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CONTENTS.

	Page
TOPICS OF THE WEEK	129
ARTICLES :	
An Enigmatical Prospect	132
Indo-British Trade Pourparlers. By Principal D. G. Karve, M.A.	133
The Iruas of the Nilgiris. By S. R. Venkataraman	135
The Debt Legislation in Bengal. By I. C. S.	136
SHORT NOTICE	137
MISCELLANEA :	
Dr. Keith on Responsible Govt. in States	139
Rural Economic Welfare in Bombay	140
BOOKS RECEIVED	140

Topics of the Week.

Duality vs. Discipline.

THE Bombay Premier seems now to be fired with the ambition of beating the Speaker of the U. P. Legislative Assembly in the matter of creating new parliamentary conventions. The only difference is that the latter does with knowledge and deliberation what the former does in ignorance and rashness. Mr. Tandon knew that in sticking to his party affiliation after his election to the Speakership he was breaking all tradition, usage and practice observed in the House of Commons. Mr. Kher, the Bombay Premier, does not know what the British convention is when he lays down his dictum about the position of the Parliamentary Secretaries and even Ministers when they speak in the Legislatures. On the spur of the moment he says that the Parliamentary Secretaries can speak whenever they like; only their speeches are not binding on Government unless the Minister concerned is absent and the Parliamentary Secretary speaks on the subject under his charge. He went a step further and asserted that even the Ministers can "air" their views on any subject they like and yet those views would not be binding on Government unless their speeches are made on subjects under their charge. According to this dictum the Hon. Mr. Latthe, the Finance Minister, can openly say in the Assembly that he was opposed to Mr. Munshi's "Lokshakti" circular and that it was scandalous on the part of the same Mr. Munshi to have let the gamblers out of the jail in order to enable them to manage their domestic affairs. Is it Congress discipline, by which the Bombay Premier swears every minute of his official life, or is it duality of responsibility?

THE opposition in the Bombay Assembly discharged its obvious duty in challenging Mr. Kher's convenient dictum. It was also wise on the part of the Speaker to have postponed his ruling thereby obtaining time for study and thought. Our view is clear and we have no hesitation in supporting the

Opposition. If the license—it is nothing else—that the Premier asks for his colleagues, is granted, there is an end of joint responsibility and there will be a scramble on the Treasury Benches for catching the eye of the Speaker. That the electorate must be satisfied that its representatives are doing their job in the legislature, will be a cry which it will be difficult for the Speaker to resist. Even on principle, we do not think Mr. Kher's position is the correct one. It will land him into serious and endless difficulties, although on a particular occasion it may suit his convenience. We hope the Speaker will give the only ruling which is permissible under parliamentary practice, usage and custom, and that is, that the permission asked for on behalf of Government cannot be granted.

Though Vanquished. . . .

LIKE the village School-master, the Textile Barons can argue still though vanquished. Both the Bombay and the Ahmedabad Millowners' Associations have accepted the recommendations of the Textile Labour Inquiry Committee "for the time being" and decided to raise the wages of their workers accordingly. The Bombay Millowners' Association considered the report at a general meeting and expressed the opinion that it put a heavy burden on the textile industry in the city. The wage increases recommended by the Committee were, in its opinion, "unjustified, based as they were on assumptions and theories and hypothetical and problematical estimates." The Association authorised its Committee to take such further joint action with the Ahmedabad Millowners' Association as might be desirable in connection with the interim Report of the Inquiry Committee and any social legislation contemplated by the Bombay Government which might impose additional financial burden on the industry. A resolution in identical words has been passed by the Ahmedabad Millowners also.

WE are glad that, reluctantly though it be, the Association has very wisely decided to recommend that the wage increases specified in the interim report should be accepted for the time being. The Millowners desire to give the impression that although the recommendations of the Textile Inquiry Committee impose on them an intolerable burden, they have agreed to accept them in order to avoid trouble and on account of their desire to co-operate with the Government in their attempt at maintaining peace among the textile labour. It is difficult to believe that the Millowners are accepting a recommendation which their industry cannot bear or which are manifestly unjust. No one would credit them with such a philanthropic outlook in the conduct of their business. They know perfectly well that their mills are working with double shift to meet the increased demand on Indian cotton goods produced by the un-

settled conditions in the world, and in the Far East in particular. The public is not so simple as to believe that the Bombay or Ahmedabad industrialists who have fought bitter fights involving untold misery to their workers with disastrous consequences to the industry, in the past, would yield to an unjust arrangement. On what ground can they assert that the findings of the Committee are based on assumptions and problemetical estimates, it is difficult to understand. Even taking the textile situation since the Committee's interim report was published, the markets support its contention. The cotton prices have not gone up, the mills continue to work with night shifts and their shares show a rise in prices. If these are not signs of prosperity, what else are they? The very fact that the Mill-owners of those two rival industrial centres have found it necessary, even after joint consultations, to accept the recommendation for wage increase is proof enough that such an increase can well be borne by the industry safely. For however the Millowners might maintain that the increase is only "for the present", even a casual observer of the labour world knows that an increase, once given, cannot be ordinarily withdrawn. It comes to stay.

Voluntary Police Force.

THE Bombay Legislative Assembly discussed on Friday last a cut moved by Sir A. M. K. Dehlavi in the demand for Police. The cut was moved to raise a debate on the proposal of the Government to create a voluntary police force in Bombay. The arguments advanced by the Opposition against such a force were not convincing, and the Home Member was able to show that the demand for such a force was a long standing one and that it had been supported by almost all local bodies and public men when they were consulted by previous governments.

THE Home Member, however, knew well why the Opposition viewed the proposal with suspicion and in his reply referred to it. At the very outset he assured the Opposition that

there was no intention on the part of the Government to spend the taxpayers' money on a Congress volunteer force. It was not even intended to place the force under the control of any private agency. The object of Government in creating the volunteer force was to assist the police in times of emergency and to associate the citizens in maintaining peace.

He further asked the Opposition "not to distrust the majority in the way they had done."

WHILE admitting the necessity of the creation of such a volunteer police force which will be useful in times of grave tension, we feel that the Opposition was justified in distrusting the majority on the experience of its use the Congress has made in another province. We believe that in moving the cut Sir A. M. K. Dehlavi had in mind the manner in which the Congress Government in the U. P. had used funds voted for rural development. It was admitted by the Government spokesman in the U. P. Assembly that more than two thousand workers were employed by them in their Rural Development Department and that a majority of these workers were congressmen. Sure of their majority behind them, the Government replied with supreme confidence that they found congressmen more suitable for the work they had in view. Under the circumstances, the public has just grounds to be a little suspicious of the manner in which the Congress Government in Bombay also might use funds placed at their disposal for the employment of a large number of persons. What guarantee is there that the voluntary police force

in Bombay will not turn up to be a Congress militia, trained at the cost of the general public?

India's Sea and Air Defences.

PANDIT HIRDAY NATH KUNZRU moved on March 10 last a resolution in the Council of State urging the Government to redistribute the defence expenditure between the land, sea and air forces so as to provide for the more adequate defence of the country by sea and air. The Council of State lived up to its reputation and rejected the request by a considerable majority of official and nominated votes. Pandit Kunzru pointed out that the proposed mechanisation scheme of the Indian Army was no doubt introduced as part of mechanisation of the entire British Army at home. Considering the little use the British Cavalry regiments served, Pandit Kunzru asked, why these regiments should not be sent back to England or if they were to be retained in India why the entire cost of the mechanisation should not be borne by His Majesty's Government. Moreover the mechanisation of the Indian Army was found necessary more from the point of view of Imperial Defence. Taking only our internal requirements and the situation in N. W. Frontier, there was no immediate need for mechanisation. India's defensive measures must be based on her political policies. Situated as India was, the two possible enemies overland could be Afghanistan and Russia, but they were now friendly to her and he reiterated that now was the proper time to economise on land defences and concentrate on the development of the sea and air defences.

MR. OGILVIE, the Defence Secretary, gave the usual reasons for opposing the proposal. The army in India as it is, he said, was small considering the area, the population and the extensive land and sea frontier that it had to protect. He twitted the mover with ignorance of the conditions on the Frontier. Pandit Kunzru replied that if the public men in India were ignorant about the frontier problem, the fault was not theirs, but of the Government which had consistently refused to take them in their confidence. If we are friendly with Russia and Afghanistan, the old bogey of danger on the frontier could mean very little. Mr. Ogilvie did not meet the point that Indian defences were managed with a view to Imperial conveniences. The defence policy of India has been a hardy annual of criticism in both the Central Houses, and Government's indifference to popular demands has been amazing. As a matter of fact, the suggestion of Pandit Kunzru should have been a welcome one to Government. The Air and Sea defences are being strengthened by the Imperial Government with feverish rapidity, and the Government of India's hesitation in the matter seems to be due to the fear that Indian public men will claim that in case new defence departments are organised or strengthened the Indian element in them should be satisfyingly proportionate. In the case of the land forces, they could always take shelter under established traditions and old commitments. That excuse would not operate when new additions are made to sea and air forces.

Nepal Legation Expenses Scandal.

IN reply to a question regarding the maintenance and control of the British Legation in Nepal the Government spokesman revealed a curious situation the other day in the Central Legislative Assembly. The cost of the legation at the Nepal Durbar, we are told, is borne by the Government of India although the Minister is not only appointed by the Imperial Government, but takes his orders from it. This is

perhaps the solitary example of the kind in the world, where the representative of one nation at another's Court is being maintained at the cost of a third nation. Government tried to justify this scandalous situation by pleading that, firstly, the arrangement has been an old-standing one, and secondly, that the work of the legation mainly concerned India's interests more than Great Britain's. We would not have believed it possible for a responsible member of the Government to defend so utterly indefensible arrangement on the score of its being a traditional one. Such an argument can be advanced to justify any position, however, unjustifiable and inequitable it might be.

THE second argument, viz., that the legation dealt with questions concerning the interests of this country is understandable. But to ask the Assembly to foot the bill for the maintenance of a Minister in a foreign country who takes his orders from the British Government and whose official designation even has nothing to do with the Government of India, is to show an amazing degree of ignorance of elementary human nature. We have been pressing for the appointment of India's representatives in all those countries where Indian interests are involved and Nepal is certainly one such country. The Assembly would, we feel confident, normally vote expenses for such an establishment in Nepal. Let the Government of India ask money for stationing its own representative in Nepal instead of being a party to a situation which, on the face of it, looks nothing better than a malpractice in high quarters.

Bengal Detenus' Allowances.

OUT of the 1300 detenus in Bengal who were recently released, 1106 detenus are in receipt of an allowance of Rs. 15 a month; the rest are given lesser amounts according to their needs. In reply to an interpellation on this matter, the Bengal Home Minister, Sir Nizamuddin, said that it was not possible for the Government to inquire into each individual case and find out his requirement; that it was possible only in the case of 194 detenus and therefore the Government decided to give an allowance of Rs. 15 a month to those whose cases were not investigated into, and lesser sums to the rest.

THIS treatment of detenus by the Bengal Government is, to say the least, inequitable and is bound to create discontent among them. It does no credit to the Government either. The Bengal Government would do well either to give allowances at a flat rate to all the detenus or to inquire into each case and give each according to his need. As a matter of fact, we do not see on what grounds the flat rate of allowance Rs. 15 was reduced in the case of even the minority of detenus. In all conscience it is low enough. To reduce it further is to place it at starvation level which cannot be justified. We hope that the Bengal Government will not allow this cruel treatment to continue any longer.

A Complaint from Kapurthala.

IT is no matter for surprise to us at all, knowing as we do affairs in Indian States, that the Kapurthala Assembly has not met for the last five years; but it is strange that members of the Assembly should have kept silent over the matter till now, when the other day eight members of the Assembly mustered up courage to represent to the Chief Minister on the urgent need to call for a meeting of the Assembly immediately. When the Maharaja constituted the Assembly, we hope, he was actuated with the desire for

establishing a democratic form of Government in the State and associating his subjects increasingly in the administration. But by not calling the Assembly for the last five years, he has deprived his subjects of their political rights and has taken away with the left what he gave by the right hand. The authorities of the State owe it to themselves and their subjects to explain the delay and call for a meeting of the Assembly immediately.

DURING the last five years and more the talk of an All-India Federation of Indian States and British Indian Provinces has been going on. The demand for democratising the Government in Indian States as a condition precedent for joining the Federation, has been insistent. The case of Kapurthala demonstrates the fact that Indian States are none too keen and earnest in fostering constitutional government in their States. When Indian States' rulers like Kapurthala with their old-world ideas join the All-India Federation the effect will be detrimental, if not disastrous, to the growth of national solidarity. We hope that Indian States like Kapurthala will not allow this charge to be laid at their door.

Jamkhandi.

THE absence of any public agitation or discontent among the people is prominently mentioned in the latest administration report of the Jamkhandi state, viz., that for 1936-37. We do not know that it would be right to take this description of the state of public feeling in the State at its face value. If the statement in the report is intended to create the impression that the people of Jamkhandi are happy and contented, everyone having any acquaintance with conditions in the State will have no difficulty in dismissing it as being untrue to facts. True, there was no public agitation. But then how could there be any when civil rights are as narrowly restricted as in Jamkhandi? It may in fairness be conceded that in this respect Jamkhandi is no exception to the generality of Indian States, but let no reader of the report run away with the idea, on a perusal of this innocent-looking statement, that everyone in the State is thoroughly satisfied with things as they exist there.

THE year, we are happy to note, witnessed a rise of 11 in the number of educational institutions and of about 700 in the number of pupils. The increase is largely in the primary stage, where the number of schools went up by 10 and that of pupils by about 600. It is found from a glance at the table forming part of the appendices that the number of primary schools in the State was 66 as compared to 56 of the previous year. All of them were apparently not maintained out of State funds. On no other basis is it possible to account for the smaller number of 60 primary schools found in the body of the report. Primary education is free, but not compulsory, in the State. But we observe that steps are being taken to popularise it in the villages. How this can be effectively done without resort to compulsion we for our part fail to see. If the State wants full value for its expenditure on primary education and if it really means business, it is clear it cannot postpone the introduction of compulsion for very long. The sooner, therefore, it is introduced, the better from all points of view.

THE State now boasts of a legislative council with a very small elective majority. One wades through the report in vain for information as to its doings. It would, we think, be well if future reports told the public something about its work. The six municipalities in the State are official-ridden bodies and

stand badly in need of democratisation. We hope this will be soon undertaken.

* * *
THE palace expenses continue to be disproportionately high, Khasgi and paga (stables) consuming nearly Rs. 1¼ lakhs out of a total net income of

Rs. 9¼ lakhs which works out to about 13 per cent. of the revenue of the State. On the other hand, education and medical relief of over a lakh of people in the State do not consume even Rs. 1 lakh or Re. 1 per head! Nobody can maintain that this is a fair or equitable use of public funds of the State.

AN ENIGMATICAL PROSPECT.

THE Annual Market Review of Premchand Roychand and Sons of Bombay, whose reviews are growing in usefulness and confidence as the years go by, for the year 1937 has recently been issued. The economic prospect for the world, as well as for India, that the Review envisages is described by the author as an enigma. This is an opinion which is widely shared by careful observers in this and other countries. The economic situation is so full of obscurities and contradictions that foresight is especially handicapped. Thus, while international relations in the political fields are steadily undergoing a deterioration, and the policies of economic self-sufficiency are showing no signs of abatement in practice, a recognition of the absurdity of a policy of isolationism, when the possibilities of a fruitful co-operation are at their maximum, is gaining ground.

This recognition is not confined to any single country. The United Kingdom is showing an increasing appreciation of the needs and responsibilities of its position, in the economic and political spheres. The Ottawa policy was as inconsistent with the requirements of British industries as it was inconvenient to the British foreign policy of general appeasement. Recent trends in Great Britain's foreign trade policy are definitely more liberal than they were a few years ago. The Anglo-American trade talks which are at present going on in the American capital, may or may not fulfil the anticipations of enthusiastic supporters of a closer union between the two countries. But the very initiation of these talks has been interpreted by businessmen all the world over as a harbinger of freer and wider international trade. Both as an indication and as an achievement this result ought to be helpful to our economic statesmen.

The latest authoritative indication of policy in this sphere is the report on International Economic Relations prepared by the Belgian statesman, M. Van Zeeland, at the request of the French and the English governments. This document records the almost universal support received from governments for liberal treatment of foreign trade contacts. It also records, however, the equally universal reluctance to be the first to start on the road indicated by good intention and wise judgment. What is needed in the situation is a clearing of the political atmosphere either in the world at large or in groups of allied countries. It is expected that if the efforts of French and British statesmen, at offering to the Fascist powers the satisfaction of their just claims, succeed, and if the Japanese advance in the Far East is localised, the task of greater freedom and co-operation in international trade may be lightened.

At present, while the industrial production of the world is definitely on the increase, the normal exchange of the products between nations is not showing corresponding expansion. Another element of uncertainty is to be found in the role played by armaments expenditure in inducing and maintaining the present improvement in business activity. It is true that underlying the improvement caused by armaments expenditure, which is estimated to cost £3,000 millions per year in the important industrial countries, there is a real basis of revival. Equally true it is that most of the leading governments and public corporations have plans of development which they are holding up for being adopted when the somewhat artificial and unproductive investment in wartime industries slackens. But the extent and timing of such steps will always continue to be a matter of speculation.

The growing industrialisation of the so-called agricultural countries, and the equally notable ruralisation of the hitherto industrial countries, have caused a disturbance in the economic balance which is fraught with the greatest possibilities. For a country like Great Britain, the permanent loss of a large part of the export market and the fluctuating nature of the demand from existing market must mean a greater concentration on the home market and a further step in the rationalisation of the leading export industries. For India, the export market in raw materials and food stuffs, particularly the latter, must be considered as highly fluctuating. While production must be so organised as readily to adjust itself to demand, the prospects of having an assured market both for manufactured and raw products must be further explored.

The readiness with which the Government of India agreed to prohibit sugar exports from India surprises the author of the Market Review. The protracted course of negotiations between the United Kingdom and India, with a view to framing a substitute for the Ottawa agreement, is calculated to cause apprehension in all quarters. Unless the preference granted to Indian products is made more real by including Indian exports in the quota secured by U. K. in other parts of the world and unless the treatment meted out to British imports into India is rendered more selective, there will be no justification whatsoever for concluding any trade treaty with U. K. at this stage. The United Kingdom may well be compelled to enter upon a general policy of easing the barriers on its imports and India should beware of the danger of having to pay heavily for a privilege which was not worth the purchase. The invisible British imports into India and the natural interests of British

investment are enough inducements for Great Britain to offer to Indian imports such concessions as it is likely to provide in any but a most restrictive tariff regime.

The further easing of trade, either by a general economic agreement or by a gradual adoption of the most favoured treatment, are steps which will go a long way in imparting to Indian economy the normality that it needs. As it is, India is left with no choice but to be dragged at the apron strings of its Imperial mistress. Whether it is tariffs, currency or taxation, Indian policies are but a pale reflection of the British lead. Take our currency and exchange policy for an illustration. The steady rise in the value, though not so much in the volume, of Indian exports has facilitated the sterling remittance of the Government of India. Thus merely by keeping up its fixed relation with sterling, India has been enabled to scrape through the Great Depression without any big scar on the Government system of finance and currency. But the cost that the country at large had to pay for this obstinate policy of rigid dependence on the sterling, is to be measured by the continued lower level of Indian prices. The table on page 10 of the Annual Review is very significant in this respect.

Taking the 1929 prices as the base, British prices in June 1937 were 91. The corresponding figure for U. S. A., Japan, France, and Germany is 92, 108, 89, and 77. As against these the figure for India is only 72. The continued loss caused to the Indian producer and debtor by an exceptionally low level of prices must be set at least partially to the account of a high rate of exchange. The argument will gain further strength by a comparison of the statistics of currency expansion in the several countries during this period. Indian paper currency was expanded between 1933 and 1937, the period of revival, by 12 percent only, as against 30, 39, 64, 13, and 50 per cent in U. K., U. S. A., Japan, France and Germany respectively. Nobody in his senses dreams of inaugurating an era of prosperity by manipulating exchange and prices. But the conclusion can hardly be resisted that a bolder and more discriminating use of the exchange mechanism for holding and improving Indian prices was

indicated as a legitimate action which the currency authority, pledged to its loyalty to sterling, did not adopt.

The general recovery of prices, the narrowing of the gulf between prices of raw materials and of finished products, the recent domestic pre-occupations of Japan and the growing armaments expenditure abroad has caused a steady improvement in Indian economy which is unmistakable. But the Government of India ought to discard its policy of masterful inactivity. It ought to plan an economic policy for the country in which tariffs, currency, public finance, banking, investment and trade regulation play a well defined part. An instance of unplanned economic development is well brought out in the Review. There is in the country, at present, an annual investible saving which is calculated at 20 crores of rupees. While industrial investment continues to be limited and uncertain, and the State refuses to borrow for productive schemes, a large portion of the national saving tends to seek investment in the old securities. The price of these latter shows an unjustifiable appreciation which misleads the market.

A wise public works policy on the part of Indian governments, and a greater readiness to finance out of well-timed loans, public expenditure of a long term significance, would not only encourage saving and investment, but would reduce the burdens of current taxation on national industry. The detailed suggestions for the reform of Income Tax contained in the Review merit the close attention of Government who are bringing an amending bill in the Central legislature. The plea that the Review urges for a greater consolidation of our principal protected industries, viz. jute, steel and sugar, can be supported only if a policy of close national regulation is followed. In the alternative, free internal competition is the best protection that the consumer and the tax-payer have against the entrenched inefficiency and indifference of protected industry. For readers in the Bombay presidency, the judgment of the authors that the cotton textile industry in the Presidency is firmly set on the road to reform and that it is quite able to face a rise in wages will come as a timely reassurance against the interested propaganda that the mill-owners are carrying on against the recommendations of the Bombay Textile Labour Committee.

INDO-BRITISH TRADE POUR PARLERS.

IN view of the protracted negotiations between the official and non-official Indian delegates on the one hand and the representatives of Great Britain on the other for the purpose of framing a trade agreement between the two countries so as to replace the Ottawa Pact which has been repudiated by the Indian Legislative Assembly, a fresh clearing up of the whole position has become of topical interest. A very typical, and by no means an extreme, view of the matter is contained in a booklet on Indo-British Trade Relations in which Mr. Nalini Ranjan Sarkar, the present Finance Member of the Government of Bengal, discusses in all its aspects the Ottawa Agree-

ment and its aftermath, so far at any rate as India is concerned.

Mr. Sarkar's analysis and proposals might be put in a nutshell. The Ottawa Agreement has, in his opinion, not fulfilled expectations with regard to the expansion of Indian exports to U. K. Such expansion as has taken place is mostly in the nature of a diversion from non-Empire countries. In fact, what has been gained in U. K. has not been enough to set off the losses elsewhere. In many respects India has offered more advantages to U. K. than what it has received from the latter. The Indian balance of trade in merchandise has not improved materially, whether

we take total Indian trade or only the Anglo-Indian portion of it. Under these circumstances if an agreement is to be effected with Britain the prospects of arriving at an advantageous settlement with our non-Empire customers must be kept in view.

The comparative invulnerability of Indian exports makes our bargaining position exceptionally strong. If at all a new agreement is to be negotiated it should restrict Indian preferences to a select list of British goods, in which the British have some thing to gain and other countries are not too vitally interested. France, Germany and U. S. A. are some of our national customers and suppliers whose legitimate claims on our attention must be considered. The large volume of British invisible imports into India and the urgency of securing the service of British investments in this country will always tend to secure for Indian exports a position of preference in British markets. If preferences are to be given to British goods in the Indian market a more direct and striking advantage for our foreign trade must be insisted upon.

It is possible that England by continuing and enhancing her preferences on Tea, Hides, Seeds, Sugar and manufactured Jute imports from India will be helping the due expansion of Indian exports. But this will not be enough to offset the advantages conferred on U. K. in India. Great Britain must use its favourable trade position with continental countries, such as Germany, to secure for Indian exports in those quarters a less restricted entry than at present. The colonies within the Empire may also be induced by the mother country to purchase more Indian goods. The underlying principle of such an arrangement has already been conceded in the Mody-Lees pact. If the principle is now systematically acted upon England's claim to a preferential treatment in India will be strengthened.

How very pressing a new orientation on Indo-British trade relations is may be illustrated by reference to the new position of Burma. For the first three years of the new constitution a free-trade agreement between two countries has been sanctioned by a British Order-in-Council. But sooner or later the trade relations between the two natural trade allies must be placed on a permanent footing of amity and co-operation. Great Britain's influence in securing a proper agreement in this quarter will be invaluable and must be secured as part and parcel of the Indo-British trade talks that are now going on. Tariff preferences by themselves do not help in consolidating an inherently shaky position. This should be taken into account while granting preferences to British goods with which non-British goods compete very acutely. In fact, the interests of countries like Germany and America in such articles as chemicals, hardware and cutlery, instruments and apparatus, rubber and wool manufactures are so great that it is not good policy for India to grant any preferences on these which will antagonise its non-Empire suppliers. Only on such articles as do not enter into very vital competition with other countries should preference be granted to Great Britain. Boots, building materials,

drugs and medicines, liquors, oils, paints, machinery, motor cars are some of the articles on which preference may be given.

Such an analysis of the existing position and an outline of future policy are not without their merit. If for nothing else, at least for emphasising the basic fact of the unnaturalness of a comprehensive trade pact between two countries like India and England such an attitude is more than justified. India, a debtor and a dependent country in the early stages of industrialisation, is called upon to enter into an agreement of reciprocal advantage with England which is a creditor and ruling country at the very zenith of its industrialisation. The situation is unnatural economically, financially and politically. What England needs, assured markets for its costly staple products, India in her poverty cannot offer. What India needs, an export market for its raw materials of a comparatively low quality, England cannot supply. The dominating position of British capital and administration in India have already secured for British industry all the advantages that it can ever hope for. Such advantage as Indian goods possess in the U. K. markets is mostly the result of their character either as a monopoly product or a valuable raw material, which the British Government cannot think of taxing heavily in the interest of its own industries.

On the other hand, India's trade relations with such countries as Japan and Germany, which normally import a large volume of Indian raw stuff and send out cheap and serviceable finished products, are more natural. Thus between England and India it is a case of "not joining those whom God has severed asunder" and between India and several other countries, it is a case of 'not severing asunder those whom God has joined.' Under the circumstances a complete refusal to have any agreement with U.K. which is not shared by other friendly countries will be more than justified. Such an attitude, moreover, will be in keeping with the latest phase of official and non-official thought on this subject in Great Britain itself. The initiation of the trade talks with the U. S. A. is a definite renouncement on the part of U. K. of the rigid Ottawa policy. If it is felt, however, that the economic uncertainties of the world situation, as also the exigencies of the Indian political situation, indicate the need for a fresh agreement, the suggestions contained in Mr. Sarkar's brochure are of great value.

When it comes to the actual conclusion of an agreement, however, the situation will have to be more realistically appraised. Thus, though it will be justifiable to argue that a considerable diversion of Indian exports in respect, for instance, of cotton, jute, hides and seeds, has taken place in response to the restriction of imports into India, it is doubtful whether on the mere showing of the trade figures the conclusions that India has offered more than what she has received and that India's balance with U. K. has not improved can be substantiated. Figures for 1936-37, which is one year after Mr. Sarkar prepared his case, show that while U. K. imported from India 63 crores worth of goods, it sent out to India only 48 crores worth. Moreover, while British imports into

India are steadily on the decline, Indian exports to U. K. are expanding, being in the latest year 8 crores more than in the pre-war quinquennium. It appears that the tendency to be little advantages secured in U. K. for Indian goods and to extol advantages offered to the U. K. in India is sometimes overdone.

The extent to which a tariff preference of ten percent is capable of effectively counteracting more powerful elements of competition is doubtful. But the psychological reaction on non-Empire countries is calculated in the long run to be of definite disadvantage to Indian export trade. The best remedy for this evil is not the refusal to grant preference to British goods when they compete with non-British products. Next to offering an equally favoured position to all friendly states within and without the British Empire, it will be best to learn from British industries themselves in what particular industries they need preference very badly. For a limited number of years preference should be granted to such goods even though non-British goods suffer, provided, of course, that vital Indian interests are not affected. The wide range of non-preferred goods will reconcile the non-Empire countries to the situation. Any retaliatory treatment on the part of these nations can and ought to be counteracted by the pressure of a discriminatory tariff. The position in which Germany is to-day placed *vis-a-vis* India can be ended by a direct trade agreement between the two countries. As Mr. Sarkar suggests, and as the Indian Trade Delegation has been claiming, Great Britain ought to help in securing such an agreement. The economic and political relationship in which Great Britain stands to India necessitates such a helpful attitude on the part of the former.

D. G. KARVE.

THE IRULAS OF THE NILGIRIS.

THE Nilgiris may be said to be a museum of hill tribes in the Madras presidency. It has been described as "an excellent hunting ground for the anthropologist"; Badagas, Todas, Kotas, Irulas, Kurumbas and numerous other tribes live in this region.

Recently I had occasion to visit the Coonoor taluk of this district inhabited by Irulas, one of the tribes mentioned above. The Irula population of the region is scattered over seven villages within a radius of 5 miles from the village that I visited. An Irula village is not a big affair: a group of five to ten huts forms a village; the huts are little poems of primitive life, simple, neat and artistic; the walls are made of split bamboos and plastered inside with mud, the front wall is plastered and decorated with primitive drawings and sketches and the roof is thatched with grass. Immediately below the grass, the roof is covered with the golden coloured dried bark of the plantain so as to give the roof inside a neat and beautiful appearance.

It has not been possible for me to find out the total population of Irulas in the Nilgiris, and in the neighbouring districts of Coimbatore and Malabar, and in the presidency as a whole. It is indeed a matter

for surprise that the Madras Census report for the year 1931 gives us neither their number nor does it contain any reference to them, though the census reports for the years 1901, 1911, 1921 estimated their population at 86,087; 1,00,659; and 99,874, respectively, as the comparative statement given in the Census report for the year 1921 Part I, Page 157, under the head "Aboriginal, forest and gypsy tribes" will show. There is no reason given in the Census report of the year 1931 for the omission of a community whose population was in the neighbourhood of a lakh in the previous censuses. The only plausible explanation that we can think of is that they might have been enumerated either as Hindus or as Christians.

The Irula hut is small and measures about ten feet square, consisting of a verandah three feet broad and ten feet long, and two rooms inside, one serving as a kitchen and the other as a dining and sleeping room, the hut is ill ventilated and ill lighted, as there are no windows as a rule. With this limited accommodation it is no wonder that laxity in morals and promiscuous living is said to be very common among them. The building of an Irula hut practically costs nothing. Irulas get building material free from the forest and Irula men and women are experts in building huts. Therefore it must be very easy for them to build more commodious huts than the present small ones; but they require to be educated about the need for greater accommodation.

Loveable and jovial, the Irula is neither cringing nor whining in his behaviour. Of average height, lean and lithe, with neither developed muscles, nor fat, nor broad chests nor strong limbs, the average Irula is of poor physique. He is unsophisticated, indolent and wayward. He greets you with a broad smile, stands erect and speaks to you looking straight into your face. In his sartorial habiliment there is nothing to distinguish him from the average peasant of the plains.

The Irula woman is short in stature, *nonchalant*, and self-possessed. Her dress consists of two pieces of cloths, one tied round her waist and another tied round the upper part of the body. The Irula woman is active and comparatively more industrious than the mala. She walks like a queen, erect and steady, and the rythmical movements of her body must be the envy of many town-bred women. The Irula children are bright, intelligent and playful.

The Irulas are dirty in their habits. They neither bathe nor wash their clothes. The white clothes that they wear take a dark brown hue in the process of absorbing the accumulated dirt of several years. They seem to believe that the dirtier the cloth, the greater is the protection that it affords against cold and rain. They do not apply oil to the hair, so much so that their hair is dry like hay, lustreless, matted, sticky and foul-smelling. They are generally averse to taking baths, but thanks to the efforts of the Coimbatore Civic and Social Workers Association, they are now slowly beginning to indulge in the luxury of a bath now and then, for when I was there at 9 A.M. it gladdened my heart to find a little girl giving a hot-water bath to her younger brother.

The main occupation of the Irula is agriculture. The Irulas in the village that I visited, take lands on lease from the Forest Department paying an annual rent ranging from four annas to eight annas an acre, according to the fertility, the facilities for cultivation and the nearness of the land from the village. The extent of an average holding varies from four to ten acres, according to the resources, capacity and needs of each man. Crops like barley, ragi, maize, coffee, plantains, English and Indian vegetables, fruits like papayas, oranges, guavas and jack fruit are grown as conditions are extremely favourable. But the Irula is indolent; to call him an agriculturist is a misnomer. He merely sows the seed after the rains and reaps the crops at the harvest season, for both Dame Nature and Mother Earth are generous to him. Those of the Irulas who possess coffee plantations, orchards, etc. sell the produce in advance, almost for a song, to traders and contractors from the plains, for Rs. 30 and 40,—a very poor price indeed for 5 or 6 acres of produce. Most of the Irulas own cows, goats and poultry which add to their income. Once a week they go to Mettupalyam to purchase their requirements like rice, chillies, kerosene, clothes, etc. and also to market their produce, if any.

Irulas also work on rubber, coffee and cardamom estates nearby and in the forests, cutting bamboos and timber. The daily wage for a man is said to be six annas and for a woman four annas.

In spite of all these facilities conducive to the economic well-being of the Irula, his standard of life, his physical stamina and health are far, far below par. He lives practically from hand to mouth, though nature is bountiful and smiling all around; and no house contains grains which will last for more than two days. His life, in fine, is characterised by regal leisureliness and an utter indifference to improve his lot.

Malaria in summer and pneumonia during the cold season are rampant in this area. I was told that there is no permanent arrangement for medical aid, apart from the occasional distribution of quinine in the village during the malarial season by the village headman from Kotagiri, a town ten miles away. But there is absolutely no medical aid nearby for ten miles around for such diseases like cholera and pneumonia. Children also suffer from enlarged spleen for which no treatment is available in the vicinity. The Irulas to whom I spoke told me of their difficulties and sufferings for want of a dispensary nearby.

Till three years ago there was no facility in this area for the education of Irula children. The Civic and Social Workers Association, Coimbatore, deserves mention for running a primary school for the Irula children of the locality in this out of the way place. On the day I visited the school there were only 20 boys on the rolls, though I was told there were many more of the school-going age in the village and its neighbourhood. Though there are girls of school-going age in the village, the Irulas are loath to send them to school.

The need for welfare work among them is great. Any work among the Irulas must lie in the direction of creating a new outlook among them, making them industrious and active and inducing them to lead a healthy life in tolerable comfort. Their entire social, economic and communal life requires to be nursed and ordered in a manner that will enable them to rise higher in social scale. The necessity for light and air in their dwellings, cleanliness of person, clothes and surroundings, better methods of agriculture, better implements and improved seeds and manure has yet to be learnt by them. They require to be convinced that indolence and the lack of initiative and enterprise, and above of all, the lack of a desire for self improvement are the causes for their poverty, illness and suffering. Cottage industries, like sheep-rearing and wool-processing, apiary, poultry, basket-making, mat-weaving and fruit industries offer wide scope for them for improving their economic position. They have yet to learn the habit of thrift and the need for reducing the cost of many social ceremonies. Through Co-operative organisations among the Irulas all these measures of reform can be effected.

In the matter of education, Irula requires more facilities in the shape of boarding-school for boys and girls and better types of schools at that than the present one. He requires better medical help than the casual one that he gets now. The most urgent need is better provision for washing and bathing. The well which they use now for their domestic and other purposes requires better protection from contamination.

It is hoped that the Congress Ministry in Madras will take an interest in the matter and appoint a special worker and finance a scheme of uplift work among the Irulas and where this is not possible will see its way to liberally subsidise voluntary organisations working among these people.

S. R. VENKATARAMAN.

*DEBT LEGISLATION IN BENGAL.

At a time when the problem of agricultural indebtedness in the country is occupying the attention of economists and politicians and when various British Indian provinces and Indian States are busy with legislative and executive measures calculated to remedy the evil, Kumar Bimal Chandra Sinha of the Paikpara Raj, Bengal, has done a very useful public service by publishing in a book form his essay on 'Debt Legislation in Bengal', which has been awarded the Pramathanath Banerjee Medal by the All-Bengal Students' Economic Society.

As the Kumarsahib says (page 2) "the need for credit is a necessary feature of the agricultural economy of every country and such debt is regarded as a normal phenomenon." It is easy to understand why an agriculturist should be more often in need of a debt than any one following any other industry. In

* Debt Legislation in Bengal By Kumar Bimal Chandra Sinha. (M. C. Sarkar & Sons, College Square, Calcutta.) 1938. 25cm. 40p. Re. 1.

the first place agriculturists all the world over, and particularly in India, can never be sure of reaping the fruits of their labour—so much of the success of an agriculturists' industry depends on factors like vicissitudes of the seasons and calamities like hailstorms, droughts, floods, insect pests etc. over which he has no control. And even when nature has blessed his labour and he has reaped a good harvest the laws of economics and the conditions of his tenancy almost always compel him to sell his crop at an inadequate price so that even with a bumper crop he is seldom left with any surplus. If then nature is not kind, and this happens in most parts of India in two out of five years, if not oftener, the agriculturist must take a loan in order to meet the demands of his landlord and his own requirements on account of food and seed. And once in debt he is hardly ever able to extricate himself from it, and most Indian agriculturists are born in debt, pass through life with the millstone of debt round their necks, and, dying, leave for their children a legacy of debt. Although, therefore, the popular proverb in many an Indian language would give agriculture the pride of place as compared to trade or service, in practice, agriculture is very much out of favour and the lot of the Indian agriculturist the most unenviable.

Realizing the difficulties of the agriculturist, Kings in ancient India had always been enjoined by the Smritis and Puranas to look to their needs, and advances to them in cash or in kind and remissions of revenue were not uncommon. Kautilya's *Arthashastra* is replete with directions on the subject and the Kumarsahib has extracted one such dealing with the need for vigilance over the transactions of debtors and creditors in general. In the *Mahabharata* (*Sabhaparva*) among the various inquiries which the sage Narada makes on reaching the court of King Yudhishtira there is one about the condition of the peasantry in the following words :

“ कश्चिन्न भक्तं बीजं च कर्षकस्यावसीदति ।

प्रत्येकं च शतं वृद्ध्या ददारपृण मनुप्रदम् ॥

I hope the cultivator's stock of food and seed does not run out and that you show him the favour of loan @ 1 % (per mensem)".

It may be admitted, therefore, that debt is almost an unavoidable and everpresent incident of the life of the average agriculturist in India. And if one turns one's attention to agriculture in other countries—and in this connection the summary of recent debt legislation in foreign countries given by Kumar B. C. Sinha at pp. 18 to 20 may be found useful—the need for taking a loan would seem to be not a rare occurrence in the life of the agriculturist there also. Ordinarily an agriculturist would not find fault with his destiny if only he would have a reasonably fair share of good harvests and if the demands of the state or/and his landlord would not be excessive. But this has unfortunately not been the lot of the Indian agriculturist in the last few decades and this is why the problem of agricultural indebtedness has assumed such serious proportions in India at present. In a review like this it is needless to quote any figures from the estimates made by experts and it would

suffice to say that every one acquainted with Rural India knows that indebtedness is very heavy and widespread, that it has become very persistent and chronic and that the situation is desperate. It is also common knowledge that the volume of indebtedness has swelled by anything like 25% to 50% since the time the estimates of the various Banking Inquiry Committees were made. It was hoped at first that the depression in trade and the fall in agricultural prices with which we are now too familiar would be but a matter of a few months. But unfortunately they have lasted for years and although in the opinion of some the depression in trade is lifting, there is no near prospect of any considerable improvement in agricultural prices.

It is the extent and depth of the indebtedness and the desperation of the Indian agriculturist of to-day that distinguish it from the present position in other countries, or with the Indian problem in the past. And it should be clear to anyone studying it that the legislation or the executive action required in India must be more comprehensive and drastic than what is being resorted to in foreign countries at present or was done here in the past.

The Kumarsahib's survey of all India and Benal legislation on the subject at pp. 3 to 13 will be found of interest and will repay perusal. He divides it into two phases, the first extending from 1793 to 1933 and the second beginning with the Bengal Moneylenders Act of 1933. During the first phase the legislature was concerned mainly with putting down usury. Opinion in India as to what was a usurious rate of interest marched with the changing opinion in England. This phase was also marked by uncertainty as to the full and true meaning of the Indian customary law of "Damdupat." During the whole of this phase the chief concern of the legislatures and administrators was to ensure that the peasant was not ruined by usury. But they failed, partly because of the absence of any definite limit being fixed beyond which all interest would necessarily be classed as usurious and partly because of the unwillingness of civil courts to make drastic cuts in the stipulated rates of interest. And then a certain amount of vacillation on the part of the legislators of the time is also noticeable. This vacillation resulted in the usury laws in India being repealed in 1855 following the repeal of similar laws in England in 1854, and in the Repealing Act of 1870.

The roots of the legislation of the present decade which marks the second phase can be traced to popular agitation and public opinion which led to the Deccan Agriculturist's Relief Act of 1884. As a result of the recommendations of the Deccan Riots Commission, the Famine Commission Report and the report submitted by Mr. Nicholson of the I. C. S. the feeling was gaining ground that something more than merely limiting interest was called for. The Cooperative Societies Acts of 1904 and 1912 followed by the last Usurious Loans Act of 1918 were the sequel. It was hoped that Co-operative Societies for credit and non-credit purposes under the Acts of 1904 and 1912 and the provisions of the Act of 1918 was

all that was needed to ameliorate the condition of the peasantry. But the Act of 1918 no less than the earlier legislation against usury proved a "dead letter" and co-operative credit societies failed of their purpose almost everywhere.

The position was examined by a large number of Committees on Co-operation and by the Royal Commission on Agriculture and by the Banking Inquiry Committees. And recently the Reserve Bank of India has made weighty pronouncements on the subject on at least two occasions. In general agreement with these, Kumar B. C. Sinha states that the present problem before the country is really threefold, viz.

- (1) The old accumulated debts of the agriculturists, (2) the supply of credit for current agricultural operations, and (3) betterment of the economic condition of the agriculturist so that they may have some surplus.

This enunciation of the problem being in agreement with what the committees and commissions of experts have said may be accepted. One would only like to express in some detail the full implication of 'betterment of the economic condition.' Very often it is remarked that the poor condition of the peasantry in the Deccan or for that matter in any 'ryotwari' area is due to the tenancy laws. A remark like this fails to take account of the almost equally poor condition of raiyats in permanently settled provinces like Bengal and Bihar. And whether we take the case of the agriculturist in an arid and inadequately irrigated tract like the Deccan or the well irrigated areas of the Punjab, and whether the peasant belongs to British India or to Indian India, we find that his economic condition is not materially different: the agriculturist is everywhere groaning under the load of debt. His indebtedness must therefore be due to some cause or causes which are more or less common to the whole of India. And these causes would appear to be (i) the high incidence of rent or revenue and other dues which he has to pay, (ii) social and religious customs which compel him to spend more than his income, (iii) fragmentation of holdings which tends to make them more and more uneconomic, (iv) ignorance and illiteracy which prevent him from benefiting from improved methods of cultivation and associations like co-operative societies and leave him at the mercy of unscrupulous or parasitical members of society, (v) the disappearance of subsidiary sources of income and last, but not least, (vi) the fiscal and trade policy of the Government of India which is artificially keeping down the prices of agricultural produce. In short we must make the agriculturist more credit-worthy and ensure that he is not robbed of the full enjoyment of the fruits of his labour. And even a credit-worthy cultivator assured of the fruits of his industry must have at hand an honest and dependable agency that will give him such advance of money as is absolutely necessary, and for productive purposes only, and save him all avoidable loss and waste of health. And what better agency for all these purposes can there be than a wellrun multipurpose co-operative society embracing the whole body of villagers and the entire village life. Unless action is taken in all these directions there will be no material

or lasting betterment of the economic conditions of the agriculturist.

WHAT MUST BE DONE

Kumar B. C. Sinha observes, in the opening paragraph of his Monograph, that British administrators, even during the days of the Company, had occupied themselves with the credit-worthiness of the peasant. This observation is open to serious doubt. Until the last quarter of the 19th Century the Government in India (Imperial or Provincial) does not seem to have worried about making the peasant more credit-worthy. All that they could think of, was to check usury. This would seem to derive support from what the Kumarsaheb himself has said at page 28 :

But though the old basis of credit was thus shattered, yet no new basis in the shape of the credit-worthiness of the raiyats in the Western sense of the term was developed. For the last century and a half the Indian peasant has been a victim to a slow process of pauperisation and the culmination has been reached in the last decade notwithstanding the efforts made to arrest it by means of a few co-operative societies, inadequate irrigation works and the all too meagre activities of the agricultural, veterinary, public health and educational departments.

While dealing with the credit worthiness of the Agriculturist, the Kumarsaheb observes (p. 28) that the debt laws and particularly the Civil Procedure Code, destroyed the faith and mutual understanding that the debtor and creditor had for each other in our country and thus destroyed the very basis of credit itself. It is true that the old traditional faith and mutual understanding between the debtor and creditor is no longer to be met with. But this would appear to be due not so much to the debt laws and the Civil Procedure Code but to the break up of the community life in the village and to the materialistic tendencies of the present age. The traditional rule of "damdupat" may be described as a debt law of Ancient India. And if that did not cause any loss of faith and mutual understanding there is no reason why the modern laws against usury should do it. It is equally incorrect to blame the Civil Procedure Code. Those having any acquaintance with co-operative societies and the law governing them will testify that the early promoters of co-operative societies in India always emphasised the moral foundation of co-operation claiming to make members credit-worthy and that the Co-operative Societies Acts with the Rules made thereunder made the Civil Procedure Code altogether inapplicable to co-operative business. Very few of the members of these Societies were sophisticated enough to be spoilt by the 'debt-legislation' and the Criminal Procedure Code before they joined the movement; and after they became members they had less opportunity of being spoilt by them. And yet at the first appearance of anything like a crisis the members found themselves in as miserable a plight as non-members, if not worse, practically all over India and their credit-worthiness, joint as well as several, was found to be a fiction. The lack of credit-worthiness in the Indian peasantry cannot therefore be ascribed to the debt legislation or the Criminal Procedure Code. Its causes must be found in the absence of facts indicated hereabout (in

para 7) which are the *sine qua non* of economic betterment.

There is another point worthy of serious consideration. It is often said that the moneylender takes unfair advantage of an agriculturist. He would be a bold man indeed who would take up cudgels on behalf of all village moneylenders. But has the village moneylender been such an unmitigated evil as he is depicted—a veritable harpy and a parasite? A close study of village life would convince any one that the picture is too much overdrawn. And it is regrettable to see that even a careful student of the problem like Kumar Bimal Chandra Sinha should indulge in unfair criticism of the moneylender. Can it be truly said that the moneylender treats a non-agriculturist having little or no security to offer more generously than he treats the agriculturist? On the contrary the report of the Royal Commission on Labour in India would show that the terms on which an industrial labourer gets his loan are often more severe. The real explanation for the harsh treatment and exorbitant terms is to be found in lack of credit-worthiness, whether the borrower is an Agriculturist or non-agriculturist making but little difference.

' I. C. S. '

(To be continued)

SHORT NOTICE.

FASCISMS: 100 QUESTIONS ASKED AND ANSWERED. By OSWALD MOSLEY. (B. U. F. Publications, Ltd., London.) 1936. 20cm. 1/-

THE FUTURE OF BOLSHEVISM. By WALDEMAR GURIAN. (Sheed & Ward.) 1936. 20cm. 125p. 3/6.

At a time when several countries in Europe have accepted Fascism as an article of political faith, it will be interesting to know what Fascism stands for and what is the essence of the movement. These two books give a splendid account of Fascism and National Socialism, but they have been written from opposite points of view. Oswald Mosley's book is a fine exposition of Fascism in the form of a series of questions and answers. It may be within the knowledge of many that the British Fascist Party under the leadership of Oswald Mosley has only a few members on rolls. It is a compact and companionable party, one that can get together round a tea-table if it feels so inclined, instead of having to go in a search of a committee room! If it gets tired of politics, it can sit down and play bridge! Oswald Mosley wants to make the British people Fascist-minded and so he has set out in this publication to popularise Fascism. But we have our own doubts whether the freedom-loving Briton will take kindly to a political ideology which is a negation of individual freedom. If Oswald Mosley paints a rosy picture of Fascism, Waldemar Gurian gives the other side of the picture. He points out that though National Socialism is not a Marxian movement, it has the same type of state and government as Russian Bolshevism. He has instituted a masterly comparison between Bolshevism and National Socialism, and has shown how it is a serious peril to Western Europe. Waldemar's book is certainly more valuable than Oswald Mosley's pamphlet, for it is a thorough exposition of Bolshevism and National Socialism by a scholar of establi-

shed reputation. We recommend the two books to those who wish to know what Fascism, National Socialism and Bolshevism stand for.

M. V. SUBRAHMANYAM.

Miscellaneous.

DR. KEITH ON RESPONSIBLE GOVERNMENT IN STATES.

In the course of a letter to a Cochin journalist Dr. Barriedale Keith writes —

THE question whether responsible government can be introduced into an Indian State in view of the rights of the Paramount Power admits of a clear answer so far as the principle is concerned, if consideration is given to the essential character of these rights.

The rights are concerned with (1) the conduct of the State as part of the Indian body politic involving its contribution to the welfare of India, and (2) the internal government of the State. The Paramount Power being under obligation to secure to the dynasty the rule of the State, if it remains loyal, is bound to secure that the internal government shall be conducted on reasonably efficient and just principles.

The introduction of responsible government presents the obvious mode for the carrying out of the second principle. The British rule of responsible government rests on the doctrine that in this mode there is best secured the welfare of the people as a whole, as opposed to that of a minority, and the Paramount Power would no doubt welcome the transfer to the people of the conduct of their internal relations.

As regards the first principle, the matter is solved in the case of any State which accedes to the Federation for *ipso facto* it is thus engaged to perform its share in the general welfare of India. Naturally, if responsible government were introduced for the internal government, the State representatives in the federal legislature would be selected by election, and not nominated by the Ruler.

If, on the other hand, a State was, despite acceptance of responsible government, unwilling to accept federation, the responsible ministry would have to accept the demands made by the Paramount Power upon it to co-operate in matters essential for the general welfare of India, just as the Ruler now must do. But, of course, a responsible ministry would be in a much stronger position to represent the views of the State than is any Ruler, and it would have much greater weight with the Paramount Power, for it could rely on receiving in any sound cause the support of many members of the British Parliament of all political complexions.

The Paramount Power, for the reason just given, might not be anxious to see responsible government, introduced into any State, but even were this so, it could not resist its introduction since that would be disapproved by Parliament. No doubt there is a possibility that under responsible government there might be a distinct clash of views between a State and the Paramount Power, but in that case, in the ultimate issue, the latter must prevail. But the mere possibility of a clash is no reason for not creating responsible government. Were it carried through by carefully planned steps, it can hardly be doubted that a new era of prosperity would be opened up both for the States and the Paramount Power.

RURAL ECONOMIC WELFARE IN BOMBAY.

THE report submitted by Mr. Vaikunt L. Mehta and the Registrar of Co-operative Societies, Bombay at the instance of the Government of Bombay on the reorganization of co-operative credit in villages most conducive to their economic welfare is a valuable document. It is a matter of common knowledge that co-operative agricultural credit societies in India have not been able to function to the maximum advantage of the peasant because no effort was made to deal with the frozen assets of such societies. The report urges, as an immediate and first step, that "the Government auditors should conduct a detailed scrutiny of the assets, estimate the bad and doubtful debts, recommend remission of accumulated interest in suitable cases and take other steps for voluntary repayments." Another wholesome suggestion made by the authors of the report is that credit operations of the primary societies must be linked up with the sale of the agricultural produce of their members and, where conditions are favourable, multi-purpose societies should be tried. If this suggestion is carried out in practice, the co-operative movement is bound to prosper and the agriculturist will be all the better for it. In addition, it must be possible to regulate the borrowing capacities of the societies as well as their members. The co-operative movement in its present phase requires a thorough overhauling along these lines.

Among other noteworthy suggestions in the Report are: the introduction of the system of banking unions, grant of advances against commodities, audit through qualified registered accountants selected by the Registrar instead of through the staff of the Co-operative Department, prevention of overlapping of supervising unions, the creation of auxiliary educational committees to carry on co-operative education and propaganda through the district supervision boards, the extension of the co-operative principles to agricultural improvement, the revival and development of cottage industries, the formation of marketing agencies and better-farming societies, promotion of joint-farming and women's cooperative societies.

The authors of the report do not deal with the financial implication of their proposals. We hope and trust that the Government of Bombay which is now considering these proposals will see its way to accept them and give them a trial in select areas, if it is not possible, for financial reasons, to extend them to the presidency as a whole. Another important factor which is a *sine qua non* for success in the co-operative movement is that each society requires a Raiffeisen. Much of the success of a scheme like this will depend upon the willing co-operation of the people and their desire to profit by these proposals. The old prejudice against co-operative societies must be rooted out, and care should be taken to see that they are not dominated by the moneyed classes for their own benefit, as it very often happens. With educative propaganda of the right type and the maintenance of the democratic constitution of societies it must be easy to make the co-operative movement, the *Kamadhenu* of our agriculturists.

S. R. V.

BOOKS RECEIVED.

- THE KING, THE CONSTITUTION, THE EMPIRE AND FOREIGN AFFAIRS.** Letters and Essays, 1936-37. By A. BERTRIE DALE KEITH. (Oxford University Press.) 1938-32cm. 194p. 8/6.
- EXCHANGE DEPRECIATION: ITS THEORY AND ITS HISTORY, 1931-35 WITH SOME CONSIDERATION OF RELATED DOMESTIC POLICIES.** By S. E. HARRIS. (Harvard Economic Studies, Vol. III.) (Harvard University Press, Cambridge.) 1936. 23cm. 516p. 5/-
- THE LIFE OF CHARLES, LORD METCALFE.** By EDWARD THOMPSON. (Faber and Faber.) 1937. 23cm. 439p. Rs. 3.
- SOCRATES IN AN INDIAN VILLAGE.** By F. L. BRAYNE. (Third Edn.) (Oxford University Press.) 1937. 22cm. 129p. Rs. 3.
- NATIONAL STATES AND NATIONAL MINORITIES.** By C. A. MACARTNEY. (Royal Institute of International Affairs.) (Oxford University Press.) 1934. 22cm. 553p. 18/-

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