

# The Servant of India

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## CONTENTS

	Page		Page
<b>ARTICLES :</b>			
Farewell	... 521	The Gonds. By Verrier Elwin	... 529
Viceregal Declaration	... 522	India's Exchange Policy. By Professor S. R. Bose	... 530
World Economy in Transition— By Principal D. G. Karve	... 524	Sugar Industry. By Professor S. G. Puranik	... 531
<b>REVIEWS :</b>			
Albert Thomas. By the Hon'ble Mr. V. V. Giri	... 526	Drainage and Sanitation. By R. S. Deshpande	... 532
Depressed Classes in Bombay. By P. G. Kanekar	... 527	Philosophy of Gandbi. By D. V. Kale	... 533
Prohibition in Madras. By Professor T. M. Joshi	... 528	Adult Education. By Mrs. M. C. Rao	... 533
		Conditions in Ceylon. By S. R. V.	... 533
		Short Notices	... 534
		Books Received	... 536
		Economic Planning in India. By N. G. Abhyankar	... 537

## FAREWELL

The Servants of India Society decided at its recent meeting to discontinue the publication of the SERVANT OF INDIA. Always being run at a loss, the paper has had to suffer increasing losses latterly, and war conditions, it is feared, will add considerably to them; and the Society does not feel justified in keeping up the paper any longer.

It has had an existence of a little less than twenty-one years and during this period of one generation it felt constrained to offer strong criticisms of certain policies and of those who advocated them. The criticisms may themselves have been right or wrong; but they were offered according to the best lights of those who happened to be in charge at the time, and in every case without malice. In closing the paper, we beg all those against whom adverse criticisms were directed to accept this assurance and forgive us.

We uniformly received generous help in the way of contributions and reviews from a large circle of friends. If the paper has been of any small service to the public, it is largely due to this help on their part, and to them we cannot be too grateful. To our readers and subscribers also we tender our heart-felt thanks.

May we remind our friends of the other English paper of the Society, the *Hitavada*, published in Nagpur, and request them to extend to that paper all the generous assistance that they have hitherto given to the SERVANT OF INDIA, so that the *Hitavada* may be enabled to render greater service than hitherto?

Good-bye!

## VICEREGAL DECLARATION

THE declaration made by the Viceroy on war aims and on how they will apply to India is by common consent unsatisfactory, and yet with a little sympathetic understanding of the position India has attained it could have been entirely satisfactory. The Viceroy has no doubt that India's good-will and moral support are engaged unhesitatingly on the side of the Allies in this war, and he values this moral support far more than the material support that India may find it possible to give. And it was with a view to removing any doubts in the public mind which may prevent a "full, generous and ready co-operation" on the part of the Indian people that the declaration was made, but the declaration itself is wholly inadequate for the purpose. The immediate step that it was necessary for the British Government to take was a step which would make India feel that she had not been dragged into the war at the heels of Great Britain; that she had entered it of her own free will, and not because of the constitutional theory that when Great Britain is at war every part of the Empire is equally at war; and that her own continued participation in the war and the measure of such participation would be determined by India herself, and not by the Government which purports to speak in her name. If India were still a Crown Colony the question would not have been raised, as it was not raised at the time of the last war. But she has outgrown that status of subordination and has in fact been recognised to have attained the position of a self-governing Dominion in external affairs. She now takes her stand on it and claims that she should be treated as a Dominion for the purposes of war.

How extremely galling it is to a self-respecting people to be compelled to join a war which is not of its own choice, in however good a cause, His Majesty's Government has known from what has happened in the Union of South Africa. The Union is a Dominion, master of its national destiny in external as well as internal affairs; but the theory is held that even the Dominions will be technically at war with a country on which Great Britain declares war, though the Dominions may choose to be passively belligerent and, if they decide upon an active policy of belligerency, the extent of their actual participation in war is a matter solely for their own decision. It was because of this theory that a section of South African politicians pressed for a declaration of neutrality in the present war. If they were guided by their national interests alone, even this section would have plumped for active participation. As Jan Hofmeyr said: "South Africa is a land of great resources with but a small body of men to defend its resources. South Africa has some of the Naboth's vineyards of the world. The

Witwatersrand (with its gold mines) is one of them. Here, within the Cape Peninsula, having regard to its strategic importance, is another. We have but a small body of men to defend these great resources with which we are endowed." South Africa depends to a large extent upon Britain for her security. She pays only a small amount for defence by land, only a certain amount for defence by air, and nothing at all for defence by sea; and thus, as a speaker said, she has had to pay little, "practically nothing, for defence." Again, if on account of sufficient help not being afforded to Great Britain, Germany comes out victorious in the war, she is sure to present a claim on South Africa for the return of South-West Africa at the point of the bayonet, and, owing to South-West Africa's strategical position, the loss of the Colony would put South Africa herself in great peril. Thus, from the narrowest view of South Africa's special interests, apart from the wider world issues raised by the war, whole-hearted co-operation in war effort was her obvious duty, and yet why did General Hertzog's party stand out for neutrality, although the alternative proposed was no more than this, that the Union's main contribution should consist of defence of her own frontiers and that she should not send a single man overseas for fighting Germany?

The reason was given by the Hon. Mr. Fagan, Minister of Native Affairs, in a very blunt fashion. He denied that it was a question of whether South Africa's sympathies lay on the side of Great Britain or Germany. Great Britain declared war against Germany in virtue of a pledge given by the former to Poland. South Africa was not a partner to this pledge; nor had Great Britain asked South Africa, before she went to war with Germany, whether South Africa would join. In such a situation South Africa must act as a free, independent country. But the theory that South Africa cannot stay out of a war into which Great Britain has entered but must be at least a passive belligerent knocks the bottom out of South Africa's sovereign independence. Mr. Fagan brought out the implications of the theory thus:

If one of the members of the Commonwealth is at war, we must also declare war on the country concerned. Such a proposition will mean that the position of South Africa as a member of that Commonwealth becomes untenable. If we do not reject that proposition to-day, there will no longer be any question of an independent position in the Commonwealth. Then it will mean that if one of the members off his own bat goes to war, it draws in all the others. Then it will simply be impossible for any free, independent country to be a member of such an association, and it is this very important principle which is at stake to-day.

It is perfectly clear that it was to assert this unfettered right to independent action that the Nationalist Party in the Union advocated a policy of neutrality, even at the cost of no

little detriment to national affairs, not to speak of the danger of encouraging indirectly the law of the jungle in Europe. One may say that this policy is wholly unreasonable, if not suicidal. So it is; but the moral that it has for the British statesmen is that, when once a people come to rule themselves, they so bitterly resent even the least restraint on their freedom, insubstantial and even largely imaginary though the restraint may be, that just to get rid of the restraint they are often impelled to sacrifice their own interests. How sensitive in such situation a resurgent India would be any politician with a streak of imagination can understand. She finds herself a belligerent country; her resources are being already used for war; the popular Governments in the provinces are shorn of a large part of their authority. And what does India ask for? Only this much, that, assuming that India is in the war by tacit, though not express, consent, let the British statesmen allow the representatives of the Indian people to determine or at least to have an effective share in determining India's war policy, that is to say, the measures to be taken in prosecuting the war. What does the Viceroy offer instead? A consultative committee, whose claim to be regarded as a representative body will be derived merely from the fact that the men to be hand-picked by the Viceroy — and perhaps different men for different occasions — will be drawn from panels chosen by the various parties. Its function will be purely advisory and its advice too will be sought only when the Viceroy deems fit to do so. We are not concerned to deny the possibility of making even such a body, open to serious objection in theory, function usefully in practice. But what the occasion called for was something of quite a different order, viz. something that would induce a feeling in the people at large that they are in the war by their own choice and that any help that is being given is not being given under compulsion or under the orders of an autocratic government but because their own leaders so desire. A change in the Central Government, temporary though it may be, would have best met the requirements of the situation, and such a change was advocated by some Anglo-Indian papers also. In any case, both the composition of the committee and the scope of its authority leave so much to be desired that it will utterly fail to produce the desired effect on the public mind.

As to the war aims which the British Government was invited to define, the Viceroy contents himself merely by referring the Indian people to Mr. Chamberlain's words: "We are not aiming only at victory, but looking beyond it to laying a foundation of a better international system which will mean that war is not to be the inevitable lot of each succeeding generation." Lord Halifax also has said: "In failing

to uphold the liberties of others we run great risks of betraying the principle of liberty itself, and with it our own freedom and independence." These are noble sentiments, but precision must be given to them and the scope of their practicable applicability clearly defined. As these statements stand, they would imply that the principle of collective security would be maintained in its integrity; that the obligation would be recognised to defend the weak against the strong, no matter against whom collective power would have to be organised; and, further, that in resisting aggression all international injustices would be redressed, no matter from whom sacrifices would be called for in such redressal of wrongs. But, in the absence of a clear and unequivocal statement as to the limits within which such knight-errantry on the part of Great Britain is contemplated, it would be idle to expect that these statements would convey any serious import to anyone. Did not Mr. Chamberlain himself say in the House of Commons on 13th September, while pleading that war aims would be elaborated in detail later, that "we looked forward, through the triumph of the principles for which we have taken up arms, to the release of the Czech people from foreign domination"? It is natural that Czech liberation should come into the mind of British statesmen immediately after restoration of Polish independence, but it is no part of the purpose for which Great Britain has entered war to free the Czechs. Nevertheless, Britons look forward to it, and so they must look still further into the future and be prepared to right wrongs, although the wrongs may not have been perpetrated by Germans. The winning of war depends in the last resort upon creating a feeling in those who are going to take part in it that the end of the war will see the world much better than it is. To put an end to Hitlerism is not a sufficiently powerful war-cry for the purpose. The present totalitarian war is so dreadful that no one would willingly take part in it who did not feel convinced that the peace that would come after it would be more fruitful, more just and therefore more permanent than the peace that came after the war of 1914-18. The distribution of the former German colonies by the Allied Powers at the end of the last war among themselves as mandates is a kind of proceeding that must hereafter be impossible, and it is now admitted that the security of the Allies, which was the excuse given for this distribution, would have been amply safeguarded if, for instance, Tanganyika had been handed over to Belgium and South-West Africa as a B mandate to Holland. More than this, Great Britain must declare her willingness to apply the principles of mandates to her own colonial possessions. Unless this is done, the seeds of international conflict will still be there, and who will take enthusiastic part in a war of which the outcome will be no better than that of the last war?

India does not advance any special claims for herself; all that she asks is that Britain should formulate war aims on right principles and apply them to her as to all other non-European countries. If this is done, there is no reason why India should not be placed on a footing of equality with all British Dominions at the close of the war. Instead, the Viceroy's declaration only reaffirms Dominion Status as the goal of constitutional development in India, which does not carry us any farther. The federal part of the Government of India Act will, if so desired, be reconsidered after the war is over, and in this reconsideration will also be included, it is pointed out, "the plan destined to give effect to the assurances given by the late Secretary of State." From this it is concluded by some that, in fashioning the new constitution, Dominion Status will be kept steadily in view and an attempt will be made to embody it as far as possible in statute. If this is intended, the intention is expressed in such circumlocutory language that it cannot satisfy any section of opinion. The *Leader* has put the attitude of the Indian Liberals very succinctly: Dominion Status "could immediately be given to India in all inter-imperial relations, while a temporary reservation for a period defined by statute could be made in regard to a very few matters in respect of which Britain's past policy does not enable India today to function fully as a Dominion." Not only is no period of time mentioned in the declaration as to when India will attain Dominion Status, but every attempt is made to capitalise internal cleavages between the communities. So much stress is laid upon this point that one cannot but suspect that the British Government is determined to utilise these jealousies for all their worth in

keeping India out of her own as long as possible. While on the political issue the Viceregal declaration is disappointing, on the military question it is wholly silent, and to this question it should have addressed itself first of all. Every section of opinion, excepting perhaps the Congress, gave it pride of place in its demands, but the Viceroy has completely ignored it. The *Leader* has echoed the general sentiments in this matter. It says:

To our mind the paramount, immediate issue brought to the forefront by the war is the speedier nationalisation of the army including recruitment from all areas and all communities and increased facilities for the training of Indians as officers. On the present basis of recruitment and the pace of Indianization of the officer ranks, it is impossible for India to pull her full weight in the war... For as long as recruitment is limited mostly to two provinces and for as long as Indianization of the officer ranks remains a farce as it emphatically is at present, India's support will in effect be less than what it can be and should be. For this the responsibility lies heavy on the British Government for their continued anti-Indian military policy.

Even in this limited sphere there is no sign of change, and without this change it is obvious, assuming that the psychological conditions were as satisfactory as they are unsatisfactory, maximum help on the part of India will not be possible. If, when Britain herself is in mortal jeopardy, she will not recognise India's freedom so as to evoke Indians' whole-hearted support in this life and death struggle, it is difficult to see what will make her do so. She is only bringing upon herself internal political crises in India, which will give rise to widespread discontent. The effects of this discontent, unless it is checked in time by a wise policy of trustfulness, no one can contemplate with equanimity. It is to be hoped that this unfortunate result will yet be averted.

## WORLD ECONOMY IN TRANSITION

THE disturbed condition of world economics and politics speaks of a lack of internal equilibrium which is too pronounced to be overlooked. According to a recent publication issued by the Council of Foreign Relations, New York,\* this deplorable state is due to a conflict between technological advance and political inertia. The means of transport and communication have reduced the economic significance of distance. Before the advent of the industrial era the maximum speed of traffic hardly exceeded ten miles per hour. During the steam age the speed increased to fifty, and in the present age of electricity and high power motors a commercial speed of over 200 miles per hour has already been attained, with almost limitless possibilities of further improvement.

The significance of this change for the world's economy consists in the fact that both for supply

of raw material as also for the marketing of finished products the whole world tends to be one unit. It is difficult to manufacture even the most commonplace articles, which are in daily use of civilised men, without combining resources from almost all quarters of the globe. If the movement of resources is not hampered by political or any other non-economic factors, the sum total of the world's wealth will go on increasing at the highest possible rate. In view of the low standards of living that obtain for a large portion of humanity such a possibility of producing the maximum means should not be sacrificed in any intelligent ordering of human affairs.

The political relations, however, between the several countries of the world are based on notions of absolute sovereignty. In virtue of this claim and for the furtherance of what each State construes to be its own economic and political interests, a number of barriers are raised in the path of free and

\* WORLD ECONOMY IN TRANSITION. By Eugene Staley. (Council of Foreign Relations, New York.)

efficient utilisation of the world's resources. If the standards of life are to improve all round, the economic significance of political barriers has to be considerably reduced. In fact, the present national State, based for the most part on non-economic considerations, has to be superseded by some inter-national, or supra-national, regulation of affairs that will make it possible for the full advantages of a world economy to be realised.

While technological and economic factors emphasise the need for a relaxation of political barriers, the actual tendency of governments is to make them more and more rigid. This is due partly to the eagerness of the 'aggrieved' nations to correct wrongs done to them, and partly to the sheer aggressiveness of some States. If there is an inter-national association, formed in the first instance, by nations who have realised the need of a super-State, which can ensure redress of national wrongs and control of the use of force on the part of aggressors, the nations will have no occasion to raise artificial barriers to the free exchange of economic resources. It is power politics that is the enemy of welfare economics.

The author of the book, Prof. Staley, suggests that the United States should cast off the isolationist traditions of the Monroe Doctrine, which is entirely irrelevant to the new technological age, and should take a lead in organising international peace and progress. As soon as defence ceases to be a national concern the co-ordination of economic activities all over the world becomes feasible on a purely regional basis. Such a world organisation must have a dual policy, that of economic co-operation among nations and of restraint of the use of force. Taking the present organisation of States, it will not be a sound proposition to move populations from one State to another, as this would depress the standards in the better-off country. The problem of international economic inequality can only be solved by a free movement of trade and by the establishment of free trading opportunities in colonies. The political control of colonies should be vested in a world organisation designed to secure peace and economic co-operation.

The internationalisation of economic and political life, according to Prof. Staley, will be nowhere more potent than in making world planning possible. Centralised world planning is, of course, out of the question. It would be too early just yet to think of it. But international monetary and commodity control, which has already been initiated, is capable of considerable expansion. To maintain stable levels of employment and to counteract any tendencies towards fluctuations should be the aims of economic regulation. A direct promotion of developmental schemes, supervision of international monopolies and even economic legislation in certain respects should be undertaken by the new universal organisation.

Even though the author is aware of the futilities of conferences in the past, he suggests, if only to

produce a dramatic effect, the convening of a new world economic conference. This body, with the necessary political backing, is intended to be a permanent organization like the L.L.O. The economic importance of the U.S.A., it is argued, is sufficiently great to ensure the success of such a plan if that country takes the lead. Prof. Staley hopes to carry conviction to his countrymen as to their mission as the builders of a new world order in politics which alone can produce the maximum economic progress that modern technology has rendered possible.

Nobody can doubt either the validity of the contrast that Prof. Staley traces between technological possibilities and actual realisation, or the good intentions with which the establishment of a world organisation is being suggested. All the same, it must be stated in clear terms that such writings, whether they come from 19th century British Free Traders or from their 20th century counterparts, are essentially misleading and cause more harm than good. To judge of the validity of the claims of nations in terms of technology is entirely to misunderstand nationhood and economics. Among the several advantages that flow from organised human life an accumulation of material means is an important one. But there are other advantages, of at least equal importance, that human beings instinctively expect from society. The collective endeavour to realise a desirable mode of life gives people a consciousness of moral integrity and emotional uplifting which is the best possession of civilised man. In such an endeavour economic improvement has a place, both as means and end. But economic progress can be weighed only as one of the constituents of a successful communal life.

The endeavour of societies to attain a desirable state of life can in the nature of things be organised only on a national basis. To call nationhood a mere vestige of a past civilisation is entirely to misread the course of history. Nationhood, far from being a handicap on economic or social progress, is the very condition of attaining the same. It has been conclusively proved, both by argument and historical experience, that a so-called free international exchange is a mere exploitation of the weak and the backward. Even States like U.S.A., England or France, cannot be trusted with the legitimate interests of other groups and nationalities. For the very reasons for which Prof. Staley objects to an immigration of non-Americans into U.S.A., and to a transfer of colonies from their present possessors to their erstwhile masters, nationhood must be considered to be a natural and beneficent fact.

As cultural assimilation takes place, the ground is prepared for closer economic contact. Given a recognition of an identity of interests, a widening of the limits of political organisation becomes possible. In fact, in the past there has been a continuous expansion of the boundaries of the

State. As Prof. Staley traces in imperialism an urge towards a widening of the limits of exchange, so in the oft-condemned aggressiveness of States there is an expression of both an economic and political necessity. With all the appeals now being tendered to U.S.A., and to other countries of the 'Haves' group, no action which entails an immediate sacrifice is likely to be taken by them except as a response to necessity. It is the purpose of a living and healthy nationalism to create occasions where the necessity of co-operation instead of domination is brought home to the nations who have attained their full growth.

Development of the limits of the State is not only possible, but almost imminent. But the day for any general supersession of the national State by a world organisation is fortunately not yet. We say fortunately with a deliberate purpose. Any premature attempt at an internationalisation either of economic or political life has always resulted in attempts to maintain the *status quo*. From the standpoint of industrially backward and politically dependent countries this would amount to a disaster. The attempt of each group of people to seek the fullest possible self-expression is a natural right that no amount of mechanistic or arithmetical calculation of the total economic productivity of the world-State can take away from them. What we are interested in is not the total productivity and average world progress. Each country is quite naturally interested in its own cultural betterment, of which political and economic progress are two aspects.

Those who, like the Council of Foreign Relations, are interested in the cause of peaceful progress will do well to spend more thought on devising means whereby backward and dependent peoples can attain enough progress to share in the common task of human civilisation. Not by denouncing the principle of nationalism, but by facilitating the attainment of nationhood by all, will the cause of peace be properly served. Nationalism is a natural need; it cannot be criticised out of existence. The even distribution of cultural and economic advantages may tend to broaden the basis of the State. We can, however, proceed only on the assumption of the need and justification of the nation-State for our own times. This being given, all the suggestions made by the author only appear as counsels of perfection, which have been tried in the past and have been found wanting.

The author has echoed the prevailing cry that if the national State is allowed to remain as a sovereign entity the world will slide back into the dark ages. Frankly, though some of the most popular authors and statesmen have lent the weight of their authority to such a declaration, this view is utterly baseless. All that modern science, art and industry stand for has been too widespread to be swamped by a political upheaval. In fact, as Russian experience shows, any social upheaval in

these days is bound to have a very strong counterpart in the spheres of industry, art and science.

All persons interested in a peaceful solution of the real difficulties of the world will wish that the appeal made by Prof. Staley to U.S.A. and allied countries will be responded to by them in the proper spirit. The present is an hour of trial for everybody, but most of all for countries like U.S.A. and England. If they back their professions by suitable action, all the undesirable elements in unchecked nationalism can be removed without doing harm either to justice or to progress. Short-sightedness has not been the special drawback of military States alone. If the appeals of President Wilson had met with proper response from his countrymen, Prof. Staley would not have been required to write a book like the present one. Let us hope that the lessons of the last generation are not wasted upon the present one.

The part of Prof. Staley's work, which deals with the respective merit of planned, free and mixed economics is very illuminating and it merits careful reading by all students of economic organisation. As he observes, there is no fully planned State, nor a fully unplanned one. The extent of private enterprise and the limits of the social and industrial functions of government vary from State to State. If competitive *laissez faire* is combined with planning in the interest of society as a whole, a proper mixture of the best elements in both economics will be secured. It is probable that future economic evolution will tend in this direction. The suggestions for internal and international organisation of a regime of mixed economy contained in Prof. Staley's work are most interesting. In view of the interest evinced in India regarding the prospects of a planned economy, Prof. Staley's work can be recommended for reading by all economists and reformers.

D. G. KARVE.

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## Reviews

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### ALBERT THOMAS

**YES AND ALBERT THOMAS.** By E. J. PHELAN. (The Cresset Press, London.) 1936. 22cm. 270p. 10/6.

THIS book is an intimate study of the late Albert Thomas, of the International Labour Office. By virtue of his close association, Mr. Phelan is eminently qualified to undertake the task of faithfully narrating the main incidents connected with the life and work of Thomas as the first Director of the International Labour Office.

The author describes how Thomas came to be elected unexpectedly as the Director by a narrow vote and the intrigues of the British Government against his candidature and the counter manoeuvres of the workers group of the Governing Body of the I. L. O. and how, after his election, he stamped that great organisation with the powerful impress of his personality.



The difficulties which were faced in organising the International Labour Office out of the incongruous elements constituting the personnel trained in different methods of work are graphically mentioned. To have made that office what it is to-day was the greatest achievement of Albert Thomas.

The book is replete with personal anecdotes illustrating Thomas's methods of work and approach of the problems facing the I. L. O. The tussle he had in establishing the headquarters of the I. L. O. at Geneva when the Supreme Council was considering Brussels as the better venue for the League of Nations and its associated bodies; the personal and successful advocacy of the case by Thomas regarding the jurisdiction of the I. L. O. over questions affecting agriculture before the Hague Court of International Justice in spite of opposition of Governments; the financial difficulties that beset the organisation; the hostile attitude of the British delegation especially at Geneva Conference towards Thomas increased by his want of mastery of the English language; his interpretation of Versailles Treaty and efforts to secure for the Trade Union movement a recognised place in society not only for bettering conditions of labour but also for securing social justice as the basis of international peace; his cordial relations with Governments, the Employers and Workers groups of the I. L. O., and his anxiety to secure special privileges for the Organization are all narrated in a highly interesting manner.

The later chapters deal with his tour in the U. S. A. and the Far East and slanders by the hostile European Press about his alleged speeches in China. There is a touching description of the last magnificent speech made by him before the I. L. O. Conference and the sudden end of one of the most remarkable personalities of this age.

The book is a very useful and instructive study of the I. L. O. as embodied in the work of its first Director and is not written merely to extol his services but to assess them at their proper value at a very critical period in the history of the Organisation. Every Library worth the name and every institution interested in the I. L. O. should possess a copy of this volume.

V. V. GIRI

## DEPRESSED CLASSES IN BOMBAY

**UNTOUCHABLE WORKERS OF BOMBAY CITY.** By G. R. PRADHAN. (Karnatak Publishing House, Bombay.) 1938. 19cm. 170p. Rs. 2-8-0.

THE thesis submitted by the author to the University of Bombay for the degree of Doctor of Philosophy in Arts has been thus published in book form. The information which the author succeeded in collecting for his thesis is detailed and varied, and bears testimony to his patience and the immense labour he devoted to the task. It is not easy to gather information about their economic and social conditions from the class of people he had to approach. Dr. Ambedkar, who has written a foreword for this book and who is eminently fitted to pass a judgment on a treatise dealing with the conditions of life of the untouchables in Bombay, says that the data collected by Dr. Pradhan is certainly valuable, and sees no reason to suppose that the cases studied by

the author are not typical. That the investigation of this sort, which is not a regular census but the study of a few cases in each category can be valuable as a basis for drawing general conclusions only if the cases studied are typical, goes without saying. According to the census of 1931, the population of untouchables in the city of Bombay is 1,04,977 (61,564 males and 43,413 females). Dr. Pradhan collected 985 and 634 schedules duly filled in from the Marathi and the Gujarati speaking depressed classes respectively. He had to collect this information by going from door to door of the families belonging to different groups, and this took him nearly three years.

The following are the heads of the chapters:— Housing, Marriage, Family, Fertility, Employment, Earnings, Food, Clothing, Education, Diseases and Cures, Vital Statistics, Vice, Expenses on Religious Ceremonies and Indebtedness. In addition to these there are appendices on Some Family Studies, Marriage Ceremonies, Folk-Songs and Surnames. Dr. Pradhan has arrived at the conclusion that "the untouchable classes are really depressed in every way. They are on the lowest rung of the ladder in all aspects of life as a result of more than one cause." The untouchable workers are worse off than other workers and their economic position is rendered still more difficult by heavier indebtedness. The chapter on Housing contains a graphic description of the bad housing conditions of the untouchables in Bombay. It is, in fact, an indictment of the housing policy of the Bombay Municipality. Bad housing is mainly responsible for the present appalling child mortality among the untouchables. The chapter on Vice shows how social degradation and unabashed vice go hand in hand. The lowest class of prostitutes in Bombay mostly consists of women from the untouchable castes. Dr. Pradhan describes their ways of life and those who are interested in the problem of prostitution will find some interesting information in this chapter. As regards intoxicants, Dr. Pradhan found that the percentage of those who were addicted to intoxicants was 63.4 among the Marathi speaking and 38.9 among the Gujarati speaking families. Now intoxicants will not be available in the city and suburbs of Bombay. Let us hope the addicts do not find substitutes for liquor. "Some Mangs told me," Dr. Pradhan says, "that they took 'denatured spirit' because for four or five annas they got a bottle containing about 28 oz. of spirit." The chapter on Expenses on Religious Ceremonies shows that these expenses are not inconsiderable in view of the meagre incomes of the untouchable families. The chapter on Indebtedness provides dismal reading. The total amount of debts of 532 families was found to be no less than Rs. 1,61,586, or Rs. 303.7 per family on an average, the rates of interest ranging between 183% and 300%! The co-operative movement has not been able to do much for these classes. The main reason for this failure seems to be that these classes are too much burdened with debts and therefore are practically beyond redemption. The problem of indebtedness of these classes must be attacked from all sides, if it is to be solved at all.

Having considered the socio-economic conditions of the Depressed Classes, the author comes to the conclusion that "The problem of untouchability is four-fold. First, there is the immediate need of removing the disabilities that actually

hamper the development of the individual by acting as hindrance in the way of better and cleaner living. Second, to enable these classes to appreciate a cleaner and more moral mode of life. Third, to accustom the members of other sections to a freer social intercourse with these people. And, lastly, to undermine and eradicate the exclusive spirit of caste." This conclusion has been adopted by Mr. Pradhan from Dr. G. S. Ghurye's article in *Aryan Path* on "Untouchable Classes and their Assimilation in the Hindu Society." If untouchability is to be removed—and untouchability, leading, as it does, to segregation, is mainly responsible for the degradation of these unfortunate classes—the last part of the conclusion, namely, the eradication of the exclusive spirit of caste, must be considered the most important. That way lies the salvation of the depressed classes and the salvation of the Hindu society.

P. G. KANEKAR

## PROHIBITION IN MADRAS

THE ECONOMIC RESULTS OF PROHIBITION IN THE SALEM DISTRICT. By P. J. THOMAS. (Madras University.) 1939. 41 p. Re. 1

THIS survey of the economic results of prohibition was undertaken by the University of Madras at the instance of the Government. It was carried out by Professor Thomas with the help of six investigators. It is based upon the study of family budgets selected by random sampling. Prof. Thomas is fully alive to the difficulties of such a study. He knows that, in assessing the effects of a policy like prohibition, the time element has to be allowed for; that immediate reactions may be different from long-period results; that the influences of other factors cannot be adequately segregated. Considering these difficulties, the report is a positive achievement.

The effects of prohibition are studied under the following heads: 1. physiological and psychological reactions; 2. effects on efficiency and income; 3. changes in consumption and standard of living; 4. expansion of trade; 5. effect on employment; and 6. moral and social effects. This order of classification is not entirely satisfactory. We believe, for instance, that the effects on consumption should come first, while those on efficiency and employment should logically follow. Again, the physiological and psychological reactions can well be included in the study of efficiency, since they belong to the same category. The fact that the two have been separately treated has resulted in needless repetitions. Thus, speaking about the former, Dr. Thomas says: "... among factory labourers, there has been a positive improvement in physical efficiency." Again, writing about efficiency, he observes, "Efficiency of labor has increased among factory labourers, according to all indications. ... The most notable results in this direction are among the workers of Rajendra Mills." Such repetitions are also met with when the effects on trade and employment are examined. The fact is that almost all the effects—immediate and ultimate—of prohibition can be studied under three categories, viz. transfer of consumption, efficiency, and employment. These three will have to be subdivided into numerous minor ones, as suggested by us in an article in this paper some six months ago.

Let us, however, follow up Dr. Thomas' conclusions. As regards the physiological and psychological reactions, he says that they were unfavourable in the beginning, but the workers soon got over them, and ultimately, their efficiency improved. However, though efficiency has improved, working-class incomes have not increased invariably. As a matter of fact it is recorded that in the case of municipal labourers, stone-workers, and handloom-weavers, incomes have actually fallen from 2 to 28 per cent. This fact is not fully explained. It is dismissed by saying that it is "largely by the influence of extraneous factors." We would have liked to have more light on the matter.

Then follows a study of the change in consumption based upon a comparison of pre-prohibition expenditure with the post-prohibition expenditure in the case of different types of workers. We do not know how Dr. Thomas has been able to give the pre-prohibition expenditure in such great detail, for he has admitted at the outset that no pre-prohibition survey was taken. It appears that the expenditure on drink accounted for about 30 per cent. of income before prohibition; and that after prohibition it was diverted chiefly to food (especially milk, curds, ghee, vegetables, tea and coffee); to recreation; and to debt clearance and saving. The use of injurious drugs increased for a time, but it soon went down. Prof. Thomas has well brought out the economic value of this shift of consumption. Feldman's well-known words are quoted, to the following effect: "While drink ended in drink, buying something else awakens desires for other things and sends out ripples of purchasing power over a large number of industries. ... Satisfactions found in liquor began and ended in the saloon; often, they stultified the desire for other things. They took people out of the ranks of consumers in general and confined their demand to a specialised deceptive satisfaction which only led them further and further away from their wants".

After this, it is argued that the long-period effects of prohibition on trade and employment are likely to be favourable. In regard to the latter, Prof. Thomas rightly observes: "The increase of purchases by the working men will create a progressive increase in the demand for articles of common consumption and thus give employment to more persons than were employed in the liquor trade." And, again: "The cumulative nature of the wants which a redirection of expenditure will produce could be analysed mathematically with the help of a suitable Multiplier, as has been done by J. M. Keynes and R. F. Kahn in the case of public works expenditure." We are glad that Dr. Thomas has not made the attempt to deduce the Multiplier. For, any one who makes that attempt is sure to come to grief. It must be remembered that, owing to its quantitative indeterminateness, the Multiplier has practically no value as an instrument of analysis.

Prof. Thomas then proceeds to indicate some of the favourable effects of prohibition on family and social life. At the conclusion, he asks whether the effects are likely to be lasting or not. In this connexion he points out that the ultimate remedy for the drink evil lies in a desire for better living and in the cultivation of better tastes—*aesthetic* and *intellectual*. This, however, depends upon increased income, which "requires a persistent drive in various directions for the economic uplift of the masses."



Let us grant all this. Let us concede that prohibition has, upto now, had favourable effects on consumption and efficiency. But this, by itself, does not constitute justification for that policy from the financial point of view. The real question is, could not the money spent on prohibition be utilised in alternative directions for solving more urgent problems? For instance, are not mass education and reduction of land revenue more worthy ends? The finest problem of practical public finance is to determine the relative worths of these different forces of state activity. To those who believe that prohibition involves heavy sacrifices of alternative utilities, reports like the present one will not provide a full answer.

T. M. JOSHI

### THE GONDS

THE MARIA GONDS OF BASTAR. By W. V. GRIGSON. (Oxford University Press.) 1938. 22cm 350p. 30/-

THIS book is a notable example of what can be done when science is applied to the administration of a primitive people. For, in spite of the curious and rather puerile attitude of those who damn all anthropologists as wishing to keep the primitive races of India 'uncivilised' and 'in a state of barbarism' as raw material for their science and 'in order to add to their blessed stock of scientific knowledge' (phrases actually used in the Legislative Assembly), anthropology has a very practical value to all those charged with the administration of aboriginal peoples. The distrust of anthropology in India is largely due, I think, to the fact that this science has appeared here mainly as a collection of museum specimens. Whether it be Enthoven circularising Primary School-masters for information or Russell enlisting the aid of Boiler Inspectors and Naib-Tehsildars, the results were a wonderful collection of weird, amusing and shocking facts which were hardly to the credit of India and threw small light on her essential culture.

Far different is the method of the modern anthropologist who has come under the influence of the Functional School founded by Malinowski. His aim is to see the life of the people he studies as a whole, to relate together all its different parts, to achieve a synthesis of its culture. He is not much interested in curious and scandalous phenomena: for him, the normal is the significant. Furthermore, and this is a point of great importance, he has abolished the distinction between primitive and civilised: a culture is equally interesting at any stage of its development. He has, therefore, no temptation to keep a tribe in a state of barbarism as material for his science; a tribe emerging from barbarism often presents more interesting and significant features. It may further be noted that, far from being agents of Imperialism, most modern anthropologists are distinctly left-wing in politics.

Mr. Grigson's brilliant monograph is a model of this new method. But its chief importance is for the practical politician and administrator. For India to-day is faced with one of the hardest problems of civilisation, how to bring aboriginal peoples out of their primitive condition without at the same time debasing their character and destroying their institutions. Australia, Africa, North America have afforded melancholy examples of what can happen when primitive folk fall into the hands of politicians in a hurry. In its disin-

tegrating effect upon a people, the State that exploits aboriginal labour is not actually worse than that which rushes ahead with schemes of universal betterment that are not based on science. In Mr. Symington's recent report on the Bhils, for example, there is much that is admirable; but I do not find the idea that the Bhils have a life and culture of their own, which is quite possibly better (at least for them) than that of their more sophisticated neighbours, and that if this is broken up—and many of the recommendations of the Report are bound to break it up—all the evidence we have suggests that the tribe will decay.

The history of the Marias of Bastar affords both a warning and an example to the rest of India. In the early years we had all the worst features of an ignorant and unsympathetic treatment of aboriginals. "A land free from rules and regulations and a race that had no use for copper coin did not square with that passion for uniformity that characterised the Victorian rulers of India and still marks the framers of constitutions for the India of to-day". So from Glasfurd onwards, continues Mr. Grigson, "Political Agents, Commissioners and Chief Commissioners sought to modernise the economics and the administration of this lovely and still lonely land." An alien police was introduced. Bania and Rohilla tradesmen followed. Then came "low-paid subordinate officials lent to the State who regarded service in a native State only as a means to the rapid acquisition of wealth." The aliens were given old-established aboriginal villages over the heads of the traditional village headmen. The evil of *begar*, or forced labour, was as great in Bastar then as it is in the aboriginal tracts of the Central Provinces to-day. The newly-cleared roads seemed to run through wildernesses, for the villagers fled from such villages as lay along the lines of communication.

The introduction of the Penal, Criminal Procedure and Civil Procedure Codes and the Evidence Act of British India caused further confusion; Mr. Grigson considers them too advanced for aboriginals even to-day. He well describes the effect on the primitive mind of the "troubles of a long investigation by corrupt police, followed by a cumbersome magisterial enquiry and perhaps then the protracted agony of a sessions trial, with the farcical addition of assessors chosen from a few obsequious immigrants with no knowledge of aboriginal life or psychology." A new excise policy had equally unhappy results. But the most unpopular innovations—and we have come now to the present century—were the opening of primary schools, the masters being assisted by attendance peons who bullied the ryots into sending their children to school, and the reservation of large areas of state forests. Similarly, in the Central Provinces to-day, not a little of the unpopularity of education is due to the practice of primary school-masters taking money or cattle before they will give the boys their coveted certificates.

Of recent years, it is good to know, much of the harm done has been repaired. It has been repaired—it is important to note—largely as a result of the application of science to administration. The old tribal panchayat organisation has been revived, and its jurisdiction in civil and all but serious criminal offences has been restored. The excise system has been overhauled with the result that drunkenness has greatly decreased. The alienation of aboriginal land has been checked. The post of village headman has been made one of honour and responsi-

bility. Forced labour has been greatly reduced. Bond-service has been abolished.

For many of these things, Mr. Grigson himself has been responsible. Since the publication of his book the process of turning Bastar into an aboriginals' paradise has continued. I wish there were some facilities for promoting immigration into Bastar from the forlorn and decaying aboriginal districts of the C. P.

Mr. Grigson's book, notable not only for its deep humanity, passion for justice and devotion to the aboriginal, but also for a lucid and flexible style, and many delightful illustrations, should be in every District Office throughout India. Even those who have never heard of the Marias will have much to learn from a book which is dedicated to the knowledge and service of Man.

VERRIER ELWIN

## INDIA'S EXCHANGE POLICY

**THE INDIAN MONETARY POLICY.** By B. P. ADARKAR. (Kitabistan, Allahabad.) 1939. 22cm. 112p. Rs. 2-4-0.

IN this small book with an exceedingly nice get-up, Prof. Adarkar examines the exchange and monetary policy followed by the Government of India since the post-war restoration of the gold standard in 1926. He criticises particularly the sterling standard which was forced upon India by the financial pandits of Simla and Whitehall. The author draws upon statistics copiously to illustrate and support his conclusions. Starting with an examination of the contention of the Government that the time is not yet ripe for the re-opening of the ratio question, because of the instability of the international situation, he points out, firstly, that it is precisely because fundamental monetary disturbances have taken place all over the world, that an examination of the Indian currency question has become pressing; secondly, that international conditions have been exceptionally stable since 1936. The next argument in support of the Government position, that prices in India have already adjusted themselves to the 18d. ratio, is met by the retort that even if this is so, the adjustment has been effected at a frightful cost. It has forced deflation on the country, reduced her favourable balance of trade in merchandise from Rs. 119 crores in 1925-26 to Rs. 35 crores in 1926-27 and prevented Indian prices from rising and profiting by the mild boom of 1924-25. The author, however, is not prepared to admit that prices and costs had adjusted themselves to the 18d. rupee by 1930 when the world depression began; and the maladjustment, if anything, became even more pronounced after 1930. Mr. Adarkar further challenges the fundamental basis of the position taken up by the Government that prices and costs sooner or later adjust themselves to the exchange rate, by pointing out that in the opinion of competent monetary theorists, price stability being more important than exchange stability, the rate of exchange should be adjusted to the price level rather than the reverse, which has been done in India. The contention that a lowering of the rate will adversely affect the finances of the Government of India, in so far as it has to pay the Home Charges which are fixed in sterling, is met by the author with the statement that the Government of India in order to save a couple of crores of

rupees in the payment of Home Charges, have brought about (a) ruthless retrenchment and reduction of incomes and of welfare expenditure, (b) widespread unemployment, (c) shrinking provincial budgets and cumulative deficits, (d) industrial and agricultural losses and growing rural indebtedness, (e) general bankruptcy of the railways, port trusts and co-operative societies, and (f) growing poverty and destitution throughout the land. In brief, while the people were suffering, the Government have rolled in wealth. The fear that devaluation would raise the cost of living and lower the standard of life of the rural population, is found on examination to be groundless inasmuch as the cultivator's costs in interest, rent, irrigation charges, etc., are rigid; and therefore with a rise in prices his profit margin will increase. The rural population consumes little of imported goods, the prices of which are likely to be raised by devaluation.

Regarding gold exports, the author is of opinion that the high exchange rate increased the willingness of rural hoarders to part with their gold by creating distress among them, while the departure of sterling from gold in 1931 brought about the export of India's gold by putting a premium on the value of gold exported. He is not in favour of an embargo on gold exports as it would reduce the rupee price of gold received by the distress sellers. The author's indictment of the Government is based not on their allowing the exports of gold to take place, but on their not adopting expansionist measures, such as reflation by devaluation, safeguarding of industries and a public works programme. Devaluation of the rupee, though it is likely to increase gold exports, is to be welcomed on the ground that gold exports will convert dead assets into durable reproductive capital and will correct the balance of indebtedness. The author winds up his examination of the currency policy of the Government with the conclusion that the Government must now revise its monetary policy either in the direction of delinking the rupee from sterling or in that of devaluation in order to safeguard our foreign trade, correct our balance of indebtedness and take the load off our structures of production and prices with a view to greater employment and greater national income.

Some of the figures quoted by Mr. Adarkar in support of his argument are vitiated by not taking into account changes in the price level. The comparability of his figures would have improved if he had introduced a correcting factor. Thus, though the exports of Japan increased by about 100 p. c. in value during 1932-35, the quantum of exports increased by only 50 p. c. Again, when comparing the monthly balance of trade of India (pp. 103-4) during the three years 1936-38, he does not correct the 1936 figures in the light of the fact that Burma then formed a part of India, though in subsequent years she did not. If he had made allowance for this, the average monthly balance of trade during the eight months (April-November) of 1936 would have been Rs. 2,94 lakhs instead of Rs. 5,14 lakhs, as made out by the author. Judged by the 1936 and 1937 price level, the rupee appears to be undervalued in relation to sterling to the extent of about 20 p. c.; yet, curiously enough, the author persists in maintaining (pp. 47 and 16) that this is an instance of over-valuation of the rupee. A few instances of printing mistakes are to be found on pages 4, 24 and 91. A sentence like "There is always a negative correlation between exchange manipula-

tion and prices" does not express the meaning of the author quite clearly.

The recent outbreak of the European war has changed the whole situation. The sterling has been pegged at 4.02 dollars, which means that sterling (and along with it the rupee) has undergone a further depreciation of 15 p. c. Restrictions have been placed by the Government of India on the exports and imports of gold. The whole of the gold in the Issue Department of the Bank of England has been transferred to the Exchange Equalisation Account, and the fiduciary note issue in Britain now stands at £580 millions. Whether the rupee will continue to dance to the tune of the sterling or will break away from it, it is yet too early to say.

S. R. BOSE

### SUGAR INDUSTRY

**THE INDIAN SUGAR INDUSTRY, 1937, ANNUAL.** 1937. 24cm. 152p. Rs. 2-12-0.

**THE INDIAN SUGAR INDUSTRY (PROTECTION) SUPPLEMENT, 1939.** 1937. 24cm. 36p. As. 8.

Both By M. P. GANDHI. (Author, 14/9, Old China Bazar Street, Calcutta.)

**A PLEA FOR RESEARCH FOR THE HEALTHY DEVELOPMENT OF INDIAN SUGAR INDUSTRY.** By CHANDRA PRAKASH GUPTA. (Association for the Development of Swadeshi Industries, Chandani Chowk, Delhi.) 18cm. 85p.

**PROSPECTS OF THE CANE SUGAR INDUSTRY IN BENGAL.** By RAMANI RANJAN CHOWDHURY. (The Economic Supply Agency, Post Box 11437, Calcutta) 1938. 21cm. 53p. As. 8.

ALL about Indian Sugar from the point of view of the industrialists can be gathered from Mr. M. P. Gandhi's Indian Sugar Industry Annual and his supplement on the changes in the protective tariffs introduced recently by the Government of India. Mr. Gandhi regards the magnificent and rapid development of this industry in the first four years as "verily a miracle of the policy of protection" introduced by the Government of India since 1932. But the industry has for the last two years been experiencing a number of difficulties setting a limit to its further expansion, and he points out how efforts are being made to consolidate and stabilise the industry. Apart from internal difficulties, the imposition of the excise duty and the reduction of protective tariff by eight annas since last year, Mr. Gandhi argues, have upset all calculations and given a serious setback to the efforts made by the industrialists to reduce cost of production. He therefore looks upon these changes as wholly unwarranted and arbitrary, as these were not supported by the statutory report of the Tariff Board. He complains against the policy of the gradual reduction of tariffs and points out that the Government of India is spending too small an amount on research and other problems confronting the industry. He regrets that the various proposals made by the industrialists were not accepted by the Government of India; and even the Governments of Bihar and United Provinces, who are most concerned with the prosperity of this indus-

try, are not taking any vigorous steps. In short, Mr. Gandhi tries to shift all blame for the present difficulties of the sugar industry on the unfavourable attitude of the Central as well as the Provincial Governments. This cannot of course be wholly accepted. He has very interesting remarks to make on the further expansion of the industry. His views upon licensing of factories, zoning of markets, regulation of production are sure to raise a controversy and cannot be shared by all. His suggestions, however, regarding the methods of price-fixation of cane and the introduction of tariff changes at the beginning of each cane crushing season and not at the close of the financial year of the Government may readily be accepted. Mr. Gandhi's able survey thus deserves close attention of all who are interested in the development of Indian Sugar Industry. The utility of the volume is further increased by the inclusion of all authoritative documents concerning this industry.

The other two pamphlets deal with different problems. Mr. C. B. Gupta makes a fervent plea for intensive research work for the healthy development of Indian industry. In his little pamphlets he traces the growth of the sugar industry in the Philippine Islands and the various vicissitudes through which it had to pass. His brief yet interesting account of the Philippine Sugar Administration deserves particular attention.

Mr. R. R. Chowdhari's pamphlet however, is more polemical and actuated by provincial sentiments. He deplores the great loss of opportunity which Bengal has suffered and launches a brilliant attack on the present policy of the Government of India and of the sugar industrialists of U. P. and Bombay. He thinks that the grave defect of the Sugar Protection Act of 1932 is its omission "to introduce a system of zoning and licensing, in spite of the suggestions from authoritative quarters, as a necessary brake to indiscriminate establishment of sugar factories in any particular area irrespective of the local consuming capacity of the respective provinces". This, he believes, has brought unwholesome complications in the development of sugar industry. He blames the Bombay, U. P. and Bihar financiers of sugar industry for "their indiscretion and folly" in erecting as many as 107 factories out of a total of 156 in U. P. and Bihar alone. The Bihar and U. P. factories alone produce 858 lakhs of tons of sugar, i. e., 60 per cent. of the total production from all factories, while the local consuming capacity of the two provinces is only 130 lakhs of tons. This over-concentration of factories has naturally created difficulties of marketing and transport. And the interested industrialists with a view to keep all profits to themselves have raised a cry of *over-production* through the Indian Sugar Mill Association and are definitely expressing views against further expansion. Mr. Chowdhari goes a step further and even blames the Sugar Technologist of the Imperial Bureau of Agricultural Research at Cawnpore, now the Director of the Imperial Sugar Institute, for being a party to such propaganda. Bengal with all its "enormous potentialities" has been ignored. He stresses both natural and economic advantages that Bengal has already in this respect and adduces comparative statistics to prove his case. The problem is viewed from all points of view and a fervent plea is made for developing sugar industry in Bengal.

His whole thesis is based on the following argument:

The problem of sugar industry in India should be provincialised in the best interests of different autonomous provinces, in the absence of which one province is sure to exploit the other. At present the matter has been very much complicated by confusing up provincial issues with the all India bogey of overproduction. If the problem is provincialised, the issues involved would be more classified... Underdeveloped provinces would get a free and unrestricted chance to develop themselves up to the maximum potentiality of their local conditions of production and marketing.

If this principle were accepted in our Tariff system, it would vitiate unity of policy in respect of protective tariffs and might result in inter-provincial conflicts and jealousies in financial matters. We, however, agree with the author when he points out that many of the present difficulties of sugar industry can be solved by methods of rationalisation.

S. G. PURANIK

## DRAINAGE AND SANITATION

**DRAINAGE AND SANITATION.** By E. H. BLAKE. (5th Edn. Revised by W. R. Jenkins.) [Batsford.] 1936. 22cm. 563p. 15/-

NATURALISTS tell us that the duration of life of an animal must be normally five times the period which it takes for the full development of its skeleton. If this rule is applied to domestic animals like the horse, dog, cow, goat etc. we find that they live almost the full span of life ordained to each by Nature. But when this principle is made applicable to human beings we are totally disappointed. True, that man is subject to many more diseases than inferior animals such as, cerdiseases of the mind, diseases springing from human vices, diseases connected with industrial pursuits, diseases arising from indulgence in bad forms of luxuries, accidents, etc. still if we consider only such diseases as spring purely from cold and wet, such as catarrhs, bronchitis, rheumatism etc. man is more subject to them than the lower animals. Man who possesses a very superior mental organisation is wiser and more self-protective than lower animals, and outwits the rude elements of Nature by building comfortable houses, by lighting fires, by making clothes, by cooking food, and by setting, in many other ways, nature at stern defiance. As such he was expected to live longer than, or at least as long as 105 years, five times 21 years, the period he requires for the full development of his body. But what do we actually see? Until about two decades ago the average span of life of man even in the most civilised countries of the world, was only 42 years, which by careful attention to dietetics and rules of hygiene has been recently raised to 59 years, no small achievement indeed! But still this falls very short of the expectation. In India it is less than 29 years! The reason is that man has abused the knowledge and skill which he possesses over the lower animals in building cities, villages, houses etc., for his protection from the external elements. While doing so he has constructed conditions which produce a series of fatal diseases. In the primitive age his knowledge of sanitation was necessarily limited, and therefore it is not fair to blame him. But science has immensely advanced since then, and it would be entirely our fault if we do not

give up the long standing habits, and intelligently remove the evils, which from deficient knowledge have so long been perpetuated. It should be the uniform object of the sanitary scholar to disseminate knowledge and inculcate the principles of domestic sanitation in the minds of the public.

Considered from this point of view, the book under review is an excellent addition to the existing literature on the subject. The author has treated the subject in its most comprehensive aspect. Firstly he has dealt with the meteorological influences such as climate, rainfall, humidity etc., affecting the building, then with the soils, elevation and aspect of land, and then discusses the planning and construction of buildings to prevent and remedy the dampness of climate. The next few chapters are devoted to ventilation, lighting and warming and water supply of buildings. These are perhaps the most valuable chapters in the book. While discussing ventilation the author has given the latest methods of ventilation and air-conditioning. The subject of water supply has been most exhaustively treated within a small compass, in all its aspects, viz.; sources of supply, hardness, impurities methods of purification including the latest, storage reservoirs, pumping schemes, distribution system etc. Then there is a chapter on sanitary fittings and waste pipes and two more on drainage of buildings.

After treating all these important aspects of domestic sanitation the author has turned his attention to the sanitation of the community and discussed all the aspects of sewerage, sewage disposal, sanitary surveys, refuse disposal, cleansing of streets, disinfection and abatement of smoke nuisance. And in the last chapter legal notes are given on sanitary matters quoting a number of decisions given by the High Court on important sanitary matters.

The book is sure to serve as a valuable guide not only to students, architects, surveyors and engineers, but even to laymen interested in the subject of such a vital importance to every body. The treatment is so simple that even a layman will not find any difficulty in understanding the subject.

R. S. DESHPANDE

## PHILOSOPHY OF GANDHI

**THE GANDHIAN WAY.** By J. B. KRIPALANI. (Vora and Co., Bombay.) 1938. 20cm. 183p. Rs. 2.

MAHATMA GANDHI himself in his foreword claims for 'Gandhism', which he says is non-existent as such at least the individuality of an independent 'idiology.' 'Insistence on truth' he says, is an eternal principle. The jewel of Non-violence was discovered during the search for and 'contemplation of truth' and moreover that "the programme of 1920 is part of the practice of *Ahimsa*. To expect freedom without this is to plough the sands." In a world, which we realise is fast changing, the faith with which the protagonists of 'Gandhism' including the great Mahatma himself stick to the programme of two decades ago is nothing if not pathetic—and this in a foreword to a book collecting articles all written after 1934 and between 1934 and 1938.

Acharya Kripalani is not only a secretary but a professor and a close student of politica

and his articles, on such varied subjects as 'Khadi and Industrialisation,' 'Socialism and Khadi' 'The Liberty that India wants,' 'Congress and class war,' 'Spiritual ideology in the Congress,' 'Spirituality and Politics' are not only practical in their tone, so far any disciple of Gandhi can be practical, but also they naturally bear the impress of the time at which every one of them saw the light of day. Thus, according to him, the concrete programme of the Congress includes spread of Hindustani and the Parliamentary activity (p. 152) as well and one can imagine how the stress may easily be laid on things not included in the famous 1920 programme.

So also for spiritualising politics and the inner voice of the Mahatma. This is how the Acharya, whatever his ultimate faith and action, puts it bluntly, "So neither the aims, methods, programmes or personalities of the congress (?) lay any particular pretensions to spirituality." This is exactly how it ought to be. What then do the tirades against the exotic growth of political methods in India exactly mean when they are indulged in the support of the special and 'indigenous methods of the Gandhian politics? Here is a typically Indian (?) concept for which credit is taken as indicating the change brought about regarding the aims of the political movement. "The aim today" solemnly assures the author "is the establishment of a government of the people, by the people and for the people." This is Indian indeed!

There are certain very interesting and enlivening passages doing credit to the author's brilliant powers of pleading and propaganda and the book provides sometimes the only authoritative exposition of the Congress position in the present day politics. Thus there is the parochial attitude of non-intervention in international politics, the special claim of the congress to be the sole representative of India, the advocacy that the Congress has gone as far as it possibly could with regard to its Karachi resolution and has nothing left undone which the socialists unnecessarily press upon its attention, there is no need of encouraging parties and so on and so forth. The 'Gandhian way' is the last and freshly written piece of this collection and gives a sort of unity to the various articles included in the book. It is in this last article that the evolving nature of the Gandhian ideal is emphasised by the author.

There is no space at our disposal to examine everything that is said in justification of the current policy of the congress. But the soft yet firm recommendation of every single item at the congress programme as if it solely emanated from M. Gandhi (not of course of 1920) which permeates the whole book leaves one with the clear impression that the congress protagonists are unduly belittling the essentially independent growth of Indian politics, as the result of all sorts of impacts from the west, and foisting every thing on Mahatma Gandhi. Mahatma Gandhi, of course, has given weight to this pet theory of his admirers by claiming to rediscover everything anew in a trance.

To this we can only say, with the author; though in a different light, "Fanaticism is to be deprecated as much in politics as in religion, more so in politics because of the lack of restraining influences, which religion with its humanity and self-surrender sometimes imposes upon its votaries (pp. 115-16).

D. V. KALE

## ADULT EDUCATION

**A REVIEW ON ADULT EDUCATION WORK IN INDIA.** Comp. By H. B. RICHARDSON AND M. RAISUD-DIN. (The Provisional Committee, Indian Adult Education Conference, Delhi) 1939. 25 cm. 20 p. As. 4.

**DIRECTORY OF INSTITUTIONS DOING ADULT EDUCATION WORK IN THE PROVINCE OF BOMBAY.** Comp. By GODAVARI GOKHALE. (Servants of India Society, Bombay 4). 1939. 22 cm. 52 p. As. 8.

A study of these two recent publications must, at the same time, give rise to feelings of satisfaction that so much work is being done at the present moment, and to feelings of discouragement that this vast problem of extending literacy and education to the Indian masses has as yet been only touched upon in spots. There is certainly a great deal of encouragement to be found in the fact that Governments, and people from many places, and many walks of life are now working together to try to solve India's greatest problem. In many places the movement is just starting, and it is to be hoped that these new efforts will be so successful that more and more people will be encouraged to come forward to do what they can, for this work is as great as any that can be done for the Motherland.

Among the special efforts being made two might be mentioned. In Travancore one million literate Christians have pledged themselves to help to wipe out illiteracy in the near future, and "in Orissa the school system has been organized around the literacy campaign. Students of over twelve years of age are being required to teach at least one adult to read, before he or she can be promoted."

These booklets will be valuable in establishing a broad view of the various efforts that are being made in the Bombay Presidency and in the whole of India. They should be an aid and an encouragement to all those who are working in the field of Adult Education.

Even though wide-spread efforts for Adult Education are fairly recent they have been going on long enough to lead workers to discover that, to quote a report from the Punjab, "The problem is becoming one of keeping people literate as much as making them literate." Suitable material for continuation-reading is very limited. While thinking along these lines the idea came to me that perhaps if a number of papers and magazines printed a "Beginners Corner" where a variety of simply written notes could be found, there might be a greater incentive to young and old readers to begin the habit of regular reading, and if any reward for such service was effected, it would certainly come in the larger number of people interested in reading. There would be a great possibility that the number of these papers sold would increase greatly in the years to come.

M. C. RAO

## CONDITIONS IN CEYLON

**CEYLON.** By LORD HOLDEN. (Allen & Unwin.) 1939. 22cm. 315p. 10/6.

CEYLON, the land of waving palms and lakes, is the tourists' paradise. Lord Holden has recorded his impressions of Ceylon in this well got-up book in an excellent manner. It is no exaggeration to say that for a stranger who is new to



Ceylon this book will serve as an apt guide. To lovers of books on travel Lord Holden has provided sumptuous and delicious fare. In its wealth of details and charm of style the book leaves nothing to be desired.

The author traces the history of this emerald isle of Ceylon from the earliest times and deals with the life and habits of the people, its historical places and health resorts. His narrative is inspired with his own strange experiences and impressions; his anecdotes are replete with good humour. The chapters entitled 'Rest House' and 'Pleasant Journeys' are gripping in their interest.

In dealing with the Tamil labourers and the tea plantations, the author says that the women workers "put all their savings into gold ornaments." This is likely to create an impression in the minds of readers that Tamil labourers in Ceylon are in very affluent circumstances. This in actual fact is far from the truth. According to information available, no woman in Ceylon gets more than five annas or 35 cents a day. But the author does not hide the fact that things are not quite satisfactory on a Ceylon tea estate. He says: "It is to be regretted that no old age pension scheme is in existence. The fact that few tea workers live beyond their fifties seems an argument in favour of this humane measure rather than the reverse." The author rightly attributes these shortcomings to absentee landlordism. The owners of estates who live in London are, in his own words, "more interested in their dividends than in the social conditions of those who help to make them" (p. 300). It is hoped that this unbiased criticism from a responsible member of the English nobility will be taken note of by his countrymen who are owners of estates in India and Ceylon, and that early steps will be taken by them to remove these defects.

In conclusion, on reading the book one feels that he has travelled with the author to Sigiriya, Anuradhapura, Nuwara Eliya and a host of other places in Ceylon and seen the sights and shared the joys of a visit to Ceylon without sharing at the same time the author's trials and difficulties and, of course, his expenses.

S. R. V.

### SHORT NOTICES

**THE PAPACY IN POLITICS TODAY.** By JOSEPH McCABE. (Watts.) 1939. 20cm. 196 p.

IT is admitted by every student of contemporary affairs that the Catholic Church has had a hand in many of the post-war developments in Europe and that the latest was the part played by the Catholic Church in the Spanish Revolt. But whether the part played by the Church was such an ignoble part as is described by Joseph McCabe it is difficult to say. No doubt the author gives a wealth of illustration from contemporary sources and might fairly claim that he makes no statement for which he does not produce a voucher. But we cannot agree with all that the author says, for three reasons. Firstly, any writer whose main object is to prove a point and especially a religious point, is subject to the temptation of partial or faulty selection, and it is impossible to acquit the author on this count. Secondly, the author was once a Catholic priest and left the Church for certain reasons. It may be that he has inside knowledge

of the Church, but the startling revelations of corruption and vice cannot be accepted by us, because they are not supported by proper evidence. Lastly, the author employs vituperative language in attacking the Catholic Church and we feel that the violent style is unbecoming of the distinguished author.

Though we think that the picture is overdrawn, we are of opinion that the main thesis of the author is correct. The Catholic Church certainly interfered in the politics of several countries in Europe. The Church stands for disciplined life and has naturally sided itself with those who stand for law and order, with Mussolini, Hitler and Franco, and there is no use blaming it for that. But when we read that it prepared the way for the annexation of Austria through Cardinal Innitzer; and the dissolution of Czecho-Slovakia through Father Hlinka, we are surprised at the tortuous methods of the Papacy. Again when we learn that Cardinal Schuster, the national head of the Italian Church enthusiastically hailed the Abyssinian war as 'a holy war' or "a righteous war", we wish the holy Cardinal had defined 'holiness' and 'righteousness'.

According to the author the Church has lost something like 50 million members and that it is mainly due to the influence of Socialism, Communism and Syndicalism. The author must be right, for according to the latest news, the present Pope, Pius XII has asked Britain and France not to conclude the Anglo-French-Soviet Alliance, for fear that Bolshevik ideas may spread over Europe. The news has not been confirmed, but it is on a par with the vatican plots and intrigues in every country described at great length in the book before us. Fear of Bolshevism has been the main cause for the Papal alliance with Mussolini, Hitler and Franco, and once allied to them the Papacy has to support their actions, in Abyssinia or in Austria or in Czecho-Slovakia.

The book is, notwithstanding its prejudices, and some inaccuracies, thoroughly enjoyable by the general reader and full of new information for the student of contemporary affairs. This would have been a better book if it had been written in less violent style.

M. V. SUBRAHMANYAM

**ON THE FRONTIER.** By W. H. AUDEN and CHRISTOPHER ISHERWOOD. (Faber & Faber.) 1938. 23cm. 123 p. 6/-.

THE reading and the play-going public of England have to begin to get used to the work of this brilliant pair of collaborators. Auden is perhaps one of the best of the younger generation of English poets; Isherwood has written a quite excellent novel about pre-Hitler Germany. Together they have written two other plays. Recently there has been an impressive revival of the poetic drama. T. S. Eliot and Stephen Spender have both written plays in verse which got a good reception in London.

This play is mostly in prose with the exception of the choruses, a feature of the 20th century as of the Greek tragedy and the final scene. In general, one would say that it was inferior both in technique and substance to the same authors' recent "Ascent of F. 6." It is described as a melodrama, but in these days truth tends to be more melodramatic than fiction; and this story of dictatorship and war seems only too probable.



Westland has a crazy dictator much under the heel of a great industrialist. Osnia is an old-fashioned monarchy. After an abundance of recriminations war breaks out between them—fought to the awful finish. Against this background the personal factor is woven in. This is secured by a rather original conception. This is the "Osnia-Westland room." One sees life going on in the two countries simultaneously by this convention assumed up in two typical families. Eric, the pacifist, is shot at the barricades in the one land; the Osnian Anna is killed while nursing. In the conclusion amidst death and horror they come together even in dying.

Anna: "Europe lies in the dark  
City and flood and tree;  
Thousands have worked and work  
To master necessity.

Eric: To build the city where  
The will of love is done  
And brought to its full flower  
The dignity of man.

Note also the workers in the introductory chorus:

"Stoke up the fires in furnace number three;  
The day is coming, brother, when shall all  
be free."

The play is certainly alive but it is a little forced in parts, and one doubts whether it will stage effectively. But it is a good enough picture of Europe or some parts of Europe and, alas, even of Europe to-morrow. For the melodrama on the stage is only a pale reflection of the melodrama in the streets!

LEONARD SCHIFF

#### JUNGLE TRIALS IN NORTHERN INDIA. By Sir JOHN HEWETT. (Methuen. 1938. 22cm. 278p. 12/6.

SIR John Hewett relates in this book his exciting experiences of tiger hunting in Upper India during his long service in India. His intimate knowledge of jungle life and love for sports and adventure has helped him to make his book very interesting reading. Part of the book gives a graphic account by Mrs. St. John Atkinson, Sir John's daughter of her expedition in 1931 from Srinagar to Leh and back—a journey of nearly five hundred miles. Nepal has attracted several travellers. Mrs. Atkinson describes it as a wild, cruel, yet fascinating country. She was entertained at tea by a big trader. "The tea looked quite normal but was absolutely nauseating to taste and it was only by an immense exertion of will-power that I was able to swallow it at all." Later on she found out that it was the practice there to add *ghee* and salt to tea! She had great admiration for the "little barbarians" because they "showed a real sporting instinct in their races and competitions" and grasp of the ethics of competitive games and appreciation of fair play. She found the religion of that part of the world was a debased form of Buddhism, with a good deal of Hinduism mixed with it, and known as Lamaism. Her visit to the Puja Room was not pleasant. "I was taken to the great Puja Room where they say their prayers, the holy of holies, and I was suddenly overcome by the most violent desire to be sick, the stench was so appalling, as if three hundred unwashed people had slept there for fourteen years without a crack of air. I rushed outside and with the aid of a tiny smelling salt bottle I luckily had with me I was able to return to the attack."

The book contains a very useful map of the the Upper India and Himalayan regions and a glossary of scientific names of trees and animals and the words of command given by Mahouts to Elephants.

V. R. NAYANAR

#### MODERN INDIA. BY UPENDRANATH BALL. (Doaba House, Lahore.) 1939. 20cm. 747p. Rs. 4-8-0.

THE addition of a new member to the company of those who are writing text-books on the History of India for the benefit of B.A. students of Indian Universities is indeed a thing to be glad at; and the happiness is increased by the fact that the new member is one who has read and written history in the right way. Professor Ball's previous books led us to hope that this volume too would be worthy of the author, and we are happy to say that we are not disappointed. The book before us deals with the first three centuries of the Modern Period of Indian History, that is, from the advent of the Europeans in the 16th century to 1805 when Lord Wellesley left India after making the East India Company the supreme power in India. In dealing with this period the author is careful to bring together the wealth of historical material accumulated in recent years in a form which will satisfy the critic as well as the student. The chapters in the book are fairly replete with information necessary for the B.A. standard. There are good maps. At the end of every chapter there is a select Bibliography where information of a special kind may be sought.

Though Professor Ball's book gives a good deal of accurate information, it suffers from some defects. In the first place, there is an over-emphasis on the political events. Secondly, the arrangement of topics is not original. Thirdly, historical portraiture does not appear to be Professor Ball's strong point, for there is no serious attempt to portray the historical personages of the period. When an attempt is made in the case of Babar, Akbar and Aurangzeb, it is feebly done and the portrait that is drawn is dull. Finally, we wish the author had given more information on Shivaji's system of administration, and the Sikhs.

In spite of these defects, the book is a welcome addition to the growing list of text-books on Indian History for the B. A. standard. We are happy to say that it brings together a good deal of information on a variety of subjects, that it takes a tolerably comprehensive view of the period, and that it is written in an easy style.

M. V. SUBRAHMANYAM

#### THE INDIAN YEAR BOOK AND WHO'S WHO. 1939-40. Ed. by FRANCIS LOW. (The Times of India Office, Bombay.) 1939. 19cm. 1265p. Rs. 7.

THE *Times of India* Office has rendered a very useful public service in bringing out the Year Book for the year 1939-40, which maintains the high level its predecessors had reached. It is as handy as it is indispensable. But, why is there no Table of Contents?

P. K. R.

**QUININE AND MALARIA IN INDIA, 1939.**  
17cm. 19p.

**THE RELIEF OF AGRICULTURAL DEBT.**  
1939. 16cm. 28p.

**CONSOLIDATION OF AGRICULTURAL HOLDINGS, 1929.** 16cm. 20p.

All by C. F. STRICKLAND. (The Oxford University Press.)

THESE publications are small pamphlets issued by the Indian Village Welfare Association. They give in a short compass the main principles of legislation relating to rural problems. Their value lies in educating the average citizen on the lines on which he should press for legislation. The author suggests the following reforms in tackling the problem of a cheap distribution of quinine. There should be international control of quinine production with a view to prevent adulteration and profiteering. Self-sufficiency in quinine should come, not by imposing tariffs on imported quinine but by extending the cultivation of cinchona. There should be a Quinine Control Board holding a monopoly and selling quinine through wholesale merchants at a fixed price to the retail shop-keeper.

The pamphlet on consolidation of holdings gives a summary of the results achieved as a result of persuasion through co-operative methods and recommends the need for legislation for consolidating scattered plots. The author does not consider it prudent to bring a bill for preventing subdivisions in land due to the law of inheritance along with a bill to prevent fragmentation of plots which can be brought together by mutual exchange among the rayats.

The author analyses in the pamphlet on the relief of agricultural debt the amount of legislative protection given to the agriculturist in various provinces. Regulation of accounts will hardly be successful if abuses are to be punished only in suits by creditors. Rates of interest will be difficult to enforce. Exemption of a minimum holding in execution of decrees, and restrictions on usufructuary mortgages are better methods according to the author for protecting the borrower by restricting his credit. The author proposes that these remedies should be supplemented by schemes for "building up the constitution of the sufferer" by instruction in thrift and wise spending.

We commend the publications as introductory studies for the average citizen in rural problems.  
S.

**THE UNTOUCHABLE CLASSES OF THE JANJIRA STATE.** By M. G. BHAGAT. (Author, School of Economics and Sociology, Bombay.) 1938. 24cm. 26p. As. 8.

MR. M. G. BHAGAT deserves congratulations for this valuable and useful study. It gives important data to a social worker to concentrate upon. The average span of life of the untouchables of Janjira is found to be somewhere between 30 and 40 years. Literacy is at an extremely low level. The average number of persons in each family is little larger than in the average Indian family. The average annual income of each family amounts to Rs. 18 i. e. it works out to be 1.5 per capita per month. One hardly needs refer to the extent of indebtedness among them. Government and others who are trying to ameliorate the condition of these classes, must take note of such

important investigations. That alone would be the real appreciation of such painstaking research.

G. R. P.

**THE CRISIS AND THE CHRISTIAN.** By NATHANIEL MICKLEM. (Student Christian Movement Press, London; received through Y. M. C. A. Publishing House, Calcutta) 1938. 18 cm. 1/-

THIS is one of the many little booklets thrown up by these strenuous times. It is better than most, and reveals a balanced and sincere mind. The author discovers the root cause of present evils in Sin, and encourages us to discover our own share in responsibility, and to repent of it. He feels that the pacifist attitude on world affairs is not the ideal but points to the ideal. Justice must be the basis of any reconstruction, and we must accept it as such, however it shakes our pleasant prejudices, or to whatever unpleasant results, even war, it may lead.

W. O. LASH

### BOOKS RECEIVED

- COLON CLASSIFICATION.** By S. R. RANGANATHAN. (Madras Library Association.) 1939. 22cm. 21/-.
- RUSSIA WITHOUT ILLUSIONS.** By PAT SLOAN. (Kitabistan, Allahabad.) 1939. 22cm. 263p. Rs. 3.
- THE NEGRO AND THE DEMOCRATIC FRONT.** By JAMES W. FORD. (International Publishers, New York.) 1933. 22cm. 222p. \$ 2.00.
- THE BRITISH COMMONWEALTH AND THE FUTURE.** Proceedings of the Second Unofficial Conference of British Commonwealth Relations, Sydney, 3rd-17th September 1938. Ed. By H. V. HODSON. (Oxford University Press.) 1939. 22cm. 336p. 8/6.
- A CITY IN TRANSITION.** Studies in the Social life of Madras. By C. W. RANSON. (Christian Literature Society for India, Madras.) 1938. 22cm. 276p. Rs. 2/8.
- PRINCIPLES AND PROBLEMS OF INDIAN LABOUR LEGISLATION.** By RAJANI KANTA DAS. (University of Calcutta.) 1938. 22cm. 281p.
- THE LAW OF MAINTENANCE AND ALIMONY IN BRITISH INDIA.** By K. S. R. APPARAO. (Madras Law Journal Press.) 1939. 22cm. 183p.
- HISTORY OF THE COMMUNIST PARTY OF THE SOVIET UNION BOLSHEVIKS.** (Foreign Languages Publishing House, Moscow.) 1939. 22cm. 364p.
- ON THE HISTORY OF THE BOLSHEVIK ORGANIZATIONS IN TRANSCAUCASIA.** By L. BERIA. (Foreign Languages Publishing House, Moscow.) 1939. 22cm. 206.
- BHAWANI DAYAL SANNYASI.** A Public Worker of South AFRICA. By PREM NARAIN AGRAWAL. (The Indian Colonial Association, Ajitmal, Etawah, U. P.) 1939. 22cm. 180p. Rs. 1/12.
- ECONOMICS.** A General Text-book for Students. By FREDERIC BENHAM. (Pitman.) 1938. 22cm. 488p. 7/6.
- ODD-Lot TRADING ON THE NEW YORK STOCK-EXCHANGE.** By CHARLES O. HARDY. (Brookings Institution, Washington.) 1939. 21cm. 192p. \$ 1.50.
- THE ECONOMIC AND SOCIAL ENVIRONMENT OF THE YOUNGER CHURCHES.** By J. MERLE DAVIS. (Edinburgh House Press.) 1939. 21cm. 231p. 2/6.
- NEWS OF THE FRENCH.** By MONTGOMERY BELGION. (Faber & Faber.) 1938. 21cm. 390p. 8/6.
- MODERN MONEY.** By MYRA CURTIS AND HUGH TOWNSHEND. (Harap.) 1937. 20cm. 320p. 5/-.
- UNITED STATES FOREIGN POLICY.** Comp. by JULIA E. JOHNSON. (H. W. Wilson Co., New York.) 1938. 20cm. 307p. \$ 1.25.
- MARXISM IS DEAD.** By BRIJ NARAIN. (Rama Krishna & Co., Lahore.) 1939. 19cm. 265p. Rs. 3-8.

## ECONOMIC PLANNING IN INDIA

### III

#### AGRICULTURAL REFORM

**T**HE question of the Reform of Agriculture in India boils down to two fundamental questions :

- (1) To change the character of agricultural production from a subsistence occupation to a profitable industry; in other words, to make agriculture a paying proposition; and
- (2) To increase the efficiency and to diversify the character of agricultural production.

The first and foremost task that faces an agricultural reformer in India is the problem of assuring to the primary producer at least that level of annual receipts which, after he has paid out his total outlay, leave him a fair margin to command a decent and a fair standard of consumption. Given a bold and imaginative monetary policy, which, through the establishment of new industries and through the medium of a well-coordinated expansionist monetary policy, results in a net increase of the money-incomes of the mass of the people in the country, we would have in India the fundamental condition, viz. an effective increase in the demand for the products of agriculture (such as the superimposition of an expanded war-time demand over the increase in normal demand in the pre- and post-Waterloo era in England) which gave birth to the agrarian revolution resulting in the rationalisation of the processes of agricultural production in the western countries. It should be remembered in this connection that, given an initial increase in the total employment and total incomes of the people in the country, one of the vital elements which would mean a real increase in their standard of living, would be an abundance of cheap, nutritive and good-quality food-stuffs, as also the raw materials for the developing industries. We cannot, therefore, avoid the conclusion that if such an increase in the output of agricultural production is to be brought about, we have to create conditions of demand which actually induce the long over-due agrarian revolution, and we must be prepared in advance to find out remedies to mitigate the evils associated with such agrarian revolution. A radical reorganisation of agricultural production alone would bring a rapid increase in the agricultural output. Such a policy, associated with intensive efforts to develop primary and secondary industries to absorb the labour displaced by the rationalisation of agricultural and industrial production, will ultimately solve the problem of increasing the national dividend and increasing the total available field of employment, with a view to increase the standard of life of the people.

A fruitful suggestion that can be made in this context is that a special body of medical and economic experts should examine the present diet of the Indian population and explore the possibility of formulating a common diet in the light of the available and potential foodstuffs resources in the country and the religious and social habits of the people, in order to recommend a scientific and nutritive common diet for the mass of the people in India. Such a common diet should then be popularised through the

medium of intensive rural uplift and other propaganda agencies under the auspices of the provincial Governments, and through such campaigns as "Drink more milk" and "Eat more healthy food", with all the resources that the provincial Governments can place at the disposal of the Planning Authority. The solution of the problem of increasing the demand for foodstuffs, as well as increasing the nutritive value of the Indian dietary and the creation of demand for the products of secondary industries, such as Dairying and Poultry Farming seems to lie along these lines.

Given an increase in the money-incomes and money-demand, supplemented by better-living propaganda among the masses, a more difficult task that we, in this country, have to face is the second problem, viz. the methods of increasing the efficiency of agricultural production. The Royal Commission on Agriculture have made a number of important and useful suggestions. We would here touch only on some important considerations which should guide all the attempts to achieve this end. The main obstacles, in our opinion, in the way of rationalising of agricultural production seem to be three-fold :

- (1) Organisation of agricultural production in India;
- (2) Organisation of agricultural marketing and allied problems;
- (3) Organisation of rural credit agencies.

#### ORGANISATION OF AGRICULTURAL PRODUCTION IN INDIA

The organisation of agricultural production seems to be the most difficult problem that we have to face in this country. So long as agricultural production is not organised on fairly large-size economic units, the achievement of increased agricultural output will be far from realisation. The present-day organisation of agricultural production in India is neither capitalistic nor socialistic in any sense of the term. The main plank on which the case for capitalistic organisation of the peasant-producer type is based, is that the producer has an interest in increasing the efficiency and output of his production, because he is aware that he will enjoy the fruits of his own labour. The majority of the cultivators in this country have no direct interest in their labour of cultivation, and they cultivate the small pieces of land merely to eke out a meagre existence after they have met all the claims of the State, the landlord, the creditor, and so on. To an idealist, the easier solution would appear to be that the State should take advantage of the present willingness of the land-owners or the variety of right-owners in land to part with their lands because of the poor returns and heavy debts into which the cultivators have fallen, and purchase and nationalise the lands by undertaking to pay the price plus the debts with interest in a terminable annuity form. In this way, a socialist would argue, the State will possess the right to dispose of the land as a single owner, and to parcel out land into economic units for the purpose of annual cultivation by bidding it among a number of cultivators who

would be prepared to cultivate them for the payment of a given rent. Superficially, the solution seems to be attractive, but, while considering the practicability or otherwise of any particular mode of organising agricultural production in India, one has to bear in mind the differences in the methods of cultivation and the existence of numerous right-holders from the ordinary peasant producer in a rayatwari Province down to the numberless intermediaries who exists in a zemindari Province. It will be apparent from a casual survey of Indian Agriculture that it is not possible to recommend any particular method of organising agricultural production as the only suitable method of organisation of agricultural production in India, as a whole. It would be simply unrealistic, for example, to recommend the solution of the problem of finding out an appropriate organisation of agricultural production on socialistic lines in each and every Province and State in India. The problem is of such a vast magnitude in a continental country like India, and the necessary efficient and incorruptible administrative machinery is so conspicuous by its absence in this country that the solution of the problem on wholesale socialistic lines, must be regarded as definitely beyond the pale of practical politics in this country.

While making this criticism of the proposed socialistic organisation of agricultural production, it should be made clear that the time is coming when the question of organising agricultural production in zemindari Provinces on more or less socialistic lines would have to be seriously considered. In our judgment, the main principles which should guide the solution of the problem of the proper method of organising agricultural production, should be as follows:

So far as the zemindari Provinces, such as Bihar, Bengal, Punjab, and so on, are concerned, it is worth while to explore the possibility of adopting a plan like the one which has been propounded, in recent months, by Dr. Syed Mahmud, the Bihar Minister. According to Dr. Mahmud's plan, the State should purchase all the big landed estates from the landlords. For each estate which the State would purchase, the State should issue to the landlord fixed interest bearing bonds equivalent in value to fifteen times the annual rental value of the said landed estate. Dr. Mahmud maintains that if the State purchases all these landed estates and manages them through an administrative machinery of their own, then it would annually earn an income which would not only pay the total interest on these bonds and the total annuity, through which the value of the total outstanding bonds would be liquidated, but it would also leave a large margin which would be a source of income to the State. In the present stage of political development in India, the proposed solution appears to be too radical and too drastic, but it is certainly reasonable to hold that if the fertile and large resources which the absentee landlords at present command in some of these major agricultural provinces are to be properly utilised, then the solution of the problem must be sought, sooner or later, along these lines.

So far as the problem of proper organisation of agricultural production in rayatwari Provinces, such as Bombay, Madras, and so on, is concerned, the majority of economists in this country put their faith in the solution along co-operative lines. But, as the history of co-operation in this

country would bear out, the appalling illiteracy and ignorance of the mass of the primary producers is bound to prove a rock on which all such schemes are likely to flounder. This, however, is a problem which is so vital to the success and to the results of all the other parts of a well thought-out and comprehensive economic plan for India that it brooks no delay. The solution of the problem of finding out a proper organisation of agricultural production in rayatwari Provinces, may be attempted on the following lines:

We might, with advantage, and with necessary changes, adopt the provisions of the Irish Land Bill which would enable the actual cultivator to buy from the landlord various adjacent pieces of land which would make a compact economic unit. The State should advance the necessary funds to the cultivator and recover the money from him by way of additional rental over and above the land revenue which he pays to the Government. Such a bill should be followed by another bill which compels the inheritors of large estates to sell out their respective portions at reasonable prices to one of their own members who is willing to cultivate the estate, with a view to prevent the further fragmentation of the consolidated holding of land through the operation of the laws of inheritance. It is quite true that the fragmentation of agricultural holdings in India into minute and incredibly small units is not due to the operation of the laws of inheritance and succession in the Hindu and Muslim society alone, but it is primarily due to the heavy pressure of population on land and the absence of alternate sources of employment for the population which is growing at a rapid pace. Clearly, the permanent solution of the further fragmentation and division of land must be sought on the lines of increasing alternate avenues of employment in the newly developed primary industries or secondary and service industries, such as banking, and shipping, which would divert a large part of the floating and unemployed population which is pressing on land under the present circumstances in India. But, at the same time, a preventive measure such as the one which is outlined above, should be part and parcel of a general solution of this problem of fragmentation of land in our country. Without some such solution, organisation of agricultural production in rayatwari Provinces is bound to be faulty and defective.

#### ORGANISATION OF AGRICULTURAL

#### MARKETING AND ALLIED PROBLEMS

It is a matter of common knowledge that the marketing of agricultural produce in India is very defective, and usually there is a wide gulf between the price that the primary producer receives and the price that is actually paid for the said produce by the final consumer to the final seller. The assuring of a reasonable price which the commodity fetches in the market to the primary producer, is one of the measures which is likely to bring about a desirable redistribution of incomes as between the distributors and the middlemen, on the one hand, and the producers on the other, and may provide some increased stimulus to the purchasing power of the primary producers. Various schemes have been suggested to bring about an improvement in the marketing of agricultural produce. The majority of the people put their faith in palliatives, such as co-operative marketing schemes and reformatory measures, such as standardisation, grading of products, and so on. It is, however, necessary to

evolve some scheme which would bring about a greater organisation among the primary producers, and to assure to them reasonable prices for the products which they sell in their own local markets. In recent years, a number of countries have attempted some kind of regulation of agricultural marketing, and some such scheme as the following, with appropriate changes in view of local differences, may be attempted to solve this problem:

Each and every State or Province produces some staple agricultural commodities. The proposed scheme should begin by stages. Each Province should establish a Central Marketing Board for each important staple article in the Province, such as oil-seeds, or tobacco, or cotton, or any other important commodity, on the same lines as the Marketing Board in England. The Marketing Board of the Province should be established at the capital city of the Province or the State, and it should have branches in all the districts and all the important trading centres within the Province. The chief function of the main Marketing Board for each important staple commodity, say, tobacco or cotton, should be to maintain a comprehensive register of producers who are engaged in that particular line of produce. They should have widespread branches throughout the areas which are devoted to the production of that particular commodity. Each branch of the Marketing Board should keep a register of its own, which should be incorporated with the register of the Central Marketing Board. The Central Marketing Board should consist of the representatives of the producers who are members of the Branch Register, some Government officials, and some representatives of the commercial community. Its primary task should be to acquaint all the member-producers with the price which prevails for their particular commodity in international, provincial and big district markets, and, through the dissemination of correct information, it should be impressed on the minds of the member-producers that it is not in their interest to sell their produce below the prevailing price in the market, which the Branch Marketing Board Offices would be announcing from time to time. If the majority of producers in each important line of production become members of the Marketing Board, then the sale of the commodity below the fixed price should be prohibited by law. The member-producers should be free to sell their produce through the Branch Marketing Board Offices to all distributors and middlemen who are prepared to pay the agreed price. The price for remote markets should be so fixed as to allow a fair margin of profit for the distributors, but the essence of the scheme is to narrow down the margin of profit, so as to leave only a fair margin for the middlemen for their services as distributors.

If such a Marketing Board is successfully organised, it would mitigate the present evil of the primary producer getting a fraction of the price that his commodity fetches in the market. It should, however, be emphasised that the function of the Marketing Board should be only confined to spreading information about the price prevailing in important markets for a particular commodity, by organising small producers into a Producers' Register, and to bring about, by agreement, the minimum price below which the individual member should not sell his commodity. In the present-day circumstances of India, it is not advisable that the Marketing Boards should attempt the larger task of raising the prices and

maintaining them at that level, because it would not be practicable in the absence of control over the currency and monetary policy, and also because it would, to some extent, defeat the purpose of increasing the level of consumption which is so deplorably low.

Such Marketing Boards which, in effect, mean an Association of producers in each line of production, along with representatives of consumers, traders and the Government, could be made, at a later stage, a centre which bridges the gulf between the primary producer and the various research organisations. For example, the main difficulty in India in making the work of a body such as the Imperial Council of Agricultural Research as fruitful as it ought to be is that the researches of the laboratory workers are seldom made known to the mass of the producers in the distant corners of the country. The Marketing Boards could act as an agency for purposes, such as distribution of better seeds, dissemination of all technical knowledge which is being secured in the laboratories of Research Institutions and spreading of accurate price data which would make the largest single staple industry in India, like agriculture, much more sensitive to the movements of prices which reflect the changes in the demand for alternate commodities than it is today.

The most important aspect of the proposed Marketing Board is that it does not seek to eliminate the middleman altogether. It is, in a sense, an organisation of producers which acquaints them with the prevailing prices in the market and which seeks to secure a voluntary agreement among the producer-members that they would not sell the produce below a certain level. This is mainly devised to narrow down the gulf between the price received by the primary producer and the price received by the ultimate seller, as was revealed by the recent Marketing Surveys. It does not affect, by any means, the existence of middlemen. It puts only a limit on the number of middlemen by narrowing the margin between the two prices mentioned above. In this connection, the suggestion that the middlemen who are free to operate in buying and selling the produce above the agreed minimum should be compelled to take licenses from the Central Marketing Board, is also worthy of examination. It is also necessary to adopt, on a larger scale, all the suggestions regarding the standardisation and grading of products which have been made by the Royal Commission of Agriculture.

#### ORGANISATION OF RURAL CREDIT AGENCIES

The question of the provision of cheaper credit to the rural masses has received attention of the Provincial Governments in recent years. All the efforts that they have made, must be supplemented by intensive educational propaganda which spreads sound ideas about the borrowing and repayment of loans among the masses. The problem of adequate facilities of rural credit is essentially a part of the wider problem of the banking facilities in this country, and it can be conveniently dealt with while considering the present banking structure in India.

#### IV

#### BANKING REFORM IN INDIA

Even a casual glance at the present banking facilities in the country would show that the development of banking in India is not commensurate with the size and the requirements of the



country. The development of a service industry, like banking, would prove a fruitful line of advance in the direction of establishing secondary industries. It should also be emphasised in this connection that it is time that a comprehensive Banking Law on the lines of the recommendations of the Banking Inquiry Committee was put on the Statute Book, after due consultation with the interests affected, by the Central Government.

The Banking Reform in India falls mainly under three heads, viz. (1) Industrial Finance, (2) Agricultural Finance, and (3) Exchange Banking.

#### *Industrial Finance*

With the establishment of a right kind of government at the Centre in the near future, and the increase in the efficiency of organisation and the profitability of industries, it is legitimate to hold that the problem of securing finance for sound large-scale concerns would not be as difficult as it has been in the past. In this respect, the State should, as far as possible, refrain from intervening in the field, and leave the field open for private enterprise, with certain obvious exceptions. For example, the State would have to help by way of guaranteeing the interest on capital necessary for the establishment of a new industry, which has been proved to be sound but which private enterprise is not prepared to undertake. In the case of certain other types of industries, the establishment of which is urgent and important from the national point of view, such as an Ammunition Factory, or industries of a public utility character, the State should, as far as possible, contribute a large share of the capital so as to maintain an effective voice and control over the organisation and the policy of such industries. Apart from these exceptions, it could be safely said that the problem of finance for large and sound concerns should be left, in the present circumstances of India, to the resources of private enterprise and private initiative.

#### *Agricultural Finance*

The problem which is most difficult of solution in India is the problem of securing an abundant and cheap supply of credit for both the short-term and long-term needs of the primary producers. It cannot be too often emphasised that the amelioration of the primary producer is the most vital element in the success of any scheme of planning in our country, and one of the most important factors affecting the amelioration of the primary producers is the problem of the provision of adequate facilities of agricultural finance. In this connection, the services of the money-lenders to the primary producers in the past do need a recognition that is often denied to them, but, at the same time, the evil practices of the money-lenders, which have made rural credit so prohibitively expensive to the primary producer, have got to be regulated. Many of the popular ministries in the provinces have, in recent months, attempted to tackle the problem of rural indebtedness, and such questions as the regulation of the practices of the money-lenders, and so on. While appreciating the enthusiasm and the earnestness of the provincial ministries in bringing speedy relief to the debt-ridden peasantry, it should be remembered that the measures which they have so far adopted are at best negative measures and may result in regulating the present organisation of rural finance. But the supremely important thing that must be borne in mind is that unless there is a rival institution which is prepared to meet the demands of the peasantry for long-term and short-term funds at reasonable rates of interest, the problem of the provision of cheap and adequate

facilities of rural finance is bound to be far from solution. The most effective way in which this and the other allied reforms of agricultural organisation and consolidation of holdings, and so on, could be introduced is to examine the possibility of the establishment of State-aided Banks for the specific purpose of providing adequate and cheap facilities of finance in the country-side. For example, each province should establish a large State-aided Bank, called the "Agricultural Finance Corporation." Nearly half of the capital of such a Corporation should be subscribed by the State, or, alternatively, the capital should contain a guarantee of a minimum rate of interest by the State. Such a Corporation should develop branch banking through its own Branches spread over the nooks and corners of each province. With the aid of other departments, such as the Marketing Boards, and the Economic Development Department (which we will discuss later on) the Bank would cultivate personal knowledge of its clients and, with the large resources at its disposal, it would be able to advance money to the producer on such terms as no private individual could either possess or offer.

The Bank should consist of two separate departments: one looking after the operation of long-term deposits and long-term advances, and the other looking after short-term deposits and short-term advances. Without some such State-aided institution to provide finance to the agriculturist, only a fraction of the whole problem is likely to be solved.

#### *Exchange Banks*

The importance of financing foreign trade, which runs into crores of rupees, is not adequately realised in this country. At present, the finance of foreign trade is a virtual monopoly of foreign Exchange Banks which are operating in this country. Both because of the profitability of this line of banking, as also because of the necessity of reducing our visible imports in the form of foreign banking services, it is time that we took steps to bring about a transfer of the business of the finance of foreign trade from the hands of foreigners to the hands of Indian Nationals. The experience of some of the Indian pioneers in the field shows that any such experiment is not likely to succeed unless the State is prepared to help the Indian pioneers in their efforts in the early stages. Some such scheme as the licensing of the bankers in the field, with a view to transfer the business from the hands of foreigners to Indian hands, is long over-due and should be explored by an expert committee.

#### EMPLOYMENT OF FOREIGN CAPITAL IN INDIA

The problem of the employment of foreign capital has mainly two aspects: (1) the increase in the establishment of non-Indian concerns, and what is known as direct capital investments in India; and (2) the need to raise loans in the international market or the problem of indirect foreign capital investments. The direct capital investments in the form of establishment of foreign-managed and foreign-controlled concerns in India are showing a tendency to increase in the last few decades, and if this development is allowed to continue without any regulation, it is likely to defeat the very purpose of the policy of Discriminating Protection to Indian Industries with a view to bring about a rapid industrial development in the country. The only effective and possible method of dealing with the menace is to adopt a licensing system to regulate the



working of such concerns. Each and every foreign concern which is working in India, should be compelled to secure a licence from the Central Government to operate its establishment in India. The grant of such licences should be made conditional on the acceptance of certain terms such as a Rupee Capital, reservation of the share capital to Indian Nationals, adequate facilities for the training and the employment of Indians in such firms, and so on. If such a proposal is thought to be feasible, then the actual conditions to be imposed may be arrived at, after an expert examination of the whole problem.

The question of the necessity of raising indirect capital loans, for the needs of Indian Industry or the Indian Government, stands on an entirely different footing. Foreign capital inevitably has its political and other aspects which are not always desirable. The public and the Government in this country should utilise every means to tap the capacity of the Indian money market, to provide the finances which would be necessary for the industrial development, but it should be borne in mind that if industrial development on the scale contemplated by the present advocates of Planning in India materialises, then it may be necessary for us to borrow capital from other monetary centres, such as London, or New York, and it would not be advisable to commit ourselves definitely against such a policy. What is fundamental in raising such loans in foreign money markets is that the creditors should not be allowed to create vested political interests within the country, and that the interest on the loans should be in terms of rupee, and not on the lines of the celebrated American Gold Clause.

## V

### THE POPULATION PROBLEM IN INDIA

One of the most important factors which determines the standard of life of an average individual in a community is the relationship that exists at any particular moment of time between the total number of population, on the one hand, and the total actual and potential wealth producing capacity of the community, on the other. The rate at which population has been increasing in India during the last two decades is so menacing that the minds of many of the thinking people have turned to the problem of what is known as "over-population". To understand the background of the population controversy in this country and to arrive at a correct view of the matter, it would be useful to discuss the main theoretical basis on which the whole controversy is carried on in our country.

Thomas Robert Malthus was the first economist who pointedly drew the attention of mankind to what is called the Problem of Population. The main planks on which the Malthusian theory of population was based were the following :

- (1) That population tends to out-pass the means of subsistence, unless checked otherwise ;
- (2) That population has always a tendency to live at the subsistence level, unless checked otherwise ; and
- (3) That, unless checked otherwise, natural causes such as war, disease, famine, would keep the population down to the subsistence level.

Malthus considered and drew his conclusions mainly from the relationship between the total number of population and the total means of

subsistence in a community, and not the relationship between the total number of population and the total actual and potential wealth, in the broadest sense of the term, within a community. Malthus also developed his thesis in mathematical terms, which were open to doubt. But the essence of the Malthusian doctrine was that Malthus was the first economist to point out that the natural law of population results in an increase in population in relation to wealth (he construed wealth to mean only means of subsistence) unless population is checked otherwise. Malthus further pointed out that man was the maker of his own misery and mankind had before it the choice of either voluntarily restricting the population in relation to the available wealth, so as to ensure a decent standard of life for each and every individual within a community, or to allow the natural law of population to work and to allow the natural causes such as death, disease and famine to operate and keep the population to the subsistence level. Malthus himself did not believe in the efficacy of the voluntary method of restricting population, but he showed what the only other alternative was that was open to mankind, and the subsequent history of the western countries shows that they have chosen the better and more humane method of regulating population in relation to the available wealth-producing capacity of the community than the grim alternative of natural calamities such as famine, pestilence, and so on.

In India many people often put such a narrow interpretation upon the Malthusian theory that they are often in danger of losing the real significance of his contribution which is described above. For example, many of the advocates of the view that India is at present not over-populated point out that the statistical data of increase in numbers, in relation to the increase in wealth in India, over a period of, say, the last 30 or 40 years, shows that both of them are increasing in the same proportion and in the same direction. From this they conclude that the Malthusian fear of over-population has no foundation in fact, so far as conditions in India are concerned. Unfortunately, however, they forget that the fundamental consideration which is relevant to the whole issue is not whether over a period of 30 or 40 years both the numbers and the total wealth are increasing in the same direction, but whether the relationship between the basic available wealth and the basic total number of population in whatever year they take as their basis, say 1900 (as it is often suggested), results in a standard of life which, by any stretch of imagination, can be regarded as a proper standard for civilised human beings. Anybody who is familiar with the horrible and appalling poverty in which the mass of the people live within this country, and those who know that starvation and destitution are the order of the day, cannot possibly avoid the conclusion that the basic relationship between the total number of population and the total amount of wealth and the resulting standard of life of an average individual cannot but be interpreted as a proof of over-population in the country. The main question that any advocate of a new life and a new order in India has to ask himself and answer, is the following : Given the continuance of the present rate of increase of our population, and given the most optimistic anticipations of an increase in production within the country, is it possible that we would be able to assure to every man and woman in the country a standard of life which is regarded as a civilised and a human standard in all the progressive

countries of the world? On any rational analysis of the problem, there can be only one conclusion. We have to attack the problem on both fronts. We have to revise radically the economic and social order within the country, so that we would be able to achieve the maximum possible increase in the total output of goods and services within the minimum possible time, but if the dream of assuring to the average individual a really human existence is to come true, then there can be no doubt that we have also to think seriously of the limitation of our numbers and to make a deliberate choice between having a smaller but a healthier, a better-fed and better-clothed population, and a larger but starving and decadent population.

## VI

## ABSENCE OF TECHNICAL SKILL &amp; TECHNICAL EDUCATION IN INDIA

Many of the foreign writers on the possibilities of economic progress in India harp on the fact that the absence of technical aptitude among the Indian workers and the Indian employers is bound to be the most important single factor which would retard the industrial development in the country. In this connection, it is necessary to remember that what is fundamental is not the existence of an army of technically trained persons, but the existence of highly developed industries which can absorb and demand the services of such technically trained persons. The economic history of the industrial countries of the world shows that a country cannot legislate its population into the necessary technical skill and technical aptitude in a day, but technical skill and technical aptitude are essentially the product of a general industrial atmosphere which results from a general industrialisation within a country. It also confirms the belief that an increasing demand for the services of technically trained persons is always followed by the necessary supply of technically trained persons, as well as institutions to train persons in the technique of various industrial processes. In order to bring about a co-ordination between the established industries which need the services of such technically trained persons and educational institutions which train such persons, the following suggestions may prove helpful:

(1) The establishment of a Central Poly-technique Institute which would train persons in different arts and crafts, and which would guarantee, with the efforts of the various Provincial Governments, increase in the facilities of technical training, would be a welcome move.

(2) The Universities in every Province should be requested by the representatives of established industries and the Government in that Province to open facilities for giving that kind of technical training which is necessary for the employees of the established industries within that particular Province. The industries themselves and the Government would have to help the Universities in a number of ways. For example, the cotton textile producing provinces or the sugar producing provinces would have to make financial contributions to their Universities for opening such courses by imposition of a small cess on the units which constitute that industry. They could also assure the Universities that their students would have the facility of serving as apprentices in the industries concerned, and if they show the

adequate training and adequate skill, they would be preferred by the industries while recruiting their Labour. Another way in which the industries can help the Universities and make their own contribution to the solution of the problem of unemployment, is that they should make it a part of the contract between them and the foreign technicians whom they employ in their concerns, that the foreign technicians would have to train at least a small number of apprentices sent by the Universities, within their term of office. The Government themselves would have to make their contributions to the Universities to start such technical and industrial courses. The Government can also help by giving scholarships to students to go abroad to receive specific technical training in approved institutions. Given such conditions, there can be no doubt that the supply of technically-trained persons would be sufficient to meet the demand for their services in the industries.

## REGULATION OF FOREIGN TRADE UNDER PLANNED ECONOMY

Traditionally, India had a large and prosperous export trade which always enabled her to maintain an export surplus which was more than enough to pay for the external liabilities and leave a surplus which the Indian Nationals received in the form of imports of gold and silver. In recent years, however, partly due to the catastrophic fall of prices and the worsening of the terms of trade against the primary producing countries, and partly due to the commercial policies adopted by various countries, the total value and volume of India's foreign trade has suffered a severe decline and the export surplus has tended to narrow down. The main principles which should guide the Planning Authorities in the attempt to regulate foreign trade are the following:

(a) The need to maintain an export surplus which would enable India to fulfil all her external obligations as a debtor country.

It must be part and parcel of our foreign trade policy to maintain an export surplus which would be equivalent in value to our total external liabilities. While making this attempt to maintain our financial solvency abroad, the Planning Authorities should also endeavour to reduce our total obligations abroad, so that our position, as a debtor country, does not exert an undue influence on our exchange and foreign trade policies.

(b) The need to safeguard the working of our accepted policy of Discriminating Protection to our home industries.

India has adopted the policy of Discriminating Protection, with a view to develop her own industries, for the last fifteen years. As a result of this policy, there has been a change in the direction and character of our trade. While regulating our foreign trade, by way of treaties and conventions with other countries, we have to bear in mind the paramount necessity of not defeating the purpose of our accepted policy of protecting our industries.

(c) India offers a large market for the products of other countries, and, consequently, India has a large bargaining power at her disposal in negotiating trade treaties with other countries. While negotiating trade treaties with other countries in future, the Authorities should give particular attention to the development of

Indian shipping and to the position of Indian Nationals abroad. The guarantee of a portion of the carrying trade to Indian shipping should be made part and parcel of trade agreements with various countries which command a substantial market in India. It is a well-known truth that a sound Mercantile Marine has always proved a stepping stone to the building up of a powerful Navy, without which political and economic freedom of India is bound to be a meaningless term. In this connection, the Provincial Governments may explore the possibility of granting bounties to ship-building yards and insist upon conditions such as the reservation of share capital, adequate facilities for the training of Indians, adequate representation to Indians in the employment in the industry, which are accepted by even the present Government of India. Fair treatment of Indian Nationals abroad should be also insisted upon as a matter of reciprocal treatment to the nationals of both the countries.

#### INDICES TO ASCERTAIN THE PROGRESS OF THE ECONOMIC PLAN

The main indices to ascertain the progress of the Economic Plan are the following:

(a) The value and volume of the total output of goods and services, which may give an approximate estimate of the annual national income of the country.

(b) The level of public and private investment which may show the level of money-incomes generated in a community.

(c) The level of total employment which may give the level of money-incomes earned in a community.

(d) The level of wholesale and retail prices and the wage-index which may give an idea about the cost of living and also may show the relative profitability of alternate lines of production.

(e) The value and volume of foreign trade.

While discussing the indices for judging the progress under an Economic Plan, one feels that too much attention has been paid in the past to the figures of import and export trade for ascertaining the prosperity of the people as a whole. It is true that before the development of large-scale industries, such as Iron and Steel, Textiles, Sugar, Cement, and so on, which mainly cater for the home market, India was in the same position as the primary producing countries such as Argentine, Australia, and Canada, in which the level of total investment, employment and the volume of spending power in the hands of the population was directly dependent on and was largely affected by the demand and the prices for the product of these countries in the international market. With the development of large-scale staple industries in India, during the last decade or two, this is no longer the case, and it is time that we cultivated a more balanced attitude towards the importance of the home market relatively to the importance of the foreign markets. India has a vast population and rich and magnificent natural resources, and there is no reason why it should not reach a

position similar to that of a country like the United States of America, in which investment and production for the home market occupy a predominant position, and production for the foreign markets a secondary place. While, therefore, making every effort to maintain and develop our foreign trade, we must explore the unlimited possibilities of the internal market and assiduously try to expand the capacity to consume and cater for the requirements and the needs of the home market.

#### VII

#### CENSUS OF PRODUCTION

The collection of accurate and reliable data regarding the value and volume of production in large-scale, medium-scale and cottage industries throughout the length and breadth of the country is the most vital factor for the preparation of a practicable Economic Plan. In this context, while appreciating the statistical work and statistical data prepared by the various departments and organisations of the Central Government, one feels that the present facilities in the country are woefully inadequate and that in India the vastness of the task of Planning for the whole country, which is almost continental in expanse, is not properly realised. If the advocates of Planning desire to get down to real and concrete business, it is essential that every Provincial Government and every large State in India create an efficient economic and statistical service for the purpose of collecting important data. Some of the provinces in India are as big as great nations in Europe, and complete reliable data for each province or each State cannot be obtained in the absence of some kind of Economic Intelligence Bureau. The Provincial Governments and the States should examine the possibility of putting into effect some such scheme as outlined below, as a preliminary step for the collection of the necessary data for the use of the Planning Authorities.

Each Province and every large State should have a special department called the "Economic Development Department". It should be manned by an efficient staff and the members of the staff should be posted in each district in the Province or the State. The work of the Department should be supervised by a responsible Minister without Portfolio, who should be a man trained in and familiar with economic facts and conditions in India, and such a Department should be assisted by a small Advisory Council consisting of representatives of Universities, Academic Institutions, Producers' organisations and Chambers of Commerce. In order to ensure complete co-operation between the official Statistical Department and the non-official bodies, and to secure co-ordination of their efforts, the functions of the Department should be deliberative rather than executive. The primary functions of the Department should be as follows:

(1) Each Provincial Government and State should make it obligatory, by law, on all establishments operating within that Province or State, to provide to the officials of the Department complete data about their total annual output and the value of their total annual output. Such kind of data are already being collected, and published by, the Central Government,

so far as the large organised industries are concerned, but the primary task of the proposed Department is to collect accurate data about each and every, small or large, business, that is operating in the nook and corner of that particular Province or State, and to make available the results of the work in the form of a monthly or an annual Journal, on the lines of the Board of Trade Journal in England.

(2) It should take advantage of the forthcoming census of population survey, and with the help of the officials of the survey, they should secure the following information of employment in the Province or the State:

(a) How many people are actually employed in the sense that they have to work to earn their living?

(b) How many people are unearning dependants?

(c) How many women are actually employed in work for a payment or a salary, and how many devote their time to domestic work?

If the Department succeeds in collecting the above data, in co-operation with the Census Survey, which merely collects data such as the number of population and so on, the Department should try to keep this Employment Data up-to-date.

(3) Having collected the Employment Data in the Province or the State, the Department should act as a Labour Exchange, and, with the help of the Advisory Council, circulate the record describing the Employment needs and the qualifications of the workers seeking employment, on the one hand, and the kinds of employment that are available, on the other. Co-operation between the proposed Department, Organisations and Chambers of Commerce will prove helpful in the task.

(4) They should compile an index of the wholesale prices of important agricultural crops and of products of important industries, and compile the price-data about various commodities in various markets, so as to help the commercial community in their attempt to secure the internal market.

(5) They should also, if the resources and the time of the Departments permit, publish such data as the productive efficiency and the labour efficiency in various countries which have a direct bearing on the staple industries in the Province, and also, from time to time, hold inquiries, through expert bodies, about the efficiency of production of the large-scale established industries within the province.

(6) Finally, the Department should watch the progress of the schemes that may be inaugurated under the auspices of any Economic Plan.

In short, a Data and Information-Collecting Body which acts, so to speak, as a permanent Royal Commission of Inquiry, is what is sought to be done by the proposed Economic Development Department.

#### CERTAIN OTHER REQUIREMENTS OF THE PLAN

One of the evils against which the advocates of Planning in this country have to guard, is the growth of inter-provincial jealousy, and while formulating any broad Plan, they must take effective steps to prevent the growth of any kind of inter-provincial rivalry and jealousy. One fundamental condition which should not be departed from, under any circumstances, is that there should be no inter-provincial barriers so far as inter-provincial trade is concerned. The U. S. A. have a vast free-trade area, and the largeness of the market has contributed to the development of large-scale mass production in U. S. A. The lesson of the U. S. A. should not be lost sight of by the Planning Authorities in the country.

Another fruitful suggestion that may be experimented by the popular Governments in the provinces is the possibility of organising some kind of Holiday Labour Camps, on the lines of Holiday Camps in Nazi Germany. Clearly, for political reasons, such an attempt cannot be made compulsory in any province, and it must begin as an experiment based on voluntary co-operation. For example, the Rural Development Officer should start by each district and compile a list of all the village craftsmen, such as village carpenters, brick-layers, unemployed village labour, and so on. The Government, on their part, should appeal to the University students to join the Holiday Rural Labour Camps in each district, annually. The Holiday Labour Camp may last from a period of one month to three months, which would approximately equal the University holidays. The Government would have to bear the cost of this experiment, which should be confined to meeting the railway fares and providing meals to the workers in the Labour Camp during the period when the Camps are held, on the same lines as the annual camps of the University Training Corps. The main function of such Camps should be to utilise the voluntary services of each worker, according to his own individual inclinations, for the purpose of improvement of rural dwellings, improvement of rural roads, the spread of literacy, sanitation and so on. A combination of students from Engineering, Medical and Arts Colleges, including lady-students who can freely approach the womenfolk in the villages, would be of great help in giving guidance as well as of help to the village-folk in all matters described above. The Plan should begin in a few experimental districts, in the first instance, and if it proves successful, then it should be extended to other districts. If the attempt proves successful, the Government can also appeal to responsible citizens in the province to donate funds for the purposes of carrying on this healthy Rural Areas' work. The proposed Holiday Camps are essentially an attempt to utilise the services of enthusiastic undergraduates and unemployed village-folk in the summer holidays for practical tasks which may result in improvement of the conditions of the rural areas.

N. G. ABHYANKAR

(Concluded)