

THE Servant of India

Editor : S. G. VAZE.—Office : Servants of India Society's Home, Poona (D. G.).

VOL. X, No. 9. }

POONA—THURSDAY, MARCH 31, 1927.

} INDIAN SUBSN. RS. 6.
FOREIGN 10s. 6d.

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TOPICS OF THE WEEK.

THE decisions of the recent representative Conference of Mahomedan leaders at Joint Electorates, Delhi are big with great good to the future of this country. The evils of separate communal electorates are too patent to need mention and are to be seen in the communal bitterness and strife which has become such an unpleasant feature of Indian politics. The obvious remedy was to scrap these electorates; but it needed extraordinarily courageous men to give the lead. The Sikhs and Indian Christians have already in their conferences favoured joint electorates. The Mahomedans as represented in the Delhi Conference have now followed suit, for which they deserve hearty congratulations. True their acceptance of joint electorates is not unconditional. They want Sind to be separated from Bombay and Reforms to be introduced in N. W. F. Province and Baluchistan, their representation in other provincial legislatures being on the basis of population. These conditions, though of comparatively minor importance, need to be carefully and sympathetically considered. The question of Hindu minorities in provinces in which Mahomedans preponderate also received consideration at the hands of the Conference which expressed its willingness to make to them "the same concessions that the Hindu majorities in the provinces are prepared to make to the Mahomedan minorities." Under the arrangement approved by the Conference, the election of Mahomedans to the Central Legislature, where they claim they should be a third of the total strength, is to be by joint

electorates. In view of the fact that Mahomedans are only 24 p. c. of the population of British India, this demand for the reservation of 33 p. c. of seats in the Central Legislature appears to be somewhat extravagant. These proposals are at present having a mixed reception; but it may be hoped that the idea of joint electorates will ultimately have the approval of politically minded Mahomedan patriots in all provinces. The question of Hindu-Muslim relations is sure to loom large in all negotiations for a further constitutional advance and those who wish to see their country advance politically owe it to themselves to settle it in a manner satisfactory to both sides.

* * *

THE Council of State did well in turning down Sir Sankaran Nair's fantastic proposal for giving its presidentship to the Governor-General. It is true the presidentship of the Upper Chamber is a very responsible office. Its incumbent has to be scrupulously impartial, as the presidents of all legislatures are expected to be. It is also a fact, as Sir Sankaran pointed out, that a Government servant could not always be trusted to conduct himself in a manner which will leave no room for suspicion as to his impartiality. The duties of a President frequently necessitate his ruling out or over-ruling high officers of Government. It is on such occasions that the position of a president who is a Government servant and who depends for his promotion upon the good will of his superiors, is very difficult. But surely the alternative is not to confer the presidentship on the Governor-General. To do so would be moving backward instead of forward. The proper course seems to use to be to press for the Council being allowed to elect its own President. The Home Member cited the analogy of the House of Lords in support of the existing arrangement; but he cannot be unaware that the movement for the reform of the House of Lords is now several years old and is daily becoming more and more insistent. And who knows that one of the reforms desired by public opinion may not be in favour of an elected President? Besides, unless we are greatly mistaken, the Second Chambers in some of the self-governing Dominions, like Australia and South Africa, which India aspires to be in the not very distant future, enjoy the privilege of electing their own Presidents. Besides the experiment of elected Presidents under the Reforms has worked satisfactorily and there

is no reason why it should not be extended to the Council of State at the earliest opportunity.

JUDGED by results Lord Lytton's Governorship of Bengal was a failure. Friction and unrest which characterise the period of political transition acquired special sharpness and volume in Bengal owing to a variety of circumstances, the chief among which was the tumultuous opposition of the Swaraj Party to the Government inside and outside the Council led by the masterful personality of the late Mr. C. R. Das. Passion entered political life in a flood tide and swept away reason and decency Lord Lytton's administration was responsible for the new policy of detention without trial adopted against the alleged revolutionaries. For them it established the invisible government of the C. I. D. in place of legal government. This unwise step reduced almost to elimination whatever chance of success Lord Lytton's administration had. There can be no better beginning of the term of administration of the new Governor than the immediate adoption of a just and humane policy towards Bengal detenus. This, rather than the verbal efforts to induce a cooperative hypnosis, will create the atmosphere in which constructive forces and constitutional government will have fair assurance of success.

* * *

THE Land Revenue Bill introduced last week in the Punjab Legislative Council proposes to effect some important changes in the system of land revenue assessment in the province. Though no maximum limit to the Government's demand had so far been laid down, in practice it never exceeded one half of "the nett assets of the area under cultivation." These are defined in the Bill as "the estimated average annual surplus produce...remaining after deduction of the ordinary expenses of cultivation as ascertained or estimated." The Bill in question seeks to lower this limit down to one-third. The Land Revenue Assessment Committee in Bombay on the other hand has suggested that the assessment should not exceed 25 p. c. of what it terms "the profits of cultivation." Under the Punjab Bill the maximum enhancement at reassessment has been fixed at one third. In Bombay the existing limits are 33 p. c. for a group of villages or a taluka, 66 p. c. for a single village and 100 p. c. for an individual holding, which, the Committee propose, should be replaced by "an all round rate of 25 p. c." On the question of the period of assessment, the Punjab Bill appears to be more liberal. It recommends forty years as the normal period, Government being empowered to fix a shorter period in special cases; while the Bombay Committee supports the status quo, viz. 30 years. Provision is made in the Punjab Bill for getting the Legislative Council's sanction to the land revenue assessment rules which must lie on the Council table for at least thirty days, so as to enable members to table the necessary resolution. Despite strong opposition to the proposal from official members of the Committee, the Bombay Committee on the other hand propose that "a standing committee should be set up for the purpose of putting the case of the persons immediately concerned, viz. the agriculturists, before Government in every case of revision settlement." This is a recommendation for which the ryots will be grateful to the Committee.

* * *

THE recent action of the Kenya Government in reserving some land in Mombasa for Racial Segregation in Kenya. European residence only has naturally created considerable stir in the Indian community there. This is looked upon by them as an attempt to revive racial segregation whose abandonment in townships was proclaimed by the historic Kenya decision of 1923. It is of course true that the area intended to be thus set apart is not very large, being about 160 acres; but a vital principle is at stake and our countrymen in Kenya will have all the support this country can give in their fight for the vindication of that principle. It is stated that a joint deputation of Indians and Arabs waited upon the Governor of the Colony some time back and represented to him the injustice and unfairness which the action in question means to them; but he could not be of much use. He is reported to have merely read to the deputation the authorisation granted by the Secretary of State for the Colonies for this action. If this is a fact, we are greatly surprised that the functionary who was a consenting party to the abolition of racial segregation in 1923 should have so far forgotten himself as to permit a flagrant violation of the decision, which is what the Kenya Government's action amounts to! It is sought to be made out that his hands were forced by some legal necessity. When did this necessity arise—before or after the 1923 decision? If the former, why was its existence not discovered at the time? If the latter, why was the fact so long kept back? May it be hoped that the Government of India are keeping themselves in touch with the happenings in Kenya?

TO judge from the Bengal excise administration report for 1925-26, the consumption of country liquor in that province during 1925-26. seems to have increased. This was 609,653 gallons during the previous year, but rose to 632,351 gallons during the year under report. This increased consumption has, curiously enough, not brought in larger revenue. In this there was a fall of Rs. 34,599, a phenomenon for which the Bengal Government owes an explanation to the public. How this rise in consumption and reduction in revenue is to be reconciled with the Government's excise policy, which, we suppose, is that of maximum of revenue from minimum of consumption, is also a point upon which the public would certainly welcome some enlightenment from the Government. In common with other provinces, the working of excise advisory committees, enjoying as they do very limited powers in excise matters, has given rise to a good deal of public dissatisfaction. Of how slight practical use these bodies are to the public can be seen from the fact that during the year they could close only 2 spirit shops, 9 tari shops, 3 opium shops and 1 bhanga shop, and could effect the removal to less objectionable sites of only 13 country spirit, 9 tarri, 8 pachwai, 10 ganja, 6 opium, 1 charas and 3 bhanga shops! Public feeling in favour of prohibition is very strong in Bengal and some municipalities seem to have asked for it, so far as their own areas were concerned. In the face of this demand on their part, to try to force these unwelcome shops on them simply out of revenue considerations is iniquitous in the extreme. It is a pity that but for some European missionaries, temperance-propaganda was conspicuous by its absence over the whole province. This is to be deplored. Those who believe in prohibition owe it to themselves to continue to educate public opinion ceaselessly upon it, so that the goal may be reached as quickly as possible.

THE RESTORATION OF THE SALT DUTY.

THE Government felt confident that if the Council of State restored the salt duty to Re. 1-4, the Assembly would avidly avail itself of the *locus poenitentiae* thus afforded for quickly retracing its steps. We ourselves had thought that some such compromise like salt duty at Re. 1 a maund would be necessary to persuade the Assembly to modify its former opinion. But we must own that we had set too high a value on the Assembly's independence and concern for the poor and that the Government's confidence in its docility and bourgeois sympathies was fully justified. In the Council of State itself the restoration of the salt duty to the original figure was the easiest thing imaginable. Government itself would have experienced some difficulty in getting that Chamber to reduce the duty if they were minded to do so. In fact the Council of State showed far more earnestness in discussing the reduction of the supertax than even the Assembly did in discussing the reduction of the salt duty.

We are at present concerned, however, with the betrayal on the part of the Assembly. Let it not be said that the betrayal was due to the Mahomedan bloc who can never be persuaded to vote against the Government. That is not true. On the contrary we are glad to bear testimony that the Mahomedan group is led by persons who are eminently reasonable. The speeches made by Raja Gaznafar Ali Khan and Mr. Mahomed Yakub on the salt duty on behalf of this group in the absence of Mr. Jinnah showed that they were anxious to vote on the popular side, that they would very much like to be convinced that the universally condemned duty on salt could be reduced. But no serious attempt was made to confute the Government's contention that the only two alternatives before the Assembly were the retention of the salt duty at the existing rate and non-remission of provincial contributions except by a very small figure not only this year, but in future years as well. It was only Mr. Kunzru who showed that the amount set aside for the reduction or avoidance of debt was too much and could safely be reduced. But he did not get a chance of developing this argument, and no one followed him up. All those big financiers in the Assembly like Sir Purshotamdas Thakurdas, who waxed very eloquent on the ratio question in maintaining that the Government could without resort to further taxation fill up the gap of 526 lakhs in its revenue that would be caused by depressing the ratio, were ominously silent on this occasion. It was calculated that by lowering the duty on salt to ten annas, provincial contributions could be given up this year only to the tune of 141 instead of 364 lakhs and yet our financiers could suggest nothing to meet this deficiency of 223 lakhs and on that account could not bring themselves to vote in favour of the reduction of the salt duty for fear lest provincial contributions should be maintained.

It is no wonder then that in face of such an attitude on the part of men like Sir Purshotamdas and Mr. Birla who are supposed to know most about the intricacies of finance among Indian politicians the Mahomedan group voted against the reduction.

The only other suggestion was the one made by Mr. K. C. Niyogi that a round table conference should be held between officials and non-officials for the purpose of considering ways and means of reducing the salt duty consistently with the remission of provincial contributions. But, past experience of such a conference is not very happy, as Mr. Cocke at once pointed out. If it comes to alternative taxation, representatives of commerce and industry at such gatherings always resist proposals for increasing income-tax for the purpose of enabling the burden on the poor to be lightened. It is an open secret that when the salt duty was raised, it was on account of the opposition of the representatives of the monied classes to all alternative proposals of taxation. It is thus clear that if any one set of members of the Assembly are responsible for the maintenance of the salt duty at Re. 1-4 a maund, it is these financiers who made such great play with the sufferings of the agriculturists on the Ratio Bill. For the rest the Swarajists made it a purely political question and Pandit Motilal Nehru based his opposition to the amendment made by the Council of State on the sole ground that Government was unresponsive to popular wishes in political matters. He expressly disclaimed his intention of considering the question on financial and economic grounds. The reasons he advanced would justify not only the lowering of the salt duty but its abolition, and not only the abolition of this onerous tax but every other tax as well. Indeed it would justify opposition to every Government measure. In other words, Pandit Motilal in asking members to vote for the reduction of the salt duty invited them to support his obstructionist policy. Surely this line of reasoning was not most likely to win the support of the Mahomedan bloc, who, we would repeat, did not speak like men who had closed their minds to arguments. In fact these Swarajist and Nationalist members who voted against the Finance Bill even after reducing the salt duty to ten annas had lost all moral right to be heard on the reduction of the salt duty and it was, we believe, in consciousness of this fact that Lala Lajpat Rai and Messrs. Jayakar and S. Srinivasa Iyengar left Delhi a few hours before the Finance Bill came back to the Assembly for consideration and Pandit Malaviya stayed away from the Assembly though he was in Delhi itself. We are prepared to admit that if the choice is between the remission of provincial contributions and the reduction of the salt duty, many would prefer the former to the latter. But we do not admit that the Assembly was really faced with such a cruel dilemma. There were other alternatives which the Finance Member relying on the sympathies of the Assembly for the higher and richer classes refused to take

into his consideration. We would, however, go further and maintain that the salt duty should be reduced even at the cost of provincial contributions being maintained. Why do we say so? For this reason that so long as provincial contributions remain, there will be a continuous pressure from local Governments on the Government of India for economy; and on account of this pressure the contributions can in any case remain in existence for a short time. But if they are once removed, provincial Governments will exercise no pressure and the Assembly very little for the purpose of reducing the salt duty and there is then no near prospect of the duty being reduced. We therefore deeply deplore the decision of the Assembly to keep the salt duty at the present level. We believe that this decision will render it impossible for the Assembly to reduce the duty for a long time in future. Mr. Niyogi in the course of the debate administered a severe, but well merited, rebuke to Sir Purshotamdas Thakurdas and men of his way of thinking, who after all their vaunted boast of advocating the 16d. ratio for the sake of the poor, deserted the cause of the poor when something could be really done for them.

FOLK HIGH SCHOOLS OF DENMARK.

THE Folk High Schools of Denmark are not the product of any scientific doctrine of education. They are more distinctly Danish and came into being in response to the intimate needs of the life of the common people of Denmark. The moral and intellectual capacity of the Danish peasants which has expressed itself in many-sided cooperative activities is very largely due to the influence exerted by the Folk High Schools.

The father of the Folk High Schools was N.F.S. Grundtvig, (1783-1872) priest, poet and historian. Denmark after her unsuccessful war against England in 1807 and her separation from Norway after the war of 1814 was in the grip of a sullen despair. The ten years that followed that separation constituted one of the most poverty-stricken periods of Denmark. In the midst of this spiritual and material disintegration Grundtvig was dreaming a great dream, the dream of awakening his people from sloth and despondency and leading them to a new self-realisation. After years of brooding and analysis it began to dawn upon him that what was necessary was free schools for adults. The reminiscences of the life of Danish forefathers told in the mother tongue must, he thought, be the means by which the youth of the present could be awakened and given the impulse to continue that life as a people; and such an awakening must be accomplished entirely through the working of the general spirit of the people and a free use of the Danish language—the only means by which this spirit could express itself. Thus the rock upon which Grundtvig built his temple was "nationality". The method of instruction chosen by him was historical, for he regarded history as real life preserved by the memory of man; history was the

experience of the human race, and therefore had a much greater significance than any philosophical system. The instruction was to be historical in method and communicated not through books or written notes but "the living word."

Grundtvig had to wait many long years before his ideas became popular and it was not until 1844 that the first Folk High School was erected. The man who carried out Grundtvig's idea and made it famous was Christian Kold (1816-1877). He was born in a poor home and had a deep feeling with and understanding of the common people. He gave the Folk High Schools their inner spiritual character and their simple outward form. He considered the acquisition of external knowledge as quite secondary, believing that a young man with an awakened and clarified inner life could easily acquire the information he needed in his daily occupation. The aim of the high school was to approach the soul of the pupils through the "living words" and thus awaken a life which would never stop growing. Kold said that his especial task was to *enliven* the young people rather than to *enlighten* them. He held that it was necessary that his listeners should give their unreserved attention to his word, for only thus could the spirit unite the speaker and the audience in living communion.

There are at present sixty Folk High Schools in Denmark with a yearly attendance of nearly nine thousand young men and women. The schools are private institutions and the attendance of the students is voluntary. Although the State supports the high schools by granting subsidies and scholarships it does not meddle with their internal affairs. The high schools do not admit pupils below the age of eighteen. The four years' interval between the completion of elementary school instruction, which, of course, is compulsory for all children and is finished at the age of fourteen and admission to the high school is considered necessary for the pupils in order to get an acquaintance with real life. During this interval many young people earn money to pay for their high school education. All the students with the exception of those whose homes are in the neighbourhood live at the schools. The winter term for young men is for five months and the summer term for women three months. The schools are entirely free in their curriculum, though as a rule three lectures daily covering history, literature, geography, sociology, natural science etc. are given to the whole school. This study in common constitutes the principal work of the school day. Writing, arithmetic, drawing etc. are done under the supervision of a teacher. Gymnastic training is given daily and there are also open air games, Folk dancing and singing. Many of the pupils make very rapid progress and experience has proved that the same amount of information which it takes half grown youths from three to five years to learn, can be learned by adults who are keen on learning in three to five months.

The high schools have successfully resisted the temptation of including technical subjects in

foot, just to show that they are no less brave than others. It also speaks volumes for the bad leadership of the party that the so-called leaders went in to the "no" lobby without ever informing their followers as to what they were going to do. After the Assembly had carried a motion for a drastic reduction of the salt duty—so drastic that the Nationalist leaders were in doubt whether they should vote for it at all—could there be conceivably any reason for the throwing out of the Finance Bill except that they would use obstructive tactics? And yet it was on their programme of opposition to obstruction that the Nationalists had contested their elections!

REVIVAL OF THE QUARTER ANNA POST CARD.

Then there was an attempt to revive the quarter-anna post card, but the attempt failed mainly because it was felt that, particularly after the reduction of the salt duty, it would not be right to reduce still further revenues available to Government. Moreover it must be remembered that without giving a subsidy to the department, postal rates could not be lowered. There was also widespread feeling, to which Mr. Joshi gave pointed expression, that there was greater need at present to improve the efficiency of the postal service and extend its scope of operations than to reduce the rates. The latter would only benefit the users of post cards who are more townsmen than village folk, at the cost of those who cannot, in the absence of postal facilities, use the cards at all. The extension of facilities was thus more to the advantage of the masses than the cheapening of the post card.

EXPORT DUTY ON HIDES.

The third subject that came in for discussion was the proposed removal of the 5% duty on the export of raw hides. The duty was first levied in 1919—at the rate of 15%—in order to encourage the indigenous tanning industry which had come into being at the time of the war. It was then represented that India having a monopoly in hides, the cattle-owners would not lose in any respect on account of the duty, because they would be able to obtain a higher price for their hides from foreign consumers. But soon after the attitude of the Government underwent a change. They thought that the duty was a mistake and consequently it was reduced three years later to 5%. It is of course admitted on all hands that an export duty on all raw products is bad in principle, but the Assembly was not satisfied that there were sufficient grounds for reversing the policy adopted by Government itself seven or eight years ago and the duty has been retained by the casting vote of the President.

OUR EUROPEAN LETTER.

Paris, March 9.

FRENCH ARMY REORGANISATION.

THE American Debt and Electoral Reform are questions which have been recently exercising public opinion in France, but these pale into insignificance beside the French Government's plan, now before the Chamber, for the reorganisation of the country in times of war. The Bill "for the general organisation of the nation in times of war" applies the principle of conscription when security demands it, to every department of the national life. Some days ago M. Briand gave an interview to the editor of the *Petit Parisien*—an act generally interpreted as bestowed rather than sought—where he said many good things about Franco-German relations, which at once attracted the attention of all Europe and where he concluded with the advice

to his countrymen that instead of complaining of the military efficiency of the Reichwehr, they should reorganise their own army and frontier "without losing sight of the ideal of peace". That this was no merely pious wish on the part of the French Foreign Minister is evident from the proposals of his colleague M. Painlevé, the War Minister. These, which have been, not unjustifiably, described as "the most complete militarisation of a whole nation yet known in history" are based not only on the responsibility of the War Minister who is a distinguished scientist as well, but also on that of such military authorities as Marshal Foch and General Debeney, the Chief of the General Staff. They have been in preparation for more than four years and their premises, which has now come to be known as the French thesis in matters military, is that in modern conflicts between large nations all the resources of the combatants, both human and material, must be engaged. The first article of the Bill, which contains a multitude of provisions, therefore, lays down the fundamental principle that in time of war all French citizens, men and women alike, are bound to take part in the defence of their country. With this as a starting point, the Bill sets forth the lines on which the man power of the nation is to be mobilised for civilian and armed-service in war time. To that end provision is to be made in time of peace. For example, the law to be voted will make it impossible in future for young men to do service in factories while older men serve at the fighting front, a spectacle witnessed in the world war in many countries. The general limit for liability to service of whatever kind is to be set at forty years of age. Not only persons in the ordinary sense of the term but also legal persons; such as corporations, enterprises and business firms of every kind are to be called upon to contribute to national defence. In this connection, there is laid down the principle that profits from the fact of war shall become illegal.

At the same time, as regards material resources, the Government Departments in times of peace are to be required to coordinate their war-time requirements, so that when war breaks out supplies can be obtained by purchase or requisition without competition from different services, as before. In the political, administrative, and economic fields, the organisation for a time of war is to be adopted to peace conditions, so that the transition from one to the other may be made with the least possible waste, and so that the preparation for a possible emergency may interfere as little as possible with the peace-time activities of the nation. Finally, there are described the duties and responsibilities of Government and Parliament respectively with regard to the conduct of war.

In a recent newspaper interview M. Painlevé also stated that he will begin the construction of an immense system of fortifications on the frontier between Alsace-Lorraine and Germany which will continue without interruption for several years, the duration to be limited only by financial possibilities. The military expert of the *Journal des Debates* in an article on this subject says that the real line of defence is on the Saar, and since it is impossible to construct permanent fortifications in peace time outside French territory, the fortified regions will serve as a base for an offensive manoeuvre against an enemy marching towards the West. To the charge that France is constructing aggressive fortifications such as those which Germany was reproached for making against Poland, and has consented to destroy, his reply is

that the offensive would be made only against an enemy that had already crossed the greater part of the neutralised zone. It has been asserted that the new army organisation will add 7,000,000,000 francs a year to taxation, and what the cost of the proposed fortifications will be nobody knows.

These amazing figures and measures should give us a vivid idea of what "civilisation" means, and the conclusion is compelling that in effect, all this points to war being made instead of something abnormal, something extraordinary, into a part of the ordinary civic life and an element in the every day consciousness. Civilised societies are thus being condemned to live in the same conditions of perpetual conflict which shrivel up the life of savage tribes, and yet M. Painlevé hopes that there will be no misunderstanding about "this great task of military protection" which France is undertaking only in the interests of general peace, for if she were known to be incapable of victoriously resisting invasion "it would be the most dangerous of temptations for the evil forces that torment our world." The War Minister's proposals have produced diverse reactions in France and it cannot be said that their reception has been unanimously enthusiastic. "A democracy may well vote these things," says the *Action Française*, "but it will not apply them. It does not have the money to pay for the material it would need; it has neither the will nor the patriotism to impose on its personnel the generous discipline it must have."

THE COUNCIL MEETING AT GENEVA.

These plans of the French Government are, as Mr. Garvin describes them in the *Observer*, the foreground of the meeting of the Council of the League of Nations now proceeding at Geneva, while the background is the evacuation of the Rhineland. Six Foreign Ministers are assembled there and the *Daily Telegraph* remarks "that it cannot be the Saar question which justifies such a display of forces and talents," and surmises that Dr. Stresemann has possibly succumbed to the will of the German Nationalists and will insist on the immediate evacuation of the Rhineland, though the German Foreign Minister has given a written interview to German newspaper correspondents stating that the evacuation of the Rhineland will be the object of "no concrete proposition" at the present session. The real business in Geneva is reported to be transacted by private conversations in hotel rooms. The Saar, Rhineland evacuation, Anglo-Soviet relations, German-Polish relations and the situation in China are believed to have been the subjects of discussion between M. Briand and Sir Austen Chamberlain on the one hand, and Sir Austen and Herr Stresemann on the other. It has been unofficially reported that after long Anglo-German conversations the British Foreign Minister promised to use British influence for an early solution of the Rhineland question if Germany would support the British policy as regards the Soviets and China. Mr. Chao Hain-Chu, the Chinese delegate, is said to be attracting much attention in Geneva, because he is understood to be acting under instructions from both Peking and Canton, and may bring before the Council the present situation in China.

Meanwhile the British papers are drawing attention to the rumours of a secret pact between England and Poland and says the *Daily News*. "We suppose that Sir Austen Chamberlain will seize the earliest opportunity in Geneva to deny this report from Moscow that Great Britain has concluded a secret accord with Poland, to make use of her against Russia, and with the intention of

distracting the attention of Russia from China which is a polite manner of saying "menacing Russia with war." The idea is evidently fantastic. Poland does not wish at all to enter into war with Russia and certainly not for the glory of England. Such an arrangement would imply serious guarantees by England of financial and military aid. The British Secretary for Foreign Affairs who would be foolish enough to give such guarantees would disappear with his Cabinet in a storm of popular derision." Nevertheless the *West Minister Gazette* has it: "Although this report may be an exaggeration due to Soviet propaganda, it is a fact that Great Britain envisages a fusion of interests of Eastern European States by favouring the regulation of local conflicts in order to counterbalance the efforts of Soviet diplomacy."

ANGLO-RUSSIAN RELATIONS.

The fact of such a reaction towards the Soviet Government on the part of British diplomacy obtains support from the recent exchange of courtesies between the two Governments and the only too evident way in which by their utterances Lord Birkenhead and Mr. Churchill confirm the persistent report that they have brought such considerable pressure on the Baldwin Cabinet towards effecting a rupture with Russia that the British Foreign Minister in spite of what is known to be his moderate counsel on this matter is constrained to make some tangible move. In reply to the accusation in the British Note (which was largely and immediately due to the Russian support to the Cantonese) that the Soviet Government had broken the conditions of the agreement between the two countries, the latter point out that "to bring published or verbal utterances made within Soviet Russia within the scope of the agreement of 1923 or the agreement of 1921 is an arbitrary extension of the limits of these documents" and added that sharp "attacks against the ruling Conservative party every day, abusing Soviet institutions, the Soviet Government and its representatives in London and spreading incredible and fantastic lies about the Soviet Union." Anyone who has followed the utterances of Lord Birkenhead, Mr. Churchill, and the Home Secretary Sir Joynson Hicke, (whom psycho-analysts would certainly be tempted to credit with a "complex" on this matter) on the Soviet Government would be convinced that it is a record hard to beat, and as the Russian reply says that "it is impossible to find either in the Soviet press generally or in the articles and speeches to which the British Government refers in its Note any sharp attacks against Great Britain similar to those mentioned" therein. The sentiment which the Russian *Pravda* gives expression to, viz. "If the British think they can speak to Russia in a tone that inhabitants of a colony would not tolerate, they will soon be disillusioned" is the root-cause of the present state of Anglo-Russian relations and the Soviet Note makes a sharp reference to this: "What also matters is that in its relation with the Soviet Union the British Government consciously infringes the usual international customs, and even elementary decency. It periodically thrusts in the face of the Soviet Government indefinite and unfounded accusations, refusing even to discuss them; it avoids settling mutual claims and complaints either diplomatically or through special conferences, committees, or delegations; declining the usual diplomatic ways of settling conflicts it permits itself to talk to the Soviet Government in the tone of threats and ultimatums; and lastly, it ignores the constitution of the Soviet Republics, making insistent attempts in its Notes to substitute party or even international

their curriculum. It must be noted however that almost all the agricultural schools which now number more than a dozen were established by old pupils of the high schools. The common experience is that after a stay at the Folk High School better results are obtained from the technical institution of the agricultural school. The high schools have not only helped the agricultural schools movement along, but has done something better than that. It has put a new spirit, a new sense of independence, a new hopefulness into the peasant class. A direct result of the high school movement has been the establishment of nearly one thousand meeting houses all over the country in which high school men hold lectures. In this way they keep in touch with the most alert section of the rural population. The high school men take leading part in the political life of the country and hold important administrative positions.

The leaders of the high school movement claim that they do not prepare pupils for a life of study. Their object is to enable pupils to go back to their daily work with a deeper understanding of human life and its problems.

The difficulty in establishing in India a system of adult education based on western model is the illiteracy of the vast mass of Indian adult population. In western countries the adult population has, owing to compulsory primary education, a certain minimum literary equipment. In India many years must pass before a large body of literate adults can be expected even assuming that the Compulsory Primary Education Acts are effectively and honestly carried out in the several provinces without further delay. The problem of adult illiteracy and ignorance will thus remain for many years to come. Until this adult illiteracy and ignorance is considerably removed no large results can be expected from the compulsory primary education legislation. To tackle the problem of Indian illiteracy and ignorance adequately, it is necessary not only to educate the children but also their parents, for the spread of education will depend on the degree that the parents appreciate the value of education and are willing to make sacrifices for it. The advantage of a school-going child with literate parents who have received some instruction over one whose parents are illiterate and ignorant is obvious. A system of adult education for India must be such as will enable the illiterate adults to take advantage of it. It is here that the importance of the "living word" of the Danish Folk High Schools lies. A teacher can establish a 'living communion' between himself and his adult pupils without the help of books or written notes by adopting the conversational method of the Danish high schools. Illiterate young men or women will acquire knowledge far more quickly than half grown boys and girls, for the former are acquainted with real life and have more mature minds. After an intellectual interest in things and affairs around the life of the adult pupils is created by means of stimulating conver-

sational lectures in vernacular, literacy will easily and quickly follow. The important thing is to awaken the inner life of the pupils. To this end the Danish system offers useful suggestions.

OUR PARLIAMENTARY LETTER.

(SPECIAL TO THE SERVANT OF INDIA AND THE WEEK.)

Delhi, 25th March.

THE CURRENCY BILL.

THE discussion of the Currency Bill dragged on for a considerable time after the amendments had been disposed of, very lengthy speeches being delivered at the third reading which, however, as was only to be expected, did not contribute anything of importance to the consideration of its merits. Mr. Jamnadas Mehta reiterated his objections on the ground that prices in the broad sense of the term had not yet adjusted themselves to the new ratio. Although he had nothing new to say he took as much time in saying it as he had done on the earlier occasion. To these objections the Finance Member's reply was very brief. He claimed, with the majority of the Royal Commission, that adjustment had already taken place to a preponderant degree, but he added that it was no use assuming, as the supporters of the 16d. ratio seemed to do, that to the extent to which adjustment was yet to come to the 18d. ratio, it had in actual fact been brought about to the 16d. ratio. Whatever difference of opinion there might be as to the precise extent of the adjustment that had been achieved to the higher ratio, all impartial observers must admit—and Sir Purshotamdas Thakurdas has admitted it in his Minute of Dissent—that prices had adjusted themselves more nearly to the higher ratio than to the lower one. It therefore followed that if there was any maladjustment on the 18d. basis, there would be far more on the 16d. basis and that therefore of the two ratios the higher one must be preferred. Sir Purshotamdas prophesied in his speech that Government would be unable to hold the rupee to the 18d. rate, to which Sir Basil Blackett gave the same kind of answer. If there were any difficulties in maintaining the rupee at 18d. there would be far more in keeping it at 16d. and as the choice lay, in the view of most of his critics, between fixing the rupee at 16d., or at 18d., it was obvious that members must cast their votes in favour of the Bill. Sir Victor Sassoon who again made a reasoned and unimpassioned speech against the third reading of the Bill, pointed to the tendency of the world prices to fall and argued that in view of that tendency, it was desirable for Government to have a free hand to lower the gold value of the rupee and by that means to keep the rupee prices stable. In order to enable Government to do so, he advised the Assembly to throw out the Bill. Since the rate was already 18d. Government would lose nothing by postponing the legislation of that rate. Only there would be delay in establishing a Central Bank and introducing the gold standard, but the non-accrual of these advantages had itself some compensating advantages. Sir Victor Sassoon, in this speech, practically repeated the proposal made by Pandit Motilal Nehru after the rejection of the amendment in favour of 16d. But Sir Basil Blackett was not disposed to consider the proposal at this stage. He refused to believe that gold prices would fall very much in future if only because, as he had said, it was the policy of both the United Kingdom and the United States of America to stabilise the prices at 150 in relation to the pre-war level. Sir

Basil Blakett in his reply as in his first speech laid the greatest stress on the evil effects of a sudden increase in prices which would result from depressing the exchange value of the rupee. On the labour aspect of the question Sir George Paddison spoke with effect, Mr. Joshi again failing to catch the eye of the President, though he rose thrice. As the Bill advanced to its final stage the majority in favour of it increased considerably. Pandit Malaviya again referred to the fact that Government had put on its whip. There is not the least doubt, however, that if voting had been left free both on official and non-official sides, the Bill would have received even larger support than it did.

THE FINANCE BILL.

From the Currency Bill the Assembly turned to the Finance Bill. The House had become so tired by the time and there was such congestion of public business that the President quietly slurred over the early stages of the Bill and without allowing a general discussion of the principles proceeded to consider the Bill clause by clause. The first subject that was taken up for consideration was the salt duty, in regard to which there were numerous amendments for reduction. There were many speeches on the amendments but most of them were very perfunctory. The reason perhaps is that the reduction of the salt duty and its eventual abolition have become such common-places of Indian economics that it would be regarded as an insult to the intelligence of any audience to address to it any long-drawn out arguments in its favour. Pandit Hirdaynath Kunzru, however, in a short speech, explained that the Assembly asked for both reduction of provincial contributions and reduction of the salt duty at the same time, because it was convinced that there was room of reduction of expenditure in at least two directions: (1) the allotment for redemption of debt and (2) military expenditure. At that stage he could not go into these two matters at great length, but he said enough to show that the Finance Member could reduce the expenditure and thus do with a lower salt duty. The Finance Member declined to follow Pandit Kunzru into the subjects, but merely said that if the duty was reduced by one-half (10 annas instead of Re. 1-4-0), there would be a loss of Rs. 312 crores, and to that extent he would be unable to take off provincial contributions. He did not suspect, nor did anyone else, that any of the amendments would be carried, but to the surprise of all the amendment to reduce the salt duty to 10 annas was carried by a majority of 3 votes. Several of Mr. Jinnah's party, to whom it is given to cast the deciding vote on many questions, voted in favour of the reduction of the salt duty. I heard one of them arguing with a sixteen-pence: "Does this not show that when public opinion is strong on a matter, we can always carry the point against Government? If 16d. were really popular it would have won too, but it isn't." What Government would do after the unexpected defeat was a matter for constant speculation till the Finance Member informed the House in effect on the following day that according to his expectation, the Council of State would restore the duty to its old figure of Re. 1-4, whereupon the Assembly would get an opportunity to reconsider its decision. It is not unlikely, though by no means certain, that the Government might obtain a majority for its original proposal when the matter would come back to the Assembly. But is it wise to take the risk? What if the Assembly stuck to its decision? From the Government's point of view it would certainly be more prudent to move an amendment

in the Council of State to reduce the duty to Re. 1, in which case the Assembly would probably agree in the hope of securing a remission of the provincial contributions. But from the point of view of the general public who desire the abolition of the salt duty as early as possible it is best that the reduction should be forced on Government. I need not however dwell on it here, because before these lines appear in print the question will have been decided one way or another. The Finance Member is making it appear that the choice lies between the retention of the salt duty at the present level and the remission of provincial contributions. There are however other alternatives such as those suggested by Mr. Kunzru, and it is to be hoped that the Assembly will remain firm.

When the Finance Bill came on for the third reading, which was expected to go through in a trice, all of a sudden Mr. Ranga Aiyer rose to deliver one of those harangues which come so easy to him. Thereby he flung a surprise not only upon the other parts of the Assembly, but upon the Swarajist benches themselves. The whole purpose of his speech, which lasted for 1½ hours, was to goad Pandit Malaviya to throw out the Bill by reminding him of what he had done in 1914 and through Panditji to stampede the Nationalist party into a position which they disliked from their heart. Had things improved since 1924? Had Government become more responsive to popular wishes? Fortunately for Mr. Ranga Aiyer Lord Birkenhead had just delivered himself of a speech which offered nothing but blank negative to Indian demands and Mr. Ranga Aiyer made clever use of this speech to put Pandit Malaviya on his mettle, and to the surprise of all he succeeded in driving the Pandit into the 'no' lobby. But Mr. Ranga Aiyer had also another object in view, viz. to taunt the Swarajists themselves with a climb-down in their policy. The Swarajists are in no mood now to vote against the Finance Bill. They see the futility of it. But they remain formally committed to its rejection and Mr. Ranga Aiyer rubbed it well into them in his speech. The Swaraj party, he said, was the Congress party, and the clear mandate of the Gauhati Congress was to throw out the Finance Bill. Would any one among the Swarajists of all people be so devoid of self-respect and so disloyal to the Congress as to vote for or be neutral on the Finance Bill? The Swarajists, however, were more wary than Pandit Malaviya. Their leader, Pandit Nehru, although present in the House, did not choose to remain in his seat at the time of the voting, and their deputy leader, Mr. Srinivasa Aiyangar, President of the Gauhati Congress to boot, voted against the Bill, and the Chief Whip, Mr. Shanmukham Chetty, and Mr. A. Rangaswami Aiyengar ostentatiously abstained from voting. Indeed they were most active in dissuading the Nationalists from voting with Mr. Ranga Aiyer. Both Lala Lajpat Rai and Mr. Jayakar voted against the Bill. And of the 23 men who voted against the Bill, about as many belonged to the Nationalist party as to the Swarajist party. Is it not a strange irony of fate that the Nationalist party which carried on a crusade against the Swarajists on this very question were the first to fall victims to Mr. Ranga Aiyer's seductive arguments, while the Swarajists themselves should remain unmoved? Not that the Nationalists have changed their opinions, but while Swarajists can adapt their policy to changing circumstances without incurring public obloquy, the Nationalists' position in the country is so insecure that they must fall in with every extreme-looking stunt that may be set on

Institutions for the formal Government of the Union". And thus it comes about that by sending out the Note Sir Austen Chamberlain has rather worsened than bettered the Anglo-Russian relations besides overcasting the international horizon with many clouds, and as the *Manchester Guardian* remarks, "it is time to recognise that we cannot coerce the Russians. We have tried war and we have tried diplomacy without effect. What we have not consistently tried is to realise that the Russians are almost equally powerless against ourselves. They are at least as incapable of turning this country into a Communist State as we are to turn them from Communism".

A CANDID CONFESSION.

But what makes "this exaggerated fear of Bolshevik propaganda" the root of much of Great Britain's difficulties is first, its effect in the home country, and secondary, in the many points of British influence all over the globe such as China, Persia, Afghanistan, and India. A recent writer in *L'Echo de Paris* has suggested that it is this last named country which Great Britain would most jealously guard, and the German newspapers abound in caricatures which point to John Bull the possibility of India entering the pale of the influence of what is coming to be known as the Pan-Asiatic movement. Obviously this is what makes for the principal anxiety of the Britisher, whether it finds expression in the *Morning Post* of London or in the *Karachi Gazette* which raises the cry that the Y. M. C. A. in India has gone Bolshevik! What makes Communist propaganda a real danger for Great Britain, whether at home or in parts of the British Empire, is the present unsatisfactory political conditions with which the whole of the Empire abounds. The weakening of the party which is now at the head of the Government is now a commonplace to those who follow the tendencies in the "mother country" and there is already much speculation about its successor. The two parties in the opposition would seem to be also beset with internal dissensions and serious students of affairs in Great Britain have accustomed us to the idea that the country is passing through a revolution. All depends upon the manner in which this process will be moulded. The inwardness of this change was given expression to in a notable speech recently by Sir Herbert Samuel, the ex-Governor of Palestine and the new recruit to the Liberal ranks, and Sir Herbert's speech may, I think, well be called a candid confession. "Our civilisation," he said, "cannot be stable unless it solves the industrial problems that beset it; it cannot continue as it is indefinitely into the future; it must change... Peace in industry is essential, but peace is only possible on a basis of justice. It is not just, and it is useless to pretend that it is, that while some of those engaged in production enjoy great incomes, millions of the people have to pass their lives harassed by incessant anxiety through insufficient wages and recurring unemployment, subject to degrading conditions from bad housing and a wretched environment."

Whatever opinions one may hold about Russia (and it is quite possible to hold that conditions peculiar to that country may make its history comprehensible without being a professional Communist) it is not possible to be easily convinced that the intelligentsia in Asiatic countries would show a marked taste for communism as such and regard the Communist State as a model suitable for wholesale importation. The Cantonese who have allied themselves with Soviet Russia have had apologists who have repeatedly pointed out

that this was inevitable and was solely due to the fact that assistance came to them from that quarter only. Nor has there been even in China any lack in tendencies clearly pointing that Bolshevism as such is anything but universally popular. Most students of Russia agree that in Russia itself before the present regime attains such shapeliness as centuries of development have given to other existing regimes it will be greatly modified and that much of the rigidity of the Soviet Government at present arises out of the constant necessity to be on the defensive to which it is subjected by other Powers. The saying of Sir Herbert that "Peace is only possible on a basis of Justice" is one which may be applied not only to the internal conditions of the British Isles but may well also be extended to the affairs of the Empire in general. We may freely admit that Great Britain has a reputation for effecting bloodless revolutions and the political genius of the British people has shown itself on many an emergency to be possessed of marvellous resourcefulness. Of all European peoples the British are perhaps not only the most experienced in colonial matters but also most progressive. It is this progressive tendency in the race which has managed to knit together such large and diverse parts of the globe into the British Commonwealth of Nations. But that Commonwealth is still from many points of view an ideal and its future depends entirely on the enduring power of the progressive quality of the Britons. Bolshevism has so far mainly shown itself as a disruptive force, and as long as it is one of the fundamental traits of human nature that disruption is never welcomed for its own sake, there is little need to fear Bolshevism on the part of Great Britain. It were far more necessary to fear the Diehards and the displeasure of professional Conservatives is the price which the British Empire is now called upon to pay to save itself from Communists.

REVIEW.

BANKING IN INDIA.

EARLY EUROPEAN BANKING IN INDIA.

By H. SINHA, (MacMillan and Co., London)
1927. pp. 274. 8 $\frac{3}{4}$ x 5 $\frac{1}{2}$. 12s. 6d.

THE author evaluates himself in the preface and indicates plainly the difficulties he has undergone in deciphering the contemporary old and worm-eaten records and newspaper accounts of this period—the last half of the eighteenth century. The author says: "I have satisfactorily established that there was a joint-stock bank in India with limited liability long before the incorporation of such institutions in England, that the Bank of Bengal was not the first banker of the Government of India, nor even its progenitor the Bank of Calcutta, that the notes of private banks were recognised by the Government as early as the 18th century, that the theft of bank notes was not an offence till the end of 1809, that the Government issued paper akin to Treasury bills to carry on the war in the South with the help of the Banks of the time, that they readily came to the assistance of the banks in time of crisis, that they appointed a Currency Committee with the leading bankers as members as early as the eighteenth century." There is also a reproduction of specimens of bank notes, bank bills, etc. of this period. In the second part he has stated his reflections on the present day situation of banking in this country. He also points out that some of

his suggestions have been endorsed by the Hilton-Young Commission.

The first part consists of 164 pages and deals with the Early European Banking institutions doing business in Bengal during the years 1770-1809. The author has devoted a few pages to a brief description of the Bengal Bank and the account is incomplete, which is doubtless due to the "disappearance of certain records" which fact he refers to in the preface. Pages 9 to 26 contain a lengthy extract from the articles of the General Bank of India to prove his contention that it was a limited liability concern—the first of its kind. Specimens of these Bank notes and Bank Post Bills and corresponding indigenous banking instruments are reproduced and the rivalry between the Bengal Bank and the General Bank of India and their bid for power and Government support is vividly portrayed on pages 28 to 48. Pages 49 to 57 contain a description of Sir J. Steuarts' proposal to start a Bank to solve the currency difficulties of the time. The next 70 pages are devoted to the general monetary situation of the time and recount the services rendered to the Government by the Banks of this period. The conditions leading to the starting of the Bank of Calcutta are also described in detail. Students of Indian Banking would be heavily indebted to Mr. Sinha for the description of the rise and fall of the Bengal Bank, the General Bank of India, the Bank of Hindustan, and the Bank of Calcutta. These have not been recounted in detail by other writers on banking of this period.

Coming to part two, he points out the points of similarity as well as difference between then and now so far as the money market is concerned. Then follows a rapid summary of his recommendations for improving the present banking situation. Among his suggestions are the conversion of the Imperial Bank into a State Bank or the provision of a separate State Bank, proper industrial financing by developing the debenture system with the aid of industrial banks aided by the State, organisation of Stock Exchanges to promote the investment habit, long term banks for aiding agriculture, standardised bills of exchange, grant of special privileges for banks to collect their dues, reduction of the stamp duty on cheques, regulation and control of banking operations, even those of the Exchange Banks included, by legal restrictions, to education of Indian youths in banking, economic working of banking institutions, of inclusion within the network of banks the mahajans and other financial middlemen, judicious propaganda to popularise banking, remodeling the indigenous banking institutions and to check amateur banking with its vicious tendency to combine banking with other business. That these are worthy of serious consideration need not be emphasised. Almost all these suggestions have been previously pointed out by other writers and it is the first part of the work that is indeed a notable contribution to the knowledge of banking in India. However restricted it might be, it adds distinctly to the stock of present day knowledge of Indian banking history. It is true that the existence of these banks is known to other writers of banking in this field, but they have fought shy of exploring these dry historical details. Thus it fills a gap in Indian Banking literature.

The aim of the author is to direct banking progress in India and to suggest a few lines of thought to overcome the present-day deficiencies. Though a general outline of the present day banking organisation is lacking he gives us the fruits

of his laborious research and reflections in a lively style refreshing to the readers.

B. RAMACHANDRA RAO.

PANDIT H. N. KUNZRU'S SPEECH ON THE FINANCE BILL.

SIR, I should like to take advantage of this occasion to say a word about our customs tariff. In 1913-14, that is, the last pre-war year, we got a revenue of 11½ crores from Customs and it formed about ¼th of our total revenue. In the coming year we expect to get about 48½ crores from customs duties and they will form about 40% of our total revenue. The weight of the customs duties, as the Taxation Enquiry Committee put it, is increasing and there is a large variety of rates. It is obvious, therefore, that there should be a careful elaboration of the tariff and that it should be based on scientific principles. I should have thought that the Report of the Taxation Enquiry Committee having been published a year ago, Government would have done something in this direction. Perhaps they have done something. If so, I should like to know what has been done. If nothing has been done, I would suggest strongly to them that the revision recommended by the Taxation Enquiry Committee should be carried out at an early date by an impartial body. I would personally suggest that the inquiry should be referred to the Tariff Board. But if some other body is selected, it is necessary that Indians should be adequately represented on it. The question of tariffs is of the greatest importance to our industries and the place which industries occupy in the minds of Indians is, as Hon'ble Members know, a high one. It is therefore of the very greatest importance that the inquiry that is conducted should be such as would carry conviction to the country at large and to this House in particular. I wish to say specially that it will not do if the inquiry is merely departmental and a subordinate officer or even a superior officer of the Department is appointed to conduct it. There ought to be a Board on which Indian views will be fully represented.

I should also like in this connection to refer Sir, to the lac industry. Now, we all know the objections raised to export duties. But, as Government are well aware, the imposition of a duty on unmanufactured lac was a point on which the Taxation Enquiry Committee were unanimous. They certainly asked that a further inquiry should be made into the matter, but they held that if it was found necessary a duty should be imposed. Has anything been done in that connection? This duty is of the greatest importance to the Mirzapore district in the United Provinces and I have special pleasure, therefore, in bringing this matter to the notice of Government. I should also like to draw their attention to the gold thread industry with which, I have reason to believe, the Hon'ble the Finance Member is not unfamiliar. I am told—I have no personal acquaintance with the matter myself—that there is really no competition now between the real gold thread industry in India and the real gold thread coming from France or any other country on the Continent. I am told that the 20% duty has killed that competition and that the competition is really between the real gold stuff of India and the imitation stuff that comes from foreign countries. If it is so, I should like to know what the policy of Government in this matter is. I can understand two real stuffs competing, but I cannot understand imitation stuff being allowed to compete with real stuff.

Lastly, Sir, I should like to refer to the export duty on hides. Coming as I do from the United Provinces, it was a matter of satisfaction to me that the House decided yesterday with your valuable support to retain that duty.

Sir C. Innes: It is not the view of the Mirzapore Association.

Pandit H. N. Kunzru: I was coming to that. The Hon'ble Member triumphantly referred to the view of the Association in Mirzapore in favour of the removal of the export duty. But he forgot that if the leather industry is strong anywhere in the United Provinces it is in Cawnpore and Agra and their opinion seems to be against the proposal of the Government. If Government wish to help Mirzapore, let them take up the question of the lac industry and see whether it is necessary to impose a duty on the export of unmanufactured lac. The debate yesterday showed that nobody is, in theory, for a permanent retention of the export duty on hides, but what is necessary for Government to realise is that there is such a thing as the leather industry in India. If they have for a long time been thinking of removing this duty, was it not necessary that they should before asking this House to remove it come with proposals which would alleviate the difficulties of the leather industry? All that the House asked Government yesterday was to postpone the consideration of the removal of the export duty till their proposals with regard to the leather industry as a whole were ripe for consideration. In spite of the figures given yesterday by the Hon'ble Sir Charles Innes, there is no doubt that the imposition of the duty in September 1919 has not hurt the trade in raw hides to the extent suggested by several speakers. It must be borne in mind in this connection that the quantity of raw hides exported had fallen to about 19,000 tons in the year before the export duty was levied.

Sir Basil Blackett: On a point of order, Sir. Is it in order to reopen the whole question of the export duty on hides which has already been settled in a previous debate?

Mr. President: On the Finance Bill the whole administration comes under review and it is very difficult to rule out anything. But Hon'ble Members must use their own discretion.

Pandit H. N. Kunzru: If the Hon'ble the Finance Member will have patience he will see that I will not reopen that question. I want only to point out that the trade in raw hides is not in a parlous condition because of the export duty, and that therefore Government and those engaged in that trade can well afford to wait till proposals are matured for giving relief to the leather industry and I hope that this point is in order even in connection with the Finance Bill. India exported only 19,000 tons of raw hides in the year previous to that in which the export duty was imposed, and in 1925-26 the quantity of raw hides exported amounted to 28,500 tons.

Sir C. Innes: 1918 was war time.

Pandit H. N. Kunzru: In 1920 after the war it was 18,500 tons and in 1925-26 it was 28,500 tons.

Sir C. Innes: In 1913-14 it was 60,000 tons.

Pandit H. N. Kunzru: The Hon'ble Member removed a duty of 10% in 1923 and if it was the export duty that was preventing the expansion of the trade in raw hides, we should have seen a considerable improvement after the removal of the duty.

Sir B. Blackett: Is it really necessary for the Hon'ble Member to flog a dead hide?

Pandit H. N. Kunzru: I would not flog a dead horse, if the Hon'ble Member would even now say that he would; not come forward next year with his proposal to remove the duty on the export of hides without at the same time bringing forward proposals for the protection of the leather industry. The Hon'ble Sir Charles Innes made a long speech yesterday which did not contain a single word of hope so far as this industry...

Mr. President: The Hon'ble Member might wait till next year.

Sir C. Innes: We did refer to the Tariff Board whether the boot and shoe industry of India needed protection. The only application that we had was a Jewish application and nobody else came forward and we had to remove the name of that industry from the list of the Tariff Board's work.

Sir Purushotamdas Thakurdas: That is a different thing altogether.

Pandit H. N. Kunzru: That is a different thing altogether. Besides, the Hon'ble Member knows that it is not easy in the condition in which the trade is to get evidence. Go to Mirzapore where the lac industry is suffering, and yet if you ask people who have the largest share in the lac trade; they will not be able to provide you with facts and figures which would easily stand the scrutiny of a body like the Tariff Board. Surely the Hon'ble Member knows that it is not fair of him that he should say that the fact pointed out by him is a conclusive argument against the consideration of this question in future.

Then there is one thing more which I should touch on, and that is the duty on newsprint. I do not want to go into it in detail, but I should like to bring to the notice of Government one fact which is contained in the leading article of the *Leader* of the 17th March, and it is this. Newsprint formerly paid a duty of about 15% or 2as. 3 ps. per lb. The *Leader* makes out that that is not really the market price of a lb. of paper. The market price, according to it, is 1 anna 6 pies. If on that, according to the new ruling, a duty of one anna is to be levied, it amounts to a duty of 67%! I know that the Hon'ble the Commerce Member has promised to take the matter into consideration, but if the facts are as pointed out by the *Leader* then he need not wait to receive representations from the paper industry. It is a matter in which he might take the initiative himself.

Sir C. Innes: They can bring it up.

Pandit H. N. Kunzru: Before I sit down, I should like to say a word about the provincial contributions. The Hon'ble the Finance Member yesterday asked us how we would go back to our provinces and face our electors after having prevented the Government from remitting the provincial contributions. He seemed to throw the entire responsibility for that on the non-official Members.

Sir B. Blackett: Hear, hear. Entire.

Pandit H. N. Kunzru: I hope the Hon'ble Member will listen patiently to me. In my own opinion the responsibility rests entirely on Government.

Sir B. Blackett: The Hon'ble Member may tell me so, but it won't have any change in the result.

Pandit H. N. Kunzru: That is the worst part of the present system of administration. We know that we cannot influence...

Sir B. Blackett: The fact remains that the responsibility rests with the Hon'ble Members whatever he may say.

Pandit H. N. Kunzru: I know that the Hon'ble Member does not like that the responsibility for his action should be imposed on him. That is perfectly human and natural, but the facts are too strong for him. He asks us to accept the policies of Government. Their policies are the quintessence of wisdom. The practical arrangements that they make to carry out their policies are a model of administrative efficiency. Those two things must be taken for granted. If there is anything that admits of change it is non-official opinion and sentiment. The debt redemption scheme cannot undergo any change.

Sir B. Blackett: It has been approved by the House and voted this year.

Pandit H. N. Kunzru: I know it very well. But it never came under discussion.

Sir B. Blackett: Whose fault was that?

Pandit H. N. Kunzru: It came under the guillotine. The Hon'ble Member knows that this matter formed the subject of discussion in.....

Sir B. Blackett: Every time it formed the subject of discussion and was voted upon that has been in favour of Government.

Pandit H. N. Kunzru: Just as the decision in regard to 1s. 6d. ratio was in favour of Government! Whenever we refer to the scheme of debt redemption the Hon'ble Member raises the cry of "thief, thief". In this matter I should like to say that it is not merely we, the irresponsible members on this side, who ask for a revision of the scheme of debt redemption, particularly in so far as it relates to the productive debt, but the representative of a responsible Government like the Madras Government (Mr. N. Gopalaswami Iyengar) suggested the same course to the Finance Member the other day and I doubt whether the non-official European opinion which is certainly conversant with business methods would be unanimously on the side of Government. It is no use saying whenever we refer to that scheme of debt redemption that it is a raid on the sinking fund. A mere phrase will not prevent us from putting forth what is a real grievance and what is regarded as such not merely by the non-official members but by members on the other side also. Then there is military expenditure. The Hon'ble Member said yesterday that it was not fair to say that he had done nothing to bring down military expenditure. Now so far as I remember I have never said anything of the kind.

Sir B. Blackett: If the Hon'ble Member will allow me to interrupt, he said that the military expenditure had increased by a crore and I pointed out that the net figure was 74 lakhs.

Pandit H. N. Kunzru: As I pointed out to the Hon'ble Member yesterday, I was referring to the standard level of military expenditure. The established charges have risen from 54.24 crores in the budget for 1926-27 to 55.25 crores in the budget for 1927-28.

Sir B. Blackett: I was referring to net expenditure.

Pandit H. N. Kunzru: Although it may be that the net expenditure has not risen by a crore on account of surplus stores and other things, we are faced in the immediate future with the prospect of that rise even in net expenditure. I was saying that so far as I remember neither I nor any Member was not trying to bring down military expenditure. We recognise that it has come down during his

term of office. If he will allow me to remind him, in the speech with which he closed the budget discussion he said he thought that the military expenditure was at its minimum and that he certainly would not like that it should be cast in the teeth of the Finance Department that it was standing in the way of India having an efficient army. It is of that attitude that I complain. He did say the other day that he did not accept the Commander-in-Chief's dictum that the army in India could not have one man or one rupee less. But his statements have been rather contradictory and he has only himself to blame if at times we feel bewildered by what he has said on the subject. He has only to show that his sympathies are on our side and that in the inner councils of Government he will continue to press for reduction in military expenditure for all complaints to cease so far as he himself is concerned.

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