it was not of the same intensity.

52. GOI-HOME-Pol-Deposit-May 1915-Pro. No. 49, p.11.
53. PalaGAR., 19 April 1916, p. 221.
54. Leigh, M.B., op. cit., p.11.
Sometimes diseases and epidemics also came as a consequence of a very heavy rainfall. The monsoon season of 1917 caused an excessive rainfall which not only caused destructive floods in many parts but also gave rise to unusually severe malaria. Such a severe malaria had not occurred since 1908. It caused an abnormally large number of deaths in the late autumn of 1917. The town of Amritsar suffered badly from floods and subsequently malaria started taking a toll of 100 lives a day. Many municipal committees notably those of Sultan, Jagadhri, Montgomery, Jullundur and Ferozepur opened shops for the sale of medicine, cheap grain and salt to the poorer classes, but could hardly touch the fringe of the problem. The afflicted who escaped death suffered from many after-effects of the evil disease.

Not only human but cattle population also suffered a great deal on account of excessive rains in that year. In canal colonies surra epidemic appeared among the cattle population and seriously affected miles, horses and ponies. The civil veterinary department, which was understaffed, having deputed much of its staff to military duties, could do little in checking the epidemics among cattle. In Sera Shazikhan there was a serious outbreak of surra.

55.GOI-Home-Pol-Deposit-November 1917-Pro. No. 29, p.16.
56. GOI-Home-Pol-Deposit-November 1917-Pro. No. 29, pp. 16-17.
58. Leigh, M.E., op. cit., p.11.
Plague reappeared in the winter of 1917-18 and continued unabated till May 1918. In the month of April 1918 alone it caused more deaths than the war had done since its outbreak.

But all these misfortunes were utterly eclipsed by the terrible scourge of influenza which caused a havoc in the province in the latter half of 1918. "The people died like flies, the villages were harder hit than the towns, the men more than the women, and those in the prime of life worst of all." At places whole families were wiped out, villages were deserted and big towns were depleted of the greater part of their population. Describing the miserable plight of the people caused by the influenza on the close of the war, the Census Report (1921) observes:

"It is no exaggeration to say that at the worst period whole villages were absolutely laid desolate by the disease. There was sometimes no means of disposing of the dead. Crops were left unharvested and all local official action was largely paralysed, owing to the fact that the majority of the official staff were put out of action by the epidemic. To add to the distress the disease came at a period of widespread crop failure and reached its climax in November 1918 when the cold weather had set in; and, as the prices of cloth happened at the time to be at their highest, many

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According to the Census Report altogether about 12 lakh people died of the influenza in the province. But it seems to be a substantial underestimate owing to the complete breakdown of the reporting staff and the deserted villages. No one bothered about the registration of vital statistics.

Influenza had broken out in the Punjab in 1918 in three waves. The first two epidemics had occurred between July and September and were comparatively mild in character. Though widespread they were not accompanied by high mortality. In October, however, the disease in its third wave broke out in an extremely malignant form. The character of the disease was completely altered and a peculiarly fatal type of pneumonia appeared as a concomitant. The worst period was from 15 October to 8 November, when the state of province was appalling. During November the disease continued to take a heavy toll from the rural population, but began to abate in urban areas. In December the epidemic was rampant in hilly tracts. The rural areas suffered more severely than the towns. That was partly on account of their being at greater distance from medical aid centres and partly from the lack of organisation.

62. Leigh, M.S., _op. cit._, p.11.
64. _Punjab Government Gazette_, supplement, 4 July 1918, p. 139.
During the autumn of the year 1913, influenza was peculiarly fatal in the case of women of child-bearing age. The birth rate fell from 45.3 to 39.6 per mille i.e., it was 5.6 less than the average of the preceding quinquennium. The decrease was general throughout the province. Deaths exceeded births by 41.4 per mille, the excess being most marked in the south-east corner of the province. The number of deaths reached its highest figure in the Surgaon district where there occurred a loss of nearly one-eighth of the population.

The death rate of 1913 was 31.10 per thousand as compared to 37.0 in 1917 and 37.4, the average of the previous five years. For this high rate which exceeded all previous records in the Punjab the influenza scourge was alone responsible. The Punjab had during 1913 more than double the death rate of Burma and Bengal put together.

While the common man in the Punjab was, thus, suffering from rise in prices, and while he was living in the shadow of death from epidemics, the war time budget and finances of the Government were adding to his misery. Instead of providing for the redress of his grievances and ameliorate the hard conditions he was passing through, the Punjab Government's annual budgets taxed him more and more every successive year. There were efforts to reduce the expenditure on the government establishment in every annual budget but that was not for reducing the incidence of taxation on the common man but to use the saving thus effected for increasing war contributions of the province.

67. Ibid.
The first war-time budget of the province for the financial year 1915-16 was introduced in March 1915. The special feature of this budget was that out of the cumulated provincial balance of the past year, rupees one crore were surrendered to Imperial revenues. The year was budgeted for receipts of Rs. 497 lakhs and expenditure of Rs. 492 lakhs. Partial failure of crops yielded less revenues than were expected. Only Rs. 484 lakhs were received. On the expenditure side, owing to the restrictions put by the Imperial Government, the Punjab Government could only spend 473 lakhs. This reduction on the expenditure side was at the expense of development projects which were likely to bring long term improvement in the economy of the province.

The Government budgeted the year 1916-17 for receipts of 70 Rs. 473 lakhs, but the vigorous efforts of the collectors increased the revenues by 33 lakhs more than anticipated. Rupees ten lakhs were saved by less expenditure and thus the overall surplus at the end of the financial year 1916-17 was Rs. 103 lakhs, when it was merely 55 lakhs a year earlier. That did not result in the lowering of the tax incidence in the next year. On the other hand, the result of the year 1916-17 encouraged the Punjab Government to make higher provisions for the year 1917-18. It also estimated to leave a closing

69. Ibid., 19 April 1916, p.216.
balance of Rs. 106 lakhs in rupees. It was given out that this sum would exercise a steadying influence on the money market and enable the government to meet other emergency expenditure.

For the year 1917-18, more provision was made for roads in the Punjab: 54 lakhs as compared to Rs. 40 lakhs provided during the previous year (pre-war budget for P.W.D., B & R. was Rs. 84 lakhs). But it was done with a view to fulfil military necessities and to facilitate easy movements of troops.

To save the money for imperial necessities less provision was made for community welfare schemes and projects like Buildings and Roads, Medical and Sanitation, and Education.

In conformity with the general policy laid down by the Government of India in 1917 the Punjab Government cut down all fresh expenditure. During the year 1917-18 income exceeded by Rs. 26 lakhs and expenditure fell short by Rs. 33 lakhs, raising the provincial surplus to Rs. 100 lakhs, lying with the Government of India. The year 1918-19 was budgeted for receipt of Rs. 590 lakhs and expenditure of Rs. 519 lakhs. But it must be emphasised once again that those surplus budgets were no indicators of an improving economy. On the other hand they added to the economic burden over the common man.

71. *P.W.D.*, 25 April 1917, p. 211: The estimates for 1917-18 were - Receipts 513 lakhs, expenditure 510 lakhs.

72. Ibid.

73. For details and comparison of budget figures see *P.W.D.*, 13 March 1914, p. 57 and *P.W.D.*, 13 March 1917, p. 57.

The Punjab budget which had been kept on increasing from 1915-16 to 1918-19, both on the receipt and expenditure sides despite the failures of harvest had a very bad effect on the economy of the province and thereby on the political temper of the Punjabis, particularly in the last year of the war. An indication of the rising anger of the people can be got from the increasing expenditure that had begun to be incurred by the Punjab Government on police, courts and jails. The increase was necessitated mainly due to the political crimes, as distinct from other crimes the number of which declined sharply during the war.

In view of the economic pressure of the time and rising demand of manufactured goods of war from India by the Allied Powers the government had to start new thinking on its policy of laissez faire as regard to the 'Industrial state of India'. In the absence of basic industry inside India and restriction on imports from outside, the prices of even small articles of daily use now rose very high and that had its political repercussion too. The Indian intelligentsia clamoured for help from the government to establish industries in India. They

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75. P.L.C.D., 13 March 1913, p. 165: The figures in '000 of Rs. for 1918-19 as compared to the year 1912-13 are as below:

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76. P.L.C.D., 26 April 1913, p. 363: O'Dwyer by quoting figures, admitted that the ordinary crime condition improved throughout the war.

criticised the government's industrial policy and held the government responsible for all the economic troubles India then had. The Press and the legislative forums gave vent to their feelings. It was the result that on 26 November 1915, Harding in his despatch to the Secretary of State for India wrote:

"After the war India will consider herself entitled to demand the utmost help which her Government can afford to enable her to take her place, so far as circumstances permit, as a manufacturing country and for the time being he suggested that a Commission should go into investigation and make report on the industrial state of India.

The Industrial Commission, which came into being in 1916, as a result of this recommendation, however, did not serve the purpose for which it was apparently intended. Perhaps that was because it was meant to serve the political purpose of diverting the attention of Indian intellectuals to the belief that the government was considering every aspect with a "new angle of vision", and not to herald a truly new industrial policy. The only benefit that accrued out of the detailed researches and study made by the Commission was the institution of the Munition Board by the Government in 1918 to streamline the war efforts. Under its patronage many new

industries came into existence and the industrial production increased to a great extent to meet the war demands.

Whatever change came in the government's industrial policy during or after the war and whatever patronage the government gave to the industry in India, were not intended to make India self-sufficient or to make her stand on sound industrial footing, but solely to serve the British "Imperial interests" which demanded, in the light of war experiences, that natural resources of India should thenceforth be better utilised. Indian politician was quick to perceive that there was no use of the recommendations, which the Commission made, for Indians, till the whole of the industrial question, its protection and tariff, was in the hands of Britishers and the Indians had no say in the affairs of the Government of India. If the war actually led to some general industrial growth, it was inspite of government's intention that it should serve no other purpose than help British war efforts. The reality became known to the Indians immediately after the war when all the new industrial units started during the war time for manufacturing munitions ceased functioning throwing thousands of people out of employment.

70. India in the Years 1917-18, pp. 19-22.
73. India in 1919, pp. 69-70.
Nevertheless the war started a good deal of debate on the industrial policy of the British Government in India which provided ample material to the Indian politicians to work up the people against the British. The Punjab was particularly a good area for the politicians to work on because of the various unpopular measures of O'Dwyer's administration, and the hardship that plague, influenza, rising prices and the heavy taxation had inflicted on the Punjabis.