

# The Servant of India

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## Topics of the Week.

### The Viceroy on India's Defence Expenditure.

IN the answer to the plea of the Indian Merchants' Chamber in Bombay for a reduction of India's military expenditure, the Viceroy observed that in these days of war menace when all the other countries of the world were re-arming themselves, it would be fatal to ask for a reduction of military expenditure. The Indian Merchants' Chamber, be it noted, did not ask for a reduction in the strength of the army, but a reduction in India's military expenditure, which could be secured without retrenching even a single unit of the Indian army. On the admission of the Commander-in-Chief himself, there will be a saving of the eight crores in the military budget, if the British element in the army could be replaced by the Indian element. Similarly, the replacing by Indians of the higher command now filled by Britishers would effect considerable economy. A committee appointed in 1922 to explore the possibility of effecting this reform came to the conclusion that this would be possible within a period of 30 years. Yet the Government of India has done practically nothing to implement the recommendations of this committee. Instead, they have put in operation a scheme which on the admission of Mr. Tottenham, a former Defence Secretary, "would never Indianise the army at any time."

ANOTHER question is that India does not get full compensation for the use made of the Indian army for Imperial purposes. The India office had put forward the claim before the Garran Tribunal that England should bear the total expenditure of the British element of the Indian army which amounts to about £16,000,000 a year. But instead of contributing this whole amount, England is making a contribution of £2,000,000 only. We fail

to understand how this is fair. It stands to reason that when the Indian army is being maintained *inter alia* for the protection and promotion of British Commercial and financial interests, England should make a substantial contribution towards the maintenance of the Indian army. But because of its greater political power England feeds fat at the expense of India and the Viceroy of India wants us to believe that the present army expenditure is irreducible!

THERE is another point in the Viceroy's reply to which we should draw our readers' attention. Referring to the question of Indianising the officer ranks of the army, the Viceroy said that the army department was experiencing difficulty in getting suitable candidates for the vacancies offered and therefore the pace of army Indianisation could not be accelerated. The question was discussed in detail last year in the Council of State when Mr. Kalikar moved a resolution to increase the number of cadets admitted to the Indian Military Academy. Mr. Kalikar quoted the remarks of the Interview and Record Board of Indian Military Academy to show that suitable candidates were forthcoming in large numbers and therefore the Military Academy should increase the intake of the Indian cadets. Let us quote the remarks made by the Interview and Record Board. In 1933, they stated as follows :

In the present case, the Board had the satisfaction of having before them a small number of candidates whom they regard as exceptionally suitable and to whom they award the maximum of marks. Following these came a considerably larger number of good first class candidates, the best of them not much inferior to the best ones, and, thereafter, a somewhat smaller number of what might be described as good second class.

Thus, the plea that suitable candidates are not forthcoming cannot bear scrutiny though it is obviously advanced to delay the Indianisation of the army. But supposing the plea were true, should not the Government of India take steps to see that the army career is made attractive and more Indians come forward to join the army? The British Government resort to stark nomination when competition fails to give them the results they hope for; why not do so in the matter of Army Indianisation? Speaking on the resolution of Mr. Kalikar, Pandit Hriday Nath Kunzru laid particular stress on this point. He said :

Not long ago, Sir, all recruits for the I. C. S. were chosen by competition. It was found, however, that the number of British recruits desired by the British Government was not forthcoming. Consequently, a number of young men will now be admitted through the door of nomination so that the number of Indians might not increase. Take again, the I. M. S. There too, the competitive examination

has been stopped and it has been laid down that two-thirds of the annual recruits must be British. Now, if nomination can be resorted to by the British Government in the case of these important services, what objection can there be to His Excellency nominating a few men, qualified men, from the U. T. C. to the Indian Military Academy.

#### The Boomerang.

THE Rajkot situation, bad as it has been for some time past, is evidently heading towards a crisis. The Thakore Saheb appears to be busily engaged in arming himself against all possible eventualities. The latest report from Rajkot says that the ruler has issued three new notifications calculated to extend the already wide powers of the police. The first notification invests the Police Chief of Rajkot with all the powers of a Commissioner of Police of Bombay as defined in the Bombay Police Act of 1902. The second notification enables him to inflict punishment under the Whipping Act and the third one authorises—

Police officers not below the rank of Chief Constable or any person empowered in that behalf to disperse any crowd or body of persons found to be collecting, moving, loitering or doing acts in any street or public place with a view to any propaganda on behalf of the Praja Parishad or bodies connected therewith.

NO comment upon these orders is necessary to show that the powers conferred by them on the police are capable of being abused even by the most considerate of police authorities. If, therefore, we take into consideration the type of people that man the Police Department in India and especially in the States, we may assume that these powers amount to a full licence to the police to deal as they like with the people of the State. To say that the conferment of these unheard-of powers on the police means complete negation of civil liberties on the people of Rajkot is not saying much. For civil liberties were never known to have existed in Rajkot.

THE circumstance that the Rajkot Police Chief is now armed with the powers of the Bombay Police Commissioner calls for a word of comment. It will be recalled that the present Congress Government in Bombay, in May 1938, brought about, by a special amending legislation, considerable extension of the already wide powers of the Bombay Police Commissioner. The amendments made by the Bombay Government to the original Police Act of 1902 widened the powers of the Police Commissioner in two ways. In the first place they enabled him to "direct any person to remove himself from the City of Bombay if, in the opinion of the Commissioner, his presence, movements or acts is or are causing or calculated to cause danger or alarm or a reasonable suspicion that unlawful designs are entertained by such person." Again, by virtue of another amendment, the Local Government, under certain conditions, is empowered to declare a "state of emergency." The moment such a "state of emergency" is declared the Police Commissioner acquires the power to deport any person if it appears to him that "the presence, movements or acts" of such persons is or are "causing or calculated to cause danger or alarm."

IN the course of comments upon these almost unlimited powers of deportation conferred upon the Commissioner of Police by the Bombay Government, it was pointed out in these columns in

May 1938 that, under the provisions of the amended Bombay Police Act, the Police Commissioner—

Can put down not only force and violence but much more besides. He can put down a political and economic movement by bodily removing the leaders of the movement from the City of Bombay on the pretext that even their "presence" is "calculated to cause danger or alarm." Danger to whom and alarm of what are questions which he may or may not care to answer.

In a different connection referring to the same subject we had written:

If the Congress Government goes out of power and the Congress activities come to be regarded as undesirable by the Government in power, the Commissioner of Police can use these preposterous powers to deport from the City of Bombay even the present members of the Bombay Government who will then be ordinary Congressmen.

UNFORTUNATELY our gloomy predictions are now coming true in Rajkot if not yet in Bombay. These weapons created by the Congress Government will now be used by the Rajkot authorities against Congressmen themselves, and may be used even against Mr. Vallabhbhai Patel who is the mentor of the Bombay Government in such matters. It is now only to be hoped that the rest of our prophesy remains unfulfilled.

#### Indian Reform and Empire Defence.

IN the debate on the Address to the King Sir Stafford Cripps urged the imperative necessity of satisfying India's political aspirations if any hope was to be entertained of help coming from India in the event of any threat being offered to the security of the Empire. This part of the speech is worth quoting in full. After referring to the omission of India from the King's Speech, Sir Stafford said:

After all, India is not a small and insignificant country which we can afford to ignore, which even those who are bent upon the maintenance of British Imperialism can afford to ignore to-day. It seems to me that even they cannot overlook the position of India in the problem of the defence of the Empire which confronts them very really at the present time, quite apart from the true merits of the political situation there. It is clear that the Indian people are making very rapid strides towards self-government and in defence. They are not going to give any support to that very Imperialism that they are now fighting in their own country when that Imperialism finds itself in difficulties elsewhere. They will, obviously, try to increase those difficulties if and when an opportunity arises for them to apply pressure in that way. It will be too late to gain the sympathy and support of that vast population when the hour of difficulty arrives for this country.

That is especially true if the present policy of repression continues to be carried out. By making it a criminal offence to speak against recruitment in India you are not going to make the Indian people more sympathetic towards supporting the Empire. We are, in fact, going to make them even more hostile than they are to-day. The only way in which we can obviate the very grave danger of a hostile India is to give to the Indian people that right of self-determination which they will eventually wring from this country, whatever happens. If measures in that direction could be taken now, it would at least be possible that they might be neutral or even friendly in the case of this country meeting trouble elsewhere. As it is, a hostile India will provide an excessively difficult form of opposition in the event of trouble occurring in any other part of the world. It seems to us that the time has now come when this problem of the future of India must be tackled in a more realistic manner.

## REVOLT AGAINST THE HIGH COMMAND.

THE election of Babu Subhas Chandra Bose is a shattering blow to the authority of those at present in control of the Congress. Presidential election has been a mere formality so far. Mahatma Gandhi used to make the choice and the one so chosen was finally elected, mostly without a contest and sometimes after a contest. This year too the Mahatma had appointed his nominee, Maulana Abul Kalam Azad; and it was expected that the other two nominees of others—Babu Subhas Chandra Bose and Dr. Pattabhisitaramayya—would withdraw from the contest, leaving the Maulana in unchallenged mastery of the Congress Presidency for next year. But the Maulana found the burdens of the President's office too heavy to carry in his present state of health, and, after having accepted Gandhiji's nomination, himself retired from the field. In retiring, however, he recommended the election of Dr. Pattabhi in preference to Subhas Babu. This was not merely his personal recommendation, but it was also the joint recommendation of several members of the Congress Working Committee; and probably the source of the recommendation was to be traced to Mahatma Gandhi. In the ordinary course of things Babu Subhas Chandra Bose would have stood down, and Dr. Pattabhi's election would have been uncontested. But Subhas Babu refused to stand down, thinking that certain principles were at stake, on which a mandate of the Congress delegates should be sought. Vigorous attempts were then made by the High Command to inflict a severe defeat on a man who had dared to flout the wishes of both the Mahatma and the Working Committee, but, contrary to expectation, these attempts were themselves routed and Subhas Babu was elected by a handsome majority.

The controversy that ensued in the interval between the President and seven members of the Working Committee was very entertaining and instructive. The Congress constitution, which provides for the election of the President by the delegates of the Congress for the year, clearly contemplates that the President should not be a mere figure-head corresponding to a constitutional monarch who is expected to have no views of his own and only to sign on the dotted line. On the contrary, the constitution assigns to him the position of a Premier in a democratic country, who would normally command the confidence of the Congress delegates and shape definite policies in sympathy with their wishes. Having thus shaped the policies and got them ratified in the Congress, the President was to proceed to their execution with the help of a Cabinet of his own nomination. So long as the Congress delegates themselves and their leaders were willing to defer to the judgment of Mahatma Gandhi, Presidential election was clearly unnecessary; and both the President and members of the Working Committee

could best be nominated by Mahatma Gandhi. But the conditions have now altered; the sympathies of the delegates themselves are divided; and the old practice, however convenient, can no longer be maintained. The Working Committee still contended, when election had become necessary, that, "there should be no controversy over the election even on the score of policies and programmes." Thus it tried in effect to get round the constitution, which clearly envisages a contest between rival candidates on the ground of opposing policies. The Working Committee argued that it was the business of the Congress to frame its policy, and that the President could have no hand in it, his position being similar to that of a Speaker in Parliament or of the Monarch in a democracy. Babu Subhas Chandra Bose was quick to see that the question of vital principle involved in the controversy was whether the Congress was to be run as a democratic organisation or not, and he put that in the forefront in his election campaign. If democracy was at all valued in the Congress, the President and the colleagues taken by him into his Cabinet must evolve definite policies with the approval of the Congress and devote the year in giving effect to them. By denying to the President the right and relieving him of the duty of shaping the policy, the Working Committee was really going in the face of the Congress constitution, and Subhas Babu by offering himself for election on that issue resolved to set his face against the pernicious doctrine that was enunciated by the Committee. To the extent that his election represents the verdict of the Congress, his success is a success for democracy and should be welcomed by all, whether Congressmen or non-Congressmen. The domination of the Congress by an inner cabal is very hotly resented at present by large sections in the Congress, and if Subhas Babu's election strikes a blow at this domination which paralyses and reduces to frustration the energy of the average Congressman, it is a result that everyone would welcome.

But there was also another issue involved in the contest for the President's office, and that was whether the Congress was to continue to oppose federation to the bitter end or, while outwardly trying to oppose it, it was to come to an arrangement, not wholly honourable, with the British Government. Babu Subhas Chandra Bose raised this as a fundamental issue. The Working Committee members who wanted to dethrone him denied that this was an issue at all, for they said that the Congress had declared its attitude towards federation to be one of irreconcilable antagonism, and that on this question no Congressman could take up any other attitude without being false to the Congress resolution on the subject. This contention was very

true, but the whole point was that some prominent leaders of the Congress were speaking in a different sense, apparently with the tacit approval of the source of all authority in the Congress, and certainly without being rebuked by the Working Committee. Subhas Babu put the point quite bluntly. He said: "Though the Congress resolution on federation is one of uncompromising hostility, the fact remains that some influential Congress leaders have been advocating conditional acceptance of the federal scheme in private and in public. Up till now there has not been the slightest desire on the part of the Rightist leaders to condemn such activities. It is no use shutting one's eyes to the reality of the situation. Can anybody challenge the fact that the belief is widely held that during the coming year a compromise will be effected between the British Government and the Right wing of the Congress? The impression may be entirely erroneous, but it is there all the same and nobody can deny its existence. Not only that, but it is also generally believed that the prospective list of Ministers for the Federal Cabinet has already been drawn up." Therefore, "the real issue is that of federation." Subhas Babu apparently envisaged the future developments in this way. The Tripuri Congress would probably confirm the Haripura resolution on federation, without deciding, however, what action should be taken to give effect to the resistance to federation which the resolution enjoins. This matter would then come up for disposal in the Working Committee, and if the composition of this Committee is left to a President who is deferential and complaisant to the Right wing the Committee would be able virtually to set aside the Congress resolution. In such a lead given by the Working Committee, the All-India Congress Committee, if it should be convened, would feel compelled to acquiesce, with the result that a policy would be forced on the Congress which would be highly distasteful to a majority of its members. To defeat such a plot, which Subhas Babu probably felt had been brewing, it was necessary he thought that the President of the Congress, in

whom is vested the power of appointing members of the Working Committee, must be a man who is not only personally opposed to federation, as Dr. Pattabhisitaramayya certainly is, but who will not feel such an excessive regard for the Right wing leaders as to permit of machinations of the kind of which the country has heard so much.

We personally feel that there was such a real danger, and that if Subhas Babu remains firm enough throughout the danger will be averted. There is not the slightest possibility of the Congress weakening its resolution on federation in its plenary session. All that is required to prevent its subsequent weakening or even violation under the guise of giving effect to it is that from the Working Committee those should be excluded from whom such action is feared. It will therefore be the duty of Subhas Babu now to form this Committee, not on the old principle of having one or two members from each section, but on that of having only those who will stand four-square to the menace of federation. And how many members nominate themselves for exclusion either by their action or by their trend of thought in the past year or two! If it is the case, as several Right wing leaders assert, that there is no difference of opinion on this issue, they cannot complain if Subhas Babu now fills the places given to them by others who even if they are not stronger in opposition to federation at least are not in the unfortunate position of being suspect. If it be true, as Pandit Jawaharlal Nehru says, that "whoever wins federation loses", the success of Subhas Babu should at least make the prospect of defeating the federal scheme brighter; and it now becomes a solemn duty of the Congress President to take all the steps that are necessary for that purpose, without succumbing to an influence which many Congress leaders have found it impossible to resist. For Babu Subhas Chandra Bose there will no longer be any excuse. And if he does, not succumb it may well be that he will slam the door on federation which some Congress leaders have deliberately kept ajar.

## BETRAYAL OF THE CULTIVATOR.

THE Madras Legislative Assembly after a lengthy debate adopted the general principles embodied in the majority report of the Estates Land Committee and recommended to the Government the immediate introduction of a Bill giving effect to these principles. The report of the Prakasam Committee assigns to the zamindars the status of mere rent collectors which originally belonged to them, exalts the rayats to the position of owners of the soil that was theirs by right, finds that the Permanent Settlement fixed permanently not only the peshcush which the zamindar was to pay to the Govern-

ment but also the rent which the rayat was to pay to the zamindar as his remuneration for the collection of land revenue, and recommends that this rent which has enormously increased in the interval be brought down to the level of rent at which the Permanent Settlement had fixed it. The report also proposes that the zamindar should be deprived of certain other privileges which he had illegally obtained and that they should be vested in the rayat. While these recommendations, when given effect to, would clearly enure to the benefit of the rayat, it by no means follows that the actual tiller of the soil would be benefitted thereby; for in many

cases the cultivator is far removed from the rayat. Mr. Prakasam has recently expressed himself so decidedly against tenancy legislation in rayatwari areas that it would be idle to hope that the Government would give any tenant rights in zamin areas to the man at the bottom, viz. the rack-rented tenant who is completely at the mercy, both in the matter of enhancement of rent and eviction, of either the zamindar or the rayat. We will, therefore, leave aside the question of the tenant-at-will for the present; but there are other classes of men connected with the land like the bigger rayat who habitually sets his land to others and the customary sub-tenant who had enjoyed certain well-defined privileges before. Unless these privileges of the customary sub-tenant are restored to him and certain well-recognised restraints are placed upon the bigger rayat, the legislation will do very little good to the cultivators who require protection at the hands of State. In the absence of such provisions, there will be only a greater opportunity for the rayat, in view of the reduction of his rent, to exploit the cultivator. No very radical measures would be required in the case of the classes mentioned above, even if the tenant-at-will was to receive no attention at present.

A question that needs to be immediately tackled is one relating to the private lands of zamindars. These lands were originally supposed to be such as the zamindars needed for their personal cultivation. It was never contemplated that they would be used for the collection of rent from tenants; and there being no thought of tenancy, no provision was made for the protection of tenants in these lands. But private lands are now habitually let to tenants, with the result that no tenant right can accrue on a large block of land in zamin areas. A Government which seeks to restore the conditions that prevailed at the time of the Permanent Settlement must also see to it that the zamindars do not depart from the well-established conventions that were in force at the time of the Permanent settlement in respect to the private lands of the zamindars. The U. P. Tenancy Bill proposes certain drastic measures in regard to such sir lands. It grants hereditary occupancy rights to all tenants of sir lands belonging to zamindars who pay a land revenue of Rs. 250 and over, subject to the reservation of fifty acres to the zamindars as their private land meant for personal cultivation. The Bill in fact goes further. It gives a five-year occupancy on the same rent to sub-tenants in such sir land. Another question that must be immediately dealt with is that of big rayats. It is true that the number of such rayats must have dwindled considerably during the three generations that have passed since the Permanent Settlement on account of partition; nevertheless it cannot be denied that there still exist many rayats who have unmanageably large holdings, and the

tenants of these ought to receive protection. Such protection has been given in provinces like Bengal and the U. P. from early times. The tenancy laws of these provinces recognised this class of men as superior holders and gave occupancy rights to tenants under them on the basis of continuous occupation of land by the latter for a certain period. In order to ensure that these superior holders did not prevent the accrual of occupancy right for tenants under them on the ground that they themselves were occupancy rayats, almost every Tenancy Act has a clause to the effect that "where the area held by a tenancy exceeds one hundred bighas, the tenant shall be presumed to be a tenure holder until the contrary is shown". (*vide* Bengal Tenancy Act, Sec. 5 (5); Sylhet Tenancy Act, 1936, Sec. 5 (4) b). The Orissa Tenancy Act fixes the limit at 33 acres.

The problem of the customary sub-tenants also needs immediate treatment. Scores of instances of the existence of such tenants with customary rights could be quoted from the reports of the Select Committees of the East India Company. The Prakasam Committee itself recognises their existence in the following words:

Those who belonged to the village were called Ulkudis, and they had preferential rights as against those who had come from outside to settle down in the village known as Porakudis. Notwithstanding the varying rates charged against these different classes of people, their right to retain their land for themselves and their successors so long as they were paying the rate of rent was always admitted and recognised.

Again the Committee's report has extracted from the speech of Mr. Forbes who quotes the explanation of the Government of Madras to the Government of India as to why different classes of tenants were not recognised in the Rent Act of 1865. The explanation states:

So long as that assessment was paid, the right to retain the land and to be succeeded in its enjoyment by his heir was never denied to the Porakudi.... Others of the Porakudis were doubtless under-tenants of the rayats.... All this question of resident and non-resident rayats was a purely communal question, a matter solely between the villagers themselves. If up to 1865 the rayats had certain rights, there was nothing in the Act to destroy them.

The customary right of hereditary occupancy on payment of half the share of the produce of land was taken away from this class of customary sub-tenants when agricultural leases came to be governed by contract on the application of the Transfer of Property Act of 1882 to these leases. The Collectors have given ample evidence which is embodied in the Appendices to the Prakasam Committee's report, which proves the existence of sub-leases in many areas, and this question must therefore be dealt with as it has been dealt with in other Provinces. The Act of 1885 in Bengal provided that the rent of an under-rayat should not be enhanced by more than 50 per cent. of his landlord's rent. It further provided that, so long as he could prove his

customary right of occupancy, he could not be evicted from his holding as if he were a tenant-at-will. The Act of 1928 went further. It provided that if an under-rayat had held land for 12 years or had a homestead on it, he could not be ejected. Other under-rayats could be ejected by the landlord, only if he wanted the land for his own use. (See 48 c.) The initial rent was to be fixed by agreement, and it might be enhanced by registered contract or by suit up to four annas per rupee, or, in the case of produce rents, not exceeding one-third of the gross produce.

The scope for subinfeudation is less to-day in zamin areas, owing to want of survey and settlement of the lands and the inefficient administration of the zamindar. But with the lowering of rents and the creation of a proper record of rights, land will become a tempting field for investment by rentiers. What little good relationship exists to-day between the rayat and the sub-tenant will vanish under new absentee rayats. Further, when the rents due by them to the landlords are lowered, even the rayats of to-day will turn into rent-receivers. It was to prevent the growth of subinfeudation and rack-renting by absentee land-

lords that the Famine Commission of 1880 recommended legislation against habitual lessors. The Commission said:

Concurrently with the extension of rights of transfer, the practice of sub-letting by an occupancy tenant should be discouraged or even, if possible, forbidden. If a tenant for a long period fails to keep up the stock required for cultivating his land or otherwise ceases to be by occupation and habit a *bona fide* cultivator, the rights he or his ancestors acquired by cultivating the soil might reasonably pass from him to the person who, having become the actual cultivator, occupies his place. (Para 31.)

The C. P. Tenancy Act gave effect to this recommendation in 1898 by empowering the Revenue Officer to declare the sub-tenant as a permanent occupancy rayat as against a rayat who habitually sublets his land. The U. P. Tenancy Act has restricted sub-leases to a short period of 3 to 5 years. But the Madras Government apparently intends to take no action for the protection of sub-tenants. If it fails to do its duty in this behalf it will make itself responsible for creating a new class of rent-receivers and worsening the position of sub-tenants. To the extent to which it widens the margin of income from land to the rayat, to that extent it will open wide the flood-gates of rack-renting by rentiers.

## ECONOMIC RECONSTRUCTION. AN EXPERT SURVEY.

MANY important problems of economic policy that are just now agitating the minds of businessmen, economists and statesmen in this and other countries have been authoritatively treated in an important production\* issued by a joint committee of Carnegie Endowment and the International Chamber of Commerce. This Committee was appointed in 1935 by an International Conference held under the auspices of the Carnegie Endowment for International Peace and by the Eighth Congress of the International Chamber of Commerce held in Paris. The members of the Joint Committee were selected from among businessmen and economists in a large number of countries. This was natural as the object of the Committee was to undertake a thorough investigation into the prospects of the removal of trade barriers and monetary stabilisation. The Joint Committee in its turn invited a Committee of Experts to prepare memoranda on all the important issues and to frame recommendations.

The personnel of this latter Committee was impressive. Prof. Gregory (Great Britain), Prof. Bohler (Switzerland), Prof. Ohlin (Sweden), Dr. Pasvolsky (U. S. A.), Prof. Predohl (Germany) and

Prof. Rist (France) formed the main body of the Committee. But a number of other experts were consulted by this Committee whenever they thought it necessary to do so. The several memoranda submitted by all these experts have, in the publication above referred to, been reviewed by Prof. Gregory. Prof. Gregory's review is preceded by a fairly long and exhaustive introduction by Prof. Ohlin. Both these essays are replete with sound economic reasoning and valuable practical guidance. A summary of recommendations for immediate adoption made by the Experts' Committee is attached at the end. The subject-matter of all this intensive study is of so direct an assistance in the solution of many problems with which India, in common with most other countries, is now faced that a more than cursory notice must be bestowed on the contents of the book. The position that Prof. Gregory now occupies in India lends special interest to his views on economic reconstruction which all of us so ardently desire in the country.

When the field of enquiry is as wide as the economic reconstruction of the world and views are offered by more than a dozen learned economists, a variety of analytical comments and positive suggestions are only to be expected. But in the masterly survey of Prof. Ohlin all the considerations of principle and policy, of long

\* INTERNATIONAL ECONOMIC RECONSTRUCTION. An Economists' and Businessmen's Survey of the main Problems of To-day. (International Chamber of Commerce, Paris.) 1936. 24cm, 225p.

term and short term application, of national and international appeal fall into their proper position. In fact Prof. Ohlin's survey of the problem of economic reconstruction may serve a very useful purpose if read as an introduction to the present position and future prospects of world economy.

Prof. Ohlin states at the very outset that in his treatment of the subject "the significance of economic progress is considered from the standpoint of the collectivity and not from that of the individual." This is a neat denunciation of the individualistic postulates from which English political economy continues to suffer even to the present day. As the highest objective of economic policy is collective welfare, so the main problem to be solved is that of "the great poverty and the unsatisfactory consumption level in the world both before and after the War." Prof. Ohlin feels that for the conquest of the evil of poverty "the only remedy is an increased efficiency of production." By holding fast to this basic truth about economic progress Prof. Ohlin is able to escape from the error into which many of his colleagues, especially the English economists, fall by overrating the essentially subsidiary aspects of economic life such as exchange, tariff and currency.

These last-noted items of economic policy are, of course, important in their own way. But except for a predominantly traders' nation such as England their importance is subsidiary to the interests of national production. How very striking is the influence of productive structure on international trade is brought out by the following figures. Out of the total exports of Germany, Great Britain and the United States in 1800 as many as 75% were consumption goods, the balance representing capital goods. In the last pre-War year the percentage of consumption exports had dwindled to 54. These figures of the changing composition of the exports of leading manufacturing countries bespeak a steady process of industrialisation in the erstwhile agricultural countries. If we add to this trend the new urge to a return to agricultural protectionism in the industrial countries themselves we shall get some idea as to the inherent difficulties of contemporary and future world trade. The comparatively rigid cost structures of modern industrial organisation and the increasing adoption of technical improvements in overseas production are elements too fundamental to be counteracted by the palliatives of currency, exchange and tariff policy.

That the depression itself was caused primarily by an over-production of food stuffs and raw materials in the agricultural countries and by a synchronous industrial depression is a finding of Prof. Ohlin in which most students of the present depression will concur. The resulting depression reached wider limits and lower depths than is usual with cyclical movements on account of the fact that the exchange and currency mechanism had already become too unstable. The

pre-War gold standard assured an exchange stability which was based on the corrective effect of the international movements of gold. Short term credit transactions were less voluminous and costs of production were more flexible than they are at present. The highly disturbing effect of unilateral political payments between nations was also inconsistent with the continued success of the gold standard during the post-War period. Thus an agricultural and an industrial crisis really coincided with a currency crisis as well. Though there have been unmistakable interrelations among these three events it would be wrong to think of restoring the seared world by attending to a single *malaise*.

There is a marked conflict between what may be called the Ohlin school and the British school on the subject of a desirable exchange and currency policy. Prof. Ohlin is a supporter of a flexible currency policy. "Even if the problem is viewed," says Prof. Ohlin, "exclusively from the angle of the creation of favourable conditions for the international exchange of goods, it might, in the long run, be best to envisage a more flexible currency system which—although less perfect from the point of view of external stability—would involve fewer risks of general disturbance, which might indirectly prove very damaging for foreign trade." Prof. Ohlin, who supports a flexible standard from the standpoint of the ultimate prospects of international trade, is naturally even more emphatic in his support to a flexible standard on account of its stabilising virtue for internal economy. "A system which effectively helps to maintain internal stability will also promote international trade and other economic intercourse, even if external currency stability be to some extent sacrificed."

The English school represented by Profs. Gregory and Henderson is in principle opposed to flexible parities of foreign exchange. Prof. Gregory sums up his attitude, which is for the most part the attitude of his English colleague as well, as follows: "In other words the case for flexible parities is prejudiced by the circumstance that they are either dangerous or useless. They are dangerous, in so far as the right to resort to a change of parity is a direct encouragement to make use of them more and more frequently, so that, in the end, fixity is sacrificed to flexibility. They are useless, in so far as experience shows that there are conditions of disequilibrium so grave as to require a departure from the existing parity. When such conditions arise the existing parity will be departed from. But it makes a great deal of difference, psychologically, if it is recognised that the breach of parity 'could not be helped.'"

It is well that Prof. Gregory makes a special mention of the alleged psychological justification of his position, as it lacks all logical value.

Precisely because there are conditions of disequilibrium that require departure from parity the present rigid system is proposed to be abandoned in favour of a more flexible one. In "psychologically" unsuitable hands the new policy may prove dangerous, which indeed can be said with equal emphasis about any system. Judging from Prof. Gregory's emphatic proposition, one would feel that a regulated and flexible currency policy was something too unorthodox for words. In fact the recent utterances of the Indian Finance Member and the Governor-General on the subject of Indian currency reform do create an impression that they hold such an opinion. That England itself has been almost juggling with the sterling during the last ten years is no secret. The weight of expert judgment and respectable practice is definitely on the side of a more flexible exchange policy than what we are having in India. That which is accomplished by England for its own interests is considered to be too fantastic for discussion and inquiry in India. Until a more subtle explanation of this inconsistency is forthcoming one would be justified in attributing it to England's engrossment with its own interests and its utter neglect of genuine Indian interests.

Even on the subject of devaluation as a preliminary to the adoption of a policy of flexible exchange parity the weight of authority represented by Prof. Ohlin and, to a certain extent, even by Mr. Henderson, is diametrically opposed to the *non possumus* attitude of the Government of India. Prof. Ohlin upholds the principle of depreciation but feels that it should not be too sudden. On this all-important topic Prof. Henderson writes: "It is possible that good on balance may result to international trade from a reduction in the parity of a country which, although not possessing an overvalued currency in the ordinary sense, has suffered in any exceptional degree from a fall in in the world markets of the prices of commodities in the production of which it is largely interested."

Judging from the usual criteria of overvaluation, viz. disparity between costs and prices, movement of price levels, and the state of the balance of trade there is little reason to doubt that the Rupee is overvalued at 1s. 6d. sterling. But even granting for the sake of argument that the alleged overvaluation is doubtful, the mere depression, prolonged and deep, in our commodity markets would, even in the opinion of so orthodox an economist as Mr. Henderson, justify a depreciation of exchange.

Even the Expert Committee as a whole who outline the ultimate ideal of currency stabilisation, either by linking various currencies to one or two leading monetary systems or by a general restoration of the gold standard in some form, feel constrained to recommend as follows: "It would be useless to demand currency stability in

any form without first paying regard to the conditions which would make it possible. Among these pre-conditions are: the adjustment of the exchange of each country to a rate which would represent a fair parity in relation to other countries, taking into account the position of the balance of payments, relative costs and prices, and the domestic debt structure." By refusing the demand to have the fairness of the current exchange rate tested by an authoritative enquiry, the authorities responsible for Indian currency policy are in fact weakening India's faith in the membership of the sterling group. Though at present there is no concrete proposal for a detailed control of our exchanges with the several countries of the world, that even such a proposal, if made, ought not to sound strange to the proud fathers of the gold exchange standard is made clear by Prof. Predohl, the distinguished German economist. From his point of view "there is less difference between systems of exchange control and the gold exchange standard than is generally supposed."

The recent developments in commercial policy such as restrictive tariffs and bilateral agreements are not, in the opinion of Prof. Ohlin, based on mistaken philosophies, but they are inherent necessities of the situation. Prof. Ohlin does not uphold the contentions of the so-called high wage countries that they suffer from the unfair competition of low wage countries. Prof. Ohlin's views on this subject deserve to be quoted in full: "An idea based on a similar misunderstanding is the belief that the existence of low wage countries tends to prevent a rise in the standard of living in high wage countries. International trade has never been based on equality of wages in different countries. On the contrary, the difference in supply and efficiency of labour and, therefore, wages, is one of the greatest advantages of international division of labour from the point of view of profits. Increased efficiency in the older manufacturing countries permits of higher wages in the latter, even if they remain low in other parts of the world."

A special responsibility lies on financially strong countries not only to initiate a regime of freer trade but even to part with their gold in an endeavour to readjust and stabilise currency. "If countries disposing of large gold reserves", says Prof. Ohlin, "were to consent to a passive orientation of their balance of payments and to the export of gold, they would thereby contribute to the creation of a more healthy state of international finance, which would have a favourable effect upon commercial policy." A movement similar to the recent Anglo-American Trade Agreement would in Prof. Ohlin's opinion lead to a worldwide movement towards freer trade. The condition for the success of such a move that he has laid down does not, however, seem to be existent. This condition is that world prices have rather a rising than a falling trend, thus leading to a state of relative prosperity. The British



index number has moved down by 12 points during the last twelve months and the American by 8. This can hardly be said to constitute a trend towards prosperity!

The conflict of interests between creditor and debtor countries is emphasized by Prof. Viner, who very aptly expresses the special responsibilities of creditor countries in the following quotation. "The creditor country which during a depression imposes new restrictions on commodity imports (or on the export of capital) is therefore in effect by these measures operating to force the debtor country to default on its capital obligations, or to increase its own barriers on imports, or to do both." Quota system is generally denounced by all experts as too violent an interference with normal trading activity. But it is freely conceded that a return to substantially free trade is out of the question. The conclusion of bilateral treaties and the utmost possible utilisation of the most favoured nation clause are the only leads that the experts give. On all these points it is noteworthy that the demands for a new orientation in the economic policy of India made by Indian economists are entirely in keeping with the best economic thought of the world, especially of the non-British world. The fact of the matter is that our problems are more akin to those of non-British countries than of England. Howsoever honest may be the advice tendered by British experts to the Government of India, they can never, either theoretically or practically, look at our problems as we would, from the standpoint of a backward, dependent, debtor country determined by an intensive process of economic reform to provide better for the sustenance of its increasing numbers than has been possible hitherto under a policy of indifference and inaction.

How very vital and helpful is the bearing of Prof. Ohlin's survey on the burning topics of economic controversy will be clearer by reference to his remarks on colonial policy and overpopulation. The real advantage of a colonial empire consists, according to Prof. Ohlin, in an opportunity to sell the products of Imperial industries in a favoured market and in securing advantageous employment to members of the ruling country. Prof. Ohlin states that among all the Imperial countries England has been most fortunate in receiving such advantages in India. For the would-be Imperial States he recommends a policy of the "open door" which in his opinion will secure for all countries the only advantage that can be now hoped for from colonial possessions. For countries that seem to be overpopulated—among leading European nations Italy is the only one that comes under this category—Prof. Ohlin's advice is very definite. "The natural line of development for a nation, whose population has reached a size at which returns in the primary industries tend to fall decisively, is concentration on secondary industries. The output of vegetable agricultural

products and of mineral raw materials will then absorb a decreasing proportion of the working population, while manufacturing industries, transportation and various services will employ an increasing proportion."

The achievements of Swedish economy during the last few years have been the object of admiration on the part of competent students all over the world. The interpretation of world events given by one of the leading economists of that country suggests an outlook which is free from the usual narrowness of vision to which most economists are prone. For an understanding of Indian economic problems against the background of world economy a perusal of this book would be highly helpful. If imperfect understanding of our position is the only obstacle in the path of the Government of India's turning a more sympathetic ear to our proposals for constructive and planned economic reform, the book under discussion, in the production of which Prof. Gregory has taken a prominent part, should go a long way in preparing the ground.

D. G. KARVE.

## INDIANS ABROAD.

### MR. KUNZRU'S STATEMENT.

*Pandit Hirdaj Nath Kunzru, President, Servants of India Society, who headed the Indian Delegation to the second British Commonwealth Relations Conference held in Australia in September last, landed in Calcutta on 26th January after enquiring into the problems relating to Indians living in Ceylon, Fiji and Malaya and visiting, in addition Australia, New Zealand, China and Japan. He has issued the following statement to the Press:*

**T**HE problems relating to Indians in Fiji were considered by an All-Fiji Indian Conference presided over by me in November last. Its resolutions have been published in Indian newspapers. The Indians are deeply concerned with regard to the renewal of leases of agricultural land held by them from Government or the Fijian Chiefs which are about to expire, the education of their children which in spite of their keenness is in a more backward condition than that of Fijian children, and the status of their community which occupies a low position even in the subordinate civil service and is made to feel its political inferiority in more ways than one. The organisation of labourers which has a vital bearing on their future and in which they are beginning to take interest is virtually impossible at present as both the labourer who absents himself from work and the man who induces him to do so can be punished with fine and imprisonment. The whole community keenly desires that an Agent of the Government of India should be appointed in Fiji, and strongly feels that the absence of such an officer is a serious

handicap to it in its efforts to raise its position both socially and politically. I laid great stress on this in my interview with the Governor of Fiji when I brought the resolutions of the Indian Conference to his notice and explained the difficulties of the Indians to him. The matter is one of cardinal importance and should receive the immediate attention of the Government of India. Owing to the distance of Fiji from India an Agent of the Government of India is even more necessary there than in Ceylon and Malaya. Considering the class of Indians that emigrated to Fiji, the progress that they have made is a tribute to their self-reliance and enterprise and reflects great credit to their mother country also, but they have arrived at a stage when questions relating to their future require very serious and sympathetic consideration. The status of Indians in Fiji would virtually determine the status of Indians in the Pacific.

As regards Malaya, the fundamental questions affecting the Indians there do not seem to be different from those exercising the minds of the Indians in Fiji. They relate both to the welfare of the labourers and the status of the Indian community. Questions affecting the Indian labourers will soon be discussed between the Standing Committee on Emigration of the Indian Legislature and the Malayan delegation. I understand that the plantation managers themselves were not in favour of reducing the wages of the labourers, but their hands were forced by the absentee proprietors in London. They had to carry out the orders of their Boards of Directors who appear to care only for the dividends realised from the estates. I have also been told that when the Government of India asked for a postponement of the decision in order that the question might be fully discussed the officials, regarding the proposal as an attempt at dictation by the Government of India and resenting its intervention, joined the planters in opposing its suggestion.

The main cause of the present trouble, however, is the excessive emigration to Malaya that took place three or four years ago. It inevitably weakened the position of the labourers and made the planters masters of the situation. It is obvious from this that it is absolutely necessary in the interests of labour that emigration from India should be carefully controlled. This cannot be done so long as officers of another Government are allowed to recruit labour or stimulate its emigration. It is essential, therefore, in my opinion that the Government of India should end the present system as soon as possible and make itself directly responsible for regulation of emigration. This observation applies not merely to Malaya but also to Ceylon. I have no doubt that the labourers would be happier and the Government of India would be more respected than is the case at present if emigration were

controlled by its own officers and not by external agencies.

The education of children on the rubber estates and the organisation of labour are two other important matters that require the earnest attention both of the Government and the people of India. It is idle to expect that the estate schools will be of a uniformly good standard or will be continuously improved so long as the Government of Malaya does not take them over and bear the responsibility of educating the children of the labourers. The establishment of trade unions is theoretically possible, but there is no trade union law. There is an Act known as the Societies Enactment which applies to all societies. It makes the registration of a society in a State, whether Federated or Unfederated, and also in part its dissolution dependent, on the will of the British Resident. Apart from this, I understand that the formation of trade unions is regarded with disfavour even in the Straits Settlements. The Government of India should see that Indian labourers who are allowed to emigrate to other countries are not in a worse position in respect of the right of association than in their own country. The Indian labourer must be enabled to feel that he is a free human being.

Apart from the absence of trade unions there is another factor which militates against the development of a spirit of independence among the Indian labourers. Unlike the Chinese labourers, they live on the estates where they are constantly, under the control of the employers and are cut off from the outer world. However good the quarters provided for them may be, they can never feel that they are free in any way to regulate their actions. So long as the present arrangements last it will be a task of extraordinary difficulty to enable them to acquire a sense of freedom and to realise that they can improve the conditions under which they live by co-operation among themselves.

There are other questions also which will require consideration but it must be borne in mind that they cannot be solved satisfactorily, independently of the status accorded to the Indian community in general. Questions relating to Indian labour and our national status are closely inter-linked. Such questions as the rights of citizenship, employment in Government services and the provision of facilities for obtaining education of all grades may seem to concern the upper classes only, but they have an important bearing on the position of the Indian labourer. So long as the higher class Indian is treated as an unwanted immigrant, the labourers who are his countrymen will also suffer from the stigma of inferiority attaching to their country. On the other hand, the recognition of the status which the better class Indian is entitled to will have a highly beneficial effect on the Indian labourer and lead to a change in the angle of vision from which questions relating to him are looked at.

## Reviews.

### INDIAN INDUSTRIES.

**INDUSTRIAL ENTERPRISE IN INDIA.** BY NABAGOPAL DAS. (Oxford University Press.) 1938. 22cm. 174p. Rs. 7.

THE author has undertaken a detailed survey of the administrative and financial organisation of Indian industries. He is concerned to bring out the close relation that exists in India between industrial management and finance. He indicates lines along which banks may play a more useful part in financing industry. To all interested in Indian industry and finance the book will supply very profitable reading.

The author passes in review the systems of industrial finance prevalent in U. K., Germany and America. On purely theoretical grounds, he seems to favour the German system of mixed banking, but is doubtful whether in their ill-developed form the present joint stock banks in India are fitted to undertake this responsibility. His doubts are, of course, well founded, inasmuch as, with limited capital and reserves and with a large proportion of their liabilities in a short term form, these banks are ill-suited to undertake what is comparatively long-term investment. All the same, for such among the Indian banks (and the Imperial is not the only one of this type) as have the necessary resource and enterprise, finance of industry should not be either a prohibited or contra-indicated activity. Recent development in all countries shows that the old segregation of functions among financial institutions is no longer considered either to be natural or possible. Caution has got to be exercised in determining the proportion of total resources that each ordinary bank should put into industrial finance. But unless such *liaison* is considered to be normal the activities both of banks and industries are bound to be unduly cramped.

On the question of the efficiency of Managing Agencies the views of Mr. Das are on the whole favourable to the Agents. "Viewed in its proper economic background", says Mr. Das, "the managing agency system of finance has, on the whole, been both inexpensive and efficient." This conclusion is not in keeping with the prevalent view in this country and hence one would have expected a more detailed substantiation than what the author has given. The author himself admits that the Managing Agents often developed dictatorial attitudes vis-a-vis the shareholders. He, however, contends that a dictatorial management need not be necessarily inefficient. The sense of irresponsibility shown by many a managing agent in the recent past is so well-known that the very possibility for that evil to arise had to be removed by legislative amendment. All managing agents certainly are not bad; but in most parts and for most industries this form of industrial organisation has outlived its usefulness. Especially with the progress of normal industrial finance on the part of banks, the reason for existence of the agency system is bound to weaken.

The author is cautious and critical of the suitability of Trusts and Industrial Banks for the immediate needs of industrial finance in India. He feels that unless industrial leadership

improves in quality and quantity legislative or institutional reform will not materially help the fortunes of Indian industries. This judgment is both sound and timely, and a perusal of the author's own work will go a long way in correctly instructing the would-be financiers and managers in our country. The book constitutes a very competent and useful essay on an important theme and deserves to be widely read.

D. G. K.

### SHAKESPEARE CRITICISM.

**SHAKESPEARE CRITICISM. AN ESSAY IN SYNTHESIS.** By C. NARAYAN MENON. (Oxford University Press.) 1938. 19cm. 276 p. Rs. 3.

SYNTHESIS undoubtedly characterises the Indian outlook on life even as compromise does the English. Sri Aurabindo Ghosh is the first and also the greatest representative of this outlook. There is such a clear vision behind his philosophical synthesis that he has been able to endow it with the essential character of originality.

There is a crying need for synthesis to-day in the world of literary criticism. The most convenient field for its application is, of course, Shakespeare criticism. Nowhere are the contradictions of critics sharper; for no single author has been discussed by them to the same extent as Shakespeare.

It must be admitted that Mr. Menon, who has essayed in this direction, has a clear grasp of his subject. Throughout the book he has clung to purely aesthetic criteria as distinguished from mysticism on the one hand and analysis, psycho-analysis, mere commonsense and historical and biographical criticism on the other. He has also tried to suggest the truth that lies behind all these and is partially envisaged by each of them. His interpretation of some of the great plays, notably *Othello* and *Macbeth* is certainly 'fresh and stimulating'.

Clear as is his intention and his grasp, the actual performance, I am afraid, is not a successful one. There are several reasons for this. The "aggressive" tone might have been overlooked but for the fact that it exposes the author himself to all the dangers of untruth: as when he condemns a perusal of Bright's *Treatise of Melancholie* as unnecessary for the purposes of studying Hamlet or disparages Moulton's studies in the form of Shakespearian drama. Secondly, there is a mixture of styles, those of the thesis, the personal essay, the class-room lecture, reporter's column and the like. The mistake of referring to the Indian critics' "assertion" about the charm of a poem without introducing the reader to the peculiar conception of womanhood that prevailed during the age in which it was made, is indeed colossal, if not altogether classical. Nor can the reader easily put up with statements like the following: Hamlet was to me "an alternation of rises and falls in tension". "So was a function held in my honour in Ceylon." The comparison of Bradman and Antony on page 93 is nothing short of breaking the butterfly upon the wheel. Though the innumerable notes are "relegated to the end lest the leaves should hide the tree" the collation and integration of so many inessential views and coincidences of thought jar on the reader. Consequently, a grey fog settles on the tree though the leaves have fallen away in order to reveal it.

Mr. Menon could have written an illuminating book on Shakespeare's criticism. He has, instead, chosen to submit a thesis which is splendidly null. His fine aesthetic perceptions are lost amid a heap of references to the foam that breaks daily round the rock that is Shakespeare.

V. K. GOKAK.

### INDIAN CIVICS.

**CITIZENSHIP. THE RESPONSIBILITIES AND PRIVILEGES OF THE INDIAN CITIZEN.** By J. WILLATT. (Oxford University Press.) 1936. 20 cm. 213 p. Re. 1-8-0.

THIS is a revised and amplified text-book, meant obviously to supersede Captain Cannon's Citizenship in India in Army educational institutions. Nearly a third of the book is devoted to village uplift treated under the heads of Meaning and Methods, Health and Sanitation, Thrift, Increase of Production, Animal Husbandry, Subsidiary Industries, Standard of living, Administration and Conclusions, in dealing with which the author has been under obligation to Mr. F. H. Brayne, I. C. S. The student is given a simple explanation of the meaning of citizenship to start with and then taken gradually through citizenship in the Family, the Village, the District, the Province, the Federal centre and finally in the British Empire. The responsibilities of the Government are dealt with in special chapters on Protection, Public Health, Education, Communications, Money, Banking, Trade, Agriculture Forests, etc. Frequent references to local conditions in the Punjab are made obviously because the text is to be used mostly in that province.

The style is lucid, direct and forceful, except for the use of "what are" in assertive sentences which, though perhaps sanctioned by usage, a teacher of English may not consider wise in any text for students. The term 'female education' should have been avoided. In describing village conditions two slight errors are to be noticed: cow-dung cakes are not so much for use in the farmer's kitchen as for sale and profit (p. 50), and the Karanam in Madras is not the village headman but the village accountant.

While explanations of good and bad citizenship as may be in the family, the village and locality are undoubtedly useful, references to the evils of lying, bribery, quarrelling, litigation, hoarding, and warnings against their evil effects are too frequent to be happy. A proper perception of moral values can be inculcated best against a spiritual background, and too frequent insistence on the defects to be corrected should be avoided. The *Fauji Akhbar* is mentioned as an example of good newspapers and in eschewing from the book any discussion of citizenship rights, the author seems to take shelter under the statement that "there is not much need to emphasize the rights and privileges of citizens in this connection the reason being that "one is continually hearing, and getting very tired of hearing people talk of their rights." None may advocate Rights to the exclusion of Duties but so also none may emphasize Duties and ignore Rights in any form of democratic organisation. The functions of Government are described and differentiated but the principles of mutual checks as between the Executive, the Judiciary and the Legislature are left alone. More singular still is the justification (p. 190) of the 1s. 6d. ratio as being 'all for the

good of trade,' without any consideration or even mention of an opposite point of view. A discussion of a particular ratio of exchange should find place only in a book on Economics, and the fact that a defence of the government decision is attempted in a text book on Citizenship serves unfortunately only to betray the attitude of the author. To co-operate with the Government is shown as the important duty of the citizen in almost every discussion and one cannot help concluding that the entire object of the book is to inculcate in the student obedience and loyalty to the beneficent *sarkar*.

K. K. I.

### SHORT NOTICES.

**MODERN CHINESE HISTORY, POLITICAL, ECONOMIC AND SOCIAL.** By Prof. TAN YUN-SHAN. (Registrar, Andhra University, Waltair.) 1938. 25cm. 83p. As. 8.

THIS is a brilliant survey of the political, economic, social and religious aspects of modern Chinese history made by Prof. Tan, chief organiser, Sino-Indian Culture Society, Nanking. Prof. Tan delivered a series of five lectures on the past history of China, Chinese religion and the political, economic and social changes in modern China under the auspices of the Andhra University, and the latter has done well by publishing them.

This little book is to be taken seriously. Prof. Tan is eminently qualified to speak on Modern Chinese history and he has drawn richly from original authorities. The specialist may not find anything new in this book, but the general reader will find it instructive and interesting. The book is in a sense a fragment, but in the arrangement of matter and lucid exposition, we see the practised hand of the historian.

We strongly recommend the book to all those who wish to have a general idea of modern China. Though brief, it is an accurate portrayal of work written by one who is an authority on modern China.

M. V. S.

**THE PERMANENT SETTLEMENT VINDICATED (REGULATION 1 OF 1793.)** By NARENDRA NATH SANYAL. (Author, 99, Upper Circular Road, P. O. Amherst Street, Calcutta.) 1937. 22cm. 30p. As. 8.

THIS is a small booklet which has been written with the avowed object of presenting certain facts and figures in vindication of the Permanent Settlement in Bengal. The author reproduces certain passages from the well known writings of the late Mr. R. C. Dutt (1908) and the late Mr. Justice S. C. Mitra (1895) on the subject and also from the speeches of Lord Ripon and Dufferin, dealing with the Bengal Tenancy Acts of 1883 and 1885. He indulges in a severe tirade against the Congress, the Proja Party in Bengal, Mr. J. Nehru and several others who have the temerity to suggest any interference with the Regulation No. 1 of 1793, which in his opinion must be treated as sacrosanct. He ignores altogether the cogent reasons for which the Permanent Settlement is regarded by many thoughtful and responsible persons as an

anachronism under modern conditions. He endeavours to make up by sarcasm what is lacking in the arguments. Some of his innuendoes offend against good taste. The publication breaks no new ground and is not worthy of serious consideration in any dispassionate discussion of this important subject.

B. D.

**THE GANDHI SUTRAS.** By D. S. SHARMA. (Author, Principal, Pachaiyappa's College, Madras.) 1938. 18cm. 152p. Re. 1-8-0.

SUTRA is a mnemonic formula from which every unnecessary word is removed, and it forms as it were the essence of learning. India has many Sutras: The Vedanta Sutras, Yoga Sutras, and the Vyakarana Sutras. The author in expounding the Gandhian philosophy has written 108 Sutras in Sanskrit—India's language of science and religion. He has given the English rendering of each sutra with copious extracts from Ghandiji's writings and speeches in support of it. The sutras are divided into three sections: the general section, the Satyagraha section and non-co-operation and the Civil Disobedience section. The author's purpose is apparent, and his experience in exposition befits him well for his task. The philosophy here expounded is that of the Mahatma, and the author is simply a codifier and commentator.

Gandhiji says that his whole life is an experiment and never claims to have achieved the result of his experiment. Sutras as they are known give out results and not the processes of achieving them. In this light the author's attempt might be considered premature. Again the sutras while they are considered to contain the essence of knowledge give vast scope for the confusion of the coming generations. Commentators in trying to use the sutras' authority for their own set interpretations twist them almost into new ones. Though Gandhiji's reputation for consistency is great, the extracts chosen by the author might not actually represent his views on a particular issue. The author has no purpose to misrepresent Gandhiji but distorted texts will usually serve the opposite purpose as well. Sutra 36 is rendered as "Falling from his original state man takes birth, and falling still further he marries." The two extracts from *Young India* do not seem to be equally strong on the point. Gandhiji says: Marriage is a 'fall' even as birth is a 'fall.' Marriage is a fall as birth is, but not a further falling down. The next sutra "His salvation is only through chastity" is more comprehensive and to the purpose. The names of papers *Young India* and *Harijan* are not correctly used when giving extracts.

N. S. S.

## Miscellaneous.

### POSITION OF INDIANS IN MALAYA.

SPEECH BY MR. KUNZRU.

*At Kuala Lumpur Pandit Hirday Nath Kunzru delivered several speeches on the position of Indians in Malaya, of which we select the following for reproduction, which he made at the Town Hall on 9th January. Mr. Kunzru said:*

IT is an important question that we have met to consider this afternoon. Ostensibly the dispute between India and Malaya has broken out over the wages of the Indian labourer employed in

the rubber estates. The manner in which the Government of India has been treated is one which has been rightly resented both by the Government and the people of India. The Government of India which asked that the question of the reduction of the wages be postponed for some time, were treated with grave discourtesy and their requests turned down without the slightest consideration, but behind this question lie issues of vast importance. Before I deal with them however, I rather like to indicate in a general way what the position of the Indian community in Malaya is. I have already done so since I came to Malaya, but the question is so important that it will bear re-examination. We have first to recognise that the Indians here have come at the request of the Government themselves. When we ask the government to consider whether Indians can occupy a position of equality with the local inhabitants we should like to tell people who take up a hostile position that the Indians came here because they were found to be necessary for the economic development of this country. If that is so, if they have played at least as important a part in the development of this country as other people, whether indigenous or not, there is no reason why their position should be regarded as different from that of the other communities. I know that Indians are often referred to as emigrants to this country. Now, I suppose those who call Indians emigrants mean to suggest in no uncertain way that Indians are not permanently associated with the colonies and that they are more or less aliens here.

### INDIAN SETTLERS.

Whatever the proportion of Indians that have settled permanently in this country may be (and this has undoubtedly increased during the last 10 years), I think we have to consider what the position of Indians is in relation to the other communities. It is true that the Chinese have settled here to a greater extent than the Indians, but the difference is not so great as to make one draw an unfavourable comparison with the Indian community. In the second place it must be remembered that the population of Malaya consists particularly of immigrants. Where would Malaya be but for the emigrant population? Its present population is over four millions. What would it be if the emigrants were excluded? If the emigrants leave the country, I think Malaya would relapse into the vast jungle that it was. It is doubtful whether the exclusion of emigrants would do any great good to the people who are regarded as indigenous inhabitants of this country. If Indians are to be called emigrants then the other communities are equally so. Another factor of considerable importance to be borne in mind in this connection is that Indians are not seeking to assert their own rights at the expense of the members of other communities. It may be that they are seeking full citizenship rights, but that does not necessarily mean that they are injuring the interest of others. It is obvious that the Indian by his presence does not in any way interfere with the development of what I might call an indigenous community.

### FULL CITIZENSHIP.

For the same reason his claim to full citizenship, to equality with the other communities can in no way retard the progress of those people who were living here before Indians or the Chinese

came. The conditions here were such (as the history of the last 50 or 60 years would show) that the help of emigrant Indians was needed for the establishment of better conditions which made life happier for the original inhabitants of this land. What are these questions in respect of which Indians feel that they are not fairly treated? Now let me take first the question of Indian labourers, most of whom are working in the Federated Malaya States. While these people are contributing to the economic development of these States they have a moral right to expect that they would be regarded as being entitled to full equality with the other inhabitants of these States. If by their presence Indians are rendering services which the other people are unable to discharge, that fact alone entitles them to a great deal of consideration at the hands of the authorities. It is the British Government that said that this is a question which is entirely in the discretion of the rulers of the States who are unwilling to treat people whom they call outsiders on the same level as their own people.

#### BRITISH ATTITUDE.

I do not think that the answer given by the British Government can clearly dispose of the demand put forward by Indians. We have recognised that the States are not independent entities. They are under the political control of the British Government. They are expected to abide by the advice they receive from the representatives of the British authorities.

How would the British Government be justified in advising the States to treat the Indians living here in the Federated Malaya States as they have done in the past? In the second place, the British Government has carried on negotiations with India representing at once the people of India and the employers who are behind all the States. If the British Government have acted as the agents of the Malaya States in asking the Government of India to allow Indian labour to migrate to this country, I see nothing in their acting on behalf of the people of India in asking the Malaya States to confer full rights of citizenship on the labourers who wish to come to the F. M. S. If the Malaya States and India had been independent, they could have settled the matter between themselves, but as it stands, both of them have to seek the assistance of the British Government, and the British Government having lent its support to one party cannot justifiably refuse all cases put forward by the other party. Another question which vitally concerns the Indians relates to their position in the administration. It is not enough for Indians to come here and be able to earn fair wages or to have opportunities of developing their economic interests in other directions.

#### SELF-RESPECT.

I feel that if a country asks for labour from India there should be moral compulsion to allow Indians of a higher class also to come and make their influence felt in every sphere of life. As I said yesterday, while Indian labour is welcome everywhere Indians of a better class, Indians who have received good education and are independent-minded are not welcome visitors. We have to insist that if a colony invites Indians it should provide a fair outlet also for the activities of the other class of which I have just spoken, for that is the only way in which the self-respect of the Indian community can be maintained and

the reputation of India kept up. We cannot allow India to be regarded as a reservoir of labour. We have to see that Indians settled in colonies are a fair example of the population of the mother country. As I have already said it is not enough that Indians should be able to engage freely in trade and commerce or be able to acquire land. It is also necessary that they should be able to take part in the work of administration. Governmental work is, from the point of national status, quite as important as freedom in other spheres that I have spoken of. If Indians have not been taken into the higher service it must be remembered that members of the other communities have also been kept out of it. They are therefore on a footing of equality with them. They are not to be displeased as compared with the others. When I have spoken of the higher services, I have meant to claim equality with Britishers themselves. If we are members of the Empire it is absolutely necessary that those who control the affairs of the Empire and make us feel that we are good citizens of the Empire as they themselves are, should not make any difference between their own countrymen and ourselves in respect of the matters of vital importance that I have spoken of. If they do, they cannot expect India to be a contented part of the British Empire. Indians are entitled as citizens of the Empire to claim equal rights with the Britishers in every part of the Empire. Unfortunately, that is not the fact to-day but that does not prevent us from demanding the rights that are ours. In putting forward these demands, we are in no way seeking to depress the status of other communities. On the contrary, I personally feel that our efforts will be helpful to them in the long run and that they will find that the battle which Indians are waging is really their own.

#### EDUCATION PROBLEM.

So far I have dealt with two points of importance to Indians, namely "full rights of citizenship in the States and equality with the Britishers in every field including Government work." But another question which is no less important is that of education. I do not propose to go into detail on this question because you are familiar with it. I may say, however, that when I referred to education I referred to education in all its aspects. It is not enough that primary education alone should be provided for Indians. At the present time I understand that even that is not adequate to the needs of the Indian community, but even if it were otherwise we still have to see that higher institutions were provided which would enable Indians to receive secondary education. Opportunities in this respect are very limited at the present time. The fact is that many young men go without their education which they are eagerly seeking. Indians, however, feel that the departmental facilities provided by Government are not sufficient for their purposes, and that in various ways difficulties are placed in the way of education of their children. Some Indians tell me that they are morally convinced that whatever the position of the authorities might be, Indian children are being secretly discriminated against. If this charge is true the position is a very serious one. I still think that the matter is so important that the Government ought to take special steps to convince Indians that their children are given the same opportunities of benefiting by the educational opportunities in this country as children of the other communities.

#### TO AVOID FRICTION.

I think this is a matter which requires the immediate attention of the Government. If I may make a suggestion, if they take into consultation the true leaders of the Indian community, the men who represent public opinion here, I am certain that a great deal of the friction which exists at present would soon be a thing of the past.

When I have asked for the recognition of the just demands of the Indian community I have been told that Indians here, whether labourers or independent workers, are in a better position than they would have been had they remained in their own country. I personally think that this is entirely a wrong position. Indians are not the only people who have come to settle here or have come in search of better economic opportunities than were obtainable in their own countries. Members of other communities are in the same boat with them. Take the Britishers. Have they come here in order to spend their lives in the service of the Malaysians, or the other communities that inhabit this country? Have they come here as philanthropists to use their wealth and talent for the moral and material development of this land or have they come primarily in pursuit of their personal interests? Just as we in India feel that the progress of the country depends on the advancement of all the classes of the population, similarly, I venture to think that you should realise that the progress of your own community depends on the progress of the other communities. It is necessary therefore that you should realise the interests of your community and you should actively work to promote friendly relations with the members of other communities. There seems to me to be a tendency in some quarters to regard Indians in some way as entirely distinct from other people. This might have an unfortunate effect of making members of other communities feel that Indians, in putting forward their demands and in asking the Government of India to take up their claims, are somehow trying to injure their interests.

#### TRADE UNIONISM.

You are undoubtedly interested in the welfare of Indian labourers. You have agitated on their behalf and kept the people and the Government of India informed of those conditions which bear directly on their future progress. But I do think that it is not enough. I think you should take more constructive steps for the promotion of the interests of Indian labourers. Now in order to do so, in order to protect labour interests, organisations of labour have been found necessary. It is only when the labourers understand the value of co-operation and the employers understand the advantage of dealing with the organisations of labour that the aim that you have in view would be attained. Taking a long view of the matter it seems to me that it would be an advantage to all the parties I have mentioned, if you interest yourself actively in the organisation of labour and Governments provide proper facilities for the same. Some years ago the Secretary of State for the Colonies sent a despatch to the Colonial Government asking them, so far as I remember, to take steps to organise a sound trade union movement both in the interests of the workers and the employers. The commission appointed by the British Government which recently visited Trinidad and Tobago has also emphasised the importance of establishing labour organisations and having a Department of Government to look after them.

I have been told that there is nothing here to prevent the formation of a trade union, but so far as I remember the despatch which I have referred to, asked for the active encouragement of trade unions by the Governments concerned. So far as I know no steps have been taken by the Government here either to establish trade unions themselves or to encourage the people to do so. Indeed from all I have been told, it appears to me that the difficulty in the way of the establishment of these unions are serious. I really think that whatever might be said outwardly, neither the employer nor the Government at the present time is inclined to encourage the establishment of trade unions among the labourers. That certainly makes your task more difficult, but at the same time emphasises its importance. It only means that you will have to make sacrifices for the sake of these humble countrymen of yours. You owe a great moral debt to them which you can discharge only by coming forward now even at the sacrifice of personal interests to look after their welfare and establish an organisation which could unite them and make them more conscious of their rights than they are at present.

#### UNITY AMONG INDIANS.

The last point is unity among Indians themselves. Your community is small and is not in a position to make its influences felt in the same way as Indians can make their influences felt in India. You will be able to establish that position which you think you are entitled to, only in proportion as you can win the confidence and self-respect of other communities. The moral element is of the greatest importance. If Indians are disunited among themselves, if different associations speak with different voices or enable authorities to have a pretext for not consulting Indian interests or ignoring them, you are placed at a serious disadvantage in trying to have your claims recognised. If, however, you are prepared to subordinate your own individual interests to the interests of your community, if you make others feel that whatever internal difficulties there may be, you are one where the name of your country is concerned, I am sure that your national status will be enhanced and that your personal interests would be greatly advanced thereby.

It is our duty, therefore, to take every possible step to promote unity amongst ourselves and bring about such conditions as would enable us to win the respect of the Government and the other communities. You know that a delegation has recently sailed from this country to India in order to discuss the question of the wages of Indian labourers with the Indian authorities. Here too, I am sorry to say the question relating to Indian labourers has been discussed separately from that affecting other sections of the Indian community, but as the status of both these sections is inseparably inter-twined, I hope that the forthcoming discussions in Delhi will help to make clear that it will not be possible to arrive at a lasting settlement unless steps are taken to ensure the better recognition of the status of the Indian community.

#### MUST WIN RESPECT.

I have no doubt whatsoever that independent issues that arise from time to time can be repeatedly and amicably settled, but if the status of the Indian community is left in doubt, if demands

are made directly or indirectly to treat them as members of a subject race, I am afraid there will be greater difficulties ahead. The question is not one that concerns Malaya or the British Colonies alone but one which concerns the British Empire as a whole. I trust that what is happening in Malaya to-day will receive the serious consideration not merely of the Colonial Government but also of His Majesty's Government in the United Kingdom. For, on the settlement of the great issues that I have discussed this afternoon rests, I venture to think, the fate of the British Empire.

#### BOOKS RECEIVED.

- THE SOCIAL AND ECONOMIC ENVIRONMENT OF THE INDIAN CHRISTIAN POPULATION IN BOMBAY CITY. By JAMES KELLOCK. (Principal, Wilson College, Bombay.) 24cm. 78p.
- THE POSITION OF WOMEN IN INDIAN SOCIETY. By K. P. KAUL. (The Leader Press, Allahabad.) 1938. 24cm. 31p. As. 4.
- THE UNTOUCHABLE CLASSES OF THE JANJIRA STATE. By M. G. BHAGAT. (Author, School of Economics and Sociology, University of Bombay.) 1938. 24cm. 26p.
- ALL-INDIA MODERN HISTORY CONGRESS. First Session, Poona. Proceedings. Parts I to III. (General Secretary, A. I. M. H. Congress, Poona 2.) 21cm. 1938. Rs. 3.
- NONE SO BLIND. By PURSHOTTAM TRIKAMDAS. (Author, 111 Esplanade Road, Bombay.) 1937. 18cm. 49p.
- THE MACHINERY OF SOCIALIST PLANNING. By G. D. H. COLE. (Hogarth Press.) 1938. 18cm. 80p. 2/6.
- BOOKS AND THE PEOPLE. By MARGARET COLE. (Hogarth Press.) 1938. 18cm. 48p. 1/6.
- THE POLITICAL AND SOCIAL DOCTRINE OF COMMUNISM. By R. PALME DUTT. (Hogarth Press.) 18cm. 44p. 1/-.

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