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## Topics of the Week.

### The Governance of Indian States.

THE significance of the statement made by Earl Winterton, Under Secretary of State for India, in the House of Commons last week regarding Indian States cannot be over-estimated. In some respects it recalls the famous statement of policy regarding British India made by the late Mr. E. S. Montague in 1917, then too in reply to an interpellation. Earl Winterton stated that it was not the policy of the Paramount Power in ordinary circumstances to intervene in the internal administration of full-powered States; that the Paramount Power would not obstruct proposals for constitutional advance initiated by a ruler; that the consent of the Paramount Power was not required for such advance, nor, as far as he knew, was it ever asked in the past; and that the Paramount Power would, in ordinary circumstances, confine itself to tendering advice, when consulted. After this open declaration, it is no longer possible for Princes and the Ministers of full-powered States to plead open obstruction from the Paramount Power as an excuse for the continuance of their autocratic and despotic system of government.

THE declaration of Earl Winterton is not without its limitations and snags. In the first place, it applies only to full-powered States, and they are very few compared with the total number of Indian States. The policy of the Paramount Power with regard the latter class of States is not clear. It is well-known that the Paramount Power ordinarily exercises varying degrees of intervention in such States. Will the exercise of more direct responsibility in these States be used in furtherance of constitutional advance in them? There are other States which are so small and the Princes of which have so little independent jurisdiction that they are practically governed by the Paramount Power. What is the future of these States? Will they continue to be nominally Indian States but practically under the Paramount Power, and will the latter uphold for ever the present autocratic form of government therein?

EVEN as regards the full-powered States, there is the doctrine of the paramountcy of the Paramount Power, with its all-pervasive, un-limited and fluctuating jurisdiction and influence. The advice of the Paramount Power amounts practically to an order which no Prince, however full-powered, can dare ignore. The nature of the advice given by the Paramount Power can be inferred by its own conservative policy in British India and in the smaller States which are practically under its rule. There is so far no instance of the British Government having initiated constitutional advance in any Indian State which, for all practical purposes, it ruled. Its advice, whether asked or unasked, can only be conservative in the future, if not in the past. The basis of federation under the new constitution was the retention of the autocratic and despotic rule of the Princes as a counterweight to the growing democracy of British India. The British Government accepted the idea of federation only on this basis. And it is inconceivable that its advice, if sought, would be to advance the constitution of the States towards responsible government.

WHATEVER might have been or may be the influence of the Paramount Power on the constitutional development of the Indian States, it is no longer possible for the rulers of the full-powered States to use the Paramount Power as an excuse for their own attachment to autocratic and despotic rule. In future, if not in the past, they are under no obligation to seek the advice of the Paramount Power if they wish to advance towards democracy the constitution of their States. If, notwithstanding open professions to the contrary, the Paramount Power, in virtue of its paramountcy, hindered the Princes secretly, they should say so openly and let their people know who exactly was hindering progress.

THE future of the Indian Princes lies with their identifying themselves with their own peoples, and if necessary, opposing the Paramount Power, rather than in identifying themselves with the Paramount Power and opposing their own subjects. They can continue to be puppets of the Paramount Power or constitutional rulers of their States.

### Ban on Mr. Ranga in the Punjab.

SARDAR HARI SINGH moved the other day an adjournment motion in the Punjab Legislative Assembly to raise a discussion on the action of the Government in banning Mr. Ranga, a member of the Central Assembly, from entering the province. The mover pointed out that Mr. Ranga belonged to the Congress which was pledged to non-violence under all conditions, and asked what public interests would have been injured if he had been allowed to enter the

province for the purpose of presiding over the Conference of Insurance Employees. The Punjab Premier Sir Sikandar Hayat Khan in defending the Government's action, said that he was quite willing to allow Mr. Ranga entry into the province on condition that he did not take part in any political activities. It was pertinently asked by the Opposition whether Sir Sikandar would relish or justify the action of the U. P. Government if, for instance, the latter had prohibited his own entry into the U. P. to attend the Muslims League session, in order to safeguard the interests of that province. The Premier had, of course no reply to offer. Sir Sikandar refused, however, to take the House into confidence as to the evidence he had in substantiation of the charge that Mr. Ranga had subversive motives in view. He could not, he said, divulge facts in his possession whose publication was not in the public interest.

THE Punjab Government's action in this case and its subsequent refusal to substantiate the vague charges it suggested against Mr. Ranga will not convince the public of the "grave danger" to the province from a visit of the kisan leader. By refusing to divulge evidence in his possession, Sir Sikandar revealed a mentality comparable with the pre-atomony Bengal bureaucracy which clapped in detention camps hundreds of young men without trial. The Premier argued that one of the reasons for the ban was the fact that certain organisations in the province were making preparations to utilize Mr. Ranga's visit to undertake mass action. We wonder what exactly Sir Sikandar tried to convey by this piece of information. Is mass action for the removal of grievances taboo in the Punjab, even if such action remained non-violent?

THE Premier added that though individual violence is given up in the province, mass violence was still being preached. If it is so, how is it that steps have not been taken against those who are preaching mass violence, or does the Premier believe that all this supposed agitation was awaiting the touch of Mr. Ranga's visit suddenly to burst into flames? Sir Sikandar has taken, we fear, an untenable position in the matter. If Mr. Ranga had overstepped the legal limits during his tour, the Government could well have prosecuted him under the law. The Punjab Government's attitude in this case is in strange contrast to its attitude towards the Shahidganj agitation. In the latter case, events have shown that meetings, marches and organisation of satyagraha, which have not been prevented, have resulted in violence and are likely to do so in the future, yet no preventive action has been taken, Government confining itself to penal action only when the agitators overstepped the legal limits. On the other hand, although the outcome of Mr. Ranga's visit was a matter of conjecture, Government felt it necessary to take preventive action in anticipatory panic.

#### Having it both ways.

Considerable heat and not a little confusion of thought characterises Sir Ali Mohamad Dehlavi's presidential address to the Bombay Provincial Muslim League Conference in Ahmedabad. The heat was due apparently to the refusal of the Bombay Government to drop the optional clause regarding joint electorates, the thin end of the wedge, as he called it, in their Local Self-Government amendment bill. The confusion of thought was due to Sir Ali's claim that the Muslims were as much a majority as the Hindus and his desire to retain the special advantages for Muslims as a minority at the same time. Sir Ali claimed that it was "incorrect to account

the Muslims as a minority not only because a vast homogeneous unit with common ties of culture and distinct social and political characteristics consisting of ninety million people cannot be labelled and disposed of as a minority but also because the principle whereby the non-descript conglomeration of people who cannot be defined as falling under one definite class or the other, are by being classified as one ethnical and religious unit, declared to be a majority is wholly wrong and misleading." He declared that he had no hesitation in affirming that if a census of the country were taken on proper scientific lines, the Muslims would be found to be as numerous as any largest single group in the country. As regards their attitude towards public questions, he asserted that Muslims were in agreement with progressive elements in the country on practically every issue which affected the good of the country as a whole.

STARTING with the premise that the Muslims were not a minority and should not be treated as one, and that their outlook was as much national as that of any other community, Sir Ali went on to claim for his community the special privileges and advantages which it commands today on the sole and only ground of its being a backward minority. A better example of trying to eat the cake and keep it too, it is difficult to find.

SIR ALI MOHAMAD castigated the Congress for its "mischievous mass contact and self-opinionated political leaders" who "seem to be lacking in the will to achieve peace and unity". We have not always seen eye to eye with the Congress, but even we find it difficult to believe, with Sir Ali, that the Congress movement for mass contact is mischievous or that its leaders have failed to show either the will or the readiness to seek unity between the Muslims and the Hindus. On the other hand, it is well-known that the anxiety of the Congress to come to an understanding with Muslims has brought upon it the unmitigated wrath of the Hindu Sabha. Sir Ali Mohamad asserts that no one from among the Congress has as yet told the Muslims how this problem of problems has to be solved and complacently asserts that "so far as the Muslims are concerned their conscience is clear. They have no mental reservations on the subject." Why should the Muslims have any mental reservations, we wonder. At every stage and at every conference for Hindu-Muslim unity they have shown a leave-it-or-take-it attitude with uncompromising obstinacy. They would surrender no privilege they have gained at the cost of other communities.

SIR ALI MOHAMAD was very brave indeed in his declaration of the Muslim's greater faith in complete freedom than of the Congress.

I go even further and declare (he said) that we do not look with favour on the symptoms of satiety and satisfaction visible in a majority of the provinces of India under Congress domination, where it appears as if the battle had been won and the time for laying down arms had arrived. The Muslims of India have decided that the goal of their ambitions is full and complete freedom. If they find their compatriots lagging behind, they will have to carry on the fight single-handed and bring liberty even to those who seem to have been satisfied with so little. To the Muslim mind the freedom of India means the freedom of Islam. We cannot be indifferent to the sorrows of our co-religionists outside the geographical boundaries of India. Our fight is not local. Imperialism, whether it be of the English, French or any other type, has to be thrown back and the people of Africa and Asia have to be rescued from its thralldom.

In what manner the governments in the non-Congress, Muslim provinces have shown greater zest for independence, Sir Ali did not make clear. However, it may be noted that for Sir Ali, the freedom of India is dear because it means the freedom of Islam!

It is indeed fruitless to search in this speech for any indication of a spirit of co-operation. Sir Ali dislikes being called a minority; he asserts that his community has been in "the front rank" of national struggle; and that it is not a foreign or an alien community in India, but sprang from the same stock or mixture of stocks from which other Indian communities have grown. And yet with all this assertion of common heritage and common aspirations, he would insist on separate electorates for the Muslims on the ground that they are a separate minority!

#### A Retrograde Bill.

MR. KAZMI moved for circulation a bill in the Central Assembly the other day which aimed at consolidating the provisions of Muslim Law relating to suits for dissolution of marriage by Muslim women and at removing doubts as to the effect of apostasy of a married Muslim woman on her marriage tie. In moving for circulation, Mr. Kazmi explained that what he had in view was the removal of the difficulty in the way of Muslim women's rights, created by the non-recognition by the courts of certain provisions of the Muslim law which do not find place in the Anglo-Muhammedan law as prevalent in British India. A perusal of the clauses of the Bill proposed by Mr. Kazmi, however, leads us to believe that, whatever be the object of the mover, the effects of the Bill as it stands to-day, if passed into law, cannot but be mischievous and retrograde in character. First, clause 6 of the Bill seeks to make it obligatory on the government to try a suit for the dissolution of marriage by a married Muslim woman only in a court in which the presiding judge shall be a Muslim. The mischievous nature of this demand for communal courts is obvious although the Government spokesman, Mr. J. A. Thorn, objected to it in mild terms and only on the ground of administrative difficulties.

Clause 5 of the Bill is an example of having it both ways. The mover of the Bill stated that the courts in British India had held in a number of cases that the apostasy of a married Muslim woman *ipso facto* dissolved her marriage. The fact is that in the case of a change of religion on the part of a married woman, to whatsoever community she may belong, she has a right to ask her husband to change his religion also and, if he refused, to ask for the dissolution of her marriage after a stipulated time, a dissolution which she gets as by right. This provision, we believe, is one of the few sensible provisions of the law to guard the rights and person of Indian married women. The mover of the Bill desired to make an exception in the case of Muslim women, in whose case he asked that her conversion to a faith other than Islam should not, by itself, operate to dissolve her marriage. In other words, a Muslim woman may change her religion but she shall remain legally the wife of her Muslim husband's subject to all the personal laws of her husband's community, which, it is worth noting, gives him the right to divorce her at will. This is a state of affairs which will create a situation clearly detrimental to the social and economic interests of the women concerned.

THERE is an aspect of this question which, though unfortunate in the extreme, has to be taken

into consideration. The re-conversion movement is gathering strength day by day and specially in the cases of forcibly abducted or seduced women, and numerous missions of mercy are coming into existence for this purpose. Whatever one may think of the religious aspect of these institutions, it cannot be denied that they have created a problem which will be further complicated if a provision of law as contemplated by Mr. Kazmi comes into operation. Women who become the wives of Muslims after first abandoning their religion may desire to go back to their old religion. If they remained the wives of their Muslim husbands, communal feelings are not likely to be soothed by Mr. Kazmi's attempts at law making.

MR. ANEY gave a clear exposition of the important principles involved in clause 6 during the discussion. He said:

It is an attempt to lay down an entirely new and novel principle in the matter of the administration of justice. I can understand the insistence of any person belonging to any particular religion or sect saying that the law by which he shall be governed shall be the personal law to which he belongs. But whether administration of that personal law should also be in the hands of the Magistrate who belongs to that particular religion and professes to follow that particular personal law is a matter which in my opinion is laying down not only a novel principle but a principle of a very retrograde character which this House should not give countenance to at all for more reasons than one. We think that we have now grown to a state when the communities can certainly, in the matter of administration of justice at any rate, rely upon the best of our men who are at present being and will be hereafter recruited to the judicial service and who can be expected to dispense justice, even-handed and equal, and according to the true spirit of the law which they will have to administer.

The Bill has been sent for circulation, and we hope will receive the fullest possible examination at the hands of public men and institutions in the country. It embodies an attempt to carry communal divisions to the minutest details of the personal life of the people and as such merits more attention than its apparently innocent wording would warrant.

#### Army Advisory Committee.

THE Legislative Assembly approved the other day a resolution moved by Mr. N. V. Gadgil, and the amendments thereto of Mr. Asaf Ali, to set up an Army Advisory Committee of both Houses. A similar resolution was adopted by the Assembly in 1936 and its repetition shows the dissatisfaction of the House at Government's inaction in the matter. Mr. F. E. James pleaded for the postponement of the question on the ground that the setting up of such a committee might await the inauguration of the Federation and might be left to the Federal Assembly. It is difficult to understand what difference the advent of Federation is going to make as far as Army matters are concerned. Indians will be as remote from army control then as they are today.

THE amendments moved by Mr. Asaf Ali specified the objects for which the committee might be set up. He proposed that the Committee should be consulted whenever Indian troops are to be sent outside the frontiers of India; when the army expenditure is to be added to; and on problems of Indianization. The Indian demand in this connexion was approved even by the Joint Select Committee, which recommended that such a committee of consultation on certain matters connected with the army in India should be set up by the Federal Government, provided that the scope and manner of consultation vested in the

Governor-General's discretion. An objection was raised that consultation with such a committee would involve the giving away of army secrets. What army secrets are involved in matters specified by Mr. Asaf Ali, Government alone can explain. For ourselves we believe that consultation on certain army affairs will remove at least a part of the distrust with which Indian legislators view army proposals.

#### Indian Employment in South Africa.

SPEAKING at the Indo-European Joint Council in Durban in September last, Sir Syed Raza Ali, the Indian Agent General, pleaded for an investigation into the economic position of the Indian community in South Africa. We hope that the Government of India and its Agent-General in South Africa will actively support the request of the South African Indian Congress to the Government of that Dominion for the appointment of a fact-finding commission on the subject. Pending such an authoritative investigation, it is not possible to estimate the deterioration in the economic position of the Indian community as a whole. The figures which Sir Syed Raza Ali quoted from such official statistics as were available are alarming to a degree. Compared with 1917-18 there has been an increase of 35 per cent. in the Indian population in the Union. The total number of Indians in industrial employment fell from 12,308 to 10,215 during the same period! It might have been expected that as a result of the Cape Town Agreement, there would have been a greater employment of Indians in industrial and other avenues. Even if the proportion had remained stationary, there should still have been greater employment in absolute figures in view of the increase in the Indian population. The fact, however, is that fewer Indians are today employed in industries than in 1917! The discrimination against Indians is even more strikingly brought out in their employment on the Railways, which are run by the State in the Union. Not to speak of the white people, including the "poor whites", the employment of even the "coloured" and the "Natives" has gone up by 5 and 16 per cent. during the period. It is only the Indians who have suffered by nearly 75 per cent. since 1926. Open persecution could hardly have done worse! And this after the Union Government had signed the uplift clause in the Cape Town Agreement!

#### Scout Unity in India

It is a matter for regret that the Headquarters of the Indian Boy Scouts Association, New Delhi, could not see its way to accept the recommendations of the Scout Round Table Conference to usher a united national scout organization for India as a whole, including the States. We fear that official influence has proved too strong for the Indian Boy Scouts Association, for the officials who occupy key positions in the Baden Powell scout movement in India are loathe to nationalize scouting in India. This has given room for the legitimate complaint that the movement is imperilistic in its character.

But this need not deter scout organizations in the country, like the Seva Samiti Boy Scouts Association, and the Indian National Scouts Association of Bombay and others in their effort to bring about an All India scout organization under the leadership and guidance of patriotic Indians. They must bestir themselves betimes and give effect to the recommendations of the Scout R. T. C. When these scout organizations form themselves into a central National Scout Association and carry on the scout activities along lines most conducive to the regeneration of the youth of the country,—and the Seva-Samiti Boy Scouts Association has already shown the way in this matter—a stage will be reached ere long when even the Baden Powell

Association will be persuaded to join and there will be only one scout organization in India. The consummation of this ideal will very largely depend on the support the public and the national governments in the provinces will be prepared to give to it.

#### Corruption in Services.

THE U. P. Government recently appointed a Committee to inquire into the problem of corruption in public services under the chairmanship of Kunwar Sir Maharaj Singh. In response to an appeal from the Government to the public for its views on the matter, the U. P. Chamber of Commerce has addressed a letter to the Committee. The Chamber is aware that corruption does exist in the services and suggests that in order to get accurate and reliable information on the extent of it, an ordinance should be issued by the Government granting immunity to informants. It also suggests that it might be advisable to give rewards to persons and institutions giving accurate information regarding this evil. These suggestions, we hope, will be favourably considered by the U.P. Government.

THE Chamber believes that the inordinate delay in the disposal of work in almost all departments gives scope to subordinate officials to extort money under the pretext of expediting the work. Red tape and defective rules of procedure are also responsible for a certain degree of corruption, as also the low scale of salaries. The Chamber says, the Local self-government services require stricter control if corruption is to be checked effectively and suggests that the recruitment of the staff for local bodies should be entrusted to a provincial body and a standard scale of pay should be adopted which will remove the temptation for illegal gratification. It also suggests that to check the corruption among the police, the C. I. D. should be asked to keep note of officers living beyond their means. The Chamber makes a serious allegation that many of the superior officers know that their subordinates receive illegal gratification but do not take a serious view of it. We do not know what procedure the Committee appointed by the U. P. Government is going to adopt to get at the truth, for admittedly it has been set a difficult task, but there is no doubt that its work will be watched with interest all over India. For this problem is a source of anxiety to all provincial Governments.

#### Prof. Karve's 81st Birthday.

PROF. D. K. KARVE, the founder of the Widows' Home at Hingane, and of the Indian Women's University, completes his eighty years on the 18th April 1938. His friends and admirers have decided to celebrate this occasion in commemoration of a single-minded life devoted to education of the womankind of India. The occasion marks fifty years of tireless work in the cause of women's education and it is but meet that the gratitude of his many admirers should take a fitting shape. The Central Committee in Poona, therefore, proposes that the 18th of April should be celebrated as Karve Day at different centres in the country, and that a public collection be made for the Karve Day Fund to be devoted to the first institution with which Prof. Karve started his work for Indian womanhood, viz., the Hindu Widows' Home, Hingane. Prof. Karve has agreed to the proposal that this fund should be devoted to build up a Reserve Fund for the Home to enable the finances of this parent institution to be put on a sounder footing. We hope that Prof. Karve's innumerable friends, admirers and lovers of the cause of woman's emancipation all over India will come forward on this occasion with generous donations befitting the services of a matchless devotee to the women's cause.

## A ROUTINE BUDGET.

THE popular expectation that the constitutional changes which ushered in provincial autonomy in April last, will be reflected in this year's Budget of the Government of India has received a rude shock. Not only are there no surprises or excitements, but the very presentation is so dull and unattractive that it creates no enthusiasm whatever for its careful study. If it were possible to measure the trend of commerce and trade with mathematical precision, the Hon. the Finance Member could have clothed this year's Budget with last year's figures without material alterations. The revenue and expenditure do not seem to have undergone substantial changes; the revised estimates for 1937-38 show an improvement over the Budget figures and leave a balance of Rs. 75 lakhs for the next year. The Budget for 1938-39 provides for a revenue of Rs. 85,92 lakhs and an expenditure for Rs. 85,83 lakhs, thereby leaving a small surplus of Rs. 9 lakhs, after exhausting the opening balance. The ways and means position is running its normal course; there is no borrowing programme; and there is no fresh taxation. Barring a few items which call for notice, there is hardly anything on which useful comment can be offered.

One of the Finance Members of the Government of India, in the earlier days, is believed to have remarked that the budgets of the Government of India were a gamble in rains. Even a casual reader of the subsequent financial statements must have been struck with the vast improvement in the framing of the budgets since that remark was made. Owing to complete absence of responsibility, lack of adequate control and weakness of public opinion, the former budgets used to be susceptible to violent fluctuations between the estimates, revised estimates and final accounts. Under or over estimates were a feature of those days. Things vastly improved on the introduction of Mont-ford reforms. If, however, the budgets of the first five years of the Mont-ford period are compared with the budgets of the last five years, one cannot fail to be struck with the closer approximations between the original and revised estimate and the final accounts. The wide powers of the Central legislature and its criticism, stricter control of the Accountants-General and Auditors-General, the inauguration of the Public Accounts Committee, increased pressure of public opinion—all these contributed to considerably narrow down the margin between the original and the final figures. This improvement deserves to be appreciated on the eve of the unwanted federation era which threatens to open in the not too distant future, even though the improvement might have been achieved by only the full-blooded constitutional method. It may be stated, parenthetically, that the official summaries of the Budget literature supplied to the press do not indicate the likelihood of the inauguration of federation in 1938-39. There is thus still some hope for the anti-federationists like us to carry on further agitation, if the summaries are a correct guide.

The commercial community, the landed aristocracy and other moneyed classes will heave a sigh of relief at the prospect of the Hon. Sir James Grigg not making any more inroads into their pockets. They will find satisfaction in the fact that indirect taxes which fall disproportionately heavily on the poorer strata of the society continue to dominate the field of taxation. The poor man continues to groan under the load of such and other taxes. His salt-sugar and matches continue to be taxed as before, although his financial position continues to deteriorate. The gamble in rains disturbs his financial condition more violently than that of the Government of India and also of the provincial Governments. He has found that the Congress promises and their realisations are not necessarily inter-dependent, but are, perhaps, two distinct things as they have been with British Government. His lands continue to be taxed on the old scale in a majority of provinces and there are no prospects of a suitable reduction in the land revenue. Reforms or no reforms, therefore, the poor classes in this country have derived no benefit, worth the name, which is likely to obtain for them some economic relief and help them to improve their standard of life.

The provincial Governments will be sorely disappointed at the meagreness of relief they will get at the hands of the Central Government. In the Mont-ford period of reforms the provinces suffered heavily at the hands of the Meston Award. It was only recently that their contributions to the Central revenues ceased; and thus they got some relief. Under the new arrangements, sources like the income-tax continue to be with the Central Government. There were gloomy forebodings, shared officially by some of the provinces, that payments under the Niemeyer Award would remain a dead letter. Sir James Grigg has falsified them by sanctioning what may be called token payments. They are calculated to be Rs. 1,98 lakhs and Rs. 1,28 lakhs for this year and this next respectively. We must own to a feeling of acute disappointment at this niggardly treatment given to the provincial exchequers. The Government of India can find Rs. 1,76 lakhs for Waziristan operations or Rs. 1,55 lakhs for the mechanisation of British and Indian units, etc., but they cannot find money for putting the provinces on a sound financial basis. They can also indulge in the luxury of the separation of Burma even against the wishes of the Burmese and then complain that it has cost the central exchequer Rs. 2½ crores. Political considerations tempted them to create more provincial units and then they claim an appreciation from the public that they have paid additional grants-in-aid to deficit provinces to the tune of Rs. 56 lakhs. We acknowledge that the provinces have got some relief by the Government of India cancelling to some extent the previous debts due from the provinces and scaling down the rate of interest which have saved the latter nearly a crore of rupees. We further acknowledge the additional payments of Rs. 55 lakhs from the proceeds of the jute duty in addition to the original



grants of Rs. 2.19 lakhs. We do not doubt the *bona fides* of the Government of India in their anxiety to make the provinces financially as sound as possible; because on the financial stability of the provinces depends, as Sir James Grigg has pointed out, the financial stability of the Central Government. Having regard to the fact, however, that rural development grant to the provinces has been discontinued on the ground that the main responsibility in this behalf now rests with the provincial Governments and having regard to the hopelessly defective financial arrangements as between the Centre and the provinces, we strongly hold that the grants to the latter should have been much more substantial than they have actually been sanctioned.

The Defence Services have been provided with Rs. 45,18 lakhs, that is, more than half of the total revenues. We recognise that the war clouds are gathering on the international horizon and that India should have adequate machinery for her defence. Indian public opinion has been for ages extremely critical about the levish extravagance with which expenditure is incurred year after year on what is called the defence of India but what is really in addition the defence of the British Empire. With all the financial interests and political commitments in the Near and Far East it is primarily the duty of the British Government to incur much more expenditure than they have been doing, if they want to protect those interests. But they have uniformly drawn upon the Indian finances and Indian manpower for such protection. The announcement of the Hon. the Finance Member that the longstanding arrangement of direct contribution of £100,000 to His Majesty's Government in the United Kingdom towards the naval defences of India and the protection of trade in alien waters will be discontinued from April 1, 1938, and that the Government of India will instead maintain a seagoing fleet of not less than six modern escort vessels for the same purpose, is welcome so far as it goes. We cannot, however, help feeling that the conditions on which the British Government agreed to forego the grant takes away not a little of the grace in allowing India to commence building up her naval defences. The decision to create a munition factory so as to make India self-sufficient in the matter of high explosives seems also to be equally welcome. But all this has been sought to be attempted at enormous costs which the financial condition of the people can ill afford to bear.

### CONSTITUTIONAL VICTORY.

THE Congress Ministries in the U. P. and Bihar have withdrawn their resignations and have resumed office as the result of agreements between the Prime Minister of each Province and the Governor thereof. The results of the agreements have been issued in two joint statements, which have a close family resemblance. As regards the release of political prisoners, the Minister concerned

in each province had examined individually the cases of certain prisoners, and the Governor concerned had issued orders for their release on the advice tendered to him by the Minister; the cases of others were under individual examination by the Minister concerned, and appropriate orders would issue in a short time. As regards the mutual relations between the Governor and his Ministers, the Governor and the Prime Minister considered it desirable that healthy conventions should be established and maintained and there was to be no fear of the usurpation of or interference with the legitimate functions of responsible Ministers. This undoubtedly constitutes a victory for the Congress Ministries, notwithstanding the concession to the Governors and the Governor-General that cases of political prisoners would be considered individually. It is apparent that, notwithstanding his brave words and sabre-rattling, the Governor-General realised, none too soon, the egregious blunder he had committed in vetoing the advice of the responsible Ministers in the two provinces.

It will be recalled that the points of dispute between the Ministers on the one hand and the Governors and the Governor-General, on the other, were two: individual vs. wholesale release; and Governor vs. Ministers as regards the location of responsibility for ordering release. Notwithstanding that the Governor-General made a principle of the first, it is not a matter of importance in the dispute. The Prime Minister of the U. P. was agreeable to such individual examination. And as the prisoners were so few, it would not have taken long to examine them individually and release them all at once if the decision lay with the Minister concerned and the Governor chose to be guided by the advice of the Minister. It was admitted on all hands that the release of political prisoners had been engaging the attention of the Ministers and their Governors since the Congress took office. And it is inconceivable that the cases of all the political prisoners had not been examined, perhaps again and again, in what the Prime Minister of Bihar had described as interminable discussions with his Governor. It is again admitted that the great majority of political prisoners had already been released gradually and apparently after individual examination. The Congress Ministers did not insist on wholesale and indiscriminate release of all political prisoners immediately on their assumption of office; nor did they object to individual examination during all the seven months since they came to power. The real issue with the Ministers was not individual examination vs. wholesale release, nor even gradual vs. simultaneous release, but the release of all political prisoners before the Indian National Congress met at Haripura, where they had to give an account of their achievements and where they wished to say that they had released all political prisoners. Once that session of the Congress was over, they could have no objection to the continuance of the previous process of individual examination and gradual release.

But the real issue was as to whether in the matter of the release of political prisoners the decisive responsibility rested with the responsible Minister or the Governor, with India or England. This was made

most explicit by Mahatma Gandhi in his statement. He said:

No one has questioned the propriety of examining the cases of prisoners to be discharged; but what I have questioned, and the Congress most emphatically questions, is the propriety of such examination by Provincial Governors in provinces said to be enjoying complete provincial autonomy. That duty and right of examination belong solely to responsible Ministries as I understand the Government of India Act and the convention in responsibly governed Colonies.

And he added that "unless this crucial question" was "decided in favour of the Ministers" there was no hope of reconciliation.

The statements issued by the Governors and Ministries in the U. P. and Bihar do not state in explicit terms if this crucial question was decided in favour of the Ministries. They are couched in the most vague generalisations. The avowal of the desire to establish and maintain "healthy" conventions and the promise not to usurp or interfere with the "legitimate functions of responsible ministers" mark no explicit change. Even before the crisis the Governors and the Ministers were anxious to maintain healthy conventions, and the Governors had no desire to usurp the legitimate functions of the Ministers and the Ministers had no desire to indulge in illegitimate functions. Everybody was keen on doing the right thing and

avoiding the wrong one. And in the present crisis everybody concerned claimed to have done the right thing and avoided the wrong thing.

It can only be inferred that the Governors had given the assurance that Mahatma Gandhi demanded. An open avowal of it was constitutionally impossible for the Governors; they could not have said openly that hereafter they would always accept the advice of their responsible Ministers, particularly in view of the powers expressly conferred on the Governors in the written constitution of India. But it is inconceivable that the Ministers, who went the length of resigning their offices and who were conscious of their unchallenged strength in their legislatures and the country, would have resumed office if they had not received assurances that their responsibility would not be challenged by the Governors. The proof of this new orientation is provided by the joint statements themselves, which expressly state that the cases of political prisoners were being considered by the Ministers concerned, and that the Governor had taken and would take action on their recommendations. Nothing is said of the Governor sharing that responsibility. This is a victory for constitutionalism and marks an important advance towards responsible government in the provinces.

## FINANCES OF BOMBAY MILLS.

IN the last issue of this journal an attempt was made to examine the report of the Bombay Textile Labour Enquiry Committee in so far as it dealt with the present condition of the textile industry in this Presidency and to show, with the aid of the statistical data and other material contained in the report, that the condition of the industry had decidedly improved in 1937 and that it had definitely emerged out of the period of depression. The Committee had concluded, again on the strength of facts and figures, that the improvement was "a little more noticeable in Bombay than in the other centres". The factors on which those conclusions were based were, *inter alia*, increased production, larger consumption of Indian raw cotton, increased night-shift working, increase in exports and decrease in imports. The facts adduced from these factors all go to indicate that the profit-making capacity of the industry as a whole has increased. Once that capacity is established, the workers' claim for a wage rise logically follows. If the profit-making capacity is not properly utilised or the energy that it creates is allowed to be frittered away, the fault lies entirely with those who control the destinies of the industry; and the workers cannot be held responsible for it. Nor can they be blamed for their demand, made even at the point of a bayonet, *viz.*, the threat of a strike, for an increase in wages, irrespective of whether the profit-making capacity had been actually translated into a reality. The Committee has, however, gone into this matter as well and has reached a conclusion that even in this respect the position is not as the millowners paint it. It is proposed in this article to examine it in the light of

the Committee's statistical data and reasoning based on it.

Tables XXI to XXIII (pages 45-48) in Chapter V which present, in accordance with the method adopted by the 1936 Tariff Board, the financial position of the textile industry in Bombay, Ahmedabad and Sholapur, bring out a highly significant fact. In taking it into account, it should be understood that the factors, internal and external, which affected the ups and downs of the industry, were common to these three, as also to the other, centres. The tables have shown that the loss (which the Committee has proved to be fictitious), after deducting chargeable, but not actually charged items to the expenditure side such as the Agents' allowance and commission at their full percentage figure, interest on debentures and loans and depreciation according to either the maximum income-tax allowances or the prescribed highest scale, that the industry suffered from 1931 to 1936, amounted to Rs. 718 lakhs and Rs. 49 lakhs in Bombay and Ahmedabad respectively. Bombay has thus shown much higher losses than Ahmedabad even though the wages at the latter centre are much higher than in Bombay. Taking the figures for three years, 1934 to 1936, for Bombay, Ahmedabad and Sholapur, the tables show that these three centres show a net loss of Rs. 286, 96 and 51.3 lakhs respectively. The proportion of the loss between Ahmedabad and Sholapur bears very nearly the same relation as that of wages between these two centres. The Ahmedabad losses and wages are almost double those of Sholapur. But if a comparison is made between Bombay and Sholapur, quite a different picture presents itself. The ave-

rage daily wage of a textile worker in Bombay and Sholapur in July 1937 was Rs. 0-15-5 and Rs. 0-11-4 respectively—a difference of only four annas and a pie, whereas the proportion of losses is more than 5 to 1. All that is sought to be established with the aid of these figures is that wages are not a factor which is responsible for financial difficulties with which the industry is faced. The difficulties must be found somewhere else.

The millowners expect the profit-making capacity of the industry to be judged from the consolidated financial statement in a given centre. The Jairamdas Committee points out the risks involved in adopting this method. The consolidated statement is, as the Committee says, merely the summation of the figures for a number of units, some weak, some strong and some of average strength. The inclusion of the figures of one single weak unit may alter the perspective altogether. With the help of figures the Committee has been able to show that "even in Bombay, the consolidated statement presents a very different picture if the figures for a large group of mills which has heavy liabilities as a legacy of the past are excluded. For example, the losses of Rs. 10'09, 23'22 and 15'02 lakhs for 54, 58 and 55 Bombay mills for the years 1934, 1935 and 1936 are reduced to respectively Rs. 6'67, 4'48 and 4'48 lakhs if the figures for the ten mills having heavy liabilities are excluded. The amounts of mortgage debentures and secured loans from banks show similar improvement. Secondly, the purchase of cotton mills in Bombay during the boom period at the then prevailing prices crippled the profit-earning capacity of the mills making these purchases. It also affected adversely the finances of other mills under the same management. Thirdly, a consolidated statement will not truly reflect the excellent financial condition and profit-earning capacity of mills like the Bombay Dyeing group in Bombay or the Ahmedabad Calico group in Ahmedabad. For all these reasons the Committee has rightly discarded the method of approach to judge the financial position of the industry suggested by the millowners, and attempted to scrutinise, with the aid of other material, the various component parts of the consolidated balance sheets and profit and loss accounts.

After pointing out that the proportion of the share capital which forms the financial basis of the entire structure of the mill industry, to the total working capital and to the proportion of the capital that represents fixed assets, otherwise designated the block account, for Bombay, Ahmedabad and Sholapur is 38 p.c., 25 p.c. and 13 p.c. respectively, the Committee draws attention to over-capitalisation of a number of Bombay mills which accentuated the depression at that centre and also to the fact that during the interval between 1927 and 1932 the industry in Bombay had not failed to pay much attention to the recommendation of the earlier Tariff Board that the defect of over-capitalisation should be rectified by the drastic writing down of capital. The reserve and other funds also constitute varying proportions of the total resources at the three principal centres. The percentages for Bombay, Ahmedabad and Sholapur are

52, 53 and 58 respectively. It will be thus seen that the financial position of the Sholapur mills, in so far as it is reflected in the reserve and other funds, is the strongest, although the wage level at that centre is the lowest. As these funds have been built as a result of the working of the mills over a period of years and are a part and parcel of their property and assets, it is only fair that the returns from their investments should be included in the gross income before gauging the profit-earning capacity of the concerns. Since the Committee has drawn attention to this point, it seems that this practice does not obtain at least universally. The depreciation fund figures prominently among the accumulated funds. The manner in which depreciation is provided for varies considerably; and, in the opinion of the Committee, unless the actual practice in this respect is standardised, it is difficult to compare the results of the different centres and also those for different years. The table giving the details of the funds secured by the industry at the three centres shows that the gross borrowings are higher in Bombay than at the other centres. The paid-up share capital, the reserve and other funds including the depreciation fund, if shown separately as a liability, and the borrowings either in the shape of debenture loans or other secured or unsecured loans, constitute the block account of the industry. The other main part of the asset side of the balance sheets is the stocks of cotton, cloth and stores whose proportion to the total working capital varies from year to year according to the briskness of the trade.

Dealing with the expenditure side of the industry the Committee has calculated, on the basis of the Bombay statement for 1936, that the cost of the raw material forms nearly 50 p.c. of the total cost of production, that the outlay on wages is a little under a quarter of the total and that the remaining quarter is responsible for the rest of the expenditure. Among the savings that seem to have accrued to the Bombay industry, the Committee draws attention to those in the cost of power and the interest charges. The Committee, however, point out that, although the millowners stated that full advantage had been taken of the easy money conditions that had prevailed during the last four years, the reduction in interest charges is not very clearly reflected in the consolidated profit and loss account of the Bombay industry. There is no uniform practice in the industry about the payment of allowances and commissions to managing agents. In Bombay, commissions are paid on profits, being limited mostly to 10 p.c. of the profits with a minimum allowance payable per annum. There is an additional office allowance payable in Bombay which does not obtain at the other centres. After giving the figures of allowances and commissions the Committee observes that "it can well be asserted that full payments on the stipulated scale are unjustifiable in a period of depression, accompanied by wage cuts, such as has been experienced by the cotton textile industry during the last ten years." With the fluctuating fortunes of the industry during the decade, shareholders have received dividends smaller in comparison with those of the ten years preceding 1927. That the dividends paid during the boom years were unduly



high was the definite finding of the 1927 Tariff Board.

In examining the contention of the millowners that no betterment in the profit-making capacity of the industry can be deemed substantial unless a margin of profit is available after providing for depreciation at the maximum rates permitted by the income-tax authorities, the Committee has gone deeply and carefully into the whole question of depreciation charges in its theoretical and practical aspects and concludes that their claim is inadmissible. It has also given its own interpretation of the "scale of allowances" fixed by the Tariff Board for determining a fair selling price for the products of the cotton textile industry and opines that it does not accept the Tariff Board's scale as a basis for its calculation. And it concludes its discussion on the financial position of the industry thus :

"Over-capitalisation of some units and the heavy financial liabilities of a few others continue to affect adversely the profit-making capacity of the industry, as a whole, and a truer perspective is obtained when the figures of such units are excluded from the consolidated statement. The scrutiny of the financial position shows that, even in centres and during periods specially affected by depression, provision for depreciation and allocation to reserves out of the profits have been possible. We have cited some figures about the expenditure in Bombay during the last three years on renewal and repairs. Re-equipment, we have noted, appears to have been in progress during the recent abnormal times. ... The fact that, all through this period, sums which, in the aggregate, are fairly substantial have been disbursed to shareholders and managing agents indicates, in a manner, the power of resilience possessed by the industry."

Having thus examined thoroughly the financial position of the industry, the Committee proceeds to examine the extent of the betterment which in its opinion has been secured in the various centres of the industry in 1937. According to the half-yearly calculation for that year by the Bombay Millowners' Association, the net loss for the Bombay industry after providing for full depreciation will be Rs. 11'39 lakhs for six months, or Rs. 22'78 lakhs for the whole year. These figures represent clearly, the Committee points out, an improvement over 1936. The extent of

this improvement will be evident from the additional charge of Rs. 119'69 lakhs which has been provided, while calculating the above loss, for agents' commission, depreciation, interest and office allowance for 1937 as compared with 1936. In case the provision under these various heads had stood as in the previous year, the loss would have been, according to the Committee, converted into a profit of Rs. 96'91 lakhs. If this profit is compared with the profit of Rs. 40'48 lakhs made by the industry in 1936, a betterment of Rs. 56'43 lakhs in 1937 is secured, assuming that the position in the second half of 1937 remained the same as in the first half. Actually, the position improved appreciably in the second half of 1937. All the factors of improvement which were referred to in the last article were more in evidence in the second half of that year. This should go to improve the betterment of Rs. 56'43 lakhs. The Committee further points out that, apart from the advantage that accrues from the savings in overhead charges and in the working costs on account of night-shift working, there is the additional advantage conferred by the increased production that results. In the opinion of the Committee, particularly, in times like the present, when the large volume of goods that is turned out finds ready markets, the additional margin that is earned on such production is an important factor in estimating the increased profits. In Bombay, because of the increased consumption of electricity there is a saving in power charges per unit. Lastly, with the rapid consumption of raw material and the equally rapid disposal of finished goods that are the features of the second half of 1937, the incidence of interest charges should have gone down. Taking all these factors into consideration, the Committee estimates that the results for the second half of 1937 should have been substantially better than for the first half both for Bombay and Ahmedabad. In Bombay the gain will be substantial enough to wipe off the loss of Rs. 22'78 lakhs for the year as calculated on the basis of the consolidated statement for the first half of 1937 after providing for full depreciation even on the income-tax basis.

## BOMBAY BUDGET ESTIMATES.

**T**HE financial statement made, by the Hon'ble Mr. Latthe, while presenting the Budget Estimates for the year 1938-39, was generally well received by the House, as it is likely to be well received by the public. It was in refreshing contrast to his last year's performance and was entirely free from that studied discourtesy to the Cooper Ministry, which marred its effect in August 1937. The lead given by the Hon'ble Finance Minister will, I am sure, be followed by the critics of the Budget and that we shall have during the rest of the month a searching and informed analysis of the year's estimates by the Opposition Benches.

A dramatic incident occurred on Saturday last, the first day of the general discussion. The practice in the Bombay Legislature has been that a copy of the Budget Papers is sent to all honourable members a

week before the Finance Minister makes his statement to the House. That statement is intended to elucidate the figures embodied in the papers already circulated. On the morrow of that statement the general discussion on the Budget begins. On this occasion, however, the speech of the Hon'ble Mr. Latthe was not merely explanatory of the Budget statistics. It also contained new items of expenditure to the tune of Rs. 20 lakhs which were disclosed to the House for the first time on Friday last. The Opposition naturally felt that they were taken by surprise and that they could not usefully discuss the financial position without sufficient time being given for examining the new proposals. I, therefore, suggested that one day's time might be given to us to study the Budget afresh in the light of the information that was made available at such a late hour. But the Government opposed this sugges-

tion on the ground that their programme was fixed. It was also contended that Saturday was fixed by His Excellency the Governor as the first day for the general discussion of the Budget and that even the Speaker was powerless to alter what had been decided by the Governor in virtue of his powers under the Act. I pointed out that there was enough time to approach His Excellency for obtaining his consent to the proposed alteration of the date and it was possible to meet the Government objection on the score of time, to take up on Saturday some public business, other than the general discussion of the Budget. But Government were adamant and the speaker adjourned the House for Saturday when the general discussion of the Budget was to begin. The Opposition naturally felt that they were being quite unfairly treated, that their constitutional right of getting adequate notice of all Budget proposals was being assailed under the cover of a technical objection. They showed their resentment by refusing to enter on the general discussion on Saturday. There had to be an abrupt termination of the day's sitting within less than twenty minutes and the House adjourned for the day. The Opposition lost, for no fault of theirs, one day out of the time allotted for general discussion. The Government realised too late that they were caught napping and one can only hope that the lesson they learnt would incline them to a more considerate attitude towards the constitutional rights of the Opposition in future.

The Budget proposals themselves are full of interest for the number and variety of the matters dealt with. The current year is likely to close with a surplus of Rs. 10-50 lakhs in place of an estimated deficit of Rs. 18-50 lakhs. The main factor contributing to this improvement, is the assignment by the Government of India of a sum of Rs. 27 lakhs as Bombay's share in the Income Tax under the Niemeyer Award. The revised estimates for the current year also showed that Government were unable, in the absence of sufficient information and preparation, to carry out their programme of village water supply and revenue remissions to the extent they had contemplated, nor were they able to make much progress with their plan of restoring the lands of the peasants of Bardoli and Karnatak which were lost during the Civil Disobedience campaign. They made up for this by paying a sum of Rs. 6 lakhs to the Ahmedabad Municipality by way of grant-in-aid for education. This amount, it will be remembered, was withheld by the Government, some years ago on the ground of the Municipality's surrender to the political pressure of the Congress.

The Government starts the next year with an accumulated revenue surplus of Rs. 50/- lakhs, with an assumed amount of a further assignment of Income Tax of Rs. 25 lakhs by the Government of India. They also propose by their Finance Bill and one or two other measures of taxation to obtain another sum of Rs. 12 lakhs. They thus start the next year with the assurance of comfortable resources of about a crore of rupees to finance their programme of social well-being.

The Budget Estimates for the next year are fairly cautious and with the large expenditure on a wide range of objectives, they reveal a deficit of about Rs. 41 lakhs even after the fresh taxation of Rs. 12 lakhs is imposed. This deficit of Rs. 41 lakhs is to be met from the revenue surplus of past years and the year is expected to close with a fair revenue balance of Rs. 10 lakhs.

In determining the objects of their munificence Government are obviously handicapped by the knowledge that they have no recurring resources to enable them to launch on a campaign which can be continued and even expanded year after year; they have to make hay while the sun shines. The assignment of income tax is a gift which may not be repeated. The large windfall of Rs. 40 lakhs from the Dang Settlement of 1936 was purely adventitious. The economic situation is uncertain and depends on world forces. Nor have Government made up their mind about any large scheme of taxation which will bring stable and substantial income for some years to come. In these circumstances their policy lacks in definiteness and vigour. This will be evident from the fact that the remission and land revenue which were matters to be immediately implemented according to the Congress Election Manifesto have been put on the shelf. Very little extension of primary education even on the voluntary basis has been undertaken and compulsory primary education has for all practical purposes disappeared from the horizon for the time being at any rate. Relief of agricultural indebtedness, and substantial expansion of medical relief is not contemplated and the "impatient" enthusiast is told that Government cannot mint "new rupees" or print "new currency notes" — quite a gratuitous piece of information. The one programme that seems to have been definitely settled for systematic enforcement is that of prohibition and in that respect a definite beginning has been made. It has been well-thought out and planned with insight. Government have decided to forgo Rs. 28-54 of excise revenue and they will need to spend an additional sum of 1-50 lakhs for organising the necessary machinery for enforcing the next years' programme. But their original idea of three years' time for bringing about prohibition is not fully kept in mind. Last year it was stated on behalf of Government that from the excise revenue of Rs. 3-12 crores, Government will bring about a reduction of 30 lakhs in the first year of the prohibition campaign. If that programme had been adhered to, the income from excise to be surrendered in the two subsequent years would be Rs. 1-41 crores each year; but as luck would have it the revised estimates of revenue from excise this year are larger by Rs. 12 lakhs than the Budget Estimates. If the three years plan is to be strictly followed then the amount of excise revenue to be given up in the next year should be about Rs. 15 lakhs more than the budgetted figure, i. e. 28-54 lakhs of rupees. Nor are Government entitled, if their plan remains what it was declared last year to be, to charge the expenses of carrying out prohibition to the excise revenue as they have done.

In the absence of any settled policy Government have been obliged to scatter their net far and wide for doing such good as they can, to appoint committees of enquiry in the mass, to refrain from imposing new and substantial taxes and generally to live from hand to mouth in the matter of ameliorating the conditions of the peasants and the workers. I shall take only one item of the proposed new expenditure of Rs. 116 lakhs to illustrate my conclusion.

Government propose to spend about 34 lakhs of rupees on the education in the next year but this very large amount represents little permanent advance in liquidating mass illiteracy. About six lakhs out of this thirty-four lakhs are not recurring expenditure. A fair amount is allotted to higher education, for research facilities. The resurrection of the Deccan College and the definite move for establishing three more universities in the Province will be received with great interest. Small sums are allotted for adult education, vocational instructions and physical training. Secondary education is not neglected; primary education also shares in the Government's bounty to the tune of about twelve lakhs, eight lakhs are provided for the restoration of the cuts in the grants for primary education to the Local Boards. This latter is merely the undoing of a great wrong and represents no expansionist policy about primary education. A great deal of concern has been shown in the Finance Minister's speech about universal primary education but there is not an inch of progress in the direction of compulsion; on the contrary the advocates of compulsory education are strongly rebuked for their impatience and are told that Government cannot change "age-long conditions by a magic wand". The fact is that the Wardha Oracle is not to be denied. He has his own scheme of self-supporting primary education. All Congress Governments in the Provinces are confronted with it and they can "neither accept nor reject". The result is stalemate. Mahatma Gandhi has had quite a number of innings in experimenting with truth but the experimenting with the education of the youth of the Province under the full authority of its Government will add yet one more tragedy to the ever growing list of the Himalayan blunders for which the Mahatma is eminently fitted and of which he never fails to boast, of course "after the event".

Permanent remission of land revenue which was a conspicuous item in the Congress Election Manifesto has now faded in the background and it is even suggested that such reduction is not in the interest of the peasants themselves "until the productive capacity of the masses is sufficiently increased"—whatever it might mean. The causes of the poverty of the peasant must be first removed, says the Finance Minister, as if the excessive land burdens were not a cause of that poverty. Education, it would seem, is the first requisite; its cultural value and economic efficiency which it would produce will bring in the millennium and as regards education the Minister is unable to adopt any permanent line until the Saint of Shigaon has finally produced the educational "rabbit" from his "Mahatmic hat". We are thus

thrown into a vicious circle. We can't have reduction of land revenue or the redemption of peasants indebtedness until our productive capacity has increased which in its turn depends on education, and on this latter question Government are waiting for orders. Until these orders are finally issued, compulsory primary education must wait and until people are educated and their productive capacity has increased the reduction of land burdens and removal of indebtedness must wait. This extraordinary proposition is developed in para 15 of the Finance Minister's speech and is indicative of the muddle-headedness that has crept into the general economic policy of this Government. The allotments for the year are many and substantial but they represent little or no advance on the existing conditions from the point of view of broad policy and that is the real danger. Government have done fairly well this year but they are committed to nothing for next year. Take the case of the village water supply. There is nothing more urgent than the provision of an adequate supply of fresh water for the villagers. Before the month of March ends water will begin to be scarce in the country side, and in the next four months the scarcity will become increasingly acute. Among the many immediate needs of the province therefore the village water supply question stands foremost. Even if an adequate supply were forthcoming its purity is most questionable and the health and life of millions are in danger owing to contaminated sources. The towns are scarcely better off. Yet Government have no fixed policy in the matter. In the current year they provided ten lakhs but were unable to spend a large part for want of a planned programme. They have provided ten lakhs again for the next year, but it is significant that on both the occasions the provision was and is non-recurrent, which means that next year there may be no provision at all. The revenue position of Government in the absence of fresh taxation is no doubt uncertain but there is no reason for leaving so vital a question in such a precarious position. A loan will be quite permissible with a full pledged plan having been worked out. But let the Government in the first instance be committed definitely and irrevocably to this policy which they will implement with promptness and vigour. Revenue might contribute the interest on the borrowed amount and a large comprehensive programme, well-planned and executed, will solve this question once and for all. But spasmodic provisions of a few lakhs of non-recurrent expenditure, without a settled plan behind it, can only lead to disappointment and waste.

There are many more things that I wish to write. The reduction of Rs. 10 lakhs from the grants to Local Bodies is a reactionary step. The whole purpose of Provincial Autonomy will be defeated if the Local Bodies are treated in a beggarly or suspicious manner. The reduction of Rs. 5 lakhs from the grant of the Bombay Municipality out of the proceeds of the Tobacco Duty is not only wrong but is also a breach of contract.

One very ugly feature of the budget is that large amounts have been provided for expenditure without giving details, the subject matter of the grant is

neither disclosed to the House nor has it been approved by us and yet about 25 to 30 lakhs of rupees are of that character. Government might succeed in carrying in such demands by sheer force of numbers but that will leave a very unpleasant taste in our mouths.

Another and an even more ugly feature is that about Rs. 20 lakhs of the expenditure is purely political and is not directly concerned with the well-being of the province. The payment, of Rs. 13 lakhs to the Ahmedabad Municipality, of Rs. 34 thousand to the All-India Spinners' Association, of Rs. 22 thousand for the excess cost of purchasing Khadi for Governmental purposes, is nothing but a distribution of gifts and largesses to the political nephews and nieces of the Congress Government and is wholly unconnected with the well-being of the community as such. The measures for the relief of the industrial labour are more showy than substantial and for two birds promised in the bush there is not even one in the hand.

JAMNADAS MEHTA.

#### SHORT NOTICE.

**AGRICULTURAL STATISTICS OF THE PUNJAB, 1901-02 TO 1935-36.** By GULSHAN RAI. (Board of Economic Inquiry, Punjab, Lahore.) 1237. 24cm. 111p. As. 8.

THE book is divided into two parts, the first one containing the explanatory notes, useful averages and summaries, and the second one containing merely the statistical tables. Area, irrigation, cropping, live stock statistics, incidence of land revenue, mortgages and their redemptions are all given in the many tables of both the parts. The Punjab is one of the provinces which had undergone tremendous economic transformation by the advent of a liberal irrigation policy. Irrigation as a business is very remunerative

and it has now become a source of sure and vast income to the Provincial Government. The prosperity ushered in by irrigation has brought with it increased burden of debt and statistics do not explain this paradoxical situation. Land-revenue, exclusive of irrigation rates, has been considerably increased, being 0-9-4 in 1901 and 1-6-9 in 1935 per acre. The number of cattle has also gone down. The value of crops raised, and the net return per acre are given. The years of depression have reduced these values by more than 100 per cent. The ten heads under which statistics are given are useful ones, but it has to be pointed out that many other useful data are not given. The improvements in the technique of agriculture, the manurial resources and needs of the province, the number of men engaged in agriculture and in the various crops, the number of holdings, the number of agricultural labourers, their wages, their organisations, the demand, collection and remission of land revenue, the popularity of government loans, financing of agriculture by the Co-operative movement and other details could have been usefully given. It might be that these spare time activities of the author might not have enabled him to include all this useful information, which should find a place in any book of agricultural statistics.

N. S. S.

#### BOOKS RECEIVED.

- SURVEY OF BRITISH COMMONWEALTH AFFAIRS.** VOL. I: Problems of Nationality, 1918-36. By W. K. HANCOCK. (Royal Institute of International Affairs.) (Oxford University Press.) 1937. 24cm. 673p. 25/-
- BETTER GOVERNMENT PERSONNEL.** Report of the Commission of Inquiry on Public Service Personnel, U. S. A. 1933. (Chairman: L. D. Coffman.) (Whittlesey House, N. Y.) 1935. 23cm. 182p. 10/-
- RETAIL DISTRIBUTION.** A Critical Analysis. By HENRY SMITH. (Oxford University Press.) 1937. 23cm. 178p. 7/6-

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