

# Servant of India

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## Topics of the Week.

### High Courts and Ordinances.

THE question was raised last week before the full bench of the Bombay High Court whether High Courts had the right of superintendence over the courts established under the Ordinances, and whether, if so, such right extended to all matters before those courts or was limited only to those matters in respect of which High Courts had been specifically given the power of appeal by the Ordinances themselves. This important question arose in an application for revision made on behalf of Mr. Phansalkar of Sholapur, and it has been decided in a way so as to give some sort of protection to private citizens against the operation of the Ordinances. The Bombay High Court held that even if the High Courts had not been given a limited appellate jurisdiction, as undoubtedly they have been given, still the power of revision conferred on them by the Government of India Act could not be taken away by Ordinances promulgated by the Governor-General. They could, therefore, set aside the convictions or reduce the sentences ordered by the special courts. In the present case, of course, it was beyond question that in certain matters High Courts have been given revisional jurisdiction, and the Bombay High Court held that this jurisdiction must not be taken in a limited sense but must be understood to cover the whole field, including in it even such matters as have not been expressly made subject to appeal in the High Courts. It has thus been established on the highest authority that the High Courts "can correct any error in a judgment of the courts subject to our appellate jurisdiction."

### Merchants and R. T. C.

WE referred in our last issue to the very anomalous attitude taken up by Sir Purshotamdas Thakurdas and Mr. G. D. Birla on the question of the Secretary of State's announcement on the R. T. C. We find that we have done injustice to Mr. Birla, for his position, instead of being uncertain in any respect, appeared to his brother-merchants wholly censurable. Mr. Manu Subedar has the following to say about this in his speech at the meeting of the Indian Merchant's Chamber:—

"I am sorry that I have to refer to the statement issued by Mr. G. D. Birla which is, to say the least, very unsatisfactory. On the one hand, Sir Samuel Hoare is flouting the opinions of public men of the stamp of Baxtri and Sapru, and relying on the support of financiers and businessmen, who he claims, have approved of the abandonment of the Round Table method. On the other hand, instead of falling into line with the rest of the country, Mr. Birla attacks the Liberals, this time for having done the right thing by the country. Those of us who applauded the Gandhi-Irwin pact, appreciated most the fact that, in regard to the future constitution of India, Indians and Englishmen would sit together on equal terms and the result of those deliberations would form the basis of the proposals of his Majesty's Government. No amount of emphasis on the personality or presence of Mahatma Gandhi will get over the fact that Mahatma Gandhi, who has strived more than any one else for the self-respect of India, will be the first to repudiate any arrangement, in which Indians are merely consulted in their individual capacity, or asked to appear as witnesses before an all-white Parliamentary Joint Select Committee, but have no share in framing the proposals that would be embodied into the bill.

I say with confidence that if Mr. Birla is one of those people to whom Sir Samuel Hoare refers, he has done a very distinct dis-service to this country and the commercial community would with one voice repudiate any approval of the abandonment of the Round Table programme by Mr. Birla or anybody else.

What is even more important is that the Chamber has passed a resolution condemning in unqualified terms the proposal which seems to have originated from some commercial representatives that financial and commercial safeguards should be discussed separately between Indian and European businessmen, implying thereby that politicians in the R. T. C. may be safely excluded from such discussions and their consent to any arrangements that may be arrived at may be dispensed with. We are gratified to see that this sinister move has received such a severe rebuke from an important commercial body.

### Women on Lothian Report.

The Standing Committee of the All-India Women's Conference which recently met in Nagpur has issued a critique of the Lothian Report on fran-

chise, which is as spirited as it is sound. It is a document of which progressive and enlightened India may be immensely proud. In the evidence before the Committee their representatives pleaded hard for equality of the sexes and no privileges for women. In the present memorandum they recall the plea in the following terms:—

To this end the representative womanhood of India rigorously eschewed all ideas of special favours in the matter of the franchise for the future electorates—whether by way of nomination, co-option, reservation of seats, special constituencies or the like—realising as they did that the extension of any such fancy method into the women's sphere would inevitably tend to the establishment and eventual perpetuation of the principle of separatism with all its attendant evils in place of the principle of national solidarity for which they had laboured so unceasingly and arduously and for which they unequivocally stand to-day—in short, their principles stood in favour of a national solution, as distinct from and as opposed to any solution that might be framed or based on any sort of concession to sectional interest. For this purpose they were willing, meanwhile, to subordinate the lure of seats in the legislatures of the country to the possession of the power of the vote in conjunction with men on a basis of true civic equality and on a nationalistic foundation.

No wonder that they confess to a "feeling of utter disappointment with the report of the Committee as a whole," the recommendations of which "vary from province to province, as also between the sexes and between one section and another."

Regarding the Committee's recommendations regarding women's franchise in particular, the memorandum proceeds:—

What has been the result of our labours? We feel strongly that one baneful result of reservation of seats and special representation with which it is proposed to saddle us contrary to our expressed wishes will be to introduce the poison of communalism in our sphere—a contingency that will meet with the most determined and united opposition of the womanhood of India. Special expedients or qualifications, too, can only be destined to bring women on an artificial equality with men in the political life of the country and, as such, tend to lower us in the estimation of the other and to perpetuate the inferiority complex among women themselves. Inequalities and discriminations between the sexes, the dependency of the wife upon the husband—a tacit admittance of her inferiority—will be perpetuated as a result of the recommendations of the Committee. A further and more glaring example of the injustice with which our cause has been treated is the iniquitous proposal of reserved seats and indirect election thereto in the popular House of the Federal Legislature. It would seem that India's women had perforce, because of the unenviable position in which the Committee found itself, to be treated as an appendage rather than as an integral part of the body politic. All such anomalies we shall resist with all the strength of which we are capable. We frankly admit that we have not been impressed by the mere increase in the electorate proposed for us, inasmuch as figures, however impressive, cannot of themselves palliate the total disregard of basic principles in their calculation. We look in vain for "the bold proposals which by their very character will command the support of the whole of India."

The women of India, for whom protection and artificial props might have been pleaded with appropriateness because of their past status, have spurned all special privileges and have asked to be allowed to stand shoulder to shoulder with men. Their courageous stand should shame those men and communities which seek special privileges, demand separate electorates and thwart the national development of India.

These women were no visionaries, mere idea-

lists. Speaking at the East Indian Association Mrs. R. M. Gray was fully justified in paying the following testimony to the awakening of women in India.

"If women are to be judged by deeds rather than by words, it is within the Congress that they have shown the greatest courage. Everyone will not agree that Congress women's advance has been in a right direction, but no one can gainsay their activity. They have picketed, walked in processions, have gone to prison, and have proved their courage in many a dangerous riot."

#### Indian Emigrants from South Africa.

THE news that some 550 Indians have embarked in Durban for India under the Union Government's Assisted Emigration Scheme, has caused some misgivings in India and led to representations to the Government of India to move the Union Government in the matter. There is no clear indication, however, as to what the Union Government should be asked to do. It is well to remember that the scheme of assisted emigration to India has not been abandoned under the new Agreement concluded last February in Cape Town. All that the Agreement said was that "it was recognised the possibilities of the Union scheme of assisted emigration to India are now practically exhausted owing to the economic and climatic conditions of India as well as owing to the fact that 80 per cent of the Indian population of the Union are now South African born." The significance of it lies in the fact that hitherto the Union Government tested the success of the Agreement by the volume of assisted emigration to India. To stimulate it, they engaged paid agents to explain and popularise the scheme. These agents were suspected of going beyond their legitimate function and acting as recruiting agents. The Indian Congress felt its hands tied, as it were, from carrying on counter propaganda against emigration because it had accepted the Agreement. Now the situation is changed to the extent that the Union Government is no longer entitled to measure the success of the Agreement by the volume of emigration to India and the Indian Congress is free to carry on propaganda among the would-be emigrants and dissuade them from emigrating if it thought it desirable to do so. The Protector of Indian Emigrants has said in a statement that his Department had dispensed with the services of agents in May last and that the present emigration was free from the suspicion of having been stimulated by "recruiters." This statement has not been challenged by the Indian Congress.

It is sometimes urged that the Union Government should be urged to stop giving bonuses to emigrants, because, for one thing, it is an irresistible temptation to the poorer class of ignorant Indians, and for another, it salves the conscience of the employers in Natal who retrench Indians in order to find jobs for poor whites. We have always held and pleaded that the Union Government would spend to better purpose the money that it now spends on Indian emigration if it utilised it for the uplift of the Indians in the Union. It is doubtful, however, if the lot of these Indians would be better if the Union Government stopped the bonuses and the free passages which it now gives and did no more; they would stew in their own juice, as it were. On the other hand, there cannot be much doubt that the emigrants will not thrive here, in India. Nevertheless, it will serve no good purpose to reopen the question before the ink is dry, so to speak say. An alternative course will be for India to enable those, who after spending a year in India are disappointed with it, to return to South Africa by refunding on their behalf the assistance that they received from the Union Government.

**Administration of Currency.**

AMONG the periodical publications of the Government of India the report of the Controller of the Currency has now maintained for some year past a commendable record for early publication. The report for the year ending 31st. March 1932 was issued to the public during the last week. This report is, as was to be expected, of exceptional interest since it unfolds the story of monetary and financial dealings during a very critical time. The past year is clearly marked by two periods. The first upto the last week of September 1931 and the second from that time, i. e., from the abandonment of the gold standard by England, to the end of the financial year. The year opened badly with the exchange already weak. Government found it impossible to purchase any sterling by the usual method of open tender in India and the needs of the Secretary of State had to be met by large transfers from the Gold Standard Reserve. With the international situation distinctly worsening after May, Government was able to just keep the situation in hand by resorting to the desperate expedients of large sales of treasury bills at high rates and by large sales of sterling. Prices continued to fall headlong, the currency was feverishly contracted and the bank rate was being steadily increased. The announcement by the Prime Minister towards the end of June of the readiness of the British Government to help India had no effect on the situation as the position of England itself was generally regarded as precarious. Thus things moved on to a climax. The sales of sterling by Government had amounted by September to Rs. 18 crores and the note circulation had reached a level lower than any recorded since 1918-19. The gold in the Paper Currency Reserve was barely above Rs. 4 crores and the rupee securities just amounted to Rs. 9.5 crores. The amount of Treasury Bills in the hands of the public had in the meanwhile made rapid strides and had increased between 1st April and the end of August from Rs. 55 crores to Rs. 84 crores. At this stage the Government of India floated its 6½ p. c. loan with all sorts of advantages offered especially to the small investor, to check partially the ruinous growth of the floating debt. Even this loan offered on such extravagant terms was hardly successful and it was obvious that Government resources had reached their bottom when Fate stepped in—in the shape of the abandonment of the Gold Standard in England. In the general improvement of the financial and exchange situation that followed it, two factors have been specially prominent. Firstly, the check to the fall of prices due to the abandonment of the gold standard and secondly, the phenomenal exports of gold. Though gold prices have continued to fall, rupee prices have been steady and have indeed in some cases risen. This has helped to keep up the export trade from entirely dropping away and has made it unnecessary for Government to take further steps towards currency contraction. But the exports of gold have been even more important. They have entirely changed the exchange situation and have made it possible for Government to buy sterling in very large amounts. Further sales of Treasury Bills have become unnecessary, a sterling loan has been repaid and a large part of the floating debt funded in India on favourable terms. The finance of these gold exports has actually necessitated an expansion of currency and thus it would seem that the situation is safe and normal once again. At least it was possible for the Controller of Currency to end on such a note. But it is too early to say that we are out of the wood. For the gold exports have largely dried up and the exchange is no longer as strong as it was a few months ago. The price situation is also extremely uncertain. Both these aids

have been really adventitious and cannot be relied on for any length of time. The two factors that really count are the balance of trade and the budgetary position. The balance of trade this year was just on the right side because of the enormous gold export, and the revenue receipts position as expounded in March by the Finance Member was certainly unsatisfactory. The slack season has just commenced and everyone will watch with anxiety how the exchange now behaves and what the international developments have in store for us.

**Articles.****OTTAWA CONFERENCE.**

THE Imperial Economic Conference commenced its sittings at Ottawa on the 21st inst. It opened with speeches from representatives of various Dominions stating in general terms what the fiscal policy of their Governments would be. The honour and responsibility of doing this for India fell to the lot of Sir Atul Chatterji and it gives us the greatest pleasure in saying that he left nothing to be desired in making India's position clear in this respect. He showed by a brief survey of Indian conditions how little scope there was for this country to give tariff preference to Great Britain or any of her Dominions consistently with the safeguarding of her own interests, and it was the very basis of this Conference that each country must be free to take what measures it thought were required by her national interests, including duties on the imports of Great Britain herself. India had launched on a policy of moderate and discriminating protection in order to develop certain of her industries which stood in need of protection and which, after receiving it for a certain number of years, were expected to stand on their own legs. She could not obviously allow England or any of her Dominions to compete with her in that sphere freely. Empire Free Trade, which seemed to be the policy at which Great Britain was aiming, was wholly inadmissible here. Sir Atul also showed how impossible it would be for India, whose main industry was agriculture, to agree to a restriction of her markets for her primary products, as would be the case if, as an answer to her own tariff wall, foreign countries also raised a tariff wall against her. With the best will in the world India is not in a position to offer any considerable advantages to Empire countries in preference to others.

But what will give the greatest satisfaction to Indians in Sir Atul's statement is the fact, which he made absolutely clear, that, since India was on the eve of a large constitutional development, she could not appropriately offer any preference in fiscal matters at this moment; the right time to consider the question would be when she had actually attained freedom. Her scheme of protection, he said, "should be handed over to the new government in full working order with the vital principles unimpaired." It was generally feared that Great Britain would foist upon India some scheme of Empire Free Trade or Imperial Preference without

due regard being shown to her interests or without her people being allowed to decide the matter. It was no doubt stated by Government that the decisions of the Conference would be placed before the legislature and would be implemented only if they were found to be acceptable to it. This assurance, however, naturally failed to satisfy the Indian public in view of the large proportion of nominated members in the legislature, who are numerous enough to neutralise public opinion. All commercial bodies in this country were unanimous, therefore, in demanding that the questions considered by the Conference should be left open for the future self-governing India to determine according to her unfettered judgment. This has been fully secured: her right to handle these matters will not be prejudiced in any way.

Indeed it would have been singularly inappropriate if India, just when she is about to receive fiscal freedom, were asked to commit herself to a policy which, whatever be its effect on the whole, necessarily involves some sacrifice in some directions. Empire countries are being asked, out of regard for the sentiment of the Empire, to undergo this sacrifice. "They are," Mr. Thomas said in the House of Commons on 16th June, "our own kith and kin", and "blood of our blood", referring, of course, to the white Dominions. India, though not answering to this description, still cherishes the Imperial tie, if within the ambit of the British Commonwealth she can realise her full destiny. It may be, therefore, that India too will be quite willing to make sacrifices in the interests of Empire solidarity, but these sacrifices must be made by a free India. Great Britain, as a preliminary to the Ottawa Conference, embodied the principle of Free Trade within the Empire in her recent Import Duties Act. The whole scheme of the duties, Mr. Baldwin said the other day, "is related to greater freedom of trade throughout the whole Empire, and this is the spirit in which we approach the Conference. Had we considered our own interests alone we should not have acted as we did. We have put duties on articles which, if we had been consulting our own interest alone, we should have admitted free. There are duties on lead and zinc, and sisal hemp, which may act to some extent against the interest of our own consumers. We are consumers in large quantities of these articles, but we have taken the broad view for the greater freedom of trade, and our Dominions to-day enjoy a free entry, an absolutely free entry, for these articles, which are taxed if they come from a foreign country." This is the kind of sacrifice which is implicit in every scheme of Empire preference. India will not necessarily be averse to shouldering burdens which will arise from her membership of the Empire, but it is not for the India of to-day to shoulder them, but for the India of tomorrow, if she is so minded. Sir Atul emphasised this aspect of the matter very well and deserves the thanks of the country for his service.

There is one legitimate complaint which merchants and leaders of industry have to make against the Government of India in this respect, viz., that they neither sent a delegation of industrialists and

commercial men to Ottawa, nor did they consult with these interests in India. Mr. Manu Subedar, as Vice-President of the Indian Merchants' Chamber and Bureau, voiced this complaint the other day, and in our opinion the complaint is thoroughly just. In England itself a committee of the Cabinet and other sub-committees met the representatives of various trades and interests in order to ascertain what their views were. Mr. Thomas mentioned more than a dozen such industries by way of illustration in the Commons. Then the Government sent out a questionnaire to every industry. They said to them: "Give us a list of the goods which you export to the Dominions. Show us what the tariff barriers against you are, how they compare with foreign tariffs, what is the value of the preference given to you." Such schedules were got ready in England and similar schedules were received from the Dominions. The British Government has also taken industrial advisers who can speak practically for every industry in the country. It may be that the Government of India had decided beforehand that India's representatives should merely play the part of listeners at the Conference and should not commit the country to any particular policy. Even so, the business interests ought to have been taken into consultation, and indeed advisers ought to have been sent to Ottawa, if any discussion is to take place with reference to Indian matters. The Government of India does not seem to have made any kind of preparation for the Conference beyond, as we are told, "conducting negotiations" with the Dominions Office in London.

#### HOARE'S FRIENDS.

IT is now just over a month since Sir Samuel Hoare made his famous speech in the House of Commons in which he threw overboard the Conference method in favour of the Simon procedure. He claimed to have received the support of influential sections of Indian public opinion and that of the Princes. Even the most cautious and calculating "friends" of his have had time to come into the open and declare themselves. The opposition to the Hoare method was instantaneous, spontaneous and remarkably universal. The exceptions of any importance can be counted on one's fingers and they only prove the rule. Even these were mostly content not to oppose it but they did not bless it. The Europeans and the Muslims, who might have been expected to rally solidly to the banner of Sir Samuel Hoare, have not come up to expectations. While the European Associations in Bombay and Madras and Anglo-Indian papers like the "Times of India" have condemned the Hoare plan, it was left to Mr. T. Gavin Jones, a representative of British commerce in India at the R.T.C., to strike a discordant note. His support, however, rests on the contention that there was no "practical difference" between the two methods and that the status of the delegates from India before the Joint Parliamentary Committee was precisely the same as that of the delegates at the R.T.C. Mr. Churchhill in England and Messrs Sastri, Saprú and Jayakar in India have thought otherwise, and Mr. Churchill's

interpretation at any rate is entitled to some credence from Mr. Jones. If Mr. Jones were right in his view, what was the need for the change, with all the deplorable consequences that have followed from it?

Apart from the nationalist Muslims, who have, of course, condemned the Hoare plan, the communal Moslems, with an eye on the communal award, have, on the whole, refrained from expressing any opinion publicly. Mr. Shafa'at Ahmed Khan, as was only expected of him, blessed the change, but Mr. Jinnah and Sir Abdur Rahim have disapproved of it. Mr. Yamin Khan was the latest to support it, but his arguments are wholly irrelevant to the question at issue. He holds that India should now ask only for provincial autonomy, and leave for the future questions of central responsibility and federation. If that line were accepted, there is no need for even the Hoare method now; the Simon Commission had done that work long ago. The great bulk of the Non-Brahmins are opposed to the Hoare plan, except Sir A. P. Patro, whose support, however, is not whole-hearted, because he has grave doubts if the Indians who will appear before the Joint Committee will have the status of equality with the members of the Committee and whether they will have an effective share in shaping the decisions of the Committee. Surely, he knows the procedure of a Joint Committee and that, with the best goodwill, it cannot even approximate to the Round Table Conference method.

And now, what of the Princes? From the nature of their office and relations with the Government of India, it is not open to them to come into the open with their protests against the decisions of His Majesty's Government. But there cannot be the least doubt that Sir Samuel Hoare did not consult the leading Princes or their organisations, and that these have privately protested in no uncertain terms against the change and the manner in which it was brought about. Sensitive as are British Indian leaders to questions of status, it can be easily imagined how much more sensitive the Princes are to considerations of their personal dignity, prestige and status,—Princes, who claim to be sovereigns in their own right and allies of the King! To dismiss them without as much as "by your leave" is an insult that Sir Samuel Hoare might well have saved them. Apart from the manner, there are good reasons to believe that the great majority of the Princes favour a return to the Conference plan, because of the advantage it gives the Princes of direct negotiations with the British and British Indian leaders on subjects of vital interest to them. Even the Indian commercial magnates, some of whom were suspected of having privately supported Sir Samuel Hoare's *volte face*, have come into line with Indian public opinion in general, as evidenced by the recent resolution of the Committee of the Indian Merchants' Chamber, Bombay. Sir Samuel has alienated not only Indian opinion of all shades but also of the British Opposition Party in the Commons. Speaking on behalf of the Opposition on the Adjournment Debate in the Commons on the 13th July, Mr. Morgan Jones deprecated the change of procedure, regretted that during the current Parliament the

Government had shown little desire for the co-operation of his Party and announced that they held themselves free to determine their line of action "so long as the method upon which our co-operation was first given, and given freely and whole-heartedly, namely, the method of the Round Table Conference, is abandoned by the Government."

It is clear now, that Sir Samuel Hoare has the backing only of the Conservative *bloc* in Parliament for the step he has taken. Maybe that even among them the followers of Mr. Baldwin and Lord Iriwn have some qualms of conscience. Sir Samuel is not so stupid as not to foresee his isolation and the deep wedge he was driving between England and India. Why, then, did he take the line he did? There is strong reason to believe that he wished to avoid the discussion of the questions like the future of the army, foreign and political affairs, financial and commercial safeguards, on which no agreements were reached at the last two sessions of the R.T.C. As we said in an earlier issue, these questions are not such that Indians, including the Princes, would be divided among themselves over them and the British delegates could mutely watch their internecine differences. On all of them Indians, British Indians and the Princes, are united and on them the line of division would be British vs. Indian. The situation is well expressed by the "New Statesman and Nation" in its issue of the 2nd July:—

In view of the opinions expressed at the the Round Table Conference, it is not difficult to see why Sir Samuel Hoare now thinks it wiser not to resume the conference method. On some points, such as the question of abolishing the financial control from Whitehall, the Indian delegation, including the European representatives from India, were practically unanimous. Sir Samuel Hoare and the India Office, who are determined to retain that control, naturally prefer only to discuss the subject with hand-picked Indians and not to run the risk of a public declaration by a unanimous Indian delegation.

Another reason which obviously prompted Sir Samuel to take the step he did was well put by the "Manchester Guardian" in its issue of the 11th inst. :—

Indian politicians of all shades of opinion are as determined to have full Dominion Status within the next few years as the present British Parliament is determined to withhold it. . . . Since there is no question of giving what they want to the politically conscious Indians, . . . the only thing for the Government to do is to give them what it wants as soon as possible, and then hope for the best.

Sir Samuel Hoare and his Conservative phalanx have made up their mind about what they shall give India; there is no need, therefore, to meet Indians on a footing of equality and negotiate a treaty with them. As the "Manchester Guardian" says in another paragraph of the same issue :—

The general character of the Federal Constitution which the present British Parliament would be prepared to sanction is already known; the nature of the safeguards is already known; and if the Government really intends sincerely to carry out the Round-table scheme, does so carry it out, the co-operation or non-co-operation of the Moderates will make little difference to its chances of being a success when it comes to be applied in practice. Everything depends on the Government.

And Government in the person of Sir Samuel Hoare have made up their mind to legislate provincial autonomy and administer it by Ordinances! No need for friends.

## THE LAUSANNE AGREEMENT.

THE Lausanne negotiations have at last come to an end and the news of the agreement has been received with a sigh of relief and a smile of gratitude. Up to the eve of its termination, the Conference was so fertile in tragic incidents and oscillation between hope and despair, that its happy conclusions is all the more welcome.

Roughly speaking, the Conference can be said to have developed in four stages :

In the first stage, France was alone. England defended the "clean slate" policy, and both she and Italy pleaded the German cause with so much eloquence that Herr. von Papen has no need to interfere ; in fact, it was reported that he was content to go fishing on the peaceful shores of Lake Léman. The French position was indeed critical. Its delegation did not have in hand any "money of exchange" to win others to their point of view. In previous Conferences the occupation of the Ruhr province had been exchanged against the Dawes Plan ; then the occupation of Mayence against the Young Plan. But at Lausanne even the Young Plan could not be invoked, since the Hoover Moratorium rendered it inoperative.

The lever utilised by M. Herriot was, therefore, the fact of the American credit over Europe. Perhaps "the European debt to America" sounds more correct in English, but it does not quite express the same "nuance". And this brings us to the second stage. It is far from certain, argued M. Herriot, that because we would subscribe to the "clean slate" policy, we could expect evangelical generosity from America, and say "remit us our debts, as we have remitted them unto our debtors". In fact, the Americans declared themselves for the present absolutely opposed to the "clean slate" solution. It is true that inter-governmental debts constitute an element of international perturbation, but the European debt to America is the most important factor in the whole question. The American Government in the present economical crisis, and on the eve of the elections, will certainly not exonerate Europe from her payments. Let us maintain at least a residual German payment, which can represent "money of exchange", and put us in a more favourable position to face American exigencies later on. Mr. MacDonald, reluctant at first, duly informed himself, and after a number of discussions and deliberations came to see that the French thesis represented after all European interests as a whole. His personal friendship with M. Herriot has often been alluded to, and it has no doubt played its part, but the strenuous activity of M. Germain Martin, the French Finance Minister, and his remarkable technical ability have certainly been a most decisive factor. His careful demonstrations, based on accurate and unquestionable figures revealed clearly the necessity of a common European front. To obtain America's adhesion to our debt policy, said he, we must promise not to negotiate separately at Washington and moreover the Lausanne treaty could only be definitely ratified when agreement was reached with America. The

British delegation was gradually convinced, and the Italian adhesion followed soon after.

The third stage is that of Franco-German negotiations. Herr. von Papen, conciliatory at first, stiffened his attitude on his return from Berlin. "What are you prepared to pay?" asked Mr. Herriot. "Nothing," replied the German Chancellor. Nevertheless negotiations continued. The plans presented by the financial experts of both nations formed the basis of the discussions.

In the fourth stage, conversation took a more general turn, England joining in. Herr von Papen admitted the principle of a residual payment, but claimed for political compensations, and the revision of certain articles of the Versailles Treaty. This amounted essentially, on the one hand, to equality of armaments, and, on the other hand, to the removal from the Versailles Treaty of what is known as the "war-guilt clause." The inadvisability of introducing the discussion of political matters in a settlement that was meant to be purely financial and economic is evident. And all the more so in the given instance, since the present agreement practically replaces the Versailles Treaty and renders it inoperative. ( It must be pointed out here that a good many people in France have protested against Article 231 for a long time. It is precisely to those people that the German attitude at Lausanne has appeared out of place. The Germans they said, ask us to suppress the Article, and offer in return a certain amount of money. Exactly because we oppose the Article for moral reasons, we are shocked that its repudiation should be the object of a commercial bartering. France must denounce Article 231 freely, if the gesture is to have its proper value. Justice on whatever ground, cannot be bought and sold.)

The Conference finally ended by agreement on the following points: Germany will be liberated from Reparation payments. After a three years moratorium, and if her conditions permit, she will pay 3 milliards of gold marks in the form of Bonds which will be delivered by the Reich Government to the Bank of International Settlements.

The Lausanne Treaty shall not contain any political clauses.

But the treaty also embodies various other settlements the list of which has been given by the different papers with slight divergences:

\* Settlement with Germany.

Transitional measures regarding Germany.

Resolution relative to non-German reparations  
Resolution relative to Central Europe and Oriental Europe.

Resolution relative to an economic and financial World Conference.

A "Gentleman's Agreement," is said to establish for the first time an official link between debts and reparations.

Part of these settlements still remain secret and will be communicated later on to the various Parliaments.

\* The present list appeared in "Excelsior".

A declaration of the signatory powers forms a preamble to the settlement. It is full of noble hopes and words of good-will, collaboration and justice. It considers the Lausanne settlement as a first step towards more constructive stages; these will be possible only if public opinion collaborates in every country.

It is evident at first sight that Germany is the greatest gainer by the Agreement. Reparations are abolished, together with the Young Plan; Germany is liberated of a debt of 93 milliard gold marks. It is true that she accepts to pay, later on, a sum of 3 milliards to the Bank of International Settlements, but this is to be devoted to the reconstruction of Europe as a whole.

France, on the contrary, is by far the greatest loser. The promises of the Young Plan have vanished like smoke in the air. But it can be argued that a more united Europe has emerged from the Conference and France need not have to face the same isolation. Also the financial future does not appear quite so dark as before, since the measures agreed upon may help to re-establish normal exchanges through collaboration and a consequent revival of credit and confidence. The links between France and England are certainly strengthened. Italy has joined in the common policy, Germany has accepted it, and America has practically given an unofficial assent.

Future developments will certainly depend to a great extent, on the one hand, on the evolution of Germany's home policy and, on the other hand, on wise decisions in the coming stages of Geneva and London. "Two dangers," remarks M. A. L. Jeune, in "Paris Midi," have been averted for the present: the German danger, which is political, and the American danger, which is financial. It is, alas, most probable that if Hitler came to power, he would not feel himself compelled to respect Von Papen's pledges. And is the American danger not menacing yet?"

It is no use denying that the whole Conference has been in a certain way truncated by America's abstention. As regards debts, nothing can be done without her as she is the principal creditor. That is the real reason why the treaties can only be a conditional settlement. Its provisional character adds one more element of uncertainty to the present too uncertain world conditions. But the contracting powers have pledged themselves to consult with each other in case any difficulty arises among themselves henceforth, and one can hope that if Europe maintains a common front, America will have to face facts, just as we have been compelled to do, and this will lead her naturally to look for payment in the 3 milliard worth of German bonds which the Reich is expected to entrust in course of time to the Bank of International Settlements. By the "Gentleman's Agreement", concluded on the 2nd of July, England, Italy, Belgium and France have decided not to ratify definitely the Lausanne Treaty, until a satisfactory settlement of inter-allied accounts has taken place. Will the Americans understand, in their own interest, that the

policy which condemns nations to concentrate on themselves engenders lack of confidence, and is detrimental to business transactions? America can powerfully help to prevent the world from sinking into economic and financial disaster.

It becomes more and more evident that war does not pay even the victors. We must all adopt a new spirit and a new policy. It is not sufficient to love and desire peace. We must also make it workable and organise it actively.

L. MORIN.

Paris.

## INDIAN STUDENTS ABROAD.

THE Education Department of the High Commissioner for India in London has in its annual report sounded the usual warning to parents and guardians of Indian students studying in Britain. For a couple of years past, the head of the Department has been repeating the warning annually. The very fact that such a repetition was found necessary must presuppose an astonishing disregard of these warnings on the part of parents and guardians. In its recent report, the Department has done well in giving comparative figures of students from overseas studying in British colleges and universities. Students from India form as much as one-third of the total number studying in Britain, from outside British Isles. We send to Britain nine times the number sent jointly by Canada and Newfoundland, more than treble the number from South Africa and Rhodesia, ten times that of Australia and fifteen times that from New Zealand! Comparison could not have been more telling. Little is called for by way of comment as the figures by themselves speak volumes. The migration of our students is obviously assuming an abnormal proportion, and that too 'during the best and the most formative period of their lives.'

Initial inadequacy in the provision of funds and irregularity or even non-receipt of remittances are known to have done immense harm to careers which otherwise gave good promise. More serious still is the frequency of illness recently prevailing in our students abroad. A good many of them ought not to have left India at all, their academic record notwithstanding. A slight improvement however has been recorded by Dr. Quayle in one respect. Even though the rush has not abated, a qualitative change for the better is discernible in those sailing abroad for education. "The number of students who do not leave India until they have taken a degree at one of their own universities is happily increasing." "But it is still unfortunately true", observes Dr. Quayle, "that each year, a great proportion of those who come would have been better advised to stay in their own country and to seek at their own universities the higher education which they desire." Not that, foreign education is sought to be discouraged or opposed. What normally the position should be has been admirably put by Dr. Quayle when he writes: "It is perhaps desirable, indeed sometimes essential, for picked men, those who have already done good work at their own universities, to leave in order to have the benefit of western scholarship and research. For such men, there is always a ready welcome."

This is precisely what must be emphasized in India. Could this not be best done by an incidental or even a main reference to this problem in the annual convocation addresses of the several Indian universities? Would this not awaken the student world in India to the realities and give them a proper

perspective in which they must view this problem? Considerable improvement must also take place in the facilities which some Indian universities afford for higher education and research. It is not generally known in this country how very materially the British Museum Reading Room in London helps students in their research studies. The same could be said of the Bodleian at Oxford. Up-to-date and well-equipped libraries form the best provision for students desirous of doing research work. They even sometimes provide the necessary inspiration and stimulate students to undertake research. Leaders of academic thought in India might give some close consideration to a scheme of well-equipped libraries for university towns and other suitable places throughout the country. It was given out the other day that prominent educationists in Poona have been busy examining a scheme for evolving a Poona University out of the remarkable network of various educational institutions which form a special feature of that town. Why not also set about to have a "Bodleian" in Poona? Certainly it is not inconceivable, granting co-operation on all sides, and such a co-operation would be in the highest interests of scholarship. No one expects a vast institution like the "Bodleian" or the "British Museum Reading Room" to spring up into existence in a day. All the same, efforts to evolve a university for Poona might well go hand in hand with efforts to build up a library worthy of the University. With the improvement in library facilities at the university centres in India, the number of our students going abroad for higher education and research would steadily decrease. University education in India should be able to claim a level higher than it has at present, so that our universities could stand comparison with the foremost British universities. It is worth while to add here that recently the course for even the ordinary B. A. degree in Cambridge has been considerably stiffened, while, taking a stray instance, Nagpur University has a record this year of more than fifty L.L.B.'s. all placed in the *first division*, the number of the "first classes" being more than one-third of the total number of students passed!

There are a number of things our students must know prior to their leaving Indian shores. This knowledge is calculated to help them to decide in good time several points in connection with their studies abroad. Vagueness in such matters is quite often risky. A hand-book of study and travel for Indian students going abroad has been a long-standing need. It is understood that a comprehensive compilation dealing with the problem of our foreign education will be soon out. Mr. P. D. Runganadhan of the International Student Service, Geneva, has compiled it. Mr. Runganadhan has been working in the interest of our students abroad for over ten years and as such all that he has to say in regard to this question must carry weight. This book should be an exceptionally useful one. In an introductory note contributed to this hand-book, Professor Harold J. Laski of the University of London writes as follows in reference to the migration of our students abroad. "Above all I would venture to insist on the importance of the Indian student going abroad with a specific objective and not merely for the vague purpose of 'research' or just another degree. I write as one with profound affection for India and its students; more, I write as one who recognises no boundaries to the community of international scholarship. I am certain that the Indian student who goes abroad without knowing with some precision his future purpose will waste his own time, his teacher's time, and his parent's money. I hope, too, that he will always come as one who is proud of India and anxious to illustrate in his personal life and work the great

contribution she has to make to the international community of which she is a part."

M. S. M.

## PRIMARY EDUCATION IN BOMBAY PRESIDENCY.

### III.

It has often been remarked in the preceding article that especially during a period of financial stringency it is the duty of the Minister and his department to see that the money spent on education is not wasted, but gives adequate return in the form of educational progress and in particular in the form of largely increased literacy among the masses. But it is exactly in this direction that all evidence points to a large amount of lamentable waste. The Hartog report gives detailed figures to show that the numbers of pupils in various classes in our primary schools do not show a satisfactory state of things. I had myself obtained similar figures about ten years ago which showed that the numbers of pupils in the infant class and the first standard were absurdly high compared with those of pupils in the fourth and higher standards. The plain conclusion to be drawn from such figures is that a large proportion of pupils who join a school do not go beyond the first or at most the second standard and therefore do not acquire literacy. A large part of the expense incurred is therefore for all practical purposes wasted. This is perhaps the strongest argument in favour of a system of compulsion which would keep the children in schools for five years at least and thus make a larger number of them literate when they leave the school.

The fact is that children either stagnate in the earlier classes which under efficient schooling should occupy only one year or they leave the school after one year or two at school. In the absence of a proper system of universal compulsory education, the department ought to do its utmost to give every encouragement to schoolmasters and to authorities in charge of schools in order to reduce this stagnation and premature withdrawal to the narrowest limits. Now the department, having practically given up its inspection is not in a position to exercise any pressure to secure this object. Its rules for assessing grants also work too automatically. The grants are assessed on the total expenditure without regard to the way in which it is incurred. It seems to me that some change in the rules for the assessment of grants will have to be made. In olden days there used to be a system of assessing grants on results, and it is worth consideration whether such a system should be revived in some form or other. Of course to work such a rule properly it is necessary to have efficient independent inspection as otherwise it is possible that the annual results may be manipulated to secure a large grant. Under such a rule it will be to the financial interests of the local bodies to see that the children do make good progress and do not stagnate for two or more years in the same class, and if a larger proportion of grant is given for better results in the higher classes, the attainment of effective literacy will be actively encouraged. Another variant of the system of assessment of grants on results may be proposed which will attain



the same end, though this method too postulates adequate inspection. This may be illustrated by a numerical example. In an efficient school with five classes including the infant class, if the children be supposed to remain in the school for five years, the numbers in the various classes will not vary very greatly except for the small natural wastage owing to death or illness or other unavoidable cause. But this wastage ought to be very small indeed at the age limits for the children under consideration. For such a school the numbers in the various classes should be somewhere in the ratio 30 : 28 : 26 : 24 : 23, allowing at the utmost a wastage of two in an infant class of 30. At present the school would be credited with 130 children and the expenditure on education would be so much per pupil. If, instead of counting all these children, the various classes are weighted in the proportion 0 : 0 :  $\frac{1}{2}$  : 2 : 3, the number of children for grant purposes should be taken to be 13 + 48 + 69 or 130, the really good school will not suffer but the bad school with only a few children in the third and fourth standards should suffer a heavy loss by taking into account the weighted total for the school and reducing the grant in proportion. The numbers taken above are only illustrative and should be fixed after a detailed statistical inquiry in selected schools of various types which are regarded as really efficient. A certain allowance will have to be made in the case of growing schools which will naturally show larger numbers in the earlier classes for a few years until they attain a certain stability in the number of new entrants in the infant class; and a similar allowance will have to be made in the case of one-teacher schools, which have only three or four classes, though in my opinion such schools should be discouraged as far as possible. Under a rule of this nature the local bodies will come heavily upon those schoolmasters whose schools show great stagnation or where the children leave school too early and the schoolmasters will consider it their duty to work efficiently and get their pupils fit for regular promotion every year and also persuade the parents of children to keep them longer at school.

As I have so often insisted, all such rules will require adequate supervision, and the department, being unable owing to financial stringency to introduce compulsion on a large scale and thus attain the object of promoting effective literacy, should have made due provision for seeing that such funds as it has at its disposal are used in the best possible manner. But it is a pity that sufficient foresight was not shown by Government when the schools were handed over to the local bodies. The Hartog Committee is quite correct when it remarks: "Viewing the position in Bombay as a whole, we think it is to be regretted that a system of primary education which had been framed on sound lines should have been handed over to the control of local bodies without the insertion in the statutes or rules of sufficient safeguards to ensure that Government, working through its Ministers and the Education Department, would be able at least to guide future developments."

It is not proper to lay all the blame on the

Compulsory Elementary Education Act when the Act empowered Government to make rules for carrying it out. If, after adequate provision was made under these rules to ensure *a priori* that the new system would function properly, it was still found by experience that there was a visible loss of efficiency, then would come the time to review the position *de novo*. But such rules have been made without due consideration. The one object aimed at by Government was to wash its hands of all responsibility, to get rid of its own inspecting officers and saddle them on to the local bodies. The Ministers have been content to take credit for a mere increase in the number of children at school, trusting that their critics will not bother about the qualitative nature of this increase. The natural increase in the number of children at school is all to the credit of the parents who show thereby their growing desire for education. But the Department and the Ministers should see to it that this eagerness on the part of parents is fully utilised; otherwise after a few years there would come a reaction when they see that while they have lost the services of their children at home or in the fields by sending them to school, the children have not got any real benefit from their schooling. The Legislative Council has not been backward in supporting the Ministers when they come forward with any well thought-out proposal for the advancement of mass education. It is the Ministers and their expert educational advisers who must bear the blame for the sad state in which mass education in the Presidency has fallen and for the lamentable waste of public money. They should not be content with merely marking time and trusting that progress will be achieved without their working for it. Our Presidency has so far been in the van of educational progress in the country; now there appears but too much likelihood of retrogression. Is it too much to expect of our Ministers and their department that every effort will be made to consolidate the progress already achieved and to make still greater strides when it is acknowledged on all hands that on educational advance depends every other kind of advance?

R. P. PARANJPYE.

P. S. Since the above was written a new Minister of Education has taken charge and I hope he will think out the real problems of primary education and do his best to remove the evils which are patent to any observer. I earnestly adjure him to rise superior to the frequent demands for jobs on communal lines; see that such resources as he has at his disposal are utilised in the fullest measure to advance literacy; if necessary, alter the rules under the Act which have left the local educational authorities without adequate direction and supervision; do what he can to see that the best available material is obtained for the work of teachers, administrative officers and members of school boards. Above all let him give no grounds for the charge that under a Minister responsible to the Council the real educational progress of the Presidency has been retarded.

## Our Geneva Letter.

( From Our own Correspondent. )

( BY AIR-MAIL. )

GENEVA, July 16.

### IN PEACE AS IN WAR.

**I**N peace as in war France and Great Britain apparently intend to be friends and allies—that, in short, is the substance of the much-talked of “gentleman’s agreement” between the two countries, which has been registered in many quarters in Europe as the most significant political event since the Peace Treaty.

The “Daily Herald’s” Geneva correspondent has wired home to say that here the agreement is looked upon as a direct attack on the League and an attempt to set up a rival organisation. The same was said of the late Monsieur Briand’s scheme of European Federation and all the arguments then put forward can be repeated in the present instance, as there is much that is common between the two proposals. The fact is that public opinion in Geneva, as elsewhere, is a dog which will answer to many names and can be hung under each of those names with good reason. Opinion here is generally better informed and less prejudiced on questions of international interest than what it is in other parts of Europe; but people are not devoid of temperamental inclinations or uninfluenced by political philosophies. If one may venture to adopt a convenient but not accurate classification, the enthusiasts regard the League as the touchstone of every policy, embodying as it does all the Wilsonian principles. Any action taken outside it, or any policy leading to a concentration of forces elsewhere, is, according to them, wholly suspect. The realists, on the other hand, are ready to recognise that, useful and laudable as it is, the League is only the beginning of a vast human experiment and by the very nature of things such a young institution cannot be expected to possess unlimited powers. They are, moreover, willing to grant that at a time when the economic and financial foundations of the present social structure are menaced, when all round us disorder of various kinds is rife, the primary task of civilisation is to consolidate the existing state of things, to make sure that the ground on which we stand is quite firm, before turning to the task of the further extension of the principles on which this civilisation rests.

To those who adhere to this latter view, the necessity for a complete understanding between France and Great Britain as the basis, a secure political basis, in a world which does not function according to the dictates of pure reason, has long been evident. When one realises how frequently in the Conferences at Geneva the differences between the British and French points of view have led to deadlocks, one is glad to feel that, as a result of the proposed practice of previous consultation between

the two Governments on all questions of common interest—and which important question is not in these days?—there is hope of the two leading powers of Western Europe getting on with the work at Geneva, instead of rendering international conferences a mere sounding board for the display of the debating skill or oratorical power of the statesmen of the two countries or a futile game of prestige. Moreover, it cannot be denied that these are the two considerable Powers of Western Europe with stable Governmental machinery, with a marked degree of national unity and capable of one-pointed action. Others may arise to-morrow as a result of the numerous changes that are now taking place, but to-day unity of policy and concentration of effort can be expected only of them.

But all depends upon the uses to which this consolidation of power will be put. Already in the United States, in some quarters, the agreement is being looked upon as an attempt to bully Americans into acceptance of cancellation of war debts and in Germany as a new way of perpetuating her inequality as regards armaments. The fact that Russia, Japan and the United States remain outside the scope of “the gentleman’s agreement”, even if all European Powers adhered to it and worked it in good faith, cannot be ignored. If the combined pressure of England and France is brought to bear on Germany to prevent her from regaining power, the effect will be to throw her into the arms of Russia and America, both of which have established close links financially and economically with her in the last decade. It is a combination which even the forces of Western Europe in alliance with Japan will find hard to withstand. In some quarters in France the opinion is gaining ground that German Nationalists are in the pay of French as well as German financiers, as both are intent on preventing a combination of Germany and Russia. The Manchurian question has apparently reached a crucial stage and if Great Britain and France are going to be complacent about it, that attitude will raise something like a fury in the United States, which is hardly calculated to induce Americans to take that further initiative on which all are agreed the ultimate results of the good work done at Lausanne must depend.

And, let there be no mistake about it—unless there is a drastic reduction of armaments, especially naval armaments in which Americans are interested, the expectation of a gesture of good-will from the other side of the Atlantic will be in vain. There are many sound arguments, legal, political, technical, which can be put forward against America’s demands in this respect. But once more, our world is not a world of pure reason, and if peace is the object, the safe course is to bring America into the international fold by investing Americans with the responsibility of keeping the peace of the world and policing the seas, as at present they have the power and wealth for doing it. Not until they are given that power and that responsibility will they make the world safe for democracy.

## Our London Letter.

(From our Correspondent.)

(BY AIR MAIL.)

LONDON, 8th July.

### FAULTY PSYCHOLOGY.

THESE seems to be a disposition in certain quarters, both official and non-official, to protest against what are deemed to be the unfounded suspicions of the Indian Moderates in declining to accept the official reasons for departing from the letter and the spirit of the conference method in the proposals for the new procedure contained in the statement read to the House of Commons on the 27th ultimo on behalf of the Government. The ostensible reason given for the change is that there is every desire on the part of the Government to expedite the passage of a reforms Bill and that they have given an earnest of their intentions by acceding to the Indian demand that there should be a single Bill dealing simultaneously with provincial autonomy and federal central responsibility. There seems to be no clear idea in official circles or elsewhere of the reasons animating the Moderates in refusing to accept this plea, even if it be based upon fact, as a justification for the vital change indicated in Sir Samuel Hoare's speech. The India Office view is undoubtedly that there has been no change in the spirit but only in the method of achieving a common purpose, and this view finds currency and support in the editorial columns of the "Times" to-day. It is with the utmost difficulty that people in authoritative quarters can be got to understand the motives and background of the Moderate attitude or the *raison d'être* for Moderate suspicion. The public is ignorant and its memory of events, even if it is aware of them, short.

It does not recall, for example, that the purpose for which the Round Table Conference was convened was to break away from the deadlock caused by the abstention of the Indian Nationalists, and in particular the Moderates as a whole, from all connection with the Simon Commission. It does not recall the fact that free and equal consultation between British and Indian representatives was deemed to be of the very essence of the new policy for producing the maximum of agreement in relation to a constitution Bill. It does not recall that, after the last General Election, when a House of Commons was returned with an overwhelming Conservative preponderance an attempt was made to wind up the Conference and send it packing, and that that attempt was foiled only by reason of the alertness and energy of the Moderate delegates and the British Labour representatives. It does not recall that simultaneously an attempt was made to force the Government to proceed by way of provincial autonomy alone, leaving federal central responsibility to look after itself, and that this attempt, too, was foiled only because of the resolute insistence upon a single Bill by certain Moderate delegates. It does not recall that it was not until in his statement to the Conference on the 1st December, when he announced that, upon the completion of the task allotted to the Working, or as it has subsequently come to be known, the Consultative Committee, and the other Committees to be set up, the Conference was to be reconvened for the purpose of taking the final steps towards the production, by free, equal, and joint consultation, of the bases of an agreed constitution. It does not recall that this policy was explained and justified in the House of Commons by the Prime Minister and in the House of Lords by Lord Lothian, and reaffirmed by both

Houses immediately thereafter. It does not recall that, notwithstanding every provocation to do otherwise and every temptation to hold aloof, the Moderates amid the difficulties of the Ordinance regime continued to serve on the Consultative and other Committees in the natural expectation that, in due course, the Conference would hold a third and final session in London in the autumn for the completion of its tasks. It does not recall that, notwithstanding the commitments of the Government to a single Bill, efforts were made, both officially and unofficially, in India as well as in this country, to stampede the Cabinet away from the federation, and to proceed by way of provincial autonomy alone, an attempt that was frustrated by the insistence of the Moderates that the entire constitution should be dealt with by a single Bill. It does not recall that the Moderates are still intensely suspicious that the enemies of federation and central responsibility will continue to do their utmost to enlarge the period to elapse between the coming into operation of the two parts of the Bill, so that federal central responsibility shall be frustrated, and self-government for India as a whole be postponed to the Greek Kalends. It does not recall that the British Cabinet have now accepted the one Bill concept solely because Lord Lothian and Mr. J. C. D. Davidson have thoroughly frightened them into a realisation that no other scheme was possible. It does not recall that it has been the Moderates all the way through that have insisted that time was of the essence of the situation, and that it has been with the utmost difficulty that the Government, who now claim credit for wanting to get on with the job of constitution-making as fast as possible, have been induced to make any move at all effectively in that direction.

### UNCTUOUS RECTITUDE.

And now comes Sir Samuel Hoare with a bland urbanity that almost adds insult to injury to say that the Moderates have really completely misunderstood the situation, and that what is contemplated is nothing less than the association for purposes of consultation of a select group of Indians with the proposed Joint Select Committee of Parliament, both before and after the introduction of the Bill, so that Indian opinion cannot complain that their opinion was not obtained before any irrevocable decision had been reached. It is to be feared that he has entirely misconceived the situation and that he has no adequate concept of Indian psychology in such matters. One really hardly expects Secretaries of State to be students of Indian political history. Were it not so, one might legitimately express surprise, bordering upon amazement, that Sir Samuel has entirely forgotten, or at any rate, is completely oblivious to the lessons of the Simon Commission. Did he never read the arguments of the Moderates for boycotting that Commission and refusing to have anything to do with that Commission or with the Central Committee that was ostensibly sitting in consultation with it? Did he never read the pointed criticisms of the status and function of that Committee relatively to the Commission? Is he completely unaware of the views expressed thereon by some of its most prominent members, notably Sir Hari Singh Gour, and if I mistake not, Sir Sankaran Nair himself? In what way will he be able to persuade the Indian Moderates that an unrepresentative group of selected persons brought here to confer, but not on equal terms, with, and not enjoying the same status as, the Joint Select Committee, will be able to provide the basis for an agreed Bill that would have behind it the sanction of Indian public opinion even in Moderate circles, let alone Congress quarters? The case has only to be stated for it to be realised at once, that such a position is an

untenable one, and that the Moderates are entirely right in refusing, as I understand they have done, to accept the Government's new procedure. Whatever may be Sir Samuel Hoare's motive, it is clear that he intends to place the responsibility for any delay that may be caused or devised as a result of the present impasse upon the Moderates. They are to be held blameworthy for not accepting the Government's procedure. The consequences of delay will be visited upon their devoted heads. Governments, of course, can do no wrong. Their critics can do no right. And here let me say that in my humble opinion the Moderates have very unwisely left the field here open to the Government to pursue propaganda at their expense so that the public is on the whole ignorant of Moderate motives, reasons and purposes. It would have been the height of wisdom if some significant Moderate had either remained behind here or returned to London in order to keep in touch with the movement of events here, to report to his colleagues at home, to warn the Government here of such foolish aberrations as are now being bitterly complained of and to inform authoritatively public opinion here, not only of the trend of events in India, but of the course of Indian opinion in relation to such changes of policy as are now contemplated. If the Moderates are wrong in the conclusions that they have reached concerning the object of those changes, they are at least partly responsible themselves, but even supposing so, and supposing also that they are wrong, if he had been well advised, Sir Samuel Hoare would have paused long before announcing a change of method without consultation with the Indian Moderates or their unequivocal consent had been received, and in adopting a method, even if well intended, that must irresistibly remind them of the events surrounding the appointment and proceedings of the Simon Commission of unhappy memory. It is certainly going to be very difficult indeed to educate public opinion here in the right direction, but gallant efforts to do so are being made by well-known British friends of India here, and it is hoped that the result of these efforts will be fruitful, at least in part, in the near future. In the meanwhile, I am convinced that, assuming bonafides on the part of the Government, and I have positive knowledge that some of its prominent members are full of goodwill and are deeply distressed to learn of the present impasse, the Moderates have only to insist at to-morrow's Bombay Conference, that the condition of their continued collaboration in the reforms will be the complete restoration of the conference method and spirit, whatever may be the form assumed for their demand to be accepted by the Cabinet. One may hope, though possibly without much substantial basis for the hope, that Congress collaboration or at least neutrality, may be secured if things go favourably, but if not, it will be fatal for the Government to deprive themselves, in all likelihood permanently, of the help and assistance afforded them by Moderate co-operation ever since the Round Table Conference was convened. To alienate them at this stage will be to commit the most grotesque blunder of all, and would render any constitution certain of rejection from the start. Apart from that a selected group of Indians working here in a tolerated relationship of consultation with the Joint Select Committee of Parliament, and deprived of assistance, not only of well-known British non-Parliamentarian friends who are members of the Federal Structure Committee, and of the presence of Sir Tej Bahadur Sapru, Mr. Sastri, Mr. Jayakar and others, would be inconceivable. I understand that the Leader of the Opposition is immediately putting to Sir Samuel Hoare a number of detailed and pointed questions for the purpose of further elucidating the position.

Later.

Since writing the above, the news has been distributed that Sir Tej Bahadur Sapru and Mr. Jayakar have resigned from the Consultative Committee in protest against its conversion into a body independent of and not responsible to the Round Table Conference to which it was to have reported. The news is bound to have the widest repercussions, and I can hardly doubt that the decision of these two distinguished patriots has been largely determined by Sir Samuel Hoare's probably well-intended but certainly very ill-considered and unimaginative speech last night. How far their estrangement will carry the Moderate leaders it is, of course, impossible to forecast, but it is bound to have far-reaching consequences. However much one may, on general grounds, regret their decision, they have certainly not acted precipitately and without warning; but whether the Government have any cause for satisfaction at having rejected the advice of some of their truest friends, tendered in circumstances of the gravest embarrassment to themselves, is quite another question.

LONDON, 15th July.

#### THE INDIAN IMPASSE.

IF Sir Samuel Hoare does not employ the voice and manner of the drill master, it is only that he is more suave and courteous in his method of address. He means, however, exactly the same. He has no concept whatever of the fact that people hitherto under British Imperial tutelage are sternly and remorselessly determined no longer to content themselves with a status of political inferiority, and that they are equally determined to assert the national spirit and their claim to equal treatment until Britain is prepared to recognise the demand. One would have thought that upon taking office the present Secretary of State for India would have sought to gain from his predecessor's experience an insight into Indian motives and psychology that would have stood him in good stead in the momentous days and the tremendous task ahead of him. One would have supposed that he would have sought to understand and appreciate the circumstances that had led to the widespread boycott of the Simon Commission and the Central Committee ancillary to it. From that it might have been supposed that he would have studied the psychology that had led Sir John Simon himself to a recognition that something further was needed to get away from the deadlock caused by the obstinacy of Lord Birkenhead, and that ultimately resulted in the announcements made by the Prime Minister and the Viceroy, Lord Irwin, that ended in the convening of the Round Table Conference and the adoption at last, and it was hoped for ever, of the new method of equality of status, freedom of discussion and mutual seeking by the representatives of the two countries of the maximum of agreement for a great and automatic constitutional advance. Once upon a time the music halls rang with the chant relating the virtues of the "Boys of the Bull dog Breed." Sir Samuel Hoare, imagining himself to be one of these, has succeeded in proving himself merely one of the Bourbon breed: they learnt nothing and they forgot nothing. They had developed an ingrained tendency to wear blinkers. They saw dimly and vaguely, unapprehendingly and unimaginatively what was immediately before their noses, but they had no sense of perspective or direction. It is one of the great misfortunes of the present situation that the conduct of the difficult and delicate tasks left over from the last Round Table Conference, where his conduct throughout was subject to the strongest suspicion by the Moderate leaders, from whom he deliberately estranged himself and who naturally responded in-

kind, should have been placed in the charge of Sir Samuel Hoare, when his two great leaders, the Prime Minister and the Leader of the House, were completely immersed and involved in the great task, international and domestic, to which they had committed themselves. Some day the British electorate will demand expiation for this breach of trust on his part.

It is to be supposed that his latest speech on Wednesday afternoon, when Parliament was prorogued until late October, was intended to be friendly and conciliatory. It could only have had the effect of rendering the Moderates still more irreconcilable to his handling of affairs. Probably he did not realise that he was in fact telling them, in the way that a Professor does to his class, that they were very foolish and inexperienced people to misunderstand both his methods and his motive, not to speak of his manner, that they were really at one, if only the Moderates had enough intelligence to understand it, and that if they did not like his proposals it was up to them to suggest something more efficacious to the same end. One would have thought that he had never heard of the suggestions for carrying out the further programme in the Conference spirit put forward by Sir Tej Bahadur Sapru and Mr. Jayakar, but just as he has adopted as his own the Moderate demands for speed and expedition, and for a single Bill instead of two Bills, so doubtless, if the matter is properly pressed on the Indian side, he will adopt with the utmost coolness a fresh procedure that will in principle be a reversion to the Conference method without so much as a thank-you to the Moderates, whose thunder he would steal whilst affecting to treat them as relatively unimportant persons.

#### WHAT OF THE FUTURE?

I venture, however, to think that if the matter were left there, or where the "Manchester Guardian" in a singularly ill-advised editorial left it early this week, nothing but disaster and disruption could follow. Friends here, and they are numerous and influential, have no doubt that, whether ignorantly or willingly, the Government have adopted a new policy. They are equally in no doubt that if safety is to be reached that policy must be speedily denounced in favour of the conference method. Mr. Polak's pointed letter to the "Manchester Guardian" and Sir Stanley Reed's admirable article in yesterday's "Spectator" have shown the way to a new orientation. Sir Stanley definitely takes his stand by the side of the Moderates and has demanded that Sir Samuel Hoare, notwithstanding all his statements, should acknowledge his error and retrace his steps without more ado. It is the boldest statement that Sir Stanley has ever yet made in public though I have heard him go very far on private and privileged occasions, and when his article is perused he will be found to have well-earned the praise of all impartial thinkers, both here and in India. Miss Rathbone, too, by her interpellation at the end of Sir Samuel Hoare's reply to Mr. Morgan Jones's excellent speech just before the House rose, has also well earned her meed of praise. She obliged Sir Samuel Hoare to do again what he had refrained from doing, or omitted to do, at the Central Asian Society's Dinner, namely, to reiterate that he was prepared to consider a more formal alternative to the Government proposals should circumstances require it, and better ways devised, though the responsibility for delay would be upon those that insisted upon what he could not but regard as the more cumbersome conference procedure. He has not yet learnt that elementary lesson that in dealing with your colleagues you must understand something of their psychology and that the shortest apparent way is often the longest way round.

In these circumstances I remain convinced that if Moderate Indian opinion is resolute, insistent and constructive, if it takes the trouble as it should and could do to make itself effectively heard, the dismay with which the new Moderate boycott of the new reforms procedure was received would be converted into a new cheerfulness and encouragement. It would, I am confident, be a cardinal error for the Moderate leaders to sit back in their chairs in disgust and passively to retire into their tents until the disservices of the outside world have subsided. They will have an effective response if they act with energy and understanding and if they put forward for the plain man to read the constructive suggestions that in their opinion would, if adopted even at this late hour, restore responsible relations between these two great countries.

#### FATHER ELWIN ARRIVES.

Father Y. Elwin arrived in London last night from India. He will to-day be meeting the Indian Conciliation Group at Friends House in private conference and on Tuesday he will address a public meeting at the Whitefields Tabernacle under the auspices of the Central Branch of the Indian League. In all probability the Friends of India League will attend to it that he is kept busy explaining to the general public some of the facts of the Indian situation that have been excluded from his pen by the careful censorship.

#### NOTES FROM BENGAL.

(By Our own Correspondent.)

July 18.

**B**ENGAL is suffering from a heinous crime. Take up a daily of any date and you will find at least two cases of abduction and rape. In some of them women are involved in aiding and abetting. A common device of enticing away girls of tender age is to induce them to go to their parents house secretly. This is an evil effect of child marriage. The mild punishment that they get emboldens these miscreants to continue their evil deeds. It should be remembered that a rape upon an innocent girl, blights her whole life and is to her worse than death.

The fate of more than 50% of the people of Bengal depends upon jute. But the condition of jute business is likely to remain as unsatisfactory as ever. Experts are of opinion that a successful termination of the Lausanne Conference will favourably affect world trade and consequently, the jute market. But how long this revival will take to reach the poor cultivators of Bengal no one can divine. If the present condition of jute business continues for two or three years more a fierce catastrophe is sure to visit the county.

Rule by ordinances has repeatedly been condemned by all the Indian papers and by public men of different schools. Political violence no doubt exists in Bengal but the effort to suppress it by counter-violence is futile. Political violence is nourished by such acts of Government and of Government servants as the Hijli shooting affair and the Nawabpara Rape Case. The alleged suicide of a detainee at Daoli and the death and post-mortem of the under-trial Anil Das at Dacca should be mentioned in this connection. The presence of a doctor of Anil's mother's cholera at the time of post-mortem was prayed for and the prayer was granted; but the post-mortem was finished before that doctor could arrive.

Events like these fill people's mind with suspicion and excite them more than bare truth could do.

The unemployment menace is facing the whole of India. But nowhere, I presume, is the problem so acute as in Bengal. The educated middle class is its special victim. Hundreds of M.As. and M. Scs. ready to do any sort of work on a mere pittance are loitering throughout the country. The other day a local High School advertised a post worth Rs. 25 per month. Among the applicants were several M. Scs. and M. As. and a score of B. As. and B. Scs. with honours and distinction. An M. A. got the post by volunteering to serve without pay for the first six months!

House searches, arrests and convictions are going on as vigorously as ever. During the last few days there were no less than hundred arrests and convictions throughout Bengal, besides many searches in connection with terrorist activities. One of the peculiarities of these searches is that in none of them was anything incriminating found. How long will this abnormal condition remain? Is there no way out?

The Bengal Muslim Conference held its sitting the other day at the Town Hall, Calcutta, under the presidency of Mr. A. H. Ghuznavi, M. L. A. It was attended by the Muslim Ministers of Bengal besides several upcountry reactionaries. Unanimous support was given to separate communal electorate. The president in his speech laid emphasis on the point that during the session of the R.T.C. the Prime Minister "held that where in a province a particular community represents the majority of its population, its representation in the legislature should reflect that majority which should not be reduced to minority or even to equality." According to the president, there should be no special constituencies for women, "as it would only result in the return of highly undesirable type of women." If any labour constituency is created, there too, Muslim members must be elected by Muslim voters.

The Conference has been claimed to be an all-party Muslim Conference. But Mr. Abdur Rahim (not Sir Abdur) of the Nationalist group writes that such important organisations as the Bengal Presidency Muslim League, the Nationalist Muslim Party and the Bengal and Calcutta *Jamiat-ul ulema* were not even formally invited.

## Reviews.

### VIVEKANANDA'S PHILOSOPHY.

NEO-HINDUISM. AN EXPOSITION OF SWAMI VIVEKANANDA'S CONCEPTION OF VEDANTISM (YOGA PHILOSOPHY) By D. V. ATHALYE. (Taraporewalla) 1932. 22cm. 220p. Rs. 5-8

WHEN my friend, Mr. Kodanda Rao, asked me to review for the "Servant of India" magazine Mr. Athalye's book giving an exposition of Swami Vivekananda's conception of Vedantism, I hesitated to take up his suggestion as I felt a bit diffident of doing adequate justice to Mr. Athalye's well and widely reviewed work. Not that I was ignorant of the subject or had never thought on it. On the contrary when reading up for my own *Message of Krishna*, I had to do a great deal with Vedantism and so can claim to know something about it. My fears, conse-

quently, lay not in that direction, but in the fact that Vivekananda, being a popular figure in Indian religious lore, has been so much written upon, that a new exposition of his philosophy would find it difficult to get a hearing from the reading public unless it broke fresh ground and brought out new aspects of his life and philosophy to which the public at large had no access up to now.

Reading Mr. Athalye's book from cover to cover has not, I regret to say, proved my fears groundless. It is without doubt a fine exposition, perhaps the finest, I have come across of Vivekananda's philosophy. If someone asked me to name a book that would give a good, reliable résumé of Vivekananda's teaching, I would without hesitation direct him to Mr. Athalye. When I have said this, I have said perhaps the best thing I could about *Neo-Hinduism*.

One of the standing defects of the Indian mind and Indian writers is Exaggeration. Mr. Athalye would not be an Indian, if he were not true to this characteristic trait of his race. Here are some samples of it. "The Swami was the *greatest* modern exponent of the ancient Vedic religion"; "Vedanta is the *only* religion that is not afraid of modern science and modern research"; "The regeneration of the world depended on the regeneration of India, which is the same thing as saying that the interests of humanity depended on the patriotism of Swami Vivekananda. Let me add to the list one more which is the top notch of them all. "Swami Vivekananda's unique vision enabled him to grasp the essence of truth within a twinkle of the eye." From his vast reading and long experience of life Mr. Athalye should have known that a truth, leaving aside its essence, was to be had "within a twinkle of the eye" could never be worth having. Truth unfortunately is too old a bird to be captured so quickly or so easily.

Another prominent defect of a typical India author is that often in his over-zealous worship of the man whom he has temporarily set up for his hero and ideal, he with amazing light-heartedness surrenders to his divinity the most precious faculty he possesses, namely, of Criticism. Clever and culture as Vivekananda undoubtedly was, he was never a adept in clear thinking and was, consequently, often confused in his ratiocination and sometime when a fit of tolerance and broad-mindedness seized him he indulged his hearers in what now reads like pure, unadulterated nonsense. Take for instance, "I accept all religions that were in the past and worship them all. I worship God with every one of them, in whatever form they worship Him." This profession of the Swami sounds, I know grand and unexceptionable, but will it stand a moment's examination? In all seriousness I ask Mr. Athalye, Can any man in his senses worship the all-loving, ever-forgiving Father of Christ and at the same time the all-avenging, ever-punishing Jehovah of Moses? I know. Vivekananda was an acrobat of no mean order, but all his acrobatics, mental or otherwise, would not make him jump off from the Father of Christ to the Jehovah of Moses without coming a cropper.

Let me take another instance from Mr. Athalye's book of the good Swami's empty grandiloquence and ludicrous self-praise. "To the reformers I would point out," says the great Swami "that I am a greater reformer than anyone of them. They want to reform little bits, I want root and branch reforms. Where we differ is in the method; theirs is the method of destruction and mine is that of construction. I do not believe in reform; I believe in growth." Fancy a man proclaiming himself a root-and-branch reformer and in the same breath saying he is a believer in growth! I ask this simple question: Can a pla-

grow which has been plucked out of its soil root and branch? What muddle-headedness is this! And yet Mr. Athalye characterises this particular working of the Swami's mind as "essentially sane, moderate and rational."

Apart from these few differences of mine with the author of *Neo-Hinduism*, I am one with him in the rest of his exposition of Swami Vivekananda's philosophy and social activities. I certainly think with him that Vivekananda was quite justified in his scathing denunciation of the social reformers of his time who often acted as if the promotion of widow-re-marriage and the prevention of child-marriage was the beginning and end of social reform in India. Like the Mahatma of our days, it was again Vivekananda who was the first to champion the cause of our semi-starved masses and declare that in the amelioration of their condition, both mentally and materially, lay primarily the whole problem of social reform in India. I must, in passing, remark how fully I agree with all that Mr. Athalye says in Chapter IV. It is a brilliant exposition of *Jnanyoga* for which, if for nothing else, Mr. Athalye must be read by all who have at heart the future of Hinduism.

A. S. WADIA.

### CO-OPERATION IN BOMBAY.

**THE BOMBAY CO-OPERATIVE SOCIETIES ACT.** By K. S. GUPTA. (The Author, 691, Budhwar Pet, Poona.) 1932. 22cm. pp.356 + 41 + 29. Rs. 4/8.

"BEING not only connected with business but actually one way of conducting business, co-operation has a range of potential activity that is as wide as the business of life itself." Yet the beginnings in our country happened to be modest. The initial Act of 1904 was restricted in its operation to credit only. Whether this restriction was deliberate or due to a mere slip is a controversy of theoretical interest at present. A certain amount of caution is inevitable while initiating new experiments. With the experience gained by the extension of the movement the law governing it had also to be revised. The Act of 1912 was thus an improvement on the previous one. Even this did not afford scope for full expansion, for the benefits of the movement were still limited to "agriculturists, artisans and persons of limited means." But the movement continued to grow. The study of its problems assumed greater public importance. The historic MacLagan Committee which dealt with the whole of India and the several Provincial Committees of Enquiry reviewed the movement and suggested future lines of development. The provincial responsibility for the development of the movement after the Reforms of 1919 assisted by these expert investigations has enabled the different Provinces to develop the movement within their respective areas on lines best suited to their needs and circumstances. In a few cases provincial legislation has replaced the Act of 1912. In this respect Bombay has led others.

The Bombay Co-operative Act was passed in 1925. In its scope it is more comprehensive, as the object of the Act has been defined as the promotion of thrift, self-help and mutual aid among persons not only of limited means but among all persons with common economic needs. Calvert in his classic "Law and Principles of Co-operation" interpreted the Act of 1912 in the light of Co-operative principles. To the students of Indian cooperation it remains ever as an indispensable study. The Bombay Act of 1925 together with the Rules framed thereunder has now been edited by Mr. Gupta with an introduction and exhaustive commentary. The text of the Act of 1912 given as one of the appendices greatly facilitates reference

while studying the Bombay Act. The foreword has been contributed by Mr. V. S. Bhide, I. C. S., who was then Registrar of Co-operative Societies, Bombay.

Mr. Gupta as the commentator on various Acts dealing with rural problems is qualified to explain the Co-operative Act also. But unlike the other acts, the Co-operative Act, except in stray instances, does not admit of interpretation with the aid of case law, as the jurisdiction of Civil Courts is limited in respect of ordinary co-operative transactions. Necessarily the commentator has to seek information to interpret the sections of the Act elsewhere. Consequently Mr. Gupta has made profuse use of the co-operative principles as expounded by reputed scholars, such authoritative expositions as are to be found in the reports of various Committees and Conferences, Government notifications and the proceedings of the Legislature. Relevant extracts are quoted from these while explaining the sections. "These extracts", as rightly observed by the writer of the foreword, "constitute the most useful part of the book and co-operative workers and students of the movement will find an interesting collection of authoritative opinions explaining and amplifying the ideas underlying the actual text of the Act." The work being designed for reference, a certain amount of reiteration of the principles under the different sections is not only inevitable but also necessary.

Another important feature of the book has been the study of the Act in close comparison with the Company Act. While co-operative institutions are to be thoroughly business-like care should be taken to prevent the genuine principles embodying the co-operative spirit being imperilled by capitalistic tendencies. The essential differences between the two types of business organisations cannot be emphasised too often, for in practice there is great temptation for profiteering ideas creeping in almost unnoticed.

The author is to be heartily thanked for this contribution of his to the co-operative literature of the country. Besides serving as a useful and serviceable reference book to the workers and students within the Presidency, this publication is of importance in enlightening the co-operators outside the Presidency about the purpose and intention of the Bombay Act.

S. GOPALASWAMY.

### Miscellaneous.

#### GOLD DELEGATION'S REPORT.

THE final report of the Gold Delegation appointed by the Financial Committee of the League of Nations is now published. The Delegation, appointed in 1929, had previously issued two interim reports and had also published selections of the documents submitted by experts for its consideration. The final report is signed by all the members who participated in the final discussions; but there are individual notes of dissent.

The report is in two parts. The first is concerned with the recent break-down of the gold standard and with the measures that should be taken to restore it. The Delegation recommends a return to the gold standard with the definite statement that, "at the present stage of world economic development, the gold standard remains the best available monetary mechanism."

The Delegation goes on to say that "it is impressed by the practical difficulties and dangers of regulating currencies which are not on a common world basis, and by the very great desirability of

agreement upon an internationally accepted standard in order to facilitate the free flow of world trade. Whatever the theoretical advantages that may be urged in favour of other monetary systems, their universal adoption presents very grave, if not insuperable, practical difficulties at the present time. The Delegation is, moreover, of the opinion that, granted the general acceptance of certain guiding principles, the gold standard is capable of functioning in such a way as to achieve most of the advantages of stability and justice claimed for alternative standards more broadly based on commodities other than gold."

Recognising that "the time and level—as well as the particular form of restoration of the gold standard, should that be decided upon—can be determined only by the proper authorities in the countries concerned," the Delegation lay down certain conditions that are necessary before any such restoration can be expected. There are three main recommendations involving international agreement and action.

The first is "the restoration of a reasonable degree of freedom in the movement of goods and services." The second is "a satisfactory solution of the problem of reparation payments and war-debts," and the third, agreement concerning "certain guiding principles in respect of the working of the gold-standard system."

In addition to these measures involving international action, it is considered essential that, in each country, "the budgets of the State and other public bodies must be balanced on sound principles," and that "the national economic system as a whole, and especially costs of production and costs of living, should be adjusted to the international economic and financial position, so as to enable the country to restore or to maintain the equilibrium of its balance of international payments."

The second part of the report is concerned with the working of the gold standard and the desirability of avoiding violent fluctuations in the purchasing power of gold. The analysis is introduced by a definition of purchasing power and a discussion of the index-numbers available for its measurement. In succeeding chapters the supply of monetary gold is discussed in connection with the secular or long-term trend of prices.

The Delegation records its opinion that "the world's total stock of monetary gold, apart from any considerations as to its distribution among different countries, has at all times in recent years been adequate to support the credit structure legitimately required by world trade, and that the rapid decline in prices, which began in 1929, cannot be attributed to any deficiency in the gold supply considered in this sense."

Statistics are given of the total supply of monetary gold in the world, of the amount of new production, of the gold tempted from hoards in the Far East, and the amount of hoarding in Europe, which in the latter half of 1931 is estimated at \$400 million.

Further statistics show the sharp accentuation of the problem created by the uneven distribution of central bank reserves, which is regarded as being caused by "disequilibrium in the balance of payments of certain countries."

After considering the effects of violent fluctuations in the purchasing power of gold, the Delegation considers the suggestion that action should be taken to raise the present price-level. It regards "such a rise of prices as desirable," but does not "look to monetary policy alone to adjust the price-level, which is influenced by many factors of a non-mone-

tary character." It states that, "where credit contraction for one reason or another has been carried to extremes, it is proper and, indeed, imperative for the central bank to take such action as may be within its power to check excessive contraction, and in some cases to take the initiative in encouraging a freer use of credit."

But the Delegation concludes that, "until there is some clearing of the atmosphere of international distrust and a modification of the obstructions to international trade", it will be difficult to restore prices and standards of living to more satisfactory levels.

Concerning the possibilities of price stabilisation in the future, the Delegation expresses the view that it is not possible to avoid all oscillations in the general level of prices and that such relative stability as it is possible (and very desirable) to achieve cannot be secured by monetary policy alone. The maintenance of a flexible but relatively stable price-level can be achieved only by "the most carefully planned and closest co-operation between central banks." The Delegation rejects the possibility of stabilisation policies based upon an index-number of wholesale commodity prices; but considers that action taken in international consultation and co-operation and based upon a "joint act of judgment" in regard to "all those indices which reflect business activity" might, in fact, have the result of keeping wholesale prices steady.

The most important recommendations of the Delegation are that the present reserve ratios by which most central banks are now bound should be reduced, and that the Gold Exchange Standard system should be revived in a modified form.

The main dissenting note, signed by the Chairman of the Delegation (M. Albart Janssen), Sir Reginald Mant and Sir Henry Strakosch, dissents entirely from the analysis in the main report of the causes leading to the abandonment of the gold standard. The dominant cause of the breakdown, in their view, "is the maldistribution of monetary gold reserves which began in the early part of 1929."

In regard to monetary policy in the future, the members in question make it clear that, in their view, "the prime objective of monetary policy should be stability in the general level of wholesale commodity prices." They differ from the majority of their colleagues in their much stronger belief that "it is both theoretically and practically possible to restore gold prices to a suitable level and to maintain them stable at that level."

As far as practical remedies are concerned, of those proposed in this note of dissent, the first two are practically identical with the recommendations of the report, viz., an early settlement of the question of war debts and reparations and removal, as far as possible, of restraints on international trade. There is, however, a divergence of views in the later recommendations. Whereas the report recommends national action to restore equilibrium of the price-levels and balances of payments, the dissenting note urges "a concerted attempt by the principal gold-standard countries to restore wholesale commodity prices, as measured in gold, to the level prevailing in 1928," together with a "similar attempt by the paper-standard countries, under the leadership of sterling, to stabilise their internal price-levels." Professor Cassel, who was not able to be present at the final meetings, has written a separate note of dissent which is in broad agreement with the above-mentioned note. Short reservations are appended also on special points by Professor M. J. Bonn, M. Guido Jung and Mr. G. B. Roberts.