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Topics of the Week.

Prevention of Propaganda against Recruiting.

THE Bill penalising propaganda against recruitment in the Army has passed the Assembly. In connection with this Bill it must be remembered that a section dealing with this matter introduced in the Criminal Law Amendment Act of 1932 was omitted when the Act was revived and made permanent three years later. The Government saw no reason for its continuance in 1935. Why does it feel the need for its resuscitation now? Is it because, in the Government's view, war is coming nearer? If so, which war? A war connected immediately with India or a war in which India is concerned only indirectly as a part of the Empire? If the latter, it means that India will be required to be an active participant in a war in which she has no direct interest as a nation. From such a war Indians have every right to urge the people to keep aloof if they so desire.

OR is it because the Congress, which is in power in seven provinces, has resolved not to help in any imperial war in future? If there is any resolution of the Congress which has every justification in principle and expediency, it is this. Such a war will be opposed on either or all of three grounds. It will be opposed by extreme pacifists, as to them all war, whether offensive or defensive, is a crime against humanity. We do not number ourselves among such people, but we recognise the right of every pacifist to carry on a campaign in favour of their doctrine unhampered by the Government. It is said that the Bill will not put any impediment in the way of an anti-war propaganda

conducted by pacifists, but it is certain that if the Bill is enacted it will check this propaganda as well as any other started from a political motive.

AND there is no reason why a propaganda started from political motives should be penalised either. One of such motives may be to obtain control over foreign policy by refusing to participate in a war, in the declaration of which India can exert no influence or control. If our people are only to be cannon-fodder in hostilities not of our own making, why should we not be entitled to say to our rulers, "Let those see the hostilities through who have provoked them. None of us can have any part or lot in them"? Another motive may be to enlarge our political freedom in general. We remember members of Parliament saying to the Government when the India Bill was being debated, "The measure of reforms must be wide enough to satisfy India. How else can you expect from that quarter any help in time of need?" If the British members of Parliament can say this with impunity, we surely can say, in order to give effect to the warning of our friends, "You have passed an Act which has left the whole of India thoroughly discontented. You were given a timely warning as to what might be in store for you if you persisted in the evil course. You have disregarded the warning and must suffer the consequences. We shall make it our business to go to every man whom we can approach and ask him not to join the army if only to punish a Government which is so unresponsive."

ON all these three grounds the people must be left free to carry on propaganda. The only thing that the Government can do is to answer by carrying on counter-propaganda, which we have neither the power nor the will to prevent forcibly, as the Government proposes to prevent our anti-recruiting propaganda. The Government makes picketing an offence if it suspects any element of coercion in it. In the matter of recruitment to the army, it proposes to put a stop by coercive processes to all persuasion which it fears will embarrass it in filling the army to be used for wars in which the recruits will have no personal or national interest. Such an attempt must be sternly resisted, and it is a matter of great pity that Mr. Jinnah and his Muslim followers did not resist it, as a result of which the Government carried the Bill through the Assembly.

Scandalous.

WE have received a long communication from the Secretary of the Sabhabandi Nibarak Anasana

Samiti, Indore, which reveals a harrowing state of things in the Indore State. It is stated in the communication that as early as in 1911 the Indore Government issued an order prohibiting public meetings in open places in the city and subsequently in 1928, due to the prevalence of Hindu-Muslim tension, the Indore Government issued another order prohibiting public meetings in enclosed places. When the Indore Praja Parishad protested against these orders and appealed to the Indore Government to restore the civil liberties of the people, the prominent workers of the Praja Parishad were expelled from the State and were suffered to enter the State after some time under severe restrictions on their civil liberties. In 1933, the Government played another dirty game. By the promulgation of the Public Institution Registration Act, it agreed to recognise only those institutions which in its opinion were composed of responsible citizens. Naturally the radical elements in the State were severely penalised and they could not gather together to ventilate their grievances.

How grossly unsatisfactory the State of affairs in Indore is can well be gathered from a speech of the Prime Minister of Indore which he delivered in April 1938 from the presidential chair of the Indore Council. The Prime Minister is reported to have said: "No citizen who is responsible can have any grudge against the Public Meetings Prevention Act. All kinds of public meetings, except political and communal, are held frequently at Indore. Yet it is strange that some institutions protest against the Act. It is the duty of the Government to warn such people and also to communicate to them publicly that the Government cannot entertain such people and will not submit to their unlawful movement." The speech quoted above is revealing enough. It seems that only religious meetings are allowed to be held in the city of Indore and that too with the previous permission of the Indore Government.

To protest against this gross encroachment on their civil liberties, a Sabhabandi Nibarak Samiti has been started at Indore to agitate for the removal of restrictions against public meetings. Mr. Hajarilal Jadia, a prominent worker of the Samiti has resorted to a hunger strike for an indefinite period as a mark of protest against the repressive policy followed by the State. After Mr. Jadia went on a hunger strike, the organisers of the Sabhabandi Nibarak Samiti made a desperate attempt to bring the matter to the notice of the Maharaja of Indore. They requested accordingly the Secretary of the Minister-in-Waiting to supply them with the address of the Maharaja of Indore. But the Secretary has flatly refused to comply with their request. Thus, though a man in the State is dying, the Maharaja is kept in the dark about the whole matter. It is high time that something were done to put a stop to this high-handed behaviour of the authorities of the State. How long will medieval rule be allowed to continue unchecked?

Flood Havoc.

DURING the whole of last week almost every mail has been bringing to our notice harrowing tales of suffering and destitution caused to thousands of people by devastating floods in U. P. and the Provinces of Bihar, Bengal and Assam. In East U. P. alone nearly 350 villages

have been completely washed away, more than 1,000 villages have been completely isolated and in all an area of about 1,000 square miles with nearly 50,000 people is severely affected. In Khalilabad Tehsil alone nearly 15,000 persons are rendered homeless. In all these areas there is now a great scarcity of food and fodder and men and cattle are both leading a precarious existence. The kharif crop has been completely destroyed.

THE authorities have made arrangements for receiving prompt and regular information regarding the flood level in various parts of the U. P. This has facilitated co-ordination of relief operations that have been undertaken. Relief measures on a much more extensive scale, however, must be undertaken if some kind of help is to be made available to all people suffering from disaster. It is necessary on such an occasion that official and non-official agencies should heartily co-operate with each other and save human life from destruction.

IN view of the wholesale destruction of the kharif crop and also the annihilation of farm cattle in the U. P., it has become necessary that relief measures of a more or less lasting nature should be undertaken. Even after the floods subside, it will be absolutely necessary to afford relief to the agriculturist in the form of food, shelter, clothes and also a little cash to buy seeds and farm cattle and fodder stock. The immediate danger to life and property will vanish with the floods, but the misery and destitution will last considerably longer. It is, therefore, imperative that Government, in co-operation with public-spirited persons and public institutions, should undertake a comprehensive scheme of relief work which will help to bring back normal conditions to the afflicted areas. The Allahabad Branch of the Servants of India Society along with other organizations has started relief work in the U. P. and it is up to philanthropists all over the country to support this cause with the readiness that it evidently deserves.

Propaganda for Federation.

RECENTLY two important statements were issued by Englishmen advising Indians to accept federation if only to try it out and see how it works in actual practice, one by Lord Lothian who flew from England to India *en route* to Australia, where he will attend a Commonwealth Conference, and the other by Mr. J. P. Eddy, former Judge of Madras High Court. The statements contain only the familiar arguments, which have been answered times without number during the last eight years and which are not likely to make any impression upon Indians. It is satisfactory to know from Lord Lothian that Pandit Jawaharlal Nehru has altered his views on federation as little as he himself has altered his. After all, the Congress does not consist entirely of Bhulabhais, though the number of Bhulabhais is distressingly large.

LORD LOTHIAN harps again on the great harm that would come to us if the present unity of India was broken by the federation not being brought into existence. We had thought that federation was insisted upon because it would bring about a larger unity than exists at present. If one were to examine the federal list one would find that

'ederation would not add materially to the existing unity, and Lord Lothian has never told us how much addition would result from federation. But why should the present unity dissolve in disorder and chaos if federation does not come into being? Lord Lothian never answers this point but goes on repeating *ad nauseum* his advice to Indians to defend themselves by means of federation against the fate that is overtaking China. If India shows no signs of disintegrating now when there is no federation, why should she disintegrate if from the new constitution Indian States are kept out as they are from the present?

"It has been stated," says Mr. Eddy, "that the proposed Indian federation is a curious combination of democratic units (British Indian provinces) with autocratic units (Indian States)," but Mr. Eddy does not attach much value to this objection, though the objection is urged by no less a person than Lord Lothian. Mr. Eddy answers this objection by saying that if democracy has to wed autocracy in India it is only because there is no other available spouse. After all the British Government could not alter the methods of government in Indian States; it is bound by treaties, engagements, sanads and all the other legal documents to leave the States alone in their internal affairs. The defect that arises from the Indian States' autocracy is, therefore, inherent in the existing social conditions of India, and British India must quietly submit to it with a good grace; it is no use kicking against the pricks. In course of time, however, even this defect will disappear and "the autocracy of by-gone days" in Indian States may be replaced by more liberal systems of government.

YES, all this may happen. But if it does not? or if it does not happen quickly enough? Then, we suppose, British India must curse its stars. But then why should not British India say: "If we cannot shape the course of development in Indian States, we shall leave them out of our constitution and take them in only as and when they have developed in the democratic direction to the necessary extent"? This is precisely what British India is saying. It is not opposed to federation as such, but it is opposed to a federation into which States of all sorts and conditions will be admitted in haste and British India will be left to rue the day when this is done at leisure. Admission into a democratic federation is a high privilege, to which no State should be held eligible without prior test. The British Government which pleads inability to require the States to adopt a democratic form of government at present will plead the same inability with even greater force after federation, and British India will remain helpless. Even the leverage it now has in the shape of refusal to federate with autocratically governed States with a view to making such States give up their autocracy will no longer be available, and naturally British India is not willing to place itself in this position.

BOTH Lord Lothian and Mr. Eddy agree in advising British India to accept the federal scheme, defective as it is, relying on these defects being eliminated in course of time. Lord Lothian says: "It is in the best interests of India to bring the federal part of the constitution, despite its defects, into operation and then set to work to revise it in the light of experience rather than imperil

the unity of India by reopening the whole constitutional issue." Mr. Eddy says: "There may be legitimate grounds for criticising the federal scheme. It is at best a compromise. Nobody pretends that it is free from defects. But surely the right course is to submit it to the test of practical experience. If flaws are revealed, as they well may be, it will be possible to see exactly what improvements may be effected in the future, *subject always of course to the stipulations as to amendments contained in the Act.*"

IN adding this proviso Mr. Eddy shows himself to be more of a realist than Lord Lothian. What does the proviso mean? It means that the Princes have been given a veto power in regard to amendments to be inserted in the whole of the federal constitution, and the British Government does not intend, and will in fact be unable, to remove this veto power at any time in future. The necessary consequence of the continuance of this veto power will be that British India will be placed at the mercy of the States not only in the matter of amendments concerning the States, but also those concerning British India also if they touch the States nearly or remotely. Mr. Eddy is conscious of this, but Lord Lothian is not. He denies that the States have the *liberum veto*; if that is so, why does not Lord Lothian move Parliament to remove from the Act all the long list of exceptions to Schedule II which extend practically to the whole sphere of the federal part of the Act? If, in spite of these distinct provisions in the Act, the British Government can exercise its right of paramountcy to abrogate the Princes' *liberum veto*, why does it not do so at the very beginning? Why does it not say to the States that they shall introduce democracy and then come into federation? If it now takes refuge behind treaties and engagements, is it not even more likely to do so in future? And does it not mean that British India, if it once agrees to federate with autocratic States, will place itself by so doing at their disposition for all time?

AND what is the meaning of Lord Lothian and Mr. Eddy asking us to test the federal scheme by actual experience? Supposing the experience is unhappy, can we undo the scheme? Can the federating units separate and frame a new constitution in the light of the experience received? Unless this is possible, there is no meaning in asking Indians to give the scheme a trial. The Act says, whatever the result of the trial, the scheme must persist. The Indian federation cannot be abrogated as for instance the Maltese constitution was abrogated in 1936 and a new constitution framed now. The same thing happened in Cyprus. The earlier constitution was repealed and a new one established. Whether the new constitution in these island colonies is a good one or a bad one is not the question that we are raising at present. But there was a way out in these instances. In regard to the Indian federation we can have experience, but we cannot profit by it, though others may. This is the first federation in the world in which democracy is to be married to autocracy; if the marriage is unhappy, other countries will keep away from this kind of mixed marriage. But we must struggle on as best we may. There is no question here, therefore, of testing the federation by experience. We can only put an end to it by revolution, and our chief complaint against the scheme is that the

British Government, by forcing India into federation, may in fact be forcing her into revolution.

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Peasants in the Punjab.

THE decision of the Congress party to have nothing to do with the non-agriculturists' agitation against the Ministry's agrarian measures called "Black Bills" by them has made it possible for the interests of the kisans as opposed to those of the zamindars to be brought to the fore. At a public meeting held at Lyallpur on the 15th inst., Lala Dev Raj Sethi, M.L.A., Lala Achint Ram and Acharya Narendra Dev spoke, emphasizing the need of protecting the rights of the tenants. It is of the first importance that a proper tenancy law be enacted for the Province, in which 60 per cent. of the land is cultivated by tenants for landlords. Professor Brij Nārāin has written in the *Tribune* emphasising the need for such a law. Quoting from his earlier article, he says:

The landlord's share in the profits of cultivation is just loot. That is the only proper description of it, for it is the share not of the worker but of a parasite. It goes without saying that if the landlord did not exist and the land belonged to the rural worker, if there were only two parties to share the profits of cultivation and not three as at present, the rural worker would earn more.

On this principle he says that the exploitation of the peasant by the moneylender having been

stopped, it is now time for his exploitation by the landlord also to be stopped. He remarks:

Whom shall we follow: Dr. Sir Gokul Chand Narang, who obviously stands for the interests of a non-working class of exploiters, or Sir Sikandar Hayat Khan, Daultana Sahib and other Unionist leaders, who have openly declared themselves guardians of the interests of the rural worker? I accept the leadership of the Unionist Government, and would carry the noble message of the Government to workers in the countryside. What is this message? War against all exploiters, irrespective of their caste, colour or creed. Why shouldn't we believe Sir Sikandar when he again and again insists that the agrarian Bills are purely economic measures, framed to promote the well-being of the worker? Why shouldn't we strengthen his hands, and those of Daultana Sahib, in the battle of the 'have-nots' against the 'haves'? "Land for the Worker" is not exactly a socialist slogan, but it should still be acceptable to our socialist Government, inasmuch as it is a slogan meant to unite the 'have-nots', whom our Government love, against the selfish 'haves' whom they justly hate.

Popularising this slogan in the villages and organising the kashtkar on the basis of this demand is work of the highest political importance. In any case it is work of greater political importance than assisting moneylenders to regain the power they have lost.

THE BOMBAY TENANCY BILL.

II.

SECTION 5 of the Bombay Tenancy Bill defines the rights and liabilities of the new class of protected tenants. The tenant is liable to pay the agreed rent and in the absence of agreement the rent payable according to the usage of the locality or in case of dispute the reasonable rent as determined by the Mamalatdar under section 11. All arrears of rent due in respect of land held by protected tenants outstanding on 1st day of December 1938 are to be paid off in four equal annual instalments. That is, all these arrears must be cleared off by May 1942 at the latest. This provision does not appear unreasonable in all such cases where arrears of rent are outstanding and no definite arrangement has already been arrived at for their repayment. But this provision should not be allowed to override those cases in which a decree of court or a private agreement has already arranged for the payment of these arrears in instalments which are spread more widely than over four years.

The tenancy of a protected tenant is liable to termination if he fails to pay any of the instalments of the arrears of rent or fails to pay or deposit in court in the future by the 15th of May of any year the rent of such land for that year. No exception is allowed to this liability to pay rent. There are many contingencies under which a tenant may justifiably and reasonably find himself unable to pay the full rent of a particular year by the 15th of May and some provision

must be made for such exceptional circumstances. It should be possible on an application to the Mamalatdar to obtain a temporary and limited stay of the execution of this stringent provision. Sub-clauses (c) (d) (e) and (f) of section 5 are also drafted in such a comprehensive fashion that there is considerable danger of their being misused by the landlord. 5 (d), for example, makes the tenancy liable to be terminated if the tenant does "any act which is injurious to land." The extent of the injury to land is not defined, nor is it laid down that the injurious act should be proved to be deliberate or malicious or the result of gross negligence. The sub-clause, as it stands, is open to very wide interpretation, and it is necessary to re-define it more narrowly. In the same way 5 (e) makes the tenancy liable to termination if the tenant fails to cultivate the land personally or sublets it. Would letting the land lie under grass or letting it lie fallow for the period of one year or more mean failing to cultivate it personally? If so, this also is an unfair provision. 5 (f) refers in general terms to a breach of any condition of tenancy. We have already commented in a former article on the dangers of this omnibus provision.

In connection with the operation of section 5 we would invite attention to a necessary safeguard. In a large number of cases the landlord is also the *sowcar* of the tenant. The amounts annually due to the landlord from the tenant thus comprise

of both interest and rent payments. Without any special provision in this behalf it will depend on the sweet will of the landlord whether to credit the total payment made to him to the interest, debt repayment or rent account. Unless, therefore, the tenant pays the entire amount due to the landlord under all these heads he may find himself held to commit a default in payment of rent and his tenancy may thus be liable to termination. In order to get over this difficulty it is necessary to provide that if rent is due, every payment by a tenant to his landlord shall, unless the tenant otherwise agrees in writing, be presumed to be a payment on account of rent [Cf C. P. Tenancy Act, s. 75 (1)]. It will also be necessary to insert a section, as in other tenancy Acts, providing for deposits of rent in court.

Section 9 of the Bill provides for the continuation of the tenancy on the death of a protected tenant in a manner which is novel. We have already noted with approval the fact that the rights of the protected tenant are made inalienable. By section 10 these rights are not liable to seizure or attachment; nor can they be mortgaged, charged or alienated in any manner. This provision is essential if the rights are to remain in the hands of the actual cultivators. In other provinces like C. P., where tenancy rights are inalienable but heritable they are divided amongst the heirs in the same manner as any other property. Section 9 of the Bill, however, lays down that on the death of a tenant the tenancy shall be continued to *one* of his heirs. This is an unusual but a welcome step. We suppose that the intention behind this section is to prevent sub-division of holdings. It is presumed that the class of protected tenants will consist wholly of small cultivators. A continuous subdivision of the holding of a protected tenant generation after generation may reduce it to an absurdly uneconomic level. This can be prevented by laying down that the holding shall not be divisible and shall be inherited by only a single individual. It may not be that all holdings of protected tenants are today economic; but at least a further deterioration of the position will be prevented by preventing sub-division. We welcome this particular provision especially as it indicates that Government is at the same time evolving a land policy of its own.

While it is easy to lay down that only one of the heirs shall succeed to the tenancy it is not equally easy to devise how that one shall be chosen. Primogeniture may be an easy but is an essentially illogical way of providing for such succession. The Bill as at present drafted provides that the heir who gives notice to the landlord, within two months of the death of the tenant, of his willingness to continue the tenancy on the old terms shall be entitled so to continue it. If more than one heir gives such notice the heirs must select by agreement one from among

themselves. In case of lack of agreement the landlord may select one of the heirs to whom the tenancy is continued. We are afraid that the leaving of the final choice to the landlord may lead to abuse. This will merely create an occasion when the landlord can exert some undue influence and it may even become a source of profit to the landlord. As in the cases in other provinces where the landlord's consent is necessary for transfer of tenancy rights the landlord may exact a price for his nomination. Where there are many heirs, any one of them who is assured of being nominated by the landlord for a given consideration will stand out and prevent the arriving at of an agreement. Agreement will thus become difficult if not impossible; and the right of choosing the heir will practically rest with the landlord. This should be prevented. Protected tenancy rights will ordinarily be valued rights, and the heir who is nominated by others to enjoy the rights will naturally have partially to compensate the others for the giving up of their claims. Agreements in respect of succession may be difficult and if the heirs are numerous almost impossible. It would be best, therefore, to leave the choice of nomination in case of disagreement to an outside authority like the Mamlatdar. Government may even lay down certain instructions as to the manner in which the Mamlatdar should exercise this right. The existence of an independent authority will induce the heirs to agree among themselves more readily than if the choice lies with the landlord.

Section 11 provides for enquiries as regards reasonable rent in case of dispute. The Mamlatdar is to adjudicate in the first instance and an appeal to the First Class Subordinate Judge is allowed against the Mamlatdar's decision. Sec. 11 (5) lays down the factors to which regard should be had in determining reasonable rent. The factors are rental values of similar lands in the locality, the profits of agriculture, prices of crops and commodities, and improvements made by the landlord in the land. These factors are necessarily broad and it is difficult to determine to-day what weight will be attached in actual practice to each of them. In the course of administration some rule of thumb method will get established and there will then be time for Government to consider any possible modification of the way in which the various factors have been defined. There is no need, neither will it be useful, at present to enter into any detailed examination of these factors.

We, however, see no reason why this method of determining reasonable rent should not apply to all tenants generally. Sect. 83 of the Land Revenue Code, which in the absence of agreement refers to reasonable and just rent, applies to all tenants. It would be a natural step forward to apply this method of determining rent when disputed—even when there has been an agreement—

to the entire tenant body and not to protected tenants only.

Once a rent dispute has been settled it cannot be reopened for five years except on account of deterioration of land by happenings beyond the control of the tenant or on account of improvements made by the landlord. It is noticeable that among the circumstances beyond the control of the tenant a sudden fall in the prices of commodities has not been mentioned. As regards the improvements made by the landlord it is supposed that this refers to improvements made by the landlord with the consent of the tenant and that this does not mean that the landlord has a right of entry at any time to the land in possession of the protected tenant in order to effect any improvements that the landlord likes.

Chapter III of the Bill concerns tenants generally. It provides for the abolition of cesses and other extra demands on the part of landlords and for the passing of proper receipts for rents received by landlords. It is also made incumbent on the landlord to grant to the tenant a proportionate suspension or remission of rent when he has received any suspension or remission of land revenue. Section 15 in this chapter contains, however, a most amazing provision. This section lays down that the privileges of any tenant under any law or usage in force to-day will not be affected by this Bill except in so far as they are inconsistent with Section 5. Section 5 deals with the rights and liabilities of tenants. So that all the present privileged tenants will also become liable to eviction on non-payment of rent on 15th May and will be governed by the other wide clauses contained in that section. This is so extraordinary a measure of deprivation of the

rights of the present tenant body that we can only imagine it to be due to some drafting misconception.

To sum up, while congratulating the Government of Bombay on the courage it has shown in publishing the Bill in spite of interested agitation, we conclude that the Bill is very incomplete and is unsatisfactory in many respects. It refers only to tenants in alienated villages and tenants of landlords holding 100 acres or its equivalent. It thus leaves out of its scope the vast majority of the tenant body. If at the back of this legislation lies the intention to create a body of secure peasant cultivators (and the legislation could be justified only on such an assumption) provision will have to be made for tenants of landlords not covered by this Bill and tenants who have not had a continuous long-period tenure of any land, especially proprietors who have lost land during the recent depression. Measures will also have to be contemplated for counteracting the effects of the transference of lands to moneylenders and others in the future. Each of these cases will have to be dealt with separately. The present Bill does no more than treat of a mere fringe of the problem. Many provisions of the Bill are also unsatisfactory. The landlord's right to determine the tenancy of a protected tenant is especially obnoxious and takes away with one hand almost all that is sought to be conferred with the other. We have also indicated above other important modifications that are necessary. Without these and without an announcement of intentions regarding tenants not provided for by the present Bill it could hardly be said that the Bombay Government has begun to tackle the land problem in the right way.

THE UNCOVERING OF RAJAJI.

THE Premier of the Congress Ministry in Madras, Mr. Rajagopalachari, exhibited his attachment to civil liberty last week by himself opposing and making his all too pliant and submissive members of his party to oppose the motion of an independent non-official member, Mr. T. T. Krishnamachari, to introduce a Bill for the repeal of the Criminal Law Amendment Acts of 1908 and 1932 and also a resolution by another member, Mr. Abdul Hameed Khan, recommending to the Government of Madras "to stop its policy of repression against persons who take part in the anti-Hindi agitation." The Bill and the resolution were intended for the same purpose, viz. to protest against and to put a stop to the enforcement of the Criminal Law Amendment Act against those who resort to picketing in order to bring to the notice of the Ministry their opposition to the compulsory teaching of Hindustani in schools. Mr. Krishnamachari, in moving for leave to introduce his Bill, made it

clear that he was not personally opposed to the Government's policy in so far as it concerned the introduction of Hindustani in the school curriculum, but that he was unalterably opposed to the application of a special law conferring extraordinary powers on the police against people who, wrongly though it might be, wished to carry on agitation by means of picketing against a particular policy of Government. Extensive use is being made at present by the Rajagopalachari Government of the Criminal Law Amendment Act, which in 1935, when it was made permanent, was thrown out by the Legislative Assembly and passed by certification, which has been universally condemned by every section of the public as destructive of civil liberty and which the Congress is pledged to repeal in every province in which it is both in office and power. That a Congress Ministry can be so disloyal to its own faith as not only not to repeal this law but itself to take recourse to

It shows, as Mr. Krishnamachari in his powerful but restrained speech said, that it is not always possible to presume that an administration, even a Congress administration, is wholly disinterested or unprejudiced. The existence of a law conferring wide discretion upon the executive wholly free from the control of the courts or of any other authority is too great a temptation for its use as an easy way out of the irritations and difficulties that a Ministry may feel. In such a situation abstract considerations of civil liberty do not count, and therefore the only remedy for guaranteeing respect for individual freedom and civil liberties is to put an end to a law which is a constant menace to the citizen even in the hands of a Ministry whose very rise to power is perhaps due to its declarations in favour of civic rights.

Mr. Rajagopalachari, being a veteran politician, can naturally have a great many of his old sayings, in which he made impassioned pleadings for civil liberty, brought up against him. The mover of the Bill (or rather the mover of a motion for leave to introduce the Bill, for the Bill was choked off even at this first stage), Mr. Krishnamachari, brought up one of these. He said:

It is with some sadness that I recall the day when, after the Government of India Act of 1919, for a brief period the Congress toyed with the idea of coming into the Councils which it has now actually done. In its manifesto, of which the then reputed author was the hon. the Prime Minister himself, it described its conflict with its political opponents, the Moderates, in the then famous phrase "Freedom versus Power"—the Moderates standing for Power and the Congress for Freedom. I remember the splendid controversy that went on between the rt. hon. V. S. Srinivasa Sastri and the hon. the Prime Minister on the issue of Freedom versus Power, and the hon. the Prime Minister's triumphant vindication of freedom. The hon. the Premier to-day is indeed a very changed man. Having succeeded to power he has reversed his political philosophy, and now power stands enthroned against freedom.

If the Moderates sought power it was for the purpose of ensuring freedom; they did not succeed in ensuring it because the power that the country could then win was altogether insufficient. Now the country has full power in this matter. The Provincial Governments can repeal the Criminal Law Amendment Act if they want to, and the ex-Premier of the Central Provinces actually repealed it, perhaps because he was insubordinate to the Congress High Command. But the Congress as a body does not want to utilise the power with which it has been endowed by popular suffrages to protect popular liberty; in fact, it wants to keep a repressive law in being in order that it may itself use it for suppressing popular liberty. It is playing a game of power politics. The worst of it is that Mr. Rajagopalachari brazenfacedly avows his intention of crushing civil liberty out of existence. He denies that any repression is involved in the application of a special law for putting down normal political

activities of citizens. He further denies that citizens have a right at all to seek to counter the policy decided upon by a popular government. Remembering his only too recent role of a rebel, he says, "It is all right to defy a bureaucratic government; but it is quite another thing to defy a popular government. The will of the majority must be implicitly obeyed by every citizen in a democratic government. There can be no room in such a government for defiance of authority, for civil disobedience, for passive resistance. A law disliked by a minority can be repealed by it when it becomes a majority, but in the meantime there is nothing for it but to submit to what may be regarded by it as an evil law. And the Government must use all its resources to enforce submission. Ordinarily, the ordinary criminal law may be sufficient to repress popular movements carried on against the Government; but if it is not sufficient, the Government is entitled to bring an extraordinary law into operation towards this end." Mr. Krishnamachari quoted with great effect from Professor Bassett's "Essentials of Parliamentary Democracy" to confute Mr. Rajagopalachari. Professor Bassett says: "The identification of democracy with majority rule is not permissible. The will of the majority is not the will of the people, and the will of a party conference—itsself expressed in majority decisions—is not the will of the majority."

The Rajagopalachari Government is faced with nothing so serious as satyagraha; it is faced only with a campaign of picketing with perhaps some irritation consequent upon it. With picketing accompanied and unaccompanied by molestation, coercion and violence we in India are fairly familiar. No one has made us so familiar with both these varieties of picketing as the Congress, and the Congress contention all along has been that the ordinary processes of criminal law are adequate to deal with picketing of either variety, and that a special law of peculiar rigour like the Criminal Law Amendment Act is not needed to cope with offences committed in the name of peaceful persuasion. Mr. Rajagopalachari with an audacity which would evoke admiration if it were exercised for a righteous cause resiled completely from this position. He maintained that the picketing practised by anti-Hindustani agitators was of so novel a kind that it constituted a "new crime" not contemplated by the framers of India's criminal law, and that the new crime required a new law to cope with it. He expressed regret on only one point, viz. that he was compelled to invoke a law which had been fashioned by the bureaucratic Government. He was evidently uncomfortable that circumstances should have compelled him to own his obligation to a satanic Government. The law was no doubt being used in the service of a holy cause, the cause, namely, of putting down those who cause nuisance to those angels who have ridden into power by vanquishing the Satan. Even so,

that he should be under any kind of obligation to that quarter was a pity. Apart from this he was without remorse. The Madras Ministry has been very busily engaged with beneficent measures; it is racking its brains to find out how best to wriggle itself out of the separation of the judicial and executive functions, out of the constitution of a separate Andhra province and various other things of like nature. In the press of this important business it has not been able to pay sufficient attention to the equally important task of forging new instruments of repression to take the place of those fashioned by the bureaucratic Government of old. To this charge of remissness Mr. Rajagopalachari pleads guilty and is heartily ashamed of himself that on account of his remissness he should have had to fall back upon old coercive measures when it was his duty to present the people of Madras with brand new measures of coercion. Sir Harry Haig, the Home Member of the Government of India, said with a truly prophetic vision in 1932 when the Criminal Law Amendment Act dealing with picketing was first passed:

We are disposed to think, therefore, that these powers should be secured not only for the existing official Governments during the comparatively brief period that lies before them, but that the new Governments should at any rate start in possession of these powers. It will then be open to them to discard them or leave them unused if they feel that they can safely do so.

In 1935 some of the provisions of the old Criminal Law Amendment Act were omitted, but that relating to picketing was retained, mainly for the use of the autonomous provincial Governments when these would take over the reins of government. Mr. Rajagopalachari was at the time acting President of the Congress, and he not only thought that these powers were wholly unnecessary but that it was an insult to the Congress that the Government should pretend to confer powers of wide range in order that the Congress might find them serviceable in the near future. He said: "The shame of this (lawless law) is sought to be covered by a generous offer to the coming Swaraj Government to make it a permanent feature of the law." The shame rather is that events have proved that the Congress would not be behindhand in a wholesale use of the drastic powers which the bureaucratic Government has very obligingly armed it with.

Mr. Rajagopalachari himself feels the unpleasantness of this position, and his regret is that he has had to employ an instrument given him by a foreign Government, instead of his having provided himself with a nice little engine of repression of his own manufacture. Repression of course there ought to be, but repression of one's own people by one's own people has a flavour of its own, and he made a solemn promise to the Madras Assembly that he would lose no time in fashioning a genuinely swadeshi measure of repression. And one need have no cause fo

apprehension that its rigours will be any less than those of the foreign Government's measure which the Congress has committed itself to repeal. Of one thing Mr. Rajagopalachari is assured; the nuisance of picketing cannot be got rid of by the ordinary law. Some draconian legislation quite out of the way is required for the purpose. One wonders what Mr. Rajagopalachari will think now at this distance of time about the brave statements made by Mr. Satyamurti in 1935 when he maintained, first, that the nuisance caused by picketing should not be stopped; secondly, that it could not be stopped by any means; and, thirdly, that to the extent it was capable of being stopped it could be effectually stopped by ordinary law? He said:

As for the question of annoyance, Mr. President, I speak with great hesitation, but it does seem to me that public morality, to a certain extent at least, depends upon the fear of annoyance by others if we do certain flagrant acts in public. No one can live in a community or society without fearing some kind of annoyance or other. We annoy our friends opposite, and I am sure they annoy us. Are we then to enact a law that, to prevent annoyance to my friends, we shall all be wiped out, or *per contra*? Sir, annoyance is inevitable in some form or other in the scheme of society. Not all of us are made of the same sweet temper always, and it does seem to me that to try to protect a man from annoyance, even God cannot do it. No man can do just what he pleases, and I put it to my Hon'ble friend, Sir, that if social reform in any civilised society is to depend merely upon legislation, on the fear of punishment, this poor humanity of ours would have made no progress at all. It is because there have been great reformers who, to the annoyance of others, have perpetually brought forth their doctrines, reiterated them and educated public opinion that we have made some progress from the level of the savage and the barbarian; and it, therefore, seems to me that we should not attempt this impossible task of eliminating annoyance from public life.

If this is true at all, this is true not only of those who may propound correct opinions and advocate correct lines of conduct, but also of those of the unsoundness of whose opinions and conduct we may be thoroughly convinced. In regard to the Government's contention that picketing and molestation "cannot be dealt with effectively under the ordinary law," Mr. Satyamurti cited a number of sections in the criminal law in order to rebut the claim: Sections 141, 349, 350, 351, 120A, 43, and 503, I. P. C. Mr. Rajagopalachari can bring all these sections into force against the Madras picketers, and yet he thinks that they are not enough. He must have more coercive powers if he is to put down with the amount of harshness that he is bound to use for the maintenance of the prestige of his Government picketing used "as a means of opposition to any form of constituted authority," as the statement of objects and reasons of the 1935 Act declares. One might think that a popular government can dispense with coercion if a bureaucratic government cannot; but Mr. Rajagopalachari seems to think that a

popular government must come down, as it has the right to do, even more heavily upon the people than a bureaucratic government should do or does do.

Pandit Jawaharlal Nehru said some time ago, when he was forming the Civil Liberties Union, that Congressmen did not truly appreciate the virtue of preserving civil liberty. They were crying out against infringements of civil liberty because they suffered in their own persons from such infringements; but for civil liberty as such they showed little concern. Of the truth of this very acute observation we did not expect to have

such indubitable evidence so early after the assumption of power by the Congress; nor did we expect a leader of the standing of Mr. Rajagopalachari to produce it. Pandit Jawaharlal, after his return to India, must either ask the Civil Liberties Union to exclude the seven Congress provinces from its jurisdiction, publicising the encroachments on civil liberty only in the other four, or request Mr. Rajagopalachari in Madras and Mr. Munshi in Bombay at least to exercise a little self-restraint in curtailing the civil liberty of those, whom they choose to look upon as their political opponents.

THE BOMBAY INDUSTRIAL DISPUTES BILL.

III.

WITH regard to the Standing Orders regulating the relations between the workers and the employers, it may be pointed out that in the Bill the workers have been allowed practically no share in their settlement. It is true that before 'settling' the Standing Orders the Commissioner of Labour is required to consult "all interests concerned in the industry", but the method of consultation is not specifically outlined. It is not impossible that the Standing Orders may be regarded as binding on the workers without their being brought to the notice of members of what can only be regarded as a company union to the exclusion of another union which may be bigger. The resolution of the Bombay Provincial Trade Union Congress on the Bill very rightly lays emphasis on the point that "no Standing Orders should be considered to be 'settled' unless by agreement." If the workers are to be deprived to a great extent of their right of direct action to improve their standard of life, it is only fair that the conditions of work and wages, to which a sort of statutory recognition is sought to be given, should be, in the first instance, acceptable to them. It is, therefore, necessary that the specific consent of the workers' Unions should be required to be obtained before the Standing Orders are finally 'settled' by the Commissioner of Labour.

The provisions in the Bill regarding information to be treated as confidential by the Conciliator or the Board of Conciliation are very drastic. It is provided that the proceedings before a Conciliator shall be *in camera*. Further the Conciliator or the Board of Conciliation are required to treat any document or any piece of information as confidential if a party to an industrial dispute wants it to be so treated. The other party to the dispute also is not entitled as a matter of right to know the contents of a 'confidential' document, though the Conciliator or the Board of Conciliation may in their discretion make them known. We wonder how conciliation of a dispute can be brought about without bringing all the cards of both

parties on the table. The Conciliator or the Board of Conciliation may, under these circumstances, base their judgment on evidence which is not known to one party to the dispute—obviously the workers. How can they expect the workers to arrive at identical conclusions without knowing all the relevant data? How can the conciliation machinery operate successfully under these conditions? We, therefore, suggest that treatment of information and documents as confidential should not be left to the discretion of the Conciliator or the Board of Conciliation as far as parties to dispute are concerned and that under no circumstances should anything be kept from the knowledge of a party to a trade dispute. It is obvious that only the employers will be interested in having information and documents treated as confidential.

From the point of view of the general public also the provisions of the Bill regarding the working of the conciliation machinery are not satisfactory. In the first place the proceedings before a conciliator will necessarily be held *in camera* and so the public will know nothing about them. The proceedings before the Board of Conciliation will be held in public but even there the Board can at any stage direct that a particular witness be examined or the proceedings be held *in camera*. Neither the Conciliator nor the Board of Conciliation have the authority to make public any piece of information or the contents of any document if the party giving the information or producing the document wants them to be treated as confidential. By debarring the general public from knowing all the relevant facts about a trade dispute the employers can effectively deprive the working class of sympathy and support from the public. Government, therefore, owes a duty to the workers as well as to the general public in this respect. They must not allow anything to be treated as confidential unless the Conciliator or the Board of Conciliation decide, in their discretion, to do so. The provision made in the Canadian legislation in this respect should be adopted by the Bombay Go-

vernment. The Canadian legislation provides that the information obtained from all books, papers and other documents produced before the conciliating authority should not be made public, "except in so far as the Board deems it expedient." The treatment of information and contents of documents as confidential is, therefore, left to the discretion of the Board of conciliation, so far as the general public goes.

A whole chapter of the Bill is devoted to penalties for breaches of the clauses of the Bill. They are chiefly concerned with illegal strikes and lock-outs. Statistics of trade disputes in India shows that the number of lock-outs is practically negligible as compared to the number of strikes. So the penal clauses of the Bill will operate chiefly against the workers and not the employers. The nature of the penalties provided is also extremely severe. For commencing or inciting illegal strikes a penalty of six months' imprisonment of either variety with or without fine is provided. We agree with the Bombay Provincial Trade Union Congress in holding that "for the declaration of an illegal strike there should be no imprisonment under any circumstances." Sending workers to jail for six months for the fault that they endeavour to improve their miserable standard of life by recourse to direct action is, to say the least, absurd. Under the present unorganised and illiterate condition of the working class this will have a most injurious effect.

Supporters of this Bill contend that the Bill is a definite encouragement to the formation of mass Trade Union organizations. Nothing would be more desirable, under the present circumstances of the working class movement in India, than to have strong and healthy organizations of workers. But the Bill, far from encouraging any such thing positively puts a premium on Company Unions at the cost of independent workers' organizations. A recognized and registered (Company) Union with not more than 5 per cent. membership can, under the Bill, enjoy so many advantages that it can render other Unions which may be considerably bigger practically ineffective. We learn from the papers that an employer at one industrial centre in Khandesh has already started organising a recognised 'Company Union', perhaps in anticipation of this forthcoming legislation. As we pointed out in the previous article, it will be almost impossible to organise in India Unions with more than 50 per cent. membership. Even in England, where Trade Unionism has flourished more than in most other capitalist countries of the world, the number of trade unionists during the post-war period has fluctuated between 4½ and 8½ millions. The total number of workers is more than 18 millions. This circumstance amply proves the utopian nature of the ideal of having mass Unions with more than 50 per cent. membership. It is, therefore, no encouragement to mass organization to make a membership of more than 50 per cent. a condition precedent to the registra-

tion of an unrecognized Union. If anything, this condition will have a blighting effect on the growth of trade unionism as such. If Government passes this piece of legislation as it is, it will indeed be a challenge to the working class movement of Bombay. The movement will have to face the terrible alternative of Goethe:

You must rise or you must fall,
You must rule and win or serve and lose,
You must suffer or triumph,
You must be anvil or hammer.

The reading of the Bill as a whole will create even in a layman the feeling that it is throughout permeated with a spirit of submissive accommodation to the interests of the employing class coupled with an unsympathetic curtailment of the inherent rights of the working class. To those who will read the Bill between the lines this unmistakable tendency will become evident almost at every step. We may here content ourselves with one or two instances. Under Clause 28 of the Bill workers are required to give notice of any change that they would like to have in their existing conditions of work. They cannot lawfully go on strike without giving notice and without exhausting all the devices of conciliation provided by this Bill. On the contrary employers can effect without notice a very important change, that of reducing the number of workers employed, if the reduction, even if permanent, or semi-permanent, is considered by the employers to be "due to changes in character or volume of production." That is to say, if employers come to believe that a trade depression has set in, they can forthwith dismiss any number of their workers without invoking the conciliation machinery set up by the Bill. The workers must quietly accept the sack; for they cannot retaliate by means of a strike. That would be illegal. They can at the most set the slow ball of conciliation machinery rolling. Weak as the working class movement in India is, we believe it is not sufficiently meek to swallow such a gross piece of injustice. Again, Schedules I and II attached to the Bill provide a list of items regarding changes in which, the employers are required, under clause 28, to give notice to the representatives of the workers. These items do not contain any reference to changes in wage rates of workers except in a very ambiguous manner at one place in the first Schedule. The Schedule seems to contemplate changes in the "manner of notification" of wage rates rather than wage rates themselves. The result is that, under this interpretation, the employers are not required to give notice to their workers of their intention of reducing the workers' wages. The workers, if they want an increase in wages, must take their case to Government and wait for five months for the decision. The employers can reduce the wages without any such obstacle in their way. The workers cannot even actively retaliate against

this frontal attack upon their already miserable standard of life. They can only make a complaint and take the consequences.

On the whole, we are constrained to admit that we have very grave misgivings regarding the utility of the proposed Bombay Industrial Disputes Bill from the point of view either of peace or justice in industry. If it turns out to be detrimental to the welfare of workers it is bound to lead to an unwelcome industrial strife which will in its wake bring harm to the interests of the community as a whole. It is a momentous piece of legislation and it bristles with difficulties of a very complex character. As we pointed out in the previous article it is not necessary at all to have such a piece of legislation on the Statute Book in view of the existing Trade Disputes Act of 1929. Again, the evil begotten by it will not be confined to Bombay. It will spread at least to the remaining six Congress Provinces which may take the lead of the Bombay Ministry. It would, therefore, not be prudent on the part of Government to rush the Bill through the legislature. We may suggest its circulation for at least six months for the purposes of eliciting public opinion. If Government still persists in its intention of carrying it on to the Statute Book in ugly haste, it will be the duty of all members of the legislature, who have the real interests of labour at heart, to oppose the Bill.

PENAL REFORM IN ENGLAND.

ON 27th July the Home Secretary Sir Samuel Hoare, made an important statement on the reforms that he has already introduced in the prison system of England and that he would endeavour to introduce in the near future. He announced on this occasion that some time during the next session a comprehensive Penal Reforms Bill would be introduced into the House of Commons for the purpose of giving effect to the reforms that he has in contemplation.

During the last thirty years prison receptions in England have fallen very considerably. The statistics for 1937 shows that during the preceding year 42,014 men and 5,035 women, or a total of 47,049 persons were admitted into the prisons; while in 1907 no fewer than 211,519 men and women were so admitted.

An analysis of the figures shows that out of the 10,500 men and 700 women, who are in prison on an average every day of the year, roughly 1,200 men and 120 women are awaiting trial, or are in prison as a result of civil process or non-payment of fine; about 2,100 men and 150 girls under 21 are in prison or under Borstal sentences; about 2,000 men and 75 women are first offenders; about 4,000 men and 120 women have had previous convictions; and about 170 men and 70 women may be described as habitual inebriates. About 1,500 out of the total of 11,000

are hardened criminals. Out of these only about 80 are women.

The class of juvenile delinquents has considerably increased since 1933. That fact was attributed not to any increase in juvenile crimes as such but to the operation of the Young Persons Act of 1932. During the year 1936, 1,237 boys and 77 girls were committed to prison. 34 per cent. of the boys were first offenders.

With regard to his attitude towards the problem of penal reform Sir Samuel Hoare declared that it was dangerous to adopt a doctrinaire attitude towards them. He would like to approach the problem in as commonsense and concrete a way as possible. He said:

First of all, it is the duty of the Home Secretary and indeed the duty of every hon. Member in this House, to protect society against the enemies of society, and, secondly, to do what one can to help those who have slipped up to find their feet again.

Among the improvements that have been made in prison life in England the one of developing the 'earnings system' is very important. The earnings system, which was introduced the year before last, enables the prisoners to have some occupation in jails and to earn some money from it. It was first introduced in the convict prisons where sentences were comparatively longer. Now it is being extended to local prisons where the sentences are shorter. In all these cases the system is answering very well. It is creating a much better spirit within the prison walls. It is giving the prisoners an interest in their work, but, most important of all, it is helping to maintain their self-respect and to make them think that people are taking an interest in what they are actually doing. An ex-prisoner makes a very interesting comment on the earnings system:

First of all, time goes much quicker because the individual knows he is doing something useful, and he has to do so much before he can earn this great privilege, that he has no time to brood on his wrongs fancied or otherwise, so that the psychological effect, to begin with, is great and good. The very fact that a man is earning something, however little, has the tendency to put him in a better frame of mind... I feel certain that the effect of this treatment will be the direct cause of a large number of the men leaving here with the determination to become better citizens.

About the same system a Governor of one of the most difficult prisons writes in his Report:

The earnings scheme has justified every optimistic prophecy, and the co-operation of these supposedly difficult prisoners is remarkable... The whole atmosphere of this prison has improved to a marked extent, and now approaches normality.

There is also being introduced in prisons a new system of hours, under which there is more of what is called associated labour, that is, labour in which prisoners meet together in prisons. The system helps to mitigate the rigour of too great a solitude. Where conditions permit, it has been arranged that prisoners should be employed in association on Saturday afternoons. It has also

been arranged that certain convicts should be temporarily transferred to local prisons for the purpose of receiving visits from their friends. The object of this change is to keep the prisoner in touch with his family outside, so that when he comes out of prison he is not an outlaw out of touch with the world at large.

The question of prisoners' clothes is being reviewed, particularly women's clothes. Better looking and better fitting clothes are being provided to women prisoners. It adds very much to the self-respect of a woman prisoner if she feels that "she is not looking a guy and that her clothes fit her." At the Maidstone prison, as an experiment, the prisoners are being allowed, when interviewing their friends, to wear their ordinary clothes. It is a fact that many prisoners feel very much degraded if, when their friends come to see them, they see them in their prison clothes.

Physical training in prisons was, until very recently, open only to prisoners below a certain age. The limitation is now being extended and opportunities of physical training are now being made available on a much wider basis to prisoners of older ages. Increased grants are being made to prison libraries; periodicals are coming into the prison libraries on a bigger scale; the libraries are being catalogued and generally this side of prison life is being improved. In certain prisons, particularly the Borstal institutions, cinemas are arranged for the benefit of the inmates.

The problem of prison buildings has of late become very pressing. The present buildings are very much out of date. There has not been a new prison built for 50 years, and some of the prisons still in use date back a century and more. During this period the whole outlook of the people has changed towards penal questions. But in view of the huge expenditure on re-armament that has to be faced, it has become extremely difficult to find money for any comprehensive building programme. However, it has now been decided that there should be a housing programme for prisoners as there is a housing programme for other classes of the community. The first step in this big project has now been approved, which is the construction of a new prison for women. This prison will be more in the nature of a camp in the country, with the women living, as Borstal boys and girls live, in small house communities, with a good deal of open air work and many activities to keep them interested.

Reforms have also been introduced in the treatment given to juvenile delinquents. The local authorities are encouraged to start what are called "approved schools" to which young offenders are sent for corrective treatment. However, the attention of magistrates has now been drawn to the advantages of not sending the very young to these schools if it can be avoided. For the very

young children who are under ten years of age, it is much better in nine cases out of ten to find foster parents than to keep the children in a house. The local authorities are being encouraged to place the older boys and girls also with foster parents, wherever possible. They are now trying to find suitable homes for a number of these boys and girls. They are also able to give them advice as to their mode of life and so on. This avoids taking the boy or girl, perhaps for two or three years, away from home surroundings altogether.

Even in England the Home Secretary has to deplore "the appalling amount of ignorance in the country about any question connected with penal administration," though there are progressive people there who are anxious to see reforms introduced. We in India are apparently neither progressive nor anxious about penal reforms. We are at the stage of discussing the advisability or otherwise of whipping a political prisoner for a breach of prison regulations.

Mr. Harold Nicolson in this debate dwelt upon the development of thought on penal reform in the last generation. He characterised it as an approach to some conception of the distinction between "the old lag and the new boy, between the habitual offender, the recidivist, and the first offender." Scientists have now begun to regard crime not as a sort of checker board with black and white squares—virtue white and crime black—but more or less as a sort of grey tweed in which the strands are curiously intermingled with chance, opportunity, environment and perhaps heredity and character. Again, crime is not now regarded by advanced thinkers so much in the light of an outrage upon society as in that of a weak spot in the organisation of society and, therefore, "the incidence of responsibility, the incidence of justice, the incidence of criticism has shifted." We are getting less and less to say that a man is wicked when he has committed a crime, and more and more to say that there must be something wrong with ourselves if these conditions can continue unmodified and unimproved. Thus the feeling that responsibility for the first offender lies heavily upon the conscience of the community as a whole is increasing enormously.

From the socialist standpoint it was pointed out that, welcome as the penal reforms were, we should be very far from solving the problem of prisons and prisoners even with all of the contemplated reforms put into operation. For instance, the necessity of making some provision for the released prisoners was often discussed in connection with the problem of penal reform. This was a very desirable impulse on the part of those interested, but socialist members emphasised the fact that there were millions of people in prison who could not get work and who, because of the very circumstances of being unable to get employment, were continually facing

temptation to commit crime. The conditions that afflicted many thousands of British miners and their families were dreadful. What would be the effect of such conditions on the young people who were growing up among them, who saw what was happening to their fathers and mothers

and who had all sorts of temptations thrown in their way? "The biggest problem associated with prison reform," said Mr. Gallacher, "is to provide security. When we shall provide security we shall advance towards a stage when prisons can be a memory of the past."

INDIAN CURRENCY AND EXCHANGE.

I.

THE dominance of Indian economic policy by British interests is perhaps no where more clearly exhibited than in the sphere of currency and exchange management; and the specific reservations regarding these matters provided under the new constitution bear witness to the unwillingness of the British to loosen their hold in this behalf. British interests affected by Indian currency and exchange policy are diverse in their character. There are the interests, for example, of British residents in India — the official and commercial community — who earn their income in rupees and calculate their remittances or savings in terms of sterling. There are the British investors in companies operating in India, the size of whose dividends depends partly on the rate of exchange. But most important of all, there are the interests of the British exporters. The interests of the official class are guarded by fixing their pension, etc., in sterling, and on extraordinary occasions they have been given special allowances to cover exchange depreciation. The bulk of Indian Government securities held by British investors are sterling loans and are thus unaffected by exchange fluctuations. The interests of British investors in companies operating in India are more largely dependent on Indian business conditions than on the rate of exchange. The interests of the British exporters are thus really the dominating factor. A large number of British exporting industries depend on the Indian market, and any currency and exchange policy which tends to diminish these exports naturally hits Great Britain hard.

From the strictly Indian point of view there are two sets of considerations which may guide currency and exchange policy: budgetary and those affecting industries and trade. The Indian Government has to pay very large amounts in sterling each year by way of pension, interest and other charges. Fluctuations in the exchange rate, therefore, upsets the budget, and any considerable appreciation of the sterling in terms of rupees increases materially the burden of these charges on the Indian central budget. The other important consideration may be that of trade and industrial conditions; that is to say, currency policy may be determined by its relation to maintaining a balance of economic life internally. In the history of Indian currency management the two considerations that have throughout remained

dominant have been the interests of the British exporter and the budget of the Central Government, and both these tend to bring about an overvaluation of the rupee in terms of sterling.

It is not necessary for us to enter into distant history. The closing of the mints to silver and the adoption of the gold exchange standard are matters which need not be discussed. On the eve of the war, the gold exchange standard had been firmly established for some time. The war upset these arrangements and drove the rupee on to a purely paper standard. The rupee remained a managed currency till 1927. The recent history of the Indian currency and exchange policy dates from the attempts at stabilisation in the post-war period and the actual standard and ratio adopted. The pre-war ratio between the rupee and the sterling had been 1s. 4d. to the rupee. In understanding the situation when stabilization took place, it has to be noted that Indian currency management between the years 1919 and 1925 was carried on with reference only to the sterling exchange. From 1922 to the middle of the year 1925 currency policy was so managed that the ratio of the rupee to the sterling appreciated steadily from about 15½d. to the rupee to 18d. During the same period the sterling also appreciated in terms of the dollar, i. e. gold. Thus in relation to gold the rupee was made to appreciate by nearly 25 per cent. during this period of three years.

The case of those who opposed the policy of the Government of India in its attempts to stabilize the exchange at 18d. was in all essentials the same as the case presented by Mr. Keynes against Mr. Churchill's policy. The only difference lay in this that for Mr. Churchill it could be claimed that he was misled by motives of prestige and the sentiment of the banking community in restoring the gold standard at the pre-war parity even though the pound was overvalued at that point; but a similar defence was not available to the Government of India. The Oppositionists' demand was for restoration of the pre-war parity of 1s. 4d., and it was the Government that departed from the old level. Budgetary considerations may have weighed with the Finance Member in deciding upon the higher ratio. It is necessary to remember that till the establishment of the Reserve Bank in 1935 the control of currency and exchange policy lay in the hands of the Executive Government, i. e. the Secretary of State for India and

the Viceroy's Cabinet. Directly it was the Finance Member of the Government of India that controlled exchange and currency policy. There is, therefore, little wonder that the prospect of a saving in the budget influenced this policy to a perhaps greater extent than would otherwise happen. The public agitation against the 1s. 6d. ratio was based squarely on the fundamental objection that it had a deflationary effect. It is now admitted on all hands that during the period 1925 to 1931 the pound sterling was overvalued in terms of the dollar or gold. It is admitted that this is perhaps the main reason why England did not share in the contemporary boom. On similar evidence or similar calculations it may safely be stated that the rupee was also clearly overvalued during the period. It is not possible here to go into all the evidence but the following table showing the movements of the index number of wholesale prices in some countries will be found instructive.

WHOLESALE PRICES (Index Number).

Year	India	Australia	U. S. A.	U. K.	S. Africa
1924	172	1885	98.1	166.2	1448
1925	159	1844	103.5	159.1	1436
1926	148	1832	100.0	148.1	1387
1927	148	1817	95.4	141.6	1395
1928	145	1792	97.7	140.3	1354
1929	141	1803	96.5	136.5	1305

It is clear that, during the period 1924 to 1928, while in U. K. and India the index number of wholesale prices fell by approximately the same extent the movement in other countries was very much smaller. We are not building the case for overvaluation on the wholesale price index. We merely indicate the nature of the deflationary effect of the ratio at which the rupee was stabilised. It is no doubt much more difficult to determine the motives which lie behind policy than to determine its after effects. While the budgetary consideration was no doubt important, it was also commonly alleged that the overvaluation of the rupee was the result of a desire to help the British exporter of goods to India. This would be natural in an English Finance Member of India or the English Secretary of State for India. If the ratio had been lower, Lancashire, for Example, might well have found it much more difficult to withstand the competition from Indian cotton mills in the Indian market than it actually did.

The behaviour of those in control of Indian currency and exchange policy during the early years of the depression also patently lays them open to the charge of having interests other than Indian at heart. Some acquaintance with the nature of Indian foreign trade and the Indian balance of international payments is necessary to an understanding of the issues involved. India is an essentially agricultural country, of whose exports raw materials (mainly the products of agri-

culture) form the bulk. The export trade is composed of a few dominant lines such as raw cotton, raw jute, wheat, oilseeds, tea and hides and skins. Jute manufactures are the only manufactured goods that figure as important in Indian exports. The imports are, on the other hand, made up of a large number of commodities, mainly manufactured goods. Cotton cloth is the most important group of these commodities. The other important goods are machinery and millwork, iron and steel products, etc. The most important feature of India's balance of international payments has always been a very large net merchandise balance. For the ten years before 1928-29 this amounted on an average to more than Rs. 87 crores. It was thus by exporting a much larger value of merchandise than it imports that India had been able to meet the interest (Government and private), dividend, pension and charges for other services that it had annually to pay. The merchandise balance of trade had also enabled India to effect a net annual import of gold and silver. During the ten years prior to 1928-29 the value of the net imports of gold and silver amounted together to over Rs. 37 crores. These figures will indicate how India would be affected by the Great Depression. Because its exports were somewhat more diversified and because it was not dependent on foreign trade to the same extent, India did not suffer disaster as early as Australia or Argentine. But its position was in all essentials the same. The net merchandise balance of trade experienced a drop in 1929-30 and a further sharp fall in 1930-31. The Government of India which normally met its requirements for sterling payments by buying sterling in the open market found it impossible to do this at the statutory rate of 1s. 6d. April 1929 was the last month before September 1931 when sterling was bought by Government in the open market at 1s. 6d. After April 1929, the Indian exchange remained weak all the time. The Indian Government was, however, irrevocably wedded to the maintenance of the ratio, and for two years it continued to do this at all costs. It intervened in the short-term money market to withdraw funds by continuous issue of treasury bills and by contraction of currency. By its intervention it kept interest rates at a high level. It thus met the beginning of the depression by violent deflationary measures. Prices first broke in the beginning of 1929. It was about September 1929, however, that there began a precipitate fall. The Calcutta index number stood at 143 in September 1929, at 111 in September 1930, and at 91 in September 1931. In 1930-31 Government found it impossible to buy sterling in the open market, and recourse was had to sterling borrowings to meet the requirements of payments in England. It had also during the same period to meet demands from the public for sterling at the statutory rate for nearly £6 millions sterling in order to maintain the rate of exchange-

A general flight of capital from India was also noticed.

All this was the result of the determination of the Government to maintain the ratio at 1s. 6d. A mere enumeration of these facts is enough to prove the charge that the Government was in no way actuated by considerations regarding Indian interests. Examples of the right policy to be followed by agricultural countries in face of the depression and an adverse balance of international payments were not wanting. Australia and Argentine had long before suspended the gold standard, and many South American countries had followed suit. Exchange control had been tried in some other countries. The Government of India refused peremptorily to consider any of these alternatives and declared its intention to continue borrowing on a scale as large as was necessary to maintain the fixed ratio. The British Premier also declared that the British Government would lend its support to the Indian Government, to enable it to borrow (at the cost of the Indian tax-payer) in order to maintain the ratio.

The providential escape of India from even a worse fate and the incurring of even higher liabilities was the result of no action of the Government of India. It was because the sterling went off gold that the link of the rupee with gold was also snapped. This fact is by itself noteworthy. If the sterling had not been forced off the gold standard, no amount of distress and difficulties in India would have been thought sufficient to bring about a change in Indian currency policy. When the sterling went off gold, the English currency system entered the class of managed currencies. The Indian did not follow suit. It also left its gold moorings but did not become a managed currency. The Indian standard was transformed from a Gold Bullion standard to a Sterling Exchange standard. It is impossible to explain the decision of the Government of India and the Secretary of State to adopt the Sterling Exchange standard for India except on the assumption that budgetary considerations and a solicitude for the interests of the British exporter influenced this decision. The budgetary consideration by itself, in view of the experience of other countries during the depression, would not support this course of action. For, it is clear that a depreciation of the currency which may raise the charge on account of foreign payments would be adequately compensated for if it helped at the same time to restore a balance to the national economy. The extra expenditure could be easily incurred if it strengthened the other tax resources. It was essentially the fear of further hampering the British exporter if the rupee was allowed to move away from the fixed sterling ratio that seems to have decided the issue.

(To be continued.)

Review.

INCOMES IN U. S. A.

THE INCOME STRUCTURE OF THE UNITED STATES. By Maurice Laven (The Brookings Institution, Washington.) 1938. 21cm. 177p. \$1-50.

THE book under review is a study of the distribution of the national income among the several groups and of the factors which determine or influence it in U. S. A. during the period 1929-36. The author divides his analysis of the income study into two parts. In part I, he deals with the wage and income structure in general and in the second with the changes which have occurred in it since 1929. A number of tables are included in a very valuable statistical appendix, bearing on the several topics discussed in the body of the book.

The author begins his survey with a very able theoretical analysis of income and its determinants.

The various causes of the wide variations found in the incomes of the American people are discussed under two groups of income determinants, viz., those relating to the characteristics and environment of the income recipients such as, occupation, industry, age, sex, colour; and those relating to the ebb and flow of business activity. Income inequality and poverty are shown to be the results of different causes calling for different remedies. In some cases increase in the productivity of the people concerned rather than a more equal division of the existing income is indicated as a remedy; in other cases, a more adequate recognition of the social responsibility of caring for the aged, the disabled and the unfortunate who cannot be expected to make any great contribution towards national income.

The occupational stratification of society is one of the most important determinants of earnings and income. Occupation combines in itself a number of other factors such as characteristics and aptitudes of individuals, opportunities and handicaps which affect a person's placement in the economic structure of society. In a caste-ridden country like India with hereditary occupations this factor is all important in shaping the national income structure.

Among the various industries, agriculture as in other countries has the lowest earnings being \$525 per employee as compared with those (\$1,677) in finance, including banking institutions, insurance companies, etc. Geographical differences of income are due to factors which affect productivity such as, the quality of the population, its size in relation to resources, and its industrial and occupational make-up.

Age, sex and colour are shown to be factors which affect a person's ability to find a place on the economic system and his capacity for exchanging goods and services. The range of economic opportunities and incomes in U. S. A. is found to be distinctly narrower for women than for men, for negroes than for whites; for the very young and the very old than for those in their prime. Colour is a peculiar factor which affects the income structure of U. S. A. having regard to the fact that a large element of negroes, 10 per cent of the total is present in the American population. We are glad to find it stated that

differences in opportunities and training rather than differences in general ability and aptitude result in very important differentials between whites and negroes.

Group action in the shape of conscious efforts of organized groups through industrial combinations, trade associations and unions to increase the incomes of their respective members affect earnings and incomes. Usually the business class has better opportunities for leadership and exercising political power and for increasing their earnings, e. g. by securing tariff protection for the industries in which they are interested. At the other extreme stand the scattered farm groups. Midway between the two may be placed labour groups. Group action among farmers in U. S. A. has, however greatly improved in recent years, not only owing to increased class consciousness among them and the progress made by the farmers' Co-operatives' but also because of the keen interest taken in their prosperity by the Federal Administration especially under President Roosevelt. As regards industrial labour groups, collective bargaining through industrial unions which have supplanted the old craft unions is a factor of growing importance in determining wages not to speak of the influence exercised by the Labour Codes of the N. R. A.

Disparity of earnings and income is also affected by variations due to the ebb and flow of business activity, seasonal and climatic factors, which operate in trades like building construction and agriculture greatly modify the earnings of the people connected with them. Another factor is technological progress. Although it does not adversely affect the national income in the aggregate, it does accentuate the dispersion of income. The third factor is the business cycle with its periodic waves of 'prosperity' and 'depression', affecting the income structure by inflating and deflating profits, employment and rates of pay. Thus between the years of depression 1929-33, the per capita income in U. S. A. dropped over 40 per cent, while between the years of recovery 1933-37 it increased approximately by 40 per cent.

The author's presentation of what he calls secondary income is very instructive. This income category is composed largely of services rendered free by Governments and non-profit private organisations including education, recreation, protection, medical and institutional care, etc., and also direct governmental and private charity and relief. This involves additions to the incomes of some and partial subtractions from the incomes of others.

In the concluding portion of his book, the author shows how the income structure of a country is dynamic in character, and changes in it are continuously taking place. The wage shifts in manufacturing industries are indicated as also changes in distribution by income classes since 1929. Reviewing the entire national income of the American people, it diminished materially during the depression and is still below the total reached in 1929. Making allowances for changes in price level, the estimated total for 1936 is 73 billion dollars, and that for 1937, 76 billion dollars, as compared with 81 billion dollars in the prosperous year 1929. Allowing for a ten per cent in the labour force, the income per gainful worker in 1937 was still 15 per cent lower than in 1929.

We cannot readily endorse the conclusion reached by the author that inequalities of income are only partly due to causes applying to the nation as a unit, and that they largely represent inequalities of separate sections of the people. This statement does not appear to be borne out by conditions in India.

Altogether we have no hesitation in strongly commending a careful perusal of this excellent book by all interested in the economic welfare of India. It certainly can be held forth as a model of high class research work in applied economics which is very rare in this country. It is to be hoped that a similar study of our national income structure will be made in this country in the near future.

S. G. BERL.

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