

# The Servant of India

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## Topics of the Week.

### A lost opportunity.

AN unfruitful debate took place last week in the Council of State on the question of the release of political prisoners, the Government merely contenting themselves with a reiteration of their oft-repeated and well-known policy. To them the restoration to liberty of all civil disobedience prisoners was unthinkable so long as the movement itself was not called off. This however did not prevent them from relieving congestion in jails by setting about two thousand satyagrahis free before their time. All that public opinion wants is that this very action should be carried to its full length, especially as Government admittedly look upon the movement as all but dead. Much capital was sought to be made of the inauguration last month of the campaign of individual civil disobedience, which they were not slow to use as a convenient excuse for turning down the request for release. But even Government will have to admit that this new movement constitutes a much less serious and spectacular challenge to their authority than did mass civil disobedience, only about 300 persons having within the space of a month and a half come forward to court imprisonment. Nor can it be seriously contended that all those now in prison would, if set free, strengthen the ranks of individual civil resisters, in face of the fact that nothing more than a very small fraction of those that had regained their freedom after serving their sentences had exhibited any anxiety to court imprisonment once more. Even supposing that these expectations were belied in the case of those now detained in prison, surely, their number is not so formidable that their release would have hope-

lessly added to the difficulties of Government. Indeed any risk, if at all, which such a course of action involved was well worth taking in consideration of its value as a gesture of peace. One can understand, though not appreciate, the Government's anxiety to guard themselves against being understood in any manner as acting under pressure of public opinion in this matter. But having succeeded in getting the resolution defeated, they had better move of their own accord in the direction desired by public opinion. Any way with mass civil disobedience no longer being regarded as a matter of practical politics even in Congress circles, their policy designed to meet the situation created by it has clearly outlived its utility and it is high time it was revised to suit present-day requirements, specially with a view to the creation of an atmosphere to ensure for the Hoare reforms unprejudiced reception and working.

### Andamans.

A MEASURE of the public uneasiness at the state of things in the Andamans is furnished by the large number of questions asked in the Assembly on the subject. The matter also formed the subject of an inconclusive debate even in the Council of State. The hunger-strike of May-June last of about fifty Bengalee convicts resulting in the death of three of them has convulsed public opinion to an extent not easily realisable. Public meetings held at important provincial centres have passed resolutions demanding a thorough inquiry into the circumstances of the hunger-strike and the repatriation to this country of those Bengalee convicts deported there last year. A statement signed by prominent leaders of the different parties and making identical requests has made its appearance within the last few days, all which betokens a keen public desire to probe deeper into the causes of the terrible happenings of a few months ago. In this there is nothing surprising or unnatural and if Government want to reassure the public that nothing underhand on the part of those in immediate charge of the prisoners had anything to do with the serious situation that developed there four months ago, the best way of doing so is not by shirking but boldly facing such an inquiry. So far as the public demand for the discontinuance of the Andamans as a penal settlement goes, it really amounts to nothing more than a request for carrying into effect the policy which the Government themselves formulated on the report of the Jails Committee and to which the approval of the Assembly was ostentatiously obtained on March 11, 1921. That policy was to abandon altogether the use of the Andamans as a penal settlement; and still holds the field. How is it then that the Government have so flagrantly violated it by sending young Bengalee convicts to it? The public is entitled to an explanation on this point. In the meanwhile

what is universally desired is that the hundred and odd prisoners that were deported there last year should be brought back to this country as soon as possible, no more being sent there hereafter. Respect for its own plighted word, if nothing else, should dictate to Government the wisdom of not persisting in a course of action so abhorrent to public opinion.

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#### Forfeiture of *Free Press Journal's* Security.

THE *Free Press Journal* has once again incurred the wrath of the Bombay Government and has been notified of the forfeiture of a half of the security of Rs. 20,000 deposited with them by its printer and publisher. The forfeiture is officially justified on the apparently objectionable nature of two writings that appeared in its issues of July 9 and August 5 last. The first of these was a radio address by Mr. Vithalbhai Patel to the citizens of the United States. It pleaded for freedom for Asia as a cure for world's ills and incidentally contained a description of the situation in India. This of course was in Mr. Patel's characteristically trenchant style. It may also be readily admitted that the description was not free either from inaccuracies or exaggeration. But the point for consideration is whether the offence committed by the paper in publishing it is so heinous as to deserve such a disproportionately severe punishment. The paper has so far been mulcted to the tune of about Rs. 46,000 by such arbitrary action of the Government but has uninterruptedly gone on with its work of public education. But will it be allowed to do so for very long? Under the Press Act of 1931 a magistrate is at a point debarred from accepting the declaration of a publisher without the permission of the local Government. This stage has now been reached by the *Journal* with the result that when its publisher recently appeared before the Chief Presidency Magistrate for declaring himself as such, the Magistrate pleaded his inability to accept it pending receipt of the Bombay Government's permission. May we hope that the local Government will not be unwise enough to withhold it?

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#### Sir Mirza's Scheme

THE most attractive and important feature of the scheme of an Indian federal constitution which Sir Mirza M. Ismail, the Dewan of Mysore, has recently published, is his proposal that the Federal Assembly, the popular House, should consist of representatives chosen by direct election. Sir Mirza rejects the proposal of the White Paper that the representatives of the Indian States in the popular House should be nominated by the Princes. If he will put through this proposal, he would have done inestimable service to the cause of true federation and of democracy in India.

His other proposals concern mostly the Upper Chamber. He objects to the White Paper Scheme on the ground that, because of indirect election of its British Indian members by the Provincial Legislatures the Upper House will be a replica of the Lower; a superfluous duplication. Moreover, though the White Paper scheme postulates a bi-cameral legislature, in reality, it is uni-cameral, inasmuch as, in case of difference between the two Chambers, a joint session is contemplated. He, therefore, proposes that the British Indian section of the Upper Chamber should consist, not of members elected by the Provincial Legislatures, but by nominees of the Provincial Governments. The Chamber will be more a gathering of ambassadors of the Governments of the Provinces, even like those sent by the Indian States and under instructions to vote as directed by

their principals. Apparently the nominees need not necessarily be members of the legislatures or the Governments; they may be officials or non-officials, specially chosen for their expert knowledge, experience and public service. The powers of this Ambassadorial Assemblage will be of a suspensory character in its legislative and advisory character in the executive field. The popular Chamber will be supreme. These are proposals which deserve favourable consideration. Sir Mirza must have urged these proposals of his before the Round Table Conference. If they have not been accepted then, it is doubtful if at this stage there is much chance of their being accepted.

Sir Mirza would limit the membership of the Upper Chamber to sixty, of which forty per cent. will go to the States. He has not stated how the seats allotted to the Indian States as a whole will be distributed among the States *inter se*. He has made another proposal that States not directly represented in the Upper Chamber should be permitted to send delegates who will speak but not vote when matters of special concern to them come up for discussion. If the jurisdiction of the Federal Legislature is confined to subjects of common interest to all units, it is not likely to discuss matters of special interest to certain individual States. And it is doubtful if it can be contended that the un-represented States have no "special" interest in, say, customs duties, which affect every unit. The hardest problem for the States is that of the distribution of the quota of representation allotted to the States; the smaller the quota the greater the difficulty.

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#### Provincial Second Chambers.

CONSIDERABLE curiosity was displayed in the Joint Select Committee as to why it was that Second Chambers were proposed in the White Paper only for three, and not all, provinces. The reasons, apart from financial, were thus explained by Sir Samuel Hoare:

"First of all, there is public opinion to be taken into account, and it is a fact (I do not say that it should be a final reason for any decision that we may take) that certain Provinces appear to be definitely against Second Chambers. Secondly, there is the question of finding personnel for all these various Assemblies... Thirdly, I would say... that communal questions complicate the problem. When one has got a decision about communal questions by the first chambers, one does not want to have the added complications of communal decision by the Second Chambers as well. That may sound to be rather a cowardly reason for me to give, but it must be taken into account that more than one of the Provinces in India is looking at the question of Second Chambers very much through communal spectacles, and that is a consideration that has got to be taken into account."

Supposing these difficulties were overcome, would not the Secretary of State agree that Second Chambers were valuable constitutional stabilisers? This was in effect the question asked by Sir Austen Chamberlain, who elicited the following reply:

"I think Sir Austen must remember that the constitution is somewhat different under a Federal Government; that in the case of a Federal Government there are the two Chambers at the federal centre, and these Governments are not the kind of sovereign Governments in which the case for Second Chambers is almost unanswerable."

He further added:

"But when Sir Austen presses me further I would certainly say, as a Conservative, I would much prefer to see Second Chambers; but I would also say (and I would ask the Indian delegates to take this point into account)

that in my opinion public opinion here would be definitely more reassured if there were Second Chambers."

But is not public opinion that should matter in such cases that, not in England, but in the provinces in India?

Another member, a European non-official, obviously wanted the wholesale institution of bi-cameral legislatures regardless of public opinion as "a valuable safeguard for minorities". In fact he definitely suggested to the Secretary of State not "to give much value to public opinion" inasmuch as it had failed to settle the communal problem without Government's help. The witness's reply was:

"I think one has got to take both points of view into account, namely, the interests of minorities and also the general feeling in a Province, and one has got to weigh the one against the other. It is this weighing of the two that has led us to suggest that there should be three Second Chambers...."

On at least one province, Bengal, a Second Chamber seems to have been foisted in defiance of public opinion as voiced in its legislative council.

#### Indian Labour in Ceylon.

THE Report of the Agent of the Government of India in Ceylon as well as his speech at the annual meeting of the Head Kanganis' Association at Hatton on the 3rd inst. were pitched in an optimistic vein inasmuch as the worst crises Indian labour in Ceylon had to go through is past and things are brightening up a bit. Since the economic depression began in 1930 there have been successive reductions in the wages of the estate labourers, in which the Indian Agent concurred. The alternatives which faced the workers were reduction of wages or unemployment, followed by repatriation to India. Both reduction of wages and repatriation were adopted. Large numbers of workers were repatriated to India. According to Capt. Guy Walker, the Chairman of the Dikoya Planters' Association, the excess of emigration from Ceylon over immigration was about 60,000 in the first half of the year 1933! But recently there has been a welcome change in the fortunes of the planting industry. The planters themselves have voluntarily offered to restore the wages from November next to the level of May last. It is to be hoped that as the industry improves the standard rates of wages will be restored. The satisfactory feature is that the planters are willing to help in this matter instead of hindering. The demand for Indian labour has also increased and this may soon turn the tide of migration.

While this is satisfactory as far as it goes, it is not as good as it may be. The *Ceylon Daily News* acknowledges that, on the face of it it was unfair to import workers in times of prosperity and throw them out of employment in times of adversity. Every industry is bound to be faced at times with adversity. It is best that in times of prosperity an unemployment insurance fund should be created out of the profits of the industry to tide over an adverse period.

One important event of the year was the decision of the Supreme Court in what is known as the Perth Case. The question was whether under the Minimum Wage Ordinance, the labourer was entitled to a minimum wage or to a minimum rate of wage. The Court upheld the former interpretation, so that even if a worker was employed for less than the minimum period, he must be paid the full minimum wage and not a part thereof.

In the course of his speech at the Kanganis' Association, the Indian Agent, while confessing his scepticism about democracy, freely admitted that the charge that the Indian estate labourer was incapable of exercising the vote was disproved. "The Indian labourer has shown himself capable of exercising the vote." The significance of this tribute passes beyond Ceylon.

While the immigration into Ceylon of Indian estate labour has been welcomed by the Ceylonese, there is a growing feeling against the immigration of skilled workers from India, leading to the displacement of local workers. It is to be hoped that the Indian Agent will keep a watchful eye on this new development and suggest timely action.

#### Mangalore Depressed Classes Mission.

OUR apologies are due to our colleague Mr. R. Suryanarayan Rao, the working secretary of this institution, and his co-workers for our failure to notice on an earlier occasion their beneficent activities during 1932-33. It was an important year in the history of the Mission owing to the awakening of public interest in the problem of the untouchables by Mahatma Gandhi's fast of a year ago. But this is not to say that this enhanced public interest in the lot of the depressed classes meant any increase of material support to the Mission. The Mission's finances like those of so many other public institutions have been dislocated by the present trade depression and the organisers could somehow manage only to continue the Mission's work without curtailment. Even this, it must be admitted, is no small achievement in these hard days on which the Mission workers deserve our hearty congratulations. Though any thought of expansion of the Mission activities was simply out of the question, its expenditure exceeded its income by Rs. 550—a rather disquieting fact. It is however to be hoped that those who look upon Harijan uplift as a force making for national progress would see not only to the wiping off of this small deficit, but, what is even more important, would make it possible for the highly useful activities of the Mission being considerably developed; and that too as soon as possible. To these no further reference is intended here than to state that the Mission is very assiduous in promoting the education of the untouchables to which end it conducts a number of elementary schools, both higher and lower, and an adult education centre. It is also responsible for the maintenance of a residential school which seems to be attracting an increasingly larger number of students. We observe from the report that the Madras Government make a monthly grant of Rs. 320 for 40 boarders and that the number not in any way provided for but which has to be maintained by the Mission at its expense is another 24. Cannot the local Government, looking to the specially nation-building value of the Mission's work, be induced to extend its help to the whole number instead of only to 40?

## Articles.

### INDIAN STATES' PROTECTION.

THE Indian States' (Protection) Bill, introduced in the Legislative Assembly last week by Sir Harry Haig, is intended "to protect the Administrations of the States in India which are under the suzerainty of His Majesty from activities

which tend to subvert, to excite disaffection towards, or to interfere with such Administrations." This object is sought to be attained by extending to the Indian States the jurisdiction of Sec. 121-A of the Indian Penal Code which penalises conspiracies, and the Press Emergency Act of last year and by taking power to prohibit groups of British Indians from marching into the States to embarrass and overawe the Administrations. It may be recalled here that the Princes' Protection Act, which was certified by Lord Reading in 1922, extended to the States the purview of 124.-A of the Indian Penal Code regarding sedition and restored to the Princes the protection which the Press Act of 1910 had given them and which lapsed on its repeal. In the present Bill Government propose, among others, to extend to the States the protection which the Press Ordinance of 1931, as amended by the Criminal Law Amendment Act of 1932, gave to British India. The "protection" now proposed to be given to the States is wider and more stringent than is given by the Princes' Protection Act of 1922.

It may be said for the Bill that it only extends to the States what has been found necessary for British India. The Government of India have protected themselves against conspiracies, and disaffection. If British Indians from British India promoted such activities against an Indian State, should the Government of India look on unconcernedly or take preventive or punitive action? A wholly foreign and independent Government, if faced with a conspiracy in a neighbouring State, can make diplomatic representations to the Government concerned, and failing to obtain satisfaction, declare war in the last resort. To avoid war, the concerned Government may have to take action and restrain its citizen, under some law or other. In the case of the Indian States, they have not the ultimate remedy of war. They can only appeal to the Government of India to protect them. It is noteworthy that Sec. 125 of the Indian Penal Code penalises the waging of war by a British Indian against an Asiatic Power in alliance or at peace with the British Government. Apparently, it is not penal to wage war against a European or American State. If the Government of India was justified in protecting a friendly Asiatic State, there seems all the more reason that they should protect the Indian States, which are under the suzerainty of the British. To the States they are further bound by treaties, sanads and other documents, some of which stipulated that as between the contracting parties the enemies of the one should be the enemies of the other, and that the Government of India should uphold the "honour, respect, rank and dignity" of the Princes. It can be contended that, due to the prevalence of personal rule of the Princes in the States, attacks on the Administration of a State amounts to an attack on the Prince himself. Moreover, if the States are to form part of the Federation-to-be, it is only right that they, as units of the federation, should share the same protection as the other units of the federation, the British Indian Provinces, have.

From the constitutional point of view these arguments in favour of the action of the present Government of India are certainly impressive. But there are even more weighty reasons for a contrary view. In so far as the Bill is based on treaties and other engagements, it should be remembered that they at the same time lay a responsibility on the Paramount Power to ensure good administration in the States. In his speech introducing the Bill Sir Harry Haig admitted this responsibility and asked the British Indian public to rely on the Paramount Power to correct abuses in the administration of the States. If the responsibility had been faithfully and zealously discharged and the rights of the subjects of the States had been protected or even now are sought to be protected, there would not be such a strong opposition to the Bill. But as it is, both the Princes' Protection Act of 1922 and the present Bill are concerned only with the protection of the Princes and their Administrations and not with the complimentary obligation to ensure good government in the States. In the circumstances the Government's solicitude for the sanctity of treaties is wholly unconvincing, particularly as they have not hesitated, on their own admission, to ride roughshod over them in the past when it suited their convenience. It almost looks like somebody quoting scripture!

As for the merits of the measure, British Indian public opinion never approved of Sec. 124-A of the Indian Penal Code, regarding disaffection and sedition, particularly the wide terms of the Section and the wider judicial interpretations of it. It had uncompromisingly opposed all legislation to muzzle the press. The Legislative Assembly, which consisted mostly of cooperators in 1922, went so far as to refuse permission to the Government even to introduce the Princes' Protection Bill, which was meant to reenact for the benefit of the Princes the provisions of the Press Act then recently repealed. The Bill was certified by the Governor-General and it led to a constitutional crisis. The present Bill which seeks to extend to the States the provisions of the Press Emergency Act is even more obnoxious inasmuch as the Press Act gives the Executive Government complete control over the Press, with no judicial remedy worth noting. It will be no exaggeration to say that in the matter of control of the press, British India is degenerating into line with the most reactionary Indian States.

The existing press legislation in British India is an unmitigated evil which ought to be removed as early as possible. Pending it, the evil should be restricted and not extended as the Bill under consideration proposes. And least of all should it be extended to the Indian States. As has been pointed out by a speaker in the Assembly, a mere statement of facts regarding the administration of some States is enough to create disaffection against it. And that will be penalised under the Bill. In most of the Indian States no press exists or can function except to indulge in undiluted adulation of the Princes and their Administrations. The British Indian Press undertook the responsibility to keep a vigilant eye on the adminis-

tration in the States and did what the press in the States themselves should have been permitted to do. Now it is proposed to muzzle the British Indian Press in that respect. Some of the Indian States are perhaps the worst governed in modern times and the effect of the Bill, whatever its intentions, will undoubtedly be to screen such mal-administration and put a premium on it.

The argument that the present Bill is a preliminary concomitant of federation is equally unconvincing. In all probability under responsible Government, there will be no need for a press law or a sedition section in the criminal law in the British Indian part of the federation. Even as the repeal of the Press Act of 1910 was one of the first acts of the Montagu constitution, the repeal of all restrictions on the press in British India will probably be one of the first acts of the new constitution. Then all the units of the federation, including the Indian States, will be on a par.

When the federation comes into existence, with the Princes having a third of the seats in the Assembly and forty per cent. of the seats in the Upper Chamber, they can be trusted to protect the States and secure the passage of such legislation as they deem necessary. It is wholly unnecessary to anticipate the need and amend the law now, even before federation takes final shape.

Again, it is noteworthy that the Government's solicitude for smoothing the way for federation is confined to the reactionary aspect of muzzling the press and protecting the Princes in their dignities and not to the levelling up of the administrations in the States. Apparently, the personal dignity of a Prince weighs more in the Government's balance than the welfare of the millions of his subjects.

All things considered, there is no justification for the Bill now on the legislative anvil. If the Indian States are "foreign States," there is absolutely no obligation on the part of the Government of India to protect them against attacks in the British Indian Press particularly as the Indian States cannot threaten war. If and when they form part of a federation, the federal Government will take the necessary steps to protect the units of the federation, if protection were needed. On general political grounds, it is undesirable that, the administrations of most Indian States being what they are, they should be protected from press criticism from British India, since they do not tolerate a free press in their jurisdictions. It is simply ridiculous to defend the Bill on the basis of treaty obligations inasmuch as the complimentary obligation to ensure good government, which includes a free press, has not been fulfilled and the Government themselves have as often as they thought fit and in spite of the protests of the Princes, treated them as "scraps of paper." If the Princes wish to defend themselves against press attacks from British India, they may be permitted, as they are already permitted in certain civil matters, to prosecute the offenders in the British Indian courts.

The conviction is inescapable that in promoting the present Bill the British overlords of India are

consolidating all the reactionary forces in the country in order to resist to the last ditch the forces of progress, political and economic. A huge combine, the largest ever formed in the world, is being forged at the moment. The British Government, the Indian Princes, the great landlords, the communalists, notwithstanding their internecine differences, are joining up forces to thwart the ambitions of nationalist India—democratic Swaraj.

#### GOVERNOR'S ACTS.

THE contemplated provision in the White Paper empowering provincial Governors to promulgate what are known as Governor's Acts, which is conspicuous by its absence under the present regime, was the subject of much interesting discussion in the Joint Select Committee. This provision is intended to enable Governors to arm themselves with legislation which they may consider needful in the discharge of "their special responsibilities". All that they have to do in such cases is to confront the legislature with a bill accompanied by a Message (or ultimatum) that it be enacted into law before a particular date. The Message may also have reference to a bill already introduced in the legislature. In this case, besides insisting on a time-limit for its passage, the Governor can ask that it be passed in a specified form. Failing compliance by the legislature, Proposal 92 empowers the Governor at his discretion to enact it as a Governor's Act, either with or without any amendments made by the legislature after receipt of his Message. Such an Act will have equal validity with a law passed by the legislature according to the usual legislative processes. Similar powers are also contemplated for the Governor-General in respect of his "special responsibilities" and his responsibilities for the administration of the Reserved Departments.

Sir Tej Bahadur Sapru's objection to the requirement of the introduction of the measure in the legislature before its promulgation as a Governor's Act was based on the well-founded fear that it was calculated to blur the legislature's responsibility; while the Secretary of State justified it on the ground of "giving the Governor the opportunity to carry the Legislature with him." Should he fail to convince the Legislature of the necessity of the proposed law as may sometimes happen, he at once falls back upon his reserve powers and takes to himself the powers which he considers essential for the fulfilment of his special obligations. The Archbishop of Canterbury was inclined to share the view held by Sir Tej Bahadur Sapru, though for a different reason. If the Governor found himself unable to secure the support of the Legislature, would it not, he asked, prejudice any action he may subsequently take? Would it not therefore be better, he argued, if the Governor was enabled to promulgate his Act straightaway without prior recourse to the legislature? Lord Salisbury drew attention to "the mechanical difficulty of how it is going to work" and asked who with the ministry hostilely disposed to the measure, would make himself responsible for its introduction and defence in

the legislature. The Governor's Message will no doubt be there; but he thought "somebody must be there to explain and defend its provisions, and so on." Sir Samuel Hoare virtually agreed with Lord Salisbury when he remarked that the Governor would obviously have to find a mover for it, failing which he must act on his own initiative. The leader of the Opposition with his all-absorbing anxiety to displace the Ministry in office, pointed out Sir Tej Bahadur Sapru, will be found handy for the purpose of piloting the prospective Act of the Governor. "This," in his opinion which he widely shared in India, "would introduce an element of great demoralisation in the whole Government and in the whole Council." The objections to the proposed procedure were summed up by him thus:

"There is the danger at the commencement of this procedure contemplated by section 92 of undermining the authority of the Government of the day and bringing

it into conflict with its own Legislature. On the other hand, there is the danger of the Governor's authority being undermined if the Legislature refuses to listen to his advice and to pass that Act; and the third point is that any machinery that you may devise for a Bill like this to go through, is bound to be imperfect in the absence of an official bloc."

Sir Tej Bahadur Sapru therefore pleaded for further consideration of the matter at the hands of the Secretary of State. In promising this, Sir Samuel Hoare added:

"I have never regarded a question of this kind as a question of principle. It is really one of those questions in which every justifiable criticism can be made against either course. Upon the whole, I have thought it was better to give the Governor this chance to carry the Legislature with him. None the less, I am quite conscious of the kind of difficulties that Sir Tej has suggested, and it is a case of weighing up the objections to each of these two courses."

## FINANCIAL PRE-REQUISITES OF FEDERATION.

OUT of the mass of evidence adduced before the Joint Parliamentary Committee so far, by far the most important to the student of finance is the evidence given by Sir Samuel Hoare on the basis of the Memorandum prepared by Sir Malcolm Hailey. Only next to it perhaps comes the announcement made by Sir Akbar Hydari on behalf of the States' Delegation in regard to some of the financial clauses of the White Paper. Taken together, they mean that before a federation can come into being, two financial conditions have to be fulfilled. One is that the Government of India should be able to balance its budget with a safe and permanent margin after meeting certain charges in connection with the establishment of Provincial Autonomy. And the other condition is that before the States can come into the picture, some financial details will have to be settled between them and British India. Each of these conditions is very important; but neither seems to place insuperable obstacles in the way of the federation to be.

The first impression created by the Hailey Memorandum, which by the way is supported by the Government of India, was one of disappointment among Indians both in London and in India. It is however to be hoped now that that feeling has given place to one of courageously facing difficulties. After all, as was truly pointed out, the Memorandum does no more than put some "awkward facts" before the public. It estimates that for establishing provincial autonomy, an additional expenditure of 6 to 8 crores will have to be met, that is, £4,500,000 to £6,000,000. Two to three crores out of this amount will be due to the separation of Burma, which is a practical certainty. And three to four crores will go to remove Provincial deficits, particularly those of Bengal and Assam. As for the Centre, the Memorandum calculates an extra expenditure of some 2½ crores, including the expenditure involved in the establishment of the Reserve Bank. The crux of the problem lies with the Centre. Not only has it to make "the surrender necessary to establish the Provinces as independent financial units," but it has also to secure such solvency as to ensure the credit of India in the world market.

The Memorandum feels certain that the obligatory

demands on central expenditure are not susceptible of further retrenchment. Indian opinion will scarcely agree with this statement. Sir George Schuster once said that there are two kinds of retrenchments. One is retrenchment in detail, the careful elimination of waste. And the other is retrenchment involving the elimination of whole services, or changes in entire conditions of service. This relates to policy. With regard to the Government of India, it may be granted, though it is not admitted, that retrenchment of the first type can go no further. But retrenchment of the second type has not even been thought of, certainly not in the White Paper.

Next to retrenchment might be considered the possibilities of increased revenue at the Centre. The Memorandum mentions as one of the favourable points in this regard the chances of a contribution of some kind which Britain might make towards India's defence expenditure as a result of the deliberations of the Capitation Tribunal. If only justice were to prevail in Indo-British relations, Britain would also have to pay, for instance, her due share of the charges for transporting troops from and to India. At the time of the Welby Commission, she agreed to pay £130,000 or about Rs. 20 lakhs which was half of the then charges. But now the cost of transportation is said to amount to Rs. 76 lakhs, and yet Britain is paying only Rs. 20 lakhs and not Rs. 38 lakhs as she should. It would not however be wise on India's part to bank on the chances of Britain contributing to the Indian exchequer to any extent worth mentioning. If she did, it will probably be suddenly discovered that military expenditure needed expansion in certain very pressing directions, and in this manner increased expenditure would be found to cancel increased income. It is inevitable therefore that India should boldly face the problem of whether there are fresh sources of taxation available. This is a grim choice; but there does not seem to be any alternative.

In this connection, a few broad facts regarding the revenue of the country may be noted. India is getting increasingly protectionist, and to that extent, the yield from Customs will fall. The Governor-General referred to this fact in his address to the Legislature on the 31st August. Secondly, revenue figures show that increasing pressure is coming to be

placed on the sources of tax-revenue as distinguished from receipts of commercial departments like Railways and Post, and Telegraphs. From 1923 to 1928 the non-tax receipts averaged about Rs. 15.71 crores a year, but in 1932 they fell to a bare Rs. 4.83 crores. And in the budget of 1933-34, the commercial departments are expected to show a loss of Rs. 48 lakhs. A third point to note is that even in regard to Customs revenue, realisations from articles which may in a sense be called luxuries, like sugar, silver, motor-cars, etc., are falling; at any rate they do not promise to go up. On the other hand, duties on such necessities of life like salt, kerosine, betel-nuts, etc., are very fruitful. From these facts the conclusion is irresistible that India's Finance Minister will hereafter have to depend more on tax revenue, and if he resorted to Customs he would rather have to tax the necessities. This is a very unfortunate position but it has to be faced. And, besides, it is entirely independent of the question of Federation or any other form of constitutional reform. Regarding however its effect on the early achievement of Federation, two statements may be made. Finance is a very important consideration in political affairs; but it is not the sole or even the most important consideration, vide the creation of the North-Western Frontier Province at a time when the whole country was in the depths of an unprecedented trade depression: the new province necessitated a subvention of a crore from the Centre. Thus Federation is more a political problem than a financial one. Secondly, India's finances are certainly not in a bad way, and he should be called but a poor financier who cannot so reform her system of taxation as not only to yield more revenue but also to be less inequitable.

Next to consider the credit of India both within her borders and without. The Hailey Memorandum truly remarks that a good deal depends on world conditions. There are unmistakable signs today to show that the monetary difficulties of the world have lessened appreciably. The Anglo-American conversations that are going on now may be left out of account for the moment: if anything comes out of them, it can only be good. The more important fact is that the sterling has gained comparative stability, and with that event London has recovered part of its ground as the money market of the world. Two years ago Britain went off the gold standard, and the rupee was linked to the sterling. Many valid objections were taken to new relation of the rupee at that time: none of them has lost its force now. Still, it is but just to recognise that the betterment of the pound sterling is reflected in the rupee also. Thus one great factor which caused, or rather which emphasised, the economic disequilibrium of the world has lost its strength to some extent. Besides, India's credit both abroad and at home has improved largely of late. This is clearly indicated by the latest figures for market prices of government securities. To take for instance a few sterling loans, 4½% India Stock 1950-55 stood last year at £102; on the first instant its price was £107¾. Again, 5% Indian Stock 1942-47 stood last year at £105½; two days ago, it stood at £108¾. As for Indian securities, the 5% Tax-Free Loan 1945-55 stood last year at 104¾; again, just two days ago, it was worth 113¼. Last year 3½% Government Paper stood at 689/16. On September 1, 1933 it stood at 851/16. It may be added that many of these securities have improved even since last month. A third fact also showing the improvement in India's financial position was brought out in the course of the Governor-General's speech a few days ago. It is said therein that within the four months of the current financial year beginning with April 1, 1933, India has remitted 19

crores worth of sterling to Britain, as compared with 1½ crore worth in the same period last year. This means of course, on the Government's own showing, the strengthening of the country's balances and the building up of adequate reserves against the establishment of the Reserve Bank.

Thus the position in short is that, entirely apart from the question of Federation, the Government of India will have to bear the cost of erasing provincial deficits and of the inevitable separation of Burma. It must also explore the sources of increased revenue for itself despite certain features of the taxation system which render the task peculiarly difficult and unpleasant. Thirdly, its credit at home and abroad is high and is likely to go higher. For these reasons, it may be said that the "awkward facts" presented by the Hailey Memorandum are not so awkward after all as they appeared at first sight, and they do not seem therefore to place any insuperable obstacles in the way of the coming Federation. So much for the first of the conditions of Federation enunciated at the beginning of the article. Regarding the second, Sir Akbar Hydari made a statement on the 27th July at the Joint Parliamentary Committee meeting on behalf of the Indian States' Delegation. Therein he clearly laid down certain conditions, on the fulfilment of which the States would accept the White Paper and join the Federation. (1) The Central and Provincial budgets should first be balanced, and then the States would join the Federation on the basis of the position then existing so far as finance was concerned. We have so far seen that budgets have to be balanced in any case. (2) The prescribed percentage of income-tax to be retained by the Federation should not be less than 50 per cent. and (3) the Governor-General should be empowered to suspend beyond ten years reductions of assignments to the provinces if the continuance of the assignments endangered the financial stability of the Federation. (4) If at any time, even during the period of the first ten years, Central finances could not be balanced (i) after all possible economies had been effected, (ii) after the resources of indirect taxation open to the Federation had been exhausted, and (iii) after the return of the income-tax to the provinces had been suspended, a state of emergency might be said to have arisen when the federal units could be called upon to contribute to Central finances on an equitable and prescribed basis. It may be that not all these conditions are necessary; it may also be that none of them can be fulfilled to universal satisfaction. But politics is after all a game of the second best. The point sought to be made here is only this: that none of the conditions by itself amount to a successful bar to progress. This fact was recognised even by Sir Samuel Hoare who remarked that it was satisfactory to hear that the States were "at a point" ready to take a direct share in federal financial burdens.

It is thus clear that the financial difficulties in the way of India achieving early Federation are not at all so great as they once appeared. India has to balance her budget and that she certainly will. And the States, whatever their objections might be to Federation on other grounds, do not seem to have any mighty ones in the realm of finance. These are important facts; but an equally important one is that, after all is said, finance is only a hand-maid to politics. And Federation cannot be put off because of certain financial difficulties.

S. P. SARMA.

## PARIS INTERNATIONAL SOCIALIST CONFERENCE.

**T**HE International Socialist Conference which has just come to an end had already decided to meet in September last to counteract the action undertaken last year in the Amsterdam Congress by the Communist Party, and the pretension of the latter to detain the monopoly of the fight against war. The second "International" had been accused of inaction and incapacity; they decided to meet and examine the most urgent problems of the day. How can the Socialist Party best fight against war, and also fight for power and for the workers' unity?

Since Hitler has established his domination over Germany, many aspects of the problem have changed and it is difficult for socialists in the various countries to clearly define their position. This is why the present gathering hardly had any other pretension than that of being an "information conference". Several of the representatives (especially for Germany, Italy and Russia) were not nominated delegates from their country but exiles speaking, so to say, in a private capacity. It was expected from the very beginning that on many points no definite conclusions would be reached and enthusiasm was somewhat lacking for merely abstract discussions. It is therefore not surprising that the crisis which is affecting French socialism at present should have raised, by contrast, the most vivid interest, as an urgent and practical problem versus purely theoretical debates and considerations.

At the recent French Socialist Congress, M. Renaudel and his friends declared: "The approval which is refused to us here, we shall seek for it in the International itself, which we are attached to, and which is wise with the lessons of experience". This instinct has not been belied; by a curious paradox, French neo-socialism, in spite of its "national" character, has obtained wider appreciation on the international platform than it had done in the national congress!

The new tendencies in French socialism provided an opportunity to discuss most of the socialist principles in a concrete manner. Indeed, the debates constantly reverted to the question which has brought division among the socialist ranks in this country, namely, whether or not socialists should participate in government, and what should be the extent and nature of this participation.

M. Léon Blum of course stuck to his doctrine of opposition, arguing that the purity of the socialist doctrine and orthodoxy should be jealously preserved, and that anything that resembles collaboration with a capitalist regime should therefore be strictly avoided. Socialists must wait for the time when government can be entirely in their hands. M. Blum prides himself on having succeeded in maintaining, during all these years, the unity of the socialist party, always troubled and shaken by various tendencies. And it is true that he does deserve praise on that score. But it is certainly easier to preserve unity in opposition, and this explains perhaps to no small extent M. Blum's reluctance to participate in power. This negative attitude, however, does not appear sufficient in the present circumstances and a growing number of socialist members of Parliament consider that preserving the party's unity and the purity of its doctrine is not so urgent as playing an active part in the Left wing of Parliament.

In the Manifesto that they presented to the International Socialist Conference, the dissidents insisted repeatedly upon action and tangible realisations: "If the Socialist Party resigns itself to isolation for the sake of dogmas and to inaction for

fear of responsibilities, it shall not be able to cope with the grave events which threaten democracy, liberty and peace." They also repudiated the charge of fascism again and again, and rejected selfish nationalism, in the political as well as in the economic field. The nation, however, is a fact which cannot be denied. Socialism remains faithful to its ideas, but it must become a governing party and pursue its task within the existing national framework, which happens to be a democratic one at present in France. Socialism and democracy must serve the nation, and, through the nation, international cooperation and peace. In the International field, socialism must work through the Geneva organisations, and for the workers' interests through the International Labour Office. In fact the I. L. O. should establish a Charter of Labour. World production ought to be organised through a plan of socialised economy. The manifesto was signed by 54 members of the socialist group in the Chamber and 9 senators. Other signatures are expected from members at present on holiday.

M. Léon Blum made a critical and logical analysis of the manifesto. He criticised democracy, opposed the practice of power and the appeal to the middle-class; his conclusion was that the fight against fascism and war can only be carried out by joining hands with the Bolsheviks. The Swedish delegate, as well as other members, vigorously opposed this view. M. Leo Winter (Czechoslovakia) said that only the defence of democracy could counteract fascism. The State ought not to be considered as hostile, but used against fascism in every possible manner; he therefore advocated socialist participation in government. M. Cordero (Spain) showed how finely the Spanish republic had developed under the socialist impulse, and said the best path to socialism was republican democracy.

Several items came up for discussion, such as famine in Russia, the situation in Austria, Germany and Hitlerism. English delegates suggested that boycott should be practised against Hitlerian Germany. The situation of the political refugees was also examined, as well as the organisation of relief in their favour.

The report of Mr. Anderson (speaking on behalf of the political prisoners and victims) created a sensation by its impressive picture of Hitlerian terrorism: 50,000 people imprisoned in 60 concentration camps; 300,000 members excluded from co-operative societies and trade-unions. Including the families of these people, it means 1 million citizens living in misery and deprived of relief of any kind. Outside Germany, the number of refugees is estimated to be 200,000 (including 3000 social democrats).

M. Marquet's eloquent speech, on the last day of the Conference, produced a considerable impression, especially on the foreign delegates. His contention was that the change in world conditions betokens a change of policy. Nation, order, authority, must be the leading slogans. He said:

"Before the war the capitalist mechanism gave an impression of strength and security; if we had spoken of order then, we would not have been understood by the proletariat. But in the present day, when disorder reigns supreme, moral depression prevails, and capitalism too often serves individual interests, speaking of order in the face of disorder, of authority in the face of growing immorality, really amounts to speaking a revolutionary language. Our views also meet the needs of the proletariat as well as those of the middle classes. Socialism



does not yet hold political power, but it is a great moral force. What the young generations want is not the respect of textual doctrines, but action.

It is only by taking responsibilities in every field, by taking them boldly and fighting for them if necessary, that socialism will recover its influence, evolve in the right manner and justify the great hopes of men. Only socialism can realise progress."

The general vote at the conclusion of the Conference was favourable to the neo-socialist conceptions. It is interesting to note that M. Jouhaux has joined hands with M. Renaudel and M. Marquet against M. Blum.

The final resolutions voted do not depart from the usual spirit of socialism. The wish is expressed that the working class should fight for individual and collective liberties, for universal suffrage and for trade-union liberties. Revolutionary methods of fighting are justified in those countries where democracy is threatened or destroyed. The League of Nations is asked to take in hand all the problems which are threatening European peace, and especially consequences of Hitlerism such as the rearmament of Germany and the German encroachments on Austrian and other foreign territories. No war, demanded one of the resolutions, should be undertaken under the pretext of fighting fascism, lest the war should lead to an imperialistic treaty. A large place is devoted to disarmament in the resolutions. The disarmament conference, it is urged, ought to be resumed without delay. Manufacture of armaments should be completely abolished and this abolition controlled by an international body. The general strike, it was opined, remains the supreme weapon of the working classes against war. Arbitration is indispensable; and refusal to submit to it should in the opinion of the Conference be made a criterion for deciding who is the aggressor. A disarmament treaty submitted to strict control is the only guarantee for universal security.

Paris.

L. MORIN.

## Our London Letter.

(BY AIR MAIL.)

(From Our Correspondent.)

LONDON, September 1.

### THE TIME-TABLE OF THE REFORMS.

I WAS talking yesterday with a friend having an intimate knowledge of the inner working of the reform proceedings, and among other matters we discussed the question of the time-table. My friend's view was that, having regard to the interposition of the Burma question at this stage, it was now certain that there would be some considerable delay in the various stages of the procedure. When the Committee resumes its sittings at the beginning of next month, it will have before it once more the Secretary of State whose evidence remains to be completed. It is yet uncertain whether it will be continuous or whether Sir Samuel Hoare will give it according to convenience, and having regard to such other evidence of a general character from other witnesses who have notified their desire to be heard, so that the official evidence may deal critically with any further matters that may call for elucidation. The Committee, too, will have to consider the question of delay needed on account of the invitation to be issued to Burma to assist the Committee by the presence of associates and witnesses, in order that its enquiry may be complete and the question of Burma's

inclusion or exclusion as regards the Indian Federation may be the subject of a recommendation. By that time the present Parliamentary session will have expired, and it will be necessary to reappoint the Committee after the opening of the next session of Parliament, as, so far as I am aware, there is no procedure to enable a Committee of this character appointed by one session of Parliament to carry over its uncompleted work to the following session. There are doubtless good reasons for such a delay, but they do not readily jump to the eye, and it is a pity that technical considerations may have to prevail over common sense and urgency.

If this be the correct interpretation of the position, it would appear to be very unlikely that the Committee would be able to complete its work and present its Report before next Easter. Then would come a preliminary debate in Parliament after a vital conference of the Conservative Party. Assuming that all went well, the next thing would be for the Government, before making up its mind as to the instructions to be given to the Parliamentary draughtsmen, to obtain the views of the Government of India and the Provincial Governments upon the recommendations of the Select Committee. Thereafter the draughtsmen would get to work. It is said that they have demanded at least six months for their complicated and difficult task, but it is believed that they will be required to present their draft Bill for Cabinet consideration in about half that time. All this, however, would mean that no Bill could be presented to Parliament before the autumn of next year, and it is extremely doubtful whether a measure that is bound to be strenuously fought in both Houses, at a time when many other emergent matters will be engaging the energies of Parliament, would get through all its stages and receive the Royal assent before Easter of 1935. The question would then arise as to whether it would be possible to bring the Provincial Autonomy provisions of the new Constitution into operation before the beginning of the next Indian financial year, in order to start with a clean budgetary position. Early 1937, therefore, is indicated as the nearest date for the inauguration of the new Constitution. I gather that the present official view is that if the financial position is sufficiently stable to bring Provincial Autonomy into operation at that date, it is very unlikely that any other consideration, such, for example, as the announcement of the Princes' adhesion to the Federation, would stand in the way of the establishment of the Federation itself within a year or a little more thereafter, so that the year 1937 is a possible date for the full Constitution to begin to work. What of course, would happen in the meanwhile, both here and in India, to prevent or retard the course of events suggested above, is a matter that at present lies in the laps of the gods. The next three or four years, both in Europe and in Asia, are likely to provide testing times for us all, and no wise person watching affairs and their present instability would care to prophesy at large about them. I shall deal with one or two aspects of this matter elsewhere.

### THE INDIAN SCENE.

Within the last few days the Viceroy has made two serious pronouncements of the highest importance and significance. No one could have failed to note his courage and firmness in refusing to be stampeded away from Dominion Status as the natural and inevitable objective of British policy in India. Lord Willingdon might easily, in view of widespread criticism of his predecessor's use of the phrase on a well-known historical occasion, have refrained from endangering his popularity in reactionary circles here by his reiteration of it with the risk of heaping upon his own devoted head the lightnings and the

thunder-bolts of dihard criticism. He evidently did not miscalculate, for no important organ of opinion here has challenged his wisdom or discretion in refusing to be frightened into abjuring the forbidden phrase. There has been too much of the "not that; not that" type of protest, as though the protestors were emulating the language, if not the thought, of Hindu philosophical pundits seeking to define the Unique and Indefinable.

On the whole, Lord Willingdon's speech to the joint session of the Central Legislature was clearly intended to be encouraging and conciliatory. That its tone was conciliatory may be conceded. Whether the facts of the situation in India are nearly as encouraging as the official optimists would have us believe is an entirely different matter. There are not wanting well-informed observers who comment upon the widespread poverty, disillusionment, bitterness, and spirit of defeatism prevalent throughout the country—a not too favourable background for such a scheme of reforms as that which has been, or is likely to be, propounded. Any constitution that is intended to work must carry with it a certain amount of public confidence and enthusiasm. It will be time enough for optimism to assert itself when, the Constitution being known in substance and in outline, these conditions for its successful working have been fulfilled.

As to the immediate future, it is clear that the situation is far from favourable. The Congress as a whole has not made up its mind as to its line of action since the events of a month ago, and from a private telegram received to-day in London it would seem that there is a serious prospect that when Gandhiji has recovered from the effects of his recent fast he will seek the earliest opportunity of returning to jail. Friends whom I have consulted here are disinclined to believe that the Viceroy will be any readier to receive him, still recalcitrant and rebellious, and still claiming to speak on behalf of Congress, in a fortnight's time than he was five weeks ago. In that case unless in some strange way other considerations are made to prevail, it seems most improbable that the Mahatma will refrain from resorting once again to individual civil disobedience, of which decision, according to custom, he will give due notice to the powers that be. They will then have the choice of proceeding against him as they did on the 1st August, or of placing him under preventive detention as a State prisoner. If they are going on the score of his being a convicted prisoner to allow him the full facilities for Harijan work that he will undoubtedly claim, it would be better not to quarrel with him about the quantum of those facilities but to deal with him once more as a state prisoner and to restore to him the facilities that he enjoyed when last he held that status. Such a position as that which has resulted in his recent fast and release merely stultifies both parties without solving the problem in the least.

#### MR. MACDONALD AS VICEROY?

Lieut-Commander J. M. Kenworthy is about to publish his autobiography, in which he is making certain disclosures. He points out that prior to the Labour split in 1931 Mr. MacDonald had conceived the idea that he should go out to India as Viceroy, and Commander Kenworthy states that he would not be surprised if next year or soon after Mr. MacDonald does become Viceroy. In 1931, however, when it was expected that the Round Table Conference would produce substantial results, the ex-Prime Minister of the Labour Government that had made substantial advances towards making Indian self-government possible, would have received a hearty welcome in India had he gone out as Viceroy. If

that idea had been carried out, Commander Kenworthy says that certain steps would have been obviously necessary to hold the Party and the Government together, and there would have had to be no split over the choice of a successor. Mr. Snowden might well have been an earlier choice, but at that time, says Commander Kenworthy, the only man who could possibly have held the Party together was Mr. Arthur Henderson, who will probably be declared to-morrow the new Member for the Clay Cross Division after a not very strenuous fight, which the Conservative Central Office would have been glad, if possible, to avoid, and the only result of which has been an acrimonious exchange between the Labour Party leader and Mr. MacDonald, who felt under an obligation to support the Nationalist candidate.

However, let us hear further what Commander Kenworthy has to say:

"The Party had no time to lose, as Mr. MacDonald might have been made Viceroy at any time, so we approached Henderson. Henderson was willing to be nominated but only on condition that Snowden was prepared to support him. So we had to sound Snowden. A small number of the more senior private Members including myself were invited to make the approach, and Mr. Snowden's attitude was at first extremely charming, that he thought that the invitation had come to himself. Honestly, I have never felt so sorry for a colleague and friend as, when the truth was out, Snowden changed and made it perfectly clear that if MacDonald went and he (Snowden) was not chosen as his successor he would make all the trouble he could. I believe it was from that hour that he began to hate the Party in which he had spent so many years and which he had done so much to create."

It will be interesting to hear the comments of any of the three personages mentioned by the ex-Member for one of the Hull constituencies.

#### DEBATING TEAM FOR INDIA.

For some time past the National Union of Students here has been exploring the possibilities of sending out to India a team to debate with students of Indian Universities various topics of mutual interest and substantial importance. Communications have for several months been proceeding between the Union and the Indian Universities. Professor Wadia of Mysore, the Secretary of the Inter-University Board in India, has thrown himself energetically into the work of arranging the itinerary, and as a result of this collaboration on both sides it has now been arranged for the students' debating team to sail from Liverpool on the 8th instant in the City of Baroda, arriving at Bombay on the 4th October. The team has been chosen by a Selection Committee from among nominations submitted by various British University Unions. It consists of Mr. A. W. J. Greenwood (Balliol College, Oxford), Mr. J. C. McGilvray (University of Manchester), and Mr. Jack Jones (University College, Aberwysyth). Mr. Greenwood was President of the Oxford Union Society. Mr. McGilvray was Secretary of the Manchester University Union, and Mr. Jones was Debates Secretary of the Aberwysyth College Union. The real value of a tour such as this is that it enables a picked group of students to visit another country, meet the students and professors there, and learn something at first-hand which is perhaps the best way of the point of view of the people of the country visited. I am informed that this particular tour springs from a desire among British University students to make a gesture of goodwill to their fellow-students in India, and to establish a form of contact which they have maintained for some years with the Universities of the United States and the Dominions. It is understood that political questions

are unlikely to be included among the subjects for debate, for obvious reasons, but the subjects discussed will nevertheless be of considerable mutual and intrinsic interest. The expenses of the team whilst they are in India are being met by contribution from the Indian Universities, but the cost of their ocean passages may be borne by the National Union of Students with the help of friends in England. The tour organised under such auspices should be productive of much good relationship, and it is to be hoped that a corresponding team will be organised in India, at a later date, to return the compliment by visiting the British Universities. In the meanwhile Mr. Ralph W. May, the energetic and enthusiastic Secretary of the National Union of Students, is to be congratulated very heartily upon the success of his efforts.

## Reviews.

### BUDGETS OF BUSINESS CONCERNS.

#### BUSINESS BUDGETS AND BUDGETARY CONTROL. By A. W. WILLSMORE. (Pitman.)

1932, 22cm, 229p, 10/6.

STUDENTS of economics are thoroughly familiar with the national budget, its system and the objects of budgetary control. Although the American Government has only recently copied this feature of advance planning of national finances American businessmen are coming forward to formulate similar plans of control and clear forward thinking to successfully administer their giant business concerns. The increasing of profits, the elimination of waste and the improving of efficiency in mammoth business concerns where the master's eye cannot be adequately supervising the different details can however be secured by intelligently laid down business budgets. American budget control of business concerns is thoroughly established in about 294 companies. It is now the turn of England to copy this useful practice.

Competition works havoc and without any preconceived plans guiding the efforts of *entrepreneurs* mere productive efficiency will not solve their administrative problems. All the diverse activities have to be coordinated into a coherent and systematic plan. The manufacturing division and the sale division and the financial resources division would have to subordinate their efforts in dictating policy of the business firm. After the formulation of this policy the carrying out of the same has to be delegated to properly aligned organisation. Finally the correlation of accounting and organisation is necessary to see how far the business plan is being carried out and if not, why not?

The properly formulated budget enables the business firm to eliminate all weak points in the structure. Reduced cost and lower expenses amounting to 10% of entire costs of production have sometimes resulted out of the careful preparation and execution of budgetary plans.

The preparation of future sales estimates has undoubtedly to consider past results, market conditions, and other external factors such as the relationship between the individual company and general business. The formulation of profitable sales programme is the endeavour.

The preparation of the manufacturing departments' estimate should be in order to discover the 'economic productive quantities' in strict accordance with delivery requirements. The control of necessary

raw material, labour, and outside supplies fall under its purview. It estimates roughly the "shop cost" of the required output.

The preparation of expense budgets would generally indicate in what further directions cost and expenses can be cut down. It aims at proper control of necessary expenses.

The financial budget aims at a study of the financial position of the company so that actual revision may take place if an unsound financial position is anticipated. The necessary adjustment can be done by curtailing plant-expenditure programmes, revision of sales programme so as to increase short-credit sales, elimination of unprofitable lines, readjustment of policy towards reducing stocks and reduction of expense appropriations. Such forward planning of finance is a logical necessity for business success.

The Master budget condenses the above budgets in a concise form. It is the duty of the Budget officer to supervise the entire system so that the failure of the budget system does not arise.

Such budgetary controls as are described above and forward planning in industry are essential to negotiate successfully the business cycles. Now that effective means to forecast general business conditions are being perfected the necessary adjustment on the part of individual companies can be easily made. New lines of manufacturing activity have to be constantly devised. An endeavour has to be made to stabilise sales and declare practically an equal dividend year after year.

As a means of effective control of industrial operations the budget is an extremely useful device. If only decisive action is taken at the nick of time, as required by the budget plan a thorough control of business can be secured. All types of industries are amenable to this type of budgetary control.

The International Management Institute which has been functioning successfully has been aiming at the adoption of this method of budget control by all the important industrial countries of the world.

India has not adopted the principle of budgetary control in the industrial field. But it is bound to become a permanent feature of technical business management. Intelligent labourers would insist on the adoption of the procedure, even if the employers were to neglect their duty, for it would give them greater security of employment.

This book will prove useful to accountants, students of business organisation and Company Secretaries in actual charge of business administration.

B. RAMACHANDRA RAU.

### CONDITION OF BRITISH WORKING CLASS.

#### THE CONDITION OF THE WORKING CLASS IN BRITAIN, By ALLEN HUTT. (Martin Lawrence, London.) 1933, 23cm, 272 p. 6/-

THE claim is sometimes put forward by interested parties that in spite of the economic crisis which has struck the world the condition of the working class, and especially that of the British working class, is better than ever it was before. Mr. Allen Hutt's book smashes that claim by exposing the present condition of the British working class in Britain to the public view. The author and Mr. Harry Pollitt, the writer of the introduction, are both communists; but the book is not a redomontade or a fanatical outburst. It is full of facts and figures. The author has made full use of the resources of the Labour

Research Department placed at his disposal, has drawn on all official sources of information and has also incorporated the results of firsthand investigations conducted by him in the principal industrial areas. The author's avowed object in writing this book is not only to describe the conditions but also to diagnose the ills of society in the Britain of today. That object has been fairly well achieved.

About ninety years ago Frederick Engels published his book entitled "The Condition of the Working Class in England in 1844," in which he described the poverty and misery of the working class in that country at that stage of capitalist development and also foretold the inevitable development of capitalism and in particular the vital problems which would face the British working class as the capacity to produce increased and powerful rivals grew up to challenge the monopoly of British capitalism. Engels' prophesy has come to pass. England's monopoly as an industrial country has been effectively challenged and not only that country but all countries in the world are now more or less in the grip of trade depression. Unemployment has become the order of the day. In Engels' words "the majority of the proletariat" has "become for ever superfluous and has no other choice than to starve or rebel." The widespread unemployment among the industrial workers has reacted on the condition of the agriculturists and producers of raw materials who have to sell their produce at unremunerative rates for want of adequate demand. In short, the world is suffering from 'the curse of plenty,' a phrase coined by Mr. Winston Churchill who will not, however, admit that it is his class which is responsible for this course.

Mr. Allen Hutt gives a heart-rending description of the British working class. In his chapter on London he describes Hackney and other slum areas

"One instance of overcrowding, cited at random, is that of a family of six who slept in one basement room, well below the legal space minimum. The family included boys of 10 and 11, and girls of 11 and 7 years of age. The mother stated that indecent behaviour had occurred between the two-oldest children owing to her inability to make separate sleeping arrangements." "The houses are generally below street level and are universally damp. W. C.'s are usually at the end of a yard, or the other side of a narrow street; in every way the normal decencies and conveniences of life are lacking. In many of these areas the houses have no internal water supply and not even a sink; the inhabitants have to make use of a common tap in the yard. The houses in Morning Lane and round-about are built on marshy soil, and it is shortly remarked that 'many of the adults are chronic invalids'... Over by Hackney Marshes, on low-lying land and liable to floods, are groups of cottages in the High Hill Ferry and Middlesex Wharf areas. These unsavoury hovels were ordered to be closed in 1918. They are still open and occupied—"no alternative accommodation." Worse still is the case of one of the most notorious of all the Hackney slums, Duncan Square. This was represented for action in 1900. Thirty years after it still remained untouched... Yet Duncan Square is not the most barbarous of these hell-holes. It is beaten by some of the courts in the East Street area, by the only too appropriately named Bones cottages, by the unspeakable 500-year old Heywood Buildings in Banister Street (originally a cowshed, according to local tradition), whose inhabitants have to cross the road to reach their W. C.'s and by

Devonshire Place, where there is so much timber in the aged cottages that insurance companies will not even consider issuing a fire policy on them. And in all these places the only heating and cooking medium is the coal fire, the only illuminant candles and oil lamps. This is indeed the final touch of the primitive in the biggest city in the world, the governing centre of British imperialism, the masterwork of the British bourgeoisie, the 'hub of the universe' for the gay world of the lords and ladies and all the fine gentlemen."

The reply to the questions, Why is housing so scandalously bad in London? Why do the slums remain and even multiply? will be found in the following sentences:

"London affords the supremely parasitic example of what the then Liberal Mr. Winston Churchill called in 1907 that 'great monopoly so ancient that it has become almost venerable'—the monopoly in land, the 'plunder system' (it is Mr. Churchill's phrase) of landownership. Great nobles like the Duke of Westminster, with his 600 acres in the heart of London, the Established Church, the Crown, wealthy and close corporations like the Corporation of the City of London and the Colleges of Oxford and Cambridge; these toil not, neither do they spin, but sit back and draw their tribute from soaring land values and rising rents... Prices of land for London sites range from £10,000 to £25,000 an acre (in the centre of the city up to literally millions an acre)... The Church drew nearly £380,000 from rents of houses and premises in London in 1930, and over £53,000 from the so-called London Bishopric Paddington Estate, which contains some of London's vilest slums."

Where slum-clearing has taken place, the building societies have made profits and the workers have had to pay much higher rents than they used to pay before, with the result that the workers' families have had less to eat. Figures from health officers' reports are quoted in the book under review which show that the death-rate among the re-housed families has increased, obviously due to under-nourishment.

The condition of the toilers of the countryside is no better and a special chapter is devoted to a description of the state of things prevailing among the agricultural workers.

In the chapter on "the Black-coated Workers" is described the condition of the lower middle class. The following will be read with interest by the educated Indians:

"The middle class man finds that he is coming to a dead end; and so are his children. The old cycle of higher education—"good" school and university—is being painstakingly kept up, is indeed being fed with more and more raw material, as the matriculation figures show; but the avenues for the absorption of the product are closed. The heavy decline in the export of capital, which expresses the acute and specific crisis of British imperialism, has its counterpart in the heavy decline in the export of the sons of the middle class to well-paid jobs in the apparatus of imperialist exploitation in the colonial countries... Teaching—the traditional last resort of the university man or woman who can find nothing else to do—is hopelessly overcrowded. The middle class, unable to conceive that a qualification does not mean an open sesame to a 'position', is breeding more intellectuals than ever; but its progeny are facing a future that, under capitalism, is of a gloom that grows daily deeper."

P. G. KANEKAR.