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Topics of the Week.

The fateful 2nd of January.

WITH the fateful 2nd of January so near all eyes are naturally turned to Yerrawda. Will Mahatma Gandhi commence his fast on that day or will something happen between now and Monday which will obviate the necessity of the fast or at any rate enable him to postpone it? His condition for its postponement is that the Viceregal sanction to legislation to amend the existing law which Dr. Subbaroyan is promoting should be forthcoming before that date, though he recognises that the bill itself cannot be enacted into law in such a short time. If during his September fast his life was in Dr. Ambedkar's hands, on the present occasion it is in those of Lord Willingdon who is being urged from all sides to realise the seriousness of the situation and rise to the occasion by giving his sanction to the bill without delay. It is said that local Governments will have to be consulted on the subject and that it will not be very much before the middle of January that the Bill will have received the Viceroy's previous sanction. All we can say is that if consultation with local Governments is imperative, the speed of the administrative machinery will be accelerated so as to finish the consultation stage in time for the Viceregal sanction to be intimated on Monday at the latest.

The question is no doubt important enough to merit consideration not merely on a provincial, but on an All-India basis, but so is also the life at stake, for saving which no cost can be too heavy. The

fact that as high a proportion as 77 per cent. of the temple-goers in Ponnani taluka, as disclosed by the result of the recent referendum, favours the admission of the so-called untouchables to the Guruvayur temple should enable the Viceroy to feel that in allowing the Bill he was doing nothing against the wishes of the people concerned. In this connection due weight needs to be given to the practice, said to be in force for years, under which, according to Mr. U. Gopal Menon of Calicut, the untouchables are allowed within the precincts of the temple on a particular *Ekadashi* day and when the priests have no qualms of conscience in performing worship in their presence, which on other days is regarded as causing pollution. Thus Dr. Subbaroyan's bill seeks to do nothing more than permitting the extension of the practice on other days as well.

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Unity Conference Results.

FROM the number of amendments which were tabled to the communal settlement formulated at Allahabad last month, which was to come up for ratification by the full Unity Conference this month, it was at one time feared that the Conference which recently held its meetings at Allahabad may end in a fiasco. But happily that fear has for the most part proved illusory. This is not to say that its task was altogether free from difficulties. Indeed it had a very hard job in trying to reconcile conflicting interests, which is clear from the repeated postponements of its plenary session owing to the failure of its sub-committee to report agreement on the points in dispute. This was however eventually rendered possible by the spirit of compromise shown by all concerned and the Conference was in a position to confirm the agreement of last month, except that for Assam and Bengal, with minor modifications as a result of the last few days' deliberations.

The joint electorates formula—an important part of the original agreement—has been left undisturbed. Contrary to expectations, the Sind and Punjab arrangements were not required to be considered *de novo*, the only alteration in the latter being that whereas in the November agreement Indian Christians were grouped with Anglo-Indians and Europeans for purposes of Council elections, in the revised agreement they are regarded as a separate entity and allotted three seats. Their claims to representation, by convention, in the Cabinet of the Central Government have also been recognised

along with those of Muslims and Sikhs, and they will have 2 per cent. of the seats in the Central Legislature reserved to them, which was not done in the original settlement.

As regards Sind now that the principle of its separation from Bombay has been authoritatively accepted by the British Government, the provisions on the subject incorporated in the agreement will naturally have more than academical interest to the public. While the agreement promises 32 per cent. of seats reserved for British India in the Central Legislature to the Muslims, they have been offered 33½ per cent. by the Government. It remains to be seen whether hereafter their spokesmen in the Conference would press for the higher proportion. The fundamental rights clause introduced in the agreement for the first time now provides, among other things, for the equality of all citizens before the law and recognises the citizen's right to bear arms, and that of the Sikhs to carry *Kirpans*.

It is to be regretted that the Conference was unable to secure agreement on the communal solution for Bengal. The formula suggested last month offered to the Muslims 51 per cent. of the seats in the Bengal Council. It was found that unless the Hindus surrendered two of their seats, it would be difficult to ensure the proportion allotted to Muslims. The President of the Conference, Mr. C. Vijayaraghavachariar accompanied by Dr. Moonje specially went over to Calcutta in order to persuade the Bengal Hindus to make the sacrifice; but had to return disappointed, the Hindus being unwilling not only to give up the required seats but to provide a statutory majority to the Muslims, as proposed. The matter has however not been given up as hopeless but was to be considered again by the Conference, for which purpose it is in session in Calcutta. The Assam formula too awaited confirmation after consultation with the provincial representatives who could not stay on at Allahabad till the end. It is expected this will be done at Calcutta.

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India in the Commons.

MR. MORGAN JONES, a Labour Member of Parliament, who raised a debate on India last week in the House of Commons, in pleading for a generous gesture towards this country, appealed to the Government to forgive the Congress if it "will give a formal expression of their wish to withdraw from civil disobedience and abandon the civil disobedience movement." In doing so, he will appear to many to be really preaching to the converted, for the Government have repeatedly made it clear that their repressive measures would be called off as soon as the Congress abjured civil disobedience. To expect this of the Congress is little short of expecting the impossible. Civil disobedience is an article of faith with Mahatma Gandhi and so long as he is in a position to influence Congress policy, it is indulging in self-deception to believe that the Congress would agree to forego civil disobedience as a political weapon.

Sir Samuel Hoare too seems to have now realised the utter futility of expecting the Congress to

surrender, which he all along laid down as a condition precedent to the stoppage of the present repressive measures, for in the debate in question he adopted quite a different line. The passage of the Ordinance Bill and the ratification of the Ottawa agreement by the Assembly he chooses to look upon as "the most significant evidence of goodwill between the Indian Legislature and the Imperial Parliament," though he cannot be so ill-informed as not to know that no two actions of the Indian legislature are more distasteful to public opinion. He also added that "these were facts which Government would certainly take into account and would use to the full in order to render it possible for everybody, who was willing to take a share in moulding the new constitution, to co-operate with them on general lines."

This is regarded by some as heralding the inauguration of a conciliatory policy in relation to the Congress, culminating in the early release of civil disobedience prisoners. If the anticipation came true it would indeed be a consummation to be devoutly wished for and if for the purpose of putting an end to the present stalemate the Secretary of State wants to use the two actions of the Assembly as a convenient excuse to go back to a policy of conciliation and good-will we would be the last to stand in his way. The present tension of public feeling has already been allowed to last too long and could obviously not be allowed to continue for an indefinite period. A way had sooner or later to be found to ease the situation. It is a matter for satisfaction that the urgency of such action seems to have at last been appreciated even by Sir Samuel Hoare whose policy of a fight to the finish with the Congress has only served to embitter public feeling against the Government to an unparalleled extent.

* * *

Separation Issue in Burma Council.

THE Burma Legislative Council debated the separation issue for six days and two nights. But it is doubtful if its decision on the point can in any way be said to be less ambiguous than the election results of last month. To the question whether Burma wanted to cut herself off from India as a permanent arrangement, the British Government wanted an unequivocal answer so as to enable them to make up their mind about it. Their hope apparently was that the results of the Council elections would provide a sure index to the Burman mentality on the subject; but it was belied. They then looked to the result of this debate to furnish explicit guidance to them, which unfortunately the debate has failed to do. The election results as also the speeches in this debate however prove one fact beyond doubt. It is that the dissatisfaction with the constitution offered to Burma is as keen as it is universal, and it seems it is really the inadequacy of this constitution to fulfil Burma's aspirations that is coming in the way of Burma returning a straight answer to the question put to her. If the constitution were found satisfactory, there can hardly be any doubt which way the Burmese vote would have gone. Separation would then hardly have been in doubt as it is at present.

But even as things are, even the so-called anti-separationists find it impossible to envisage their country as a permanent unit of the Indian Federation. They want to retain unimpaired Burma's liberty to secede from the Federation at any time she chose, so that if at the moment they find themselves opposing

the severance of Burma from India, their attitude has a good deal to do with the unsatisfactory nature of the proffered Burmese constitution. If, as alleged, the British Government was bent upon disconnecting Burma from India, they must be said to have certainly played their cards very badly. To judge from indications, a promise of opportunities to Burmese opinion to have the constitution amended in substance in the later stages of its consideration would have gone some way in strengthening the cause of separation. But it was made clear on behalf of Government in the course of the debate that any substantial amendment of the constitution would simply not be allowed though its improvement in details would be quite possible.

Nor did the last attempt of the out-going Governor, Sir Charles Innes, to convince the Burmese people through the party leaders in the Council that they would be advantaged by separation and that the constitution offered to them was in no way inferior to that to which India was looking forward exert any considerable influence on the course of the debate. The resolution finally passed rules out Burma's separation from India on the basis of the constitution offered to her last January and makes it clear that separation was out of the question till a better constitution was forthcoming. Failing this, it left on record the country's wish to enter the Indian Federation on certain conditions, which were to include the right of secession. Whether the British Government would be prepared to revise their Burmese policy so far as to allow constituent units of the Indian Federation the right to leave it at will, which would in fact be the effect of conceding the right demanded by Burma, is more than can be said at the moment. The net result of the debate seems to be that whatever the future may hold in store for Burma, she is unwilling to cut herself off from India with nothing better in view than the constitution offered to her early this year.

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The M. & S. M. Ry. Strike.

THE strike in the workshops of the M. & S. M. Railway at Perambur, Arkonam and Hubli ended on the 23rd inst., much to the relief of all concerned. It lasted for nearly two months and would have gone on longer had not some prominent citizens of Madras, realising the need of its early termination, set about the task in right earnest. The Citizens' Committee, which acted as an intermediary between the railway administration and the Labour Union and was very active in bringing about a settlement of the dispute, is said to have worked literally night and day to that end, so that the tributes paid to its "strenuous and earnest" endeavours by Messrs. Jamnadas Mehta and Giri were no empty compliments but very well deserved. The strike was due to the failure of the railway administration to afford redress to the Union in respect of three of their grievances. These related to the re-employment of 93 men discharged last year as a retrenchment measure, the stoppage or curtailment of short time and no victimisation. It is needless to describe in detail how these demands have been met by the Railway administration. It is enough for our purpose to see how the final settlement is viewed by the strikers' leaders. In recommending to the Central Executive Committee of the Union the desirability of calling off the strike, the two leaders already mentioned frankly stated that though the settlement cannot be regarded as "an unqualified triumph for the Union," they were satisfied that its terms "substantially secured to the Union what it was fighting for." Having secured substantial satisfaction, the Union would have been ill-advised if it had decided to continue the strike because of the in-

ability of the administration to meet its wishes even on comparatively unimportant matters. To do so would have been to alienate much valuable public sympathy, which would have been nothing short of calamitous from the workers' viewpoint. The acceptance by them of the terms secured through the efforts of the Citizens' Committee ensures its moral support to them in case of any dispute in implementing the settlement. This would have been impossible if they had decided to stand out for the unqualified acceptance of their demands.

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Grievances of Malay Indians.

ATTENTION was drawn in a recent issue of this paper to the contemplated reduction in the minimum wage legally fixed for the Indian labourers in Ceylon. The same calamity seems to have already befallen our countrymen in some parts of Malay. In a memorandum submitted to the Permanent Under-Secretary of State for the Colonies on behalf of the Indian community in the State of Parak, the complaint is made that the standard wage there has been already reduced, the daily wages on many estates being so low as less than six annas in consequence. As can be easily imagined, the reduction is necessitated by the trade slump which is also responsible for the repatriation on a very large scale of Indian labour which has been recently taking place.

Both the wage reduction and the return of Indian labourers to this country add to the economic difficulties of our countrymen there, to obviate which it is suggested in this memorandum that Indian labourers instead of being sent back to India should be settled on land in the colony itself. The suggestion may at first sight strike anybody as being financially impracticable; but if the expenditure incurred in sending back surplus labour to India is borne in mind, its feasibility would become obvious. The repatriation expenses of the Malay Government last year are stated to have mounted up to the huge figure of nearly \$12 $\frac{3}{4}$ lakhs. To this should be added the amount that may have to be spent in getting all this labour back to Malay when needed, which will doubtless be quite considerable. If all this money is made available for carrying into effect the land settlement scheme suggested in the memorandum instead of its being spent in unproductive steamship fares and other incidental expenses connected with repatriation, there appears to be no reason why the scheme should any longer be looked upon as nothing better than a dream. Should there still be left a financial gap, it may, it is suggested, be filled by a public loan.

The advantages of the scheme not only to the settlers but even to employers of labour are too obvious to need mention here. And it is not as if any experience of the working of such a scheme which can serve as a guide is absolutely lacking. For an experiment on similar lines is reported to be working quite satisfactorily in Malay itself under the fostering care of the Agent to the Government of India. The scheme suggested in the memorandum is nothing more than an enlarged edition of the same experiment and deserves to be seriously considered. The memorandum also pleads for adequate Indian representation on the Indian Immigration Committee which deals with all matters connected with Indian immigration and pleads for elementary education for labourers' children, which under the Labour Code is already free, being also made compulsory not only on all estates but in all Government departments employing such labour. These matters should receive the early attention of the authorities with a view to the suggestions being translated into effect at an early date.

CONFERENCE'S ACHIEVEMENT.

THE Third Round Table Conference has come to a close and we are now in a position to judge of its achievement. This is easily done, for the British Government has not advanced a single step beyond the position it took up at the end of the First Round Table Conference. We can now well understand why Sir Samuel Hoare had decided in the middle of this year to disband the Conference. He might well have said then, as he has now told Burma, that His Majesty's Government had made up its mind on broad questions of policy; that it did not require any consultation with Indian opinion on them; that no further progress was now possible; and that the costly and cumbrous machinery of a Round Table Conference was certainly not needed to discuss questions of petty detail that alone now remained for disposal. Indeed, Mr. Wedgwood Benn might have made such a declaration at the end of 1930; for so far as Indian reform is concerned, the intervening period of two years has as it were been blotted out of India's life. The Gandhi-Irwin Pact; the entry of the Congress into the R.T.C.; the subsequent civil disobedience movement; the violent perturbation in the mind of the Indian Liberal party—all these have proved in the light of events that have happened wholly futile. The country stands today just where it did when the Premier wound up the first session of the Conference with a statement of policy of his Government. There is advance only in those matters which were then held over for future consideration. Federal finance was not then considered; nor franchise; nor the size of the deficit of Sind (and Orissa). Except for such detailed elaborations the scheme then outlined has undergone no change, and what a cruel irony it is that it was meant all the time to adhere closely to the plan that was put forward at the time without letting it be filled out and expanded in any vital feature!

The one test which Indian leaders have made up their minds to apply to the Round Table constitution is the amount of power that they succeed in extracting from British hands. It is a matter of no concern to them that the partnership of the States will make the new constitution essentially oligarchic; nay, further, that it will adjourn the advent of democracy indefinitely. Communal electorates they no doubt jib at; but it is because the British Government has made itself responsible for their introduction—or rather retention—by its communal award. All the imperfections, however grave, which are of their own creation, they very complacently glaze over, and concentrate their attack upon the deductions that the British Government insists upon making from the grant of self-government by inserting the so-called safeguards in the constitution. We too, following their lead, will wink at the large element of nominees of autocratic rulers who will fill our legislative chambers at New Delhi; we too will turn our blind eye to the numerous anomalies unknown to the world of constitution-makers, which will disfigure our constitution but to which our

leaders in their wisdom have decided to raise no objection. We too will invite our readers to confine their attention to safeguards, and we too will refrain from bringing to their notice the significant fact that the Princes, to our alliance with whom we have agreed to ascribe the grant of central responsibility, did not give the least help in having any of these safeguards relaxed in any way. Let us keep our minds fixed on this central point, that safeguards are maintained by the British Government in their old rigidity. Some small concessions are made, but they are much too trifling to deserve mention. It was asked that the Defence Sub-Committee's declaration about the eventual Indianization of the Army should be inserted in the Preamble to the Constitution Act. What has now been promised in fulfilment of the demand? The Governor-General would be reminded in his Instrument of Instructions of his duty to push on with Indianization. Do you complain that this gives no statutory guarantee? Well, Sir Samuel Hoare is ready to meet you there. The draft Instrument would be placed before both Houses of Parliament—a novel procedure specially devised for India's benefit—for eliciting criticism. Army Indianization would thus receive a sort of sanction in the statute. Similarly free consultation between Ministers in charge of transferred and reserved subjects was insisted upon. The Governor-General would have an injunction laid upon him to arrange for it in the Instrument of Instructions, which again will have some kind of statutory recognition by being approved by Parliament. But who ever doubted that, when a dyarchy is introduced in the Government of India, the kind of convention that is observed in the provinces will come to be respected in the higher sphere? All the other points—and they are not many—on which the British Government may be said to have yielded are of an equally unimportant character.

We must, however, add in fairness: if the scheme that has emerged from the Third R. T. C. is no better than that which emerged from the First it is no worse either. This requires to be emphasised, for some of our most influential leaders had persuaded themselves that Sir Samuel Hoare was constantly in intrigue with the more reactionary section of the Princes and Muslims against federation so that India could be fobbed off with mere provincial autonomy. These leaders went to the Conference not so much in the hope of enlarging the powers of self-government that had been offered by the British Government at the First Round Table Conference as of defeating the Machiavellian tactics of Sir Samuel. Their suspicions in this respect have proved to be somewhat exaggerated; for, instead of trying to wean the Princes away from federation, Sir Samuel Hoare, we are now assured by a spokesman of these leaders, "has undoubtedly stirred the States to join federation", as witness Sir Samuel's speech at the dinner given to him by H. H. the Jamsahab of Nawanagar. On this occasion he said, "The Princes will be wise to enter the kind of federation we are

discussing." "It will be a good thing, in the interests of India and also in the interests of Indian Princes to take part in the future Indian Government. I believe both from the point of view of India and from the viewpoint of the Indian Princes that it will not only be advantageous for them to enter the federation but that they should enter the federation without delay." "We want you to take an outstanding part in the solution of very difficult questions confronting us. We want you of the Princely order of India on no account to abdicate the great opportunity that is given to you." Could anyone be more persuasive? In asking Burma to make up its mind once for all whether to stay in India or go out Sir Samuel was no doubt suspected of making conditions as hard as possible for the federation to materialise. But he has now made up for it by warning Burma that if it stayed out it could only hope for a truncated sort of self-government. On the whole one cannot but feel that he might all along have been something different from the consistent but concealed enemy of federation that he was supposed to be. In fact he is now able to put the boot neatly on the other leg. Whenever any doubt was expressed on the feasibility and desirability, as Sir Samuel Hoare said, of a federation "between the Indian States governed on an autocratic basis and the Indian Provinces administered upon a democratic foundation," our more reputable statesmen who never entertained such a doubt would say, as Professor Berriedale Keith says in the latest number of the *Journal of Comparative Legislation*, "From the point of view of the British Government, of course, the entry of the States is an essential feature of the system, for upon it rests the expectation of being able to construct a central legislature in which conservative views will predominate and security will be assured through the attitude of legislators rather than by external checks. Indeed, but for this policy, it is difficult to see how responsible government at the centre could have been contemplated."

"Don't frighten away the Princes," they used to say to critics who were not entirely at their ease at the impending presence of a nominated block in the legislature. It is now the turn of Sir Samuel Hoare to offer the same advice to our ardent federationists. These issued a warning that unless the federation materialised by a certain date they would rather go on with British Indian reform. To this Sir Samuel Hoare says: "The Princes may look upon this as an ultimatum to them. Don't frighten the Princes. What reform is possible unless they come in? You must never be tired of coaxing them into the federation." Sir Samuel Hoare was also suspected of being desirous of shutting out, under the plea of "a fixed agenda," a discussion of subjects like defence. This suspicion too has turned out to be groundless. There has been no restriction on discussion. It is true that the outcome of the discussion is not wholly satisfactory. No progress is marked by it beyond the report of the Defence Sub-Committee of the first Round Table Conference. But neither on this nor on any other subject is there any retrogression of which such lively apprehensions

were entertained. From this point of view the Indian leaders who took part in the Round Table Conference have some reason for satisfaction, but to the general public this will bring but cold comfort.

R. T. C.—FIFTH WEEK.

Commercial Discrimination.

The Report of the Committee on Commercial Discrimination follows closely the lines of the report of the Federal Structure Committee of last year on this subject: the principle of non-discrimination or equality of treatment will be embodied in a clause in the statute; the persons, firms or companies to whom or to which the protection is to apply and the conditions in which exceptions can be permitted will be mentioned either in the clause or in a schedule to be attached to the Government of India Act, and thus in either case freedom from disabilities on a racial basis will be statutorily guaranteed; discrimination both of a legislative and administrative character will be forbidden; the aggrieved person or corporate body will have the right of taking his or its complaint to the Federal Court; the Governor-General or Governor will be charged, in his Instrument of Instructions, with the duty of seeing that this protection is given and, as complementary to this, he will be endowed with the power of reserving, vetoing or disallowing a measure, either of legislation or executive policy, which he considers to be discriminatory.

On two points, however, a departure is noticeable. First, it was agreed last year that, in giving bounties or subsidies to an industry, it would be permissible, both in the case of existing industries and of those that will be established hereafter, to make the grant of such financial aid conditional on the industries satisfying the conditions mentioned by the External Capital Committee, viz., the necessary facilities for the training of Indian apprentices must be provided, and that if it is a public company that applies for assistance out of public funds it should be registered in India, have a rupee capital and should have on its directorate a prescribed number of Indian directors. The Federal Structure Committee made no distinction in its report last year between concerns already in existence and those to be started hereafter, though Mr. Benthall had on behalf of the European commercial community asked that such conditions should not be attached to the grant of subsidies to existing companies. The Report of the Commercial Discrimination Committee of this year has made this distinction, so that it will not be possible for the Government of India or its legislature to impose any such conditions on existing companies, though it will be possible to do so on those that will be formed in future.

Second, the Federal Structure Committee's Report was understood to have given the protection of non-discrimination only to companies registered in India, leaving the Indian legislature and the executive to apply a policy of discrimination, if necessary, to companies registered in Great Britain. The words used in the Report were comprehensive, but Lord Sankey had put a narrower interpretation on them and had declared that that was the authoritative interpretation. When Lord Sankey was invited by Sir Purshottamdas Thakordas to interpret the words in a narrow sense he had not been taken by surprise. He had been given notice about it, and yet some six months later it was announced by Lord Sankey himself that his interpretation was wrong and that the protection was to be extended to all companies, whether registered. The Commercial Discrimination

Committee has now gone back to the former form of words, and the executive and legislature will be debarred by the constitution from applying a discriminatory policy either in the case of companies registered in India or in the United Kingdom.

Financial Safeguards.

The Financial Safeguards Committee's Report has reaffirmed the basic principles contained in the second and fourth reports of the Federal Structure Committee and elaborated them in certain directions. First of all, it asserts the necessity of vesting in the Governor-General power to intervene when the financial stability and credit of the Federation is in serious danger. If the budget for a series of years remains in deficit or is balanced out of loans instead of taxation, or if loans are floated internally at too high a rate of interest, thereby putting investors abroad in fear and anxiety, then a condition will arise when the use of the Governor-General's reserve powers will be justifiable. Outside these powers the Finance Minister will be in complete charge of finance and will determine policies in regard to the raising of taxation, allocation of expenditure, and borrowing in the internal and external market. The Governor-General will have a financial adviser to advise him in the exercise of his exceptional powers. This adviser, who in this Report takes the place of the Financial Advisory Council recommended by the Federal Structure Committee last year on the suggestion of Sir Tej Bahadur Sapru, will be appointed by the Governor-General at his discretion and will be responsible to him. His status will therefore be somewhat analogous to that of the Secretary who, under the present dyarchic constitution in the provinces, can, when he disapproves of the Minister's policy, go to the Governor and advise the latter to disallow it.

The funds required for the administration of the reserved subjects of defence, external relations and the ecclesiastical department, for the service of the national debt, and for the payment of the salaries and pensions of officers appointed by the Secretary of State will form part of the non-votable budget and will be treated as Consolidated Fund charges. The Report is silent as to whether, in case the legislature rejects the Finance Bill, the Governor-General can resort to certification, as proposed by the Federal Structure Committee, in order to raise at least as much revenue as is sufficient for the Consolidated Fund services. In this connection it will be noted that the *Economist* of 3rd December says that, if power is conferred upon the Governor-General of resuming financial control in the event of a breakdown of the constitution, as must be conferred, the refusal by the legislature to vote taxes would bring government to a standstill and would produce a state of things when the Governor-General's emergency power of resumption of control can be legitimately brought into use, and that, in consequence, no additional provision for certification is necessary.

The management of currency and exchange is to be entrusted to a Reserve Bank to be established on non-political lines. No stipulation is made as to its being used as an auxiliary of the Bank of England. The Central Bank of India can act independently of that of the United Kingdom. It is assumed that it will be in operation by the time the Federation is formed and gets going. The Federal Structure Committee had recommended in 1930 that, pending the creation of the Reserve Bank, which it was anticipated would take some years, special powers should be vested in the Governor-General for exercising control over monetary policy and currency in the transitional period. But the British Government has arrived at the conclusion that no powers that could be thought of would be either suitable or adequate

for the purpose in view. It therefore does not contemplate at the present time setting the federal machine in motion till the Reserve Bank is not only formed but is successfully operating. It has undertaken to do all in its power to bring into existence the conditions necessary or favourable to the establishment of a Reserve Bank like the accumulation of gold and sterling reserves and hopes to do so at an early date. But if its anticipations should not be realised, a situation will arise which will be reviewed as a separate question, and Sir Samuel Hoare has promised to consult Indian opinion on the measures to be taken to meet it. Indian delegates fear that this might result in an indefinite postponement of the federation and have therefore reserved to themselves the right of asking for reforms for British India alone if a Reserve Bank is not formed early enough to get the federation into working order by a certain date (1935 is mentioned in this connexion).

The Federal Structure Committee's recommendation to the effect that the Governor-General's previous sanction should be required to the introduction of a bill amending the Paper Currency or Coinage Acts has found place in the Report of this Committee also. Restrictions will thus be imposed on the power of the legislature to fix the exchange ratio. Reviewing the Report of the Financial Safeguards Committee as a whole, we may say that there is no advance whatever in this branch of the subject on the position reached in the very First Round Table Conference, except on two points: possibly, though not certainly, the power of certification in the event of the Finance Bill being rejected will not be invoked and the setting up of the Reserve Bank will be accelerated. But in other respects all the former restrictions are being maintained. It would be useful at this stage to add that the *Economist* thinks that, the establishment of the Reserve Bank and the Consolidated Fund Charges being granted, no further restrictions are really required, whether in the matter of budgetary arrangements, taxation, borrowing or anything else. "We can conceive it possible," it says, "that the federal legislature might impose unwise taxes or distribute the burden of taxation in a manner which the Governor-General might consider to be inequitable. Here, we suggest, it is essential to leave India to learn by experience. After all, many other countries have managed their budgets none too well, and yet have surmounted the resulting difficulties. Provided always that the currency, placed under the control of an autonomous Reserve Bank, can be convincingly secured from rash experiments, we see no option but to make the transfer of financial responsibility real in substance." The journal is therefore emphatically of the opinion that no powers of supervision and control need be vested in the Governor-General for the purpose of maintaining India's financial stability.

Federal Finance.

The principal difficulty which the Federal Finance Committee encountered was in relation to the allocation of the proceeds of income-tax, and, as stated by us last week, the Committee recommended as a permanent measure, the division of heads of tax into provincial and federal sources of revenue. The receipts from a corporation tax or super-tax on companies, a tax levied in federal areas, and tax on Government of India securities were to be earmarked for the federal government, and the rest were to be collected from persons not only in British India but in the States. Immediately however the Committee thinks that a certain amount out of the proceeds of the income-tax should be allotted to the federal government, the rest being given to the provinces. What this amount should be is not yet determined. The States put it

Rs. 8¼ crores at the least, and the British Indian delegates seem to have agreed to Rs. 5 crores. In order to compare it with the recommendations of the Percy Committee it may be stated that, according to it, the proceeds of the super-tax on companies, tax on salaries of federal officers and tax collected in federal areas, amounting to Rs. 3.70 crores should be retained by the federal government, the balance of about Rs. 13½ crores being available to the provinces. But whatever proportion of the block amount may be ultimately fixed as the provincial share, for a certain period—which is left undetermined but which the States urge should be ten years—the provinces will have to part with a portion of their share to the federal government, under the proposals of the Federal Finance Committee of the third R. T. C. If still the federal budget remains unbalanced the federal government will levy an additional tax on the heads of income-tax assigned to the provinces. It does not appear that the States have agreed to levy a corporation tax on their subjects for federal purposes, but they may agree to do so if they are satisfied that a large enough share of the income-tax is given to the federal government. In regard to the States' tributes the Committee recommend that a moiety should cease to be paid at least in ten years from the date of the inauguration of federation and the whole within twenty years.

Adhesion of the States.

A Committee of the R. T. C. also considered just how the States could enter the federation. It was decided that the rulers should cede to the Paramount Power certain powers for transfer to the organs of the federal government when the constitution was made ready for the accession of the States. The important point in the Committee's conclusion is that all the States need not transfer a certain standard set of powers to the federal government, but that it would be open for each State to add to or take away from it in any way it liked. It would therefore be quite possible for the content of the federal subjects to vary from State to State. Adhesion to the treaty of federation can take place only when the constitution, so far as British India is concerned, has been passed by the British Parliament, and special opportunities are proposed to be offered to the States to make their views known while the constitution is being considered in Parliament or in the Joint Select Committee. Federation will come into operation only when a certain proportion of the States come into it. Sir Samuel Hoare has now announced the Government's decision that "not less than half the States' seats and not less than half the States' population" would be required to be in the federation if it is to start working.

INDIA AND THE LEAGUE OF NATIONS.

SIR J. C. COYAJEE, already known to the intelligentsia of India as a distinguished author, a brilliant economist, and an able exponent of current Indian and international affairs, has represented India at three consecutive sessions of the Assembly of the League and must, therefore, possess an intimate knowledge of the aims and organisation of the League as well as a fine perception of the ways in which India could usefully co-operate with other nations in the great task of establishing peace on earth and goodwill among men. His latest book* is a masterly exposition of the case for continuation and development of India's association with the "Geneva Experiment" in which fifty-seven nations are now

taking part. It is written in an easy flowing style which never falls into the drab. The subject-matter is well digested and canalised, revealing at once the painstaking study of the author and the vast expanse of the field in which he has to operate. He observes in the preface: "Admittedly the present book is only a sketch—and the first sketch—of the great subject with which it deals. It is certainly not possible to include within the range of a couple of hundred pages anything like a full treatment of the numerous aspects of the topic." All the same he has successfully brought within the compass of a handy volume not merely the numerous points of contact between India and the League but also the wilderness of details concerning the conception, organisation and work of the League itself. At the same time the book is extremely readable, strewn as it is with quotations from the writings and speeches of leading international luminaries of the past decade.

In these days of intense political agitation, anything which savours of the West is anathema to the Indian patriot. To him the League is nothing more than a clique of European Powers bent upon exploiting the backward regions of earth on a co-operative basis. Of what use is the League to me? he hastily exclaims. It will not interfere in the political disputes between India and Great Britain. India is contributing more than eight lakhs of rupees every year towards the League expenses. Have we derived any substantial benefits in return? To such a criticism Sir J. C. Coyajee has an answer which is at once decisive and convincing. The League, he points out, is not a super-state but only an association of governments. The present constitutional status of India compels the Indian Delegation to the League Assembly to act in subordinate co-operation with the British Delegation in matters of high policy, that is to say, foreign or inter-Imperial affairs. But on other issues "there can be no doubt of the power of independent action of the Indian Delegation which has often taken separate action to safeguard the special interests of India and has in some cases acted in opposition to the course adopted by the British Delegation."

He then enumerates the solid advantages which India has derived from her membership of the League. "The formulation of sound world policies and common points of view on subjects like commercial treaties, tariffs, access to raw materials and movements of populations must needs be of great advantage to India as to all nations.... On the topic of Public Health, India has felt the beneficial results of the action of the League in quite a number of ways, e. g., through the operations of the Epidemiological Bureau at Singapore and through the interchanges of health personnel of different countries...." Through the action of the League Committee on Opium and Dangerous Drugs "India has agreed to a system of requiring certificates from Governments of importing countries before allowing exports from India, and to a further system of exchange of information aimed at checking illicit traffic." As India, not British India, is a member of the League, "the two great sections of the country—British India and Indian States—are learning how to co-operate in the common external interests of the country and how to unite and combine their interests.... The close and continuous contact with the functioning of the League is bound to supply the much needed stimuli for the development of national consciousness, for the perfection of national life and the preparation of the nation for its great tasks, etc., etc."

The book is by no means directed solely to disarm the opposition of the patriotic scoffers and sceptics to the continuation of India's membership of the League. It has a profound appeal to those who

* *India and the League of Nations*. By Sir J. C. Coyajee. (Registrar, Andhra University, Waltair.) 1932. 25cm. 339p. Rs. 3.

look at the future of their country from the pragmatist's point of view and realise that they will serve their country best by loyally serving the world-wide human community. With the advent of modern science the world has shrunk considerably and national and local problems have steadily tended to become international and world problems. If India is to exist at all—not to talk of her thriving—in this fast-shrinking competitive world, she must join the family of nations and play her due part honourably and well. The part she has so far played at Geneva marks the lines on which she should aspire to advance in the future. She may rightly clamour for an increase in the percentage of Indians on the staff of the League Secretariat, for a more equitable allocation of her contribution towards the League expenses, for a permanent representation on the League Council, for a permanent Indian Delegation at Geneva,—in short, for an increase in her share of the divers benefits which accrue from the League's activities. She may also demand with equal propriety the erection of India's membership of the League on an active and well-informed public opinion by creating an intimate and continuous liaison between the Secretary of State for India and the Viceroy on the one hand and the Viceroy and the Indian Legislature on the other. These aspirations are worthy of approbation, for they are inspired by the eagerness to assume in international affairs a rôle which is consonant with India's industrial and economic importance, the vastness of her territory and population, and the richness of her cultural traditions and pacific ideals. In fact, as Sir J. C. Coyajee points out, successive Indian Delegations to the League Assembly have drawn the attention of the Government of India to the imperative necessity of satisfying these legitimate aspirations of the Indian public. Whatever reactions the misguided patriot may have towards this book—it is certain that he cannot feel very comfortable after reading it—the true Servants of India must feel highly grateful to Sir J. C. Coyajee for shedding the light of his wisdom on a little understood and much mis-understood subject.

T. S. RAMANUJAM.

Our London Letter.

(From Our Correspondent.)

(BY AIR MAIL.)

LONDON, December 16.

THE ROUND TABLE CONFERENCE.

IN some extraordinary way the rumour was circulated, towards the end of last week, that the Conference was on the verge of a break, that no more sessions were to be held, and that all that was to be expected was that the delegates would be summoned at a final meeting, after having resolved themselves into more or less ineffective Committees, to be farewelled in large and general terms by the Prime Minister, and then permitted to return home with vague assurances but no certain knowledge of the accomplishment of anything purposeful. One newspaper even went so far as to predict that what was to be required of them was that the delegates should sign upon the dotted line. In certain quarters, not even excluding certain official quarters, the wish was father to the thought. The thought itself, however, was inaccurate, as subsequent investigations showed. I have the very best reasons for saying that the gravest anxiety was caused among the British delegates by the circulation of these rumours, and some of the more authoritative of the British members went out of their way personally and privately

to assure British Indian leaders that nothing was further from their thoughts, and that the rumours could be safely disregarded. What had led to the circulation of these rumours was the knowledge that the so-called Sapru group had addressed to the Lord Chancellor, in his capacity as Chairman of the Conference, two important letters, one dealing with defence matters arising out of the Secretary of State's formulation of the British point of view thereon, and the other dealing, it is understood, with the future programme of the Conference and with the desire of these delegates to know exactly how they would stand at the end of the Conference on certain specific matters. I learn that these communications raised a great deal of commotion on the British side, where it was well understood that the British Indian group meant definite business. It had begun to be realised that the British Indian delegates would find it useless to return to India without something compact and definite that they could present for the acceptance of their countrymen. Indeed, it is well known that some of the most prominent among them have repeatedly stated that, unless they are placed in a position to assure their countrymen that on all reasonable grounds the latter need not unduly hesitate to accept a constitution based upon the agreements reached in London, it will not be worth their while returning here, where their advice and recommendations would have met with so poor a reception. This attitude is a matter of almost common knowledge. Indeed, such a view was constantly put forward here weeks before the British Indian delegation arrived in London and it is referred to to-day by the Special Correspondent of the *Manchester Guardian* in an important article, in which he says :—

“ But above all things the Indian delegates wish to know before they return to India, clearly and definitely, the intentions of His Majesty's Government . . . for they feel that the time has come when they themselves must be prepared to explain the new constitution, in some detail, to their countrymen. They can no longer continue to defend vague and indefinite proposals. Once they know the intentions of the Government most of them are willing to stretch a point by defending proposals they dislike on the ground that they are the best which it is practicable to obtain. At the same time they wish it to be understood that the more safeguards are put into the constitution, the less co-operation can be looked for. ”

This, on the whole, is not a bad presentation of case, though it ought to be understood that some of the most prominent of the British Indian delegates will not concede matters that they regard as being of vital principle to any scheme of responsible self-government.

The most difficult questions still to be settled, although on most of them Committees have been sitting for some time, are Defence, Financial Safeguards, Federal Finance, the date of inauguration of the Federation, and Constituent Powers. It is authoritatively stated that since the informal meeting at the India Office consisting of Sir Samuel Hoare, Lord Reading, Lord Lothian, Lord Winterton, Syed Zafrullah Khan, Dr. Shafa'at Ahmed Khan, Sir Akbar Hydari, Sir Manubhai Mehta, Sir Tej Bahadur Sapru and Mr. Jayakar, the main difference outstanding is as to the Viceroy's choice of Minister of Defence. Should he, or should he not, be a non-official elected member of the Central Legislature? So far there is incomplete solidarity on the Indian side, and no agreement between the two sides. I am informed that this and allied questions are still the subject of deliberation.

The critical question of Financial Safeguards reached a further stage yesterday, when, after a morning devoted by the Secretary of State to the

elucidation of the Government's viewpoint on the question, the Indian delegates met yesterday afternoon at the Bank of England the Governor, Sir Montagu Norman, and other City magnates. The proceedings, which on the British side, it was stated, were conducted in a spirit of frankness, are veiled in secrecy, but it is believed that in expounding the British investors' attitude on the question of India's financial stability, certain suggestions were made with which it is hardly possible for any Indian representative to agree. I gather that the City still needs a great deal of careful education before it is ready to realise the true facts of the Indian situation and the position on the subject of Financial Safeguards, therefore, is likely to cause the British Indian delegates a great deal of anxiety before this Conference comes to an end.

Federal Finance, too, is the subject of a considerable amount of squabbling between the States' representatives and the British Indian delegates. The States are said to be opening their mouths very wide. They do not want to be held liable for what they regard as the uncovered pre-federation debts of British India, and they are demanding the discontinuance of the tribute hitherto paid by those of them liable to it, whilst others are claiming compensation for ceded territories. The States, whilst disunited amongst themselves on a number of domestic issues, have been quick to realise that this is the time to strike a good bargain with British India on the subject of Finance. It would, however, be unwise for them to put their demand too high, for any agreement on that level would be bound to be repudiated in India, and therefore a point beyond which the British Indian delegates could not go. For these reasons it has so far been impossible to get a firm undertaking from any of the States that they would come into the Federation within a given time, and at the moment it would seem that they will be willing to hold up the inauguration of the Federation until their claims are conceded. That, however, will be a very dangerous thing to do, and it would result in many serious and unpleasant repercussions. What the British Indian delegates will probably press for, even though the Muslims may urge immediate Provincial Autonomy, is that Provincial Autonomy and Federation should come into existence virtually simultaneously or with the very minimum interval between them, and that a specific date be fixed for the States to notify their adhesion to the Federation or otherwise.

INDIAN STUDENT CONFERENCE.

The President of the National Union of Students has issued a circular announcing that on the request of certain Indian student organisations the Council has arranged a Conference between the representative Indian students and the officers of the English and Welsh University Unions during the week-end of February 10-13 next. The terms of reference are: "To examine and discuss the following questions which arise from the presence of Indian students in British Universities, and if possible to formulate agreed proposals in respect of them, for the guidance of student Union Committees, Indian students, and Indian student organisations: 1. The participation of Indian students in all forms of athletics and games. 2. The participation of Indian students in the social activities of the Union Societies and University Unions. 3. Admission of Indian students to Hospitals for purposes of medical study. 4. Admission of Indian students to University Hostels. 5. Inspection and registration of lodgings. 6. Participation by Indian students in the Officers' Training Corps. 7. The effect of the distribution of Indian students among the Universities. 8. The question of students who are unfit for a University course.

9. The possibilities of further contact between Indian and British student organisations."

On the Indian side the Conference will be attended by one Indian student from each University or College, and if possible from the Inns of Court and the London Hospitals; one representative of each of the Indian student organisations, such as the Indian Students' Union, the Indian Central Association, the Indian Hostel, Cromwell Road, and the Ceylon Students' Association, whilst it is hoped that observers will attend from the Union of Indian Students Abroad.

It is stated that the main purposes of this Conference are to enlighten the officers of the British Students' Union Societies on the problems met by Indian students, and on the other hand to convey to the latter the attitude and views of the British student leaders. The Conference has been undertaken in a spirit of co-operation. The establishment of better relations between Indian and British students within the Universities would, it is urged, be an achievement, not merely of benefit to the Indians, but of equal and reciprocal benefit. "It is absurd that political or racial prejudice should be allowed by either party to injure that free communion of mind which the word University connotes."

THE CAPITATION GRANTS TRIBUNAL.

Sir S. M. Sulaiman and Sir Shadi Lal have, I learn, now finished the first portion of their task as members of the tribunal that has been sitting in London for the last few weeks, listening to the arguments of Counsel representing the views respectively of the British Government and the Government of India. A well-informed person told me yesterday that so far as he could judge, the arguments on either side had been of pretty nearly equal merit, and it was difficult to say how the award would go. It is understood that the Tribunal is now considering the arguments laid before it, together with the relevant documents, with a view to the formulation of the terms of the Award, which is expected to be delivered about the middle of January. Mr. Wilfrid Greene, K. C., has led on behalf of the British Government and Mr. Gavin Simmonds, K. C., on behalf of the Government of India.

THE INDIAN CONCILIATION GROUP.

In its quiet way the Indian Conciliation Group has, during recent months, done a great deal of valuable preparatory work in anticipation of the Third Round Table Conference, with a view to assisting in the education of public opinion upon the vital problems of India, and so far as possible to facilitate the task of the Round Table Conference delegates in making their point of view more clearly and particularly understood. Among those who have recently addressed the Group are Sir Tej Bahadur Sapru, Mr. Jayakar, Dr. Ansari, Mr. Joshi and Sir Purshotamdas Thakurdas, and the contribution that these gentlemen have made to the enlightenment of the members, for the benefit of the various organisations that they represent, has been very considerable. The group is hearing Miss Ellen Wilkinson and Mr. Krishna Menon next Wednesday on the story of their experiences in India. An off-shoot of the Group's activities has been the organisation of a gathering of Church dignitaries, at Church House, Westminster, to be addressed by Sir Tej Bahadur Sapru and Mr. Jayakar who yesterday addressed members of the National Labour Party, at the House of Commons. A gathering of another kind, and very largely attended, was also held yesterday in one of the Committee Rooms of the House of Commons, in order to hear, under the auspices of the National Muslim League, the Aga Khan and Sir Mohammad Iqbal. In the course of his remarks the Aga Khan was reported to have said:

"I can give you the confident assurance that the Moslems of India are not going to interpose in any way between this country and India's national aspirations. Far from it. They are anxious that the ordered progress of India towards equality within the Commonwealth of Nations should be assured. Indian Muslims ask for nothing that they are not ready to give in their turn to other sections of the Commonwealth". The next session of the Round Table Conference, he added, would probably be the last. Presumably he was referring to the stage at which the Joint Select Committee of Parliament would be examining the Bill to be introduced by the Government. The Muslims, he said, recognise that a great transference of power from Britain to India was inevitable. Irresistible forces were moving in that direction not only in India but also in this country.

Reviews.

MODERN ECONOMIC LIFE.

SOME ECONOMIC FACTORS IN MODERN LIFE. By SIR JOSIAH STAMP. (King.) 22cm. 279p. 10/6

IN this book Sir Josiah Stamp introduces us to very important factors which influence the economic life of to-day and has treated them with a wealth of statistical material which we are led to expect from a President of the Royal Statistical Society. The general correlation between sociological factors and economic factors also reveals the wider outlook of the author which carries him into realms beyond the strictly economic realm of the world of practical life. Altogether the book supplies an important sociological study.

The very first chapter strikes the sociological note and is concerned with aesthetics. The preservation of ancient objects of historic interest is admitted as having an important economic value by developing a sense of social evolution and betterment and creating a public spirit. The author's conclusion of a study of production is that "more and more purely material progress, unless it is progressively aerated by finer appreciations and artistic perceptions, merely means a suffocating mass of commodities." Proceeding next to 'inheritance' as an economic factor, the author proves the necessity of discussing not only individual inheritance but also social inheritance because the latter is one of the chief working assets of the individual to-day. We are warned against the assumption that the apparent social injustice of inheritance is also an economic ill; the author correctly thinks that in the discussion of the question in current works there is a good deal of question-begging. Some of the conclusions drawn from statistical data are startling; it is found that the idle rich are very few in England; the feeling of social injustice due to inheritance has no adverse effect upon production as a rule; the deterrents to saving which high death duties create are not very important in their final effects; the survey of the field of biological inheritance does not justify inheritance of wealth by others than the direct descendants: the right of inheritance will not interfere with communal saving by way of repayment of debt through funds derived by taxation; the taxing of inherited wealth outside the line of direct descendants will not affect capital accumulation; arguments for an unlimited right of bequest are gradually losing their force; the sense of social injustice is directed not so much against inequality due to inheritance but to general inequality of wealth due to other causes. On the whole, the reader is im-

pressed by the extreme difficulty of judging of the result of the death duties in view of the fact that the principles upon which they are based are multifarious and no unanimity has been reached so far among economists.

Coming to invention as an economic factor, the various causes of the prolongation of the period of invention and the period of its being available for market are carefully investigated. One important reason is the reluctance of a highly developed country which has already sunk large sums in existing plant to usher in new types. Another conclusion which emerges from the study of inventions is that it tends to increase the share of profits to the detriment of wages but owing to cheapening of products it ensures higher real wages. As for the genesis of the inventor, the author, while admitting that he is *sui generis*, thinks that a far greater proportion of inventions to-day are due to formulated team work, precise record and collective contribution of a group of members of an association administered by a high grade scientist—all resting on a purely economic foundation. This is certainly a correct presentation. A much needed warning is given by the author when he enlarges on the need to manipulate the productive life in order to attain fuller enjoyment; in other words more attention must be given "to the art of thought and still more to the subjective art of living." Without an increased capacity for real happiness all our ingenuity in discovery and manufacture is mere weariness of the flesh.

A powerful plea is made out for industrial co-operation in view of the critical condition of industries in the United Kingdom revealed by the Colwin Committee. The author does not believe that there is an irreconcilable antagonism between labour and capital, since the shares of both may be increased by a larger absolute production due to greater co-operation between working men and the managers. The final conclusion of a study of the detailed effects of industrial co-operation is that the benefits are shared by all sections of the community and thus the solidarity of industry under modern conditions is established. The discussion of amalgamations removes the ordinary misconception that large combines charge higher prices to sell worse quality goods; we are also told that wealth is more widely diffused under the system of combines than under a system of a multiplicity of small producers. The author in company of Lord Snowden looks on the movement for amalgamations without any feelings of disfavour, hostility or opposition, the reason being that the technique of management to suit large units has been latterly developed. It is curious to note that American opinion is much less acquiescent in the case of railway amalgamation than in that of manufacturing concerns.

The treatment of stimulus as an economic factor holds the interest of the reader throughout; it displays suitable economic analysis and a philosophical breadth of view. In the study of fatigue in its relation to economic output it is interesting to note that reduction from a 12-hour to an 8-hour basis results in increased output but further reduction while increasing the hourly rate of output decreases the total output. The author does not believe in the stimulus of an increased quantity of money and high prices for increasing output; he would rather control monetary policy and the price level so that production may not pass beyond the critical point beyond which the swing will go on to complete overturn. After analysing the stimuli in the sphere of high thought we arrive at the conclusion that conscious stimulation of creative thought may succeed in lifting economic life.

The next step is the statistical method. Sir Josiah Stamp writes that for the rest of the advances in economic science we must depend on statistical investigation and verification. He rightly regards Prof. Pigou's "Industrial Fluctuations" as an important landmark in method, by its employment of the method of direct statistical verification by correlating straight against lagged series and by finding out the ratio of variation. Comparing the United States with England, he complains that there is little team work in England and that there is no endowed statistical enquiry. One of the most useful applications of the statistical method is to eliminate the time-growth element from series which had different rates of growth in order to correlate variations apart from this factor. A remarkable illustration of the test of theory by means of statistics was the demonstration by Dr. Coates that the representative concerns with a marginal output giving practically no profit actually existed.

V. N. GODBOLE.

FINANCIAL SYSTEM OF NEW SOUTH WALES.

BUDGET CONTROL. By F. A. BLAND. (Australian Book Co., London.) 1931. 157p. 3/6.

In this book Mr. Bland describes the machinery of financial administration in the State of New South Wales. He seeks to reveal to the taxpayer by what process and by what authority public funds are spent and the form in which public accounts are kept.

The book will be read with interest by all students of public finance. In particular those who have been brought up on the maxims of British financial administration will find it interesting to note that many of the principles which underlie English financial practice offer very little guidance to the student of Australian public finance. As an illustration, we may contrast the function of the Treasury in Great Britain with that of its prototype in New South Wales. The Treasury is so organised in Great Britain that it is in a position to exercise effective control over the expenditure of public funds in every department of national activity. One of the most important functions of that body is to consider and judge any proposals made by a department which would increase the establishment charge. The Controller of Establishment specially deals with this item and his consent must be obtained before any new charge is included in the Estimates. The N. S. W. Treasury, on the other hand, is not organised to discharge a function of this character. Questions relating to personnel, organisation, recruiting of staff and pay, are decided by three different bodies, viz. the Public Service Board, quasi autonomous Commissions and Arbitration Courts (p. 33). These boards and commissions are intended to be quasi-judicial bodies. But in practice this is not achieved. We are told by the author that the machinery of the Public Service Board is often utilised for political purposes. Every pretext is seized to place a new administrative unit outside the controlling authority of this body. The result is a vicious mixture of politics and administration.

Another striking feature is that N. S. W. knows no system of supplementary estimates. Every year the Treasurer is advanced a certain sum of money from which payments of an unusual and emergent character are made. The sanction of the legislature is obtained after the money has been spent. There is also nothing like Votes on Account in N. S. W. The Treasury is authorised to con-

tinue existing services in anticipation of the budget being passed by the legislature. If the budget is not passed in its final form within three months of the beginning of the financial year, the supply is usually voted from month to month (p. 42). Students familiar with continental practice will no doubt recall the analogy of *douzieme provisoires*. Practices such as these run counter to the very basic principles of parliamentary government as understood in Great Britain.

The financial system of a country largely depends on its political and administrative system. Nowhere is the truth of this remark better illustrated than in the Australian federation. The relation between the States and the Commonwealth has given rise to a number of problems which have of late assumed great importance. One of these is the respective borrowing powers of the States and the Commonwealth. In 1928 the Commonwealth Government took over the public debt of the States. An agreement was arrived at which provided for the distribution of interest and sinking fund charges between the parties. The author describes this agreement in detail, and also the composition and functions of the Loans Council which determines the amount, the rate of interest and the condition of floatation of new loans.

Scattered throughout the book the reader will find a number of constructive suggestions. These, if carried out, would ensure the nation getting its money's worth. Mr. Bland writes lucidly and in a language which the "man in the street" will understand. His book will appeal not only to students of administration but also to members of the legislature and to civil servants.

J. P. NIYOGI.

RACIAL CRISIS IN SOUTH AFRICA.

THE NEW BOER WAR. By LEONARD BARNES. (Hogarth Press, London.) 1932. 20cm. 238p. 7/6.

THIS book is an attempt to show what the people and the Government of Great Britain might still do to avert the crisis in the relations between the black and the white races towards which events in South Africa are rapidly moving. It gives detailed descriptions of conditions in the Protectorate of Basutoland, Swaziland and Bechuanaland. These three territories are under the High Commissioner and ultimate responsibility for them lies with the British people and Parliament.

The central theme of the book is that the present exuberant aggressiveness of Boers is due partly to Britain's neglect of special responsibility and opportunities in South Africa. The author believes that the British tradition of friendly concern for primitive races has been ignominiously routed in South Africa. He comes to the conclusion that if Britain hopes to consolidate her own position in Africa, she must undermine Boer's.

"If Britain cannot muster for the task more constructive ideas and more of the crusading spirit than she shows in her equipment now," the author says, "she throws away all possible justification of her imperialist adventures in Africa."

If the Union was Portuguese or Belgian territory and if the primitive races were treated as they are in the Union, there can be little doubt that Britain would have long ago made some effective protest against the treatment of natives within its borders.

To counteract the racial and colour prejudice of the Boers in South Africa — the problem which is confronting the world to-day and which if not satisfactorily settled will threaten the peace of the

world—the learned author has many valuable suggestions to make. Here are some:—(i) The assistance that private individuals and organisations can lend to these minority movements inside the Union. (ii) There is the pressure which the British Government is still able to exert with perfect constitutional propriety through the High Commission territories. (iii) The third possibility lies in the example which Britain is able to set in the more northern parts of Africa which came under her control.

He believes that world opinion may do much. Even twenty years ago world opinion was directly responsible for a thorough reconstruction in the Belgian Congo. He proposes the formation of a Society in Britain with a view to delivering support to approved causes in South Africa. India will wholeheartedly support efforts to create world opinion against the Boer treatment of Africans in South Africa.

S. A. WAIZ.

SHORT NOTICES.

SPEECHES AND DOCUMENTS OF THE BRITISH DOMINIONS, 1918-31. By ARTHUR BERRIEDALE KEITH. (Oxford University Press.) 15cm. 501p. 2/—

EVEN a tiro in politics knows that the constitutional concept of dominion status is constantly undergoing a change. No period in the history of the relationship of the Mother Country with its daughter nations is more important, from this point of view, than that covered in this book. The proceedings of the Imperial War Cabinet and the Imperial War Conference of 1918, the Peace Treaty of 1919, the establishment of the League of Nations, the work done at the Imperial Conferences held since 1921, particularly the one held in 1926, the emergence of the Irish Free State, the passage by the British Parliament of the Statute of Westminster, to mention only the more outstanding happenings during the period, have helped to widen the scope of dominion status to an extent which could not be imagined as practicable before the war. The book reproduces all important documents showing how dominion status came gradually to have an extended scope and is invaluable for purposes of reference, as much to the constitutional student as to the general reader. Though the title of the book warns us against expecting anything of a later date than the close of 1931, the contents have an agreeable surprise for the reader in that he will find included in the volume the letters exchanged in March-April of 1932 between the British and the Irish Free State Governments on the subject of the abolition of the oath and the non-payment of land annuities. The controversy is still too fresh in the public mind to allow interest in these documents to flag. Both the Editor and the Publishers deserve to be thanked for making all these constitutional documents available in such a handy form.

A. G. M.

MARTYRDOM IN OUR TIMES. By A. MITCHELL INNES. (Williams & Norgate.) 1932. 20cm. 119p. 3/6.

IN the first of these essays the author has shown how the Western system of criminal justice came into being from the purely extortionate greed of the kings for money. There was not the slightest desire to reform the criminal. And although, this object is now

held to be the guiding principle of criminal justice, still the methods employed, especially in the case of first offenders who are in their teens, defeat their purpose. The author has well contrasted this Western system with the Eastern one—he is acquainted with only the Egyptian system—and has clearly shown the superiority of the latter, as it is mingled with the principle of mercy of the All-Merciful. By the study of the two systems, he is driven to the conclusion that "ideal justice is the combination of the three essential elements of law, religion, and custom, each in its due proportion." The Western system is assuredly not such a balanced combination, and the results are disastrous, as we see in the huge armies of criminals and gangsters who have become a menace to the state. The author has raised a cry against it, but alas! it is a cry in the wilderness. One can only hope with him that an awakening will come soon.

V. M. BHAT.

THE MODERN WORLD, 1789-1931. By S. A. PAKEMAN. (Macmillan, Bombay.) 20cm. 193. 3/6.

THIS volume is essentially a history of the modern times beginning with the French Revolution and ending with the second Round Table Conference held in England to discuss the new constitution for India. It contains brief accounts of the developments that took place in the world during the last and this century. The book makes very interesting reading even for a layman. It would make a very useful text book for the Matriculation Class. It is well written and has a number of maps and illustrations of the great men of the modern times, including that of Mr. Gandhi.

M. S. CHEEMA.

EUROPEAN BILLS OF EXCHANGE. By C. SIBLEY. (Pitman) 1931. 22cm. 105 p. 7/6.

MR. SIBLEY'S book is a second edition of the summary of the more important regulations relating to Bills of Exchange and Cheques which exist in European countries (with the omission of the U. S. S. R.) together with particulars of stamp duties payable thereon. While to the lay reader it will not be of an interest, there is no doubt that it will be most useful to those whose business brings them into touch more or less frequently with foreign bills. The usefulness of the book is also further enhanced by the provision of interleaved blank pages for nothing changes that occur from time to time, of which however there is a scarcity in these rapidly changing times.

K. B. MADHAVA.

BOOKS RECEIVED.

- THE HEART OF HINDUSTHAN.** 2nd Edn. By Sir RADHAKRISHNAN. (Natesan, Madras.) 1932. 18cm. 151 Re. 1.
- INDIA AND THE LEAGUE OF NATIONS.** By J. C. COY JEE. (Andhra University, Waltair.) 1932. 25cm. 238 Re. 3.
- THE OTTAWA TRADE AGREEMENT BETWEEN INDIA AND GREAT BRITAIN.** By C. N. VAKIL. (Author, Cutch Castle, Sandhurst Road, Bombay 4.) 1932. 24cm. 39p. AS. 10.
- THE OFFICIAL YEAR BOOK OF NEW SOUTH WALES 1930-31.** By T. WAITES. (The Government of New South Wales, Australia.) 1932. 25cm. 803p.