

# Servant of India

Editor : S. G. VAZE.

Office : SERVANTS OF INDIA SOCIETY, POONA.

VOL. XIX, No. 19.

POONA—THURSDAY, MAY 7, 1936.

{	INDIAN	Rs. 6.
	FOREIGN SUBSN.	15s.

## CONTENTS.

	Page
TOPICS OF THE WEEK	217
ARTICLES :—	
The Niemeyer Award.	220
The Jungle Law Prevails.	221
REVIEWS :—	
Economics of Progress. By Prof. B. P. Adarkar.	222
Cow-Testing and Milk Supply. By S. G. Navathe, M. A.	223
SHORT NOTICE.	224
MISCELLANEA :—	
Indian Labour in Ceylon, By R. Suryanarayana Rao.	224
The Congress And the States...	228
BOOKS RECEIVED.	228

## Topics of the Week.

### Attack on Civil Liberty.

HOW utterly callous the bureaucracy is about civil liberty is best illustrated by the treatment that is accorded by the Bombay Government to Mr. K. N. Phadke of Poona. He is a man who holds radical views in Indian politics, but whatever views one may hold they must be allowed free expression unless they incite people to lawlessness or violence. He took part, with many others, in the last civil disobedience movement, and, like them, suffered for it. One would think that his offence has now been expiated, and that he would be free hereafter to carry on propaganda for his views or to take active part in the political movement, unless his propaganda or his participation in the political movement again partakes of lawlessness or violence. He must not be made to suffer for what he did in the past, in regard to which he is now quits with the Government.

BUT the Bombay Government is persecuting him for his past offence. His movements were restricted and he was prohibited from making speeches or taking any part in public meetings. These restrictions and prohibitions he respected for two years and more, but the Government is not yet thinking of cancelling its orders. Taking advantage of certain defects in the orders, Mr. Phadke has now and then allowed himself to make public speeches, and whether this action on his part was technically justifiable or not—the Magistrate before whom he was tried recently for contravening the orders has found that it was not—the Government's policy of placing the public workers in the country under severe restrictions when the necessity for doing so has obviously passed must be sternly condemned.

PUBLIC opinion must be roused against such scandalous deprivation of civil liberty by the Govern-

ment to a much greater extent than it is. The reason why no protests are raised from all over India against these arbitrary acts is because the public at large do not have with them all the details which are necessary for a proper appraisal of any particular instances of repression. Only local opinion is stirred, and the outside provinces remain placid. It is therefore of the utmost importance that an all-India agency of a thoroughly impartial nature should be created which will go into all the grosser incidents of the Government's coercive policy, in whichever province the incidents may occur. For, as Mr. Brailsford wrote recently, questions concerning civil liberties are far more important than those concerning constitutional reform. For if civil liberties are preserved constitutional reform can be wrung from the Government one day, but when they are abrogated constitutional reform becomes meaningless. It would be shameful if the Government be allowed to deprive citizens of their freedom with impunity.

### The Role of the Princes.

LT.-COMDR. TOTA ISHIMARU, in his striking book, "Japan must fight Britain," describes the new constitution and asks: "Will it satisfy the people of India?" His own answer to the question is that he sees in this constitution only "their further betrayal." The safeguards, amply provided for, appear to him "to take the backbone out of Indian self-government." "It is evident," he says, "that England is again deluding the Indians with fair words. And, to bring the whole system into line with that which obtains in Egypt, she has the Native Princes in her pocket to control the nationalist movement. Instead of appointing a king of her own choice, as she has done in Egypt, she has won over the Princes."

FEDERATION has greatly helped Britain in achieving this object. No doubt, "Sir T. Saprú and his friends hoped by means of it to cement together British India and the Native States into a United India. England, however, proposed to use it to produce the opposite effect." "Two-fifths of the members of the Upper House and one-third of those of the Lower House (of the Federal Legislature) are nominated by the Princes. As these Princes are but British puppets, it is no exaggeration to say that this enables the Viceroy easily to manipulate the Confederate Assembly" (i. e., the Federal Legislature).

"SIR T. SAPRÚ, the well-known leader of the Moderate Party (*sic*)," says the author, "has declared that the revised constitution fails not only to make India a self-governing dominion, but to give any guarantee that it ever will be." Here, we are afraid, the author does injustice to Sir Tej Bahadur Saprú, who, we believe, feels that if only the constitution is worked honestly and in a spirit of co-operation with the Governor-General and the Princes, it must lead in

a very short time to the attainment by India of full dominion status, and that we have no doubt he must be planning a big drive for a Co-operative Working of the constitution, in order to save it from the wrecking tactics of the Congress.

#### Nomination, Not Competition.

It has been discovered that during the last six years there has been a shortage of 77 in European recruitment to the Indian Civil Service on a fifty-fifty basis which has greatly upset the Secretary of State. To him this is too serious a matter to be left unremedied for very long. But unfortunately for him the remedy will not be available to him till after the reformed provincial governments are in working order. British opinion cannot be expected to hold its soul in patience till then on a matter of such vital concern to British young men. So with a view to putting it at ease, the steps intended to correct the deficiency in the strength of the British section of the I. C. S. are foreshadowed in a communique whose publication five days after the close of the Assembly session is not without its significance. The shortage on the Indian side is not so alarming, being only twelve or so. But even were it more formidable it is doubtful whether the authorities in England would have been equally perturbed over it. So profoundly stirred are they over this phenomenon that it is indeed not too much to say that they look upon it as a calamity to be averted by all means possible, even though the British Government is committed to a policy of increasing association of Indians with the administration.

STRIPPED of official verbiage, the method proposed is nothing but a system of unabashed nomination by the Secretary of State in virtue of the powers vested in him under section 244 of the new India Act. The trouble has been officially diagnosed to be due to the fact that Indians continue to compete for the I. C. S. in unexpectedly large numbers in the examination held in London, and what is even more to the point, occupy a surprisingly large number of higher places in the list of successful candidates. The correctness of the diagnosis is obviously open to question in view of the well-known fact that as many as 20 out of the 25 successful British recruits last year refused to come out to India. May be they did not find Indian conditions of service sufficiently attractive. But instead of facing this more fundamental difficulty, action is intended which is calculated to discourage Indians from appearing for the London examination. There is to be a progressive reduction in the number of vacancies open to them at the London examination which will dwindle to six from 1940 onwards; and a good Honours degree of a British University after at least two years' residence in the British Isles is to be required.

THE Delhi examination is to be made the main channel of Indian recruitment to the I. C. S. To this end the period of probation to be spent in the British Isles by successful entrants to the I. C. S. through the Delhi door will be reduced from two years to one. So also their maximum age limit will be raised from 23 to 24. As for the shortage in the number of Indian recruits, it will be made good by taking the required number from the list of successful candidates. While it is undeniable that these changes will go some way to add to the attractions of the Delhi examination, it is too much to hope that Indian opinion will ever take kindly either to the system of nomination proposed to be followed in the case of Europeans or to the virtual bar placed on Indians competing at the London examination.

#### Indian Difficulties in Iraq.

IN the course of his speech on February 4 last in the Assembly the Foreign Secretary, Sir Aubrey Metcalfe, made a reassuring statement with regard to the position of Indians in Iraq. He stated that, contrary to public belief, no Indians had been or were about to be sent out of the country. He also discounted the possibility of the Iraq Government taking steps designed to exclude Indians employment from in business or trade, as reported. Recent communications from Iraq, however, indicate that the Foreign Secretary's optimism was misplaced.

IN a letter from an Indian resident in Iraq recently received in this country it is pointed out that the Iraq Government's policy of combing out Indians, far from being put a stop to, is in full swing and that their total extermination is only a matter of time. The new labour law too which at the time of the Assembly debate was in the making has since found a place on the statute book and is actually even more hostile towards Indian employment than was feared to be the case. Under it employers of labour of any kind, skilled or unskilled, have been forbidden to make use of foreign labour, which in the conditions in Iraq virtually means Indian labour. This will make it increasingly difficult for Indians to secure employment in Iraq, and will result in squeezing them out of the land.

THAT our countrymen are no longer welcome in Iraq is proved by the fact that if an Indian wishes to return to Iraq after visiting his mother country, he is discouraged from doing so and a return visa is generally refused to him. So that even when he wants to absent himself from Iraq for a short period he has to face the possibility of his never being allowed to return to it. The communication quotes several specific instances in which this was the result and the British Consul could not afford any relief. We hope this will awaken the Indian Government to the dangers of the Indian situation in Iraq and stimulate them to vigorous endeavours for securing an amelioration of their difficulties.

#### Beginning of the End of Clove Laws?

LET not Indians flatter themselves that Mr. Binder's inquiry into the working of the clove legislation in Zanzibar was due solely to their own agitation. The London correspondent of the *Leader* says:

It is doubtful, however, whether the representations of the Indian community in Zanzibar, backed though they have been by the Government of India, would have brought the matter to an issue in this manner but for the fact that the East African section of the London Chamber of Commerce is known to have strongly criticised the working of this legislation and the principles underlying it. I have reason to know on very good authority that the East African section of the Chamber has taken a very strong line in the matter from the beginning, and that the Secretary of State is under no illusion as to the seriousness of the opposition from various quarters to the policy of the present regime in Zanzibar.

THE correspondent foreshadows an early end of this hated legislation as a result of Mr. Binder's investigation. May his prophesy come true! Says he:

It will be surprising if, as a result of the enquiry and the detailed information (which includes Mr. Menon's Report) with which Mr. Binder has, I understand, been provided, the present legislation remains in force for any length of time, and I should not be surprised if by the early autumn a very different situation has not been created in Zanzibar.

**Mr. Jamshed Mehta and Local Self-Government.**

THE Punjab Local Self-Government Conference had this year for its president Mr. Jamshed N. R. Mehta of Karachi, whose record of public-spirited work in the Karachi municipality invests his remarks with an importance all its own. In Mr. Mehta's opinion, the roots of the present unsatisfactory condition of local self-government lie embedded in the fact that three different sets of authorities, viz. the Central Government, the provincial Governments and local bodies, are allowed to raise the funds required for their needs by separate taxation. This induces in them an attitude of mind which does not make for mutual helpfulness. On the contrary each looks to its own duties and responsibilities without stopping to inquire how its own proposals for taxation would react on the other two bodies. The people who constitute the main source from which all the government and semi-government income is drawn are consequently the worst sufferers and their lot tends to get harder and harder day by day. To avoid these evils Mr. Mehta suggests a radical alteration in the present system, by which local bodies should receive their full share of income from the Government both at the Centre and in the provinces. It is not clear whether under his scheme local bodies will be altogether deprived of their powers of imposing taxes. Probably that is what is in his mind.

ANOTHER point emphasised by Mr. Mehta is the undesirability of the provision of urban amenities virtually at the cost of the rural population. While big cities are having good roads, adequate water supply, public street lighting, educational facilities and other amenities which make life worth living the rural parts are entirely neglected. Mr. Mehta says that local self-government cannot obviously have been designed to make the city people happy and contented, while leaving the people in villages miserable, ignorant and devoid of even the elementary needs of life like water. It is no use pointing to local boards, panchayats and the like as catering for rural needs, for their limited resources seem to him to preclude the possibility of their satisfactorily discharging their duties towards the people. Mr. Mehta would therefore so widen the municipal limits as to include within them an area of thirty or forty miles round about so that both the urban and rural populations might equally share in the amenities and comforts provided by the municipal administration.

WE have left ourselves little space to notice the other suggestions put forward by Mr. Mehta from the chair of this Conference all of which are equally valuable in their own way. But we cannot conclude without pointing out that his remedy for ridding elections to local bodies of corruption is the introduction of adult suffrage. As it is, owing to its expensiveness election has become the virtual monopoly of the rich and the wealthy, really good people keeping aloof from them. Adult suffrage alone will, he thinks, besides giving them the much needed opportunities of offering themselves for election, also promote the cause of public education as nothing else can.

**Indian Settlement in Malaya.**

AMONG the questions that are to be referred for consideration to the proposed Indian deputation to Malaya should, in our opinion, be one relating to the permanent settlement of Indian labourers. This demand is repeatedly pressed by Indians of light and leading in the Colony, and the possibilities of its fulfilment, of course conformably with our national self-respect, deserve to be carefully explored by the deputation. An

earnest plea for setting aside plots of land for cultivation by Indian estate labourers was recently put forward by the Hon'ble Mr. S. B. Palmer as President of the U. P. Association in Malaya. According to the report of his speech in the *Indian (Malaya)*, he said:

Experience here and elsewhere has demonstrated that labourers owning land for growing crops or livestock are much more stable, and less inclined to wander, than those without such property; and the best way of settling labourers on an estate is to provide them with land to grow, produce or raise stock.

Allotments are, of course, available on many estates; but except in slump time, when they proved invaluable, nothing like sufficient use is made of them. We should make every effort to provide adequate land suitable for gardens and should encourage labourers to cultivate them.

Also, although there is no State land available for the purpose, village settlements can be encouraged by having portions of estate reserves cleared and prepared for use. Compact areas can be readily surveyed and excised from the main grant, and Government is prepared to reduce the rent charged on such lands.

In ordinary times they might be used for grazing or growing fodder; but in times of depression, they would have to support all those for whom there was no work on the estate. This is a matter of the greatest importance, and it demands immediate attention.

**Hyderabad State People's Demand.**

A REPRESENTATION has been recently submitted by the executive committee of the Hyderabad State Political Conference to the Nizam's Government, in which a strong case is made out for the establishment of responsible government in the State. The time selected for emphasising the demand is particularly opportune. The silver jubilee celebration of His Exalted Highness's reign had to be postponed last year owing to the death of King George V. It is sure to be arranged for in the near future. The executive committee want that the occasion should be signalised by at least a practical beginning in the direction of the establishment of democratic government in Hyderabad.

A JUMP from autocracy to democracy might appear to some to be too much to ask for. But in making this demand the executive committee can by no means be said to be asking for the moon. Their demand is in fact based on some sentiments expressed nearly seventeen years ago by His Exalted Highness himself in laudation of democracy. Speaking on a memorable occasion in 1919 the Nizam expressed his decided preference for the democratic form of government. The executive committee only asks that that preference be given practical shape.

IN this connection the representation recalls the fact that a committee was set up early in 1920 with a view to suggest a scheme of reform of the antidiluvian Legislative Council existing in the State. The committee finished its labours with commendable promptitude, but its report has since been consigned to the dusty archives of the Hyderabad Government. This is greatly to be regretted. The Conference urges that in view of the introduction of the new reforms in British India the Nizam should take steps to bring into being a legislature elected on a wide franchise and enjoying real power of the purse. The demand is eminently reasonable and deserves to be acted upon in view of the democratic spirit of the time.

## THE NIEMEYER AWARD.

ONE more proof of the determination of the British Government to inaugurate the new constitution in India at the earliest possible opportunity is supplied by Sir Otto Niemeyer's report published last week. It had been announced long ago that it was the intention of Parliament to satisfy itself about the financial solvency of the provincial and central governments before the new constitution was put into operation. The stringency of provincial finances which was chronic before the depression had become acute during the last four years. The finances of the Central Government were kept on a solvent footing only after considerable additions to taxation. Nobody hoped for a clean bill of financial health under these circumstances, and it is not surprising that even Sir Otto, who ought to know the eagerness of British statesmen for an early inauguration of the constitution, has come out with a halting report.

On the preliminary question as to whether the financial situation is sufficiently hopeful Sir Otto observes: "Adequate arrangements can be made, step by step, to meet the financial implications of the new constitution." At the cost of continuing the present high level of central taxation Sir Otto promises no more than a total annual subvention of Rs. 4½ crores to the provinces. He is not very hopeful about the railways, and indeed cannot recommend the immediate sharing of the income-tax with the provinces. Faced with a rigid level of expenditure and an extremely precarious system of revenue Sir Otto Niemeyer has followed the well-known tradition of Anglo-Indian statesmanship, of an arbitrary readjustment, calculated to smoothen some immediate difficulties but to sow the seeds of many future troubles.

Sir Otto Niemeyer's task fell into three well-marked departments. He had to find out in the first place whether the provinces as a whole, and individual provinces, are financially capable of working an autonomous constitution. Sir Otto has naturally been baffled by this question. The existing disparities among provinces either in their resources or scales of expenditure have been ruled out of discussion. As regards the elasticity of provincial revenues we have no more than an expression of opinion that consumption taxes in the provinces are not, or ought not to be, as inelastic as they are often made out to be. The chief consumption tax in the provinces is the excise, and nobody who has firsthand touch with Indian public opinion on this subject can share Sir Otto's optimism about the yield of that source. To a British expert who is brought up in a tradition of flourishing excises on beer the peculiarities of the Indian excise must be a sealed book. It is by a refusal to admit the obvious inelasticity of provincial revenues that Sir Otto has succeeded in getting out of an almost impossible situation.

Even he, however, feels constrained to recognise the practical fact, brought home to him by representations made on behalf of provincial governments, that for many of the provinces the chief hope of an expanding revenue centres round their getting a share in the proceeds of the income-tax. It is exactly at

this stage that Sir Otto, like many an expert before him, has come to a dead wall. By the fundamental requirements of Anglo-Indian policy the financial stability of the central budget is the major premise. Its content is governed by the high military and political authorities, who are beyond the reach of financial experts. Army expenditure is not likely to fall in the near future, if anything there is every prospect of a rise under that head. The general administration charges, with the scales now in force, are also calculated to rise under the more elaborate federal constitution. Sir Otto, therefore, assumes that the central expenditure, excepting likely savings on interest due to conversion of stock, is not likely to fall, and that the present level of taxation must be maintained.

To alleviate the painful effect of such a conclusion Sir Otto goes on to say that the level of income-tax in India is very low and that on the whole the wealthier commercial classes are faring much better in India than in any other country. Granting for the sake of argument the technical correctness of this statement, it does not follow that schemes of taxation reform as a whole are thereby ruled out. The plain fact is that extraordinary taxation is being continued after the need has passed on grounds quite different from those on which the surcharges were originally levied. Then again a relief in taxation need not necessarily mean reduction in income-tax. The last Assembly has made it clear that in many other ways, such as reduction in salt duty or postal charges, the revenue system may be modified so as not only to reduce the total burden but also to correct the balance of Indian taxation.

Sir Otto has taken his basic conclusions from the authorities of the Government of India, and has therefore done no more than suggest a few arbitrary readjustments. He is probably conscious of the theoretical unsoundness of his scheme, and therefore disarms all criticism on that score by saying that his scheme is in the nature of an award and aims at substantial, not scientific, justice. Sir Otto recommends cash subventions to several provinces and relief of prior indebtedness to some. He thus secures by the most demoralising of all means, namely grants or 'doles', a balancing of the budget in all provinces. In the case of Bengal he goes further and in doing so almost completely forgets his role of an expert. Bengal is already receiving half of the proceeds of the export duty on jute, and the claim has been put forward that the whole of the levy should go to the provincial coffer. Apart from the substantial justice of the claim for relief on the part of Bengal, its insistence on sharing in the jute duty has always been inherently unsound. Though it is true that in a contracting and falling market an export duty, like several other commodity taxes, has a tendency to be paid by the producer, in the long run this tax, particularly on what is generally recognised to be an Indian monopoly, is paid by the foreign consumer and not by the Indian producer. In any case there is no reason to single out this tax for special treatment

except what Sir Otto calls in another connection, the pure accident of geographical location.

Sir Otto Niemeyer himself does not recognise the essential validity of the claim that the jute duty is paid for the most part by the Bengal farmer. And yet, pressed as he is to make the two ends meet in all the provinces, he finishes with the quite unexpected recommendation that in addition to the present 50 per cent. share in jute duty the provinces concerned should have an additional 12½ per cent. Nobody who has taken the slightest trouble to acquaint himself with the most deplorable state of Bengal's finances during the last decade will grudge the Eastern province some relief. The point is, however, with regard to the method adopted. As Sir Otto would have been compelled to admit several other provinces to a just share in the central collections of income-tax he has been far more halting in his recommendations with regard to that source. Having secured some relief for Bengal by an added share in jute duty and a favourable debt adjustment, the only major province remaining with a grouse was Bombay. It is clear that Sir Otto was determined not to be convinced by the case for Bombay, in fact it appears that he had made up his mind to take a firm and unfavourable attitude with respect to Bombay's claim.

Sir Otto does not openly deny the justice of the provincial claim for a share in the income-tax, though he obviously ignores the inherent inequality and injustice of a system which leaves the whole land revenue to provinces and relegates the whole of the income-tax to the central government. The residence of the receiver of non-agricultural incomes is for Sir Otto a mere accident, and, therefore, he feels that for a given province to set up a claim for sharing in income-tax collected in its area is unjustifiable. Sir Otto is in this respect using a plausible reasoning to side track a deeper problem. It is true that in a particular case it is difficult to assume that the residence of the receiver of the income is in any way indicative of the claim of the government concerned to tax the same. But taking the present condition of the several provinces there is not the slightest doubt that in certain areas industrial pursuits predominate, and that the governments of those areas have to render many normal services to the industrial population along with the agricultural. The comparative uncertainty of residence as a guide to governmental claim to the yield of income-tax was proposed in earlier inquiries to be counteracted by excluding the yield of super-tax

from the share to be distributed among the provinces. Sir Otto's report strikes a distinctly retrograde path in the matter of the provincial share in the income-tax.

It is indeed recommended that after five years, or if the financial situation does not by then permit, after a longer period to be determined by the Governor-General, the provinces will begin to share in half of the yield of income-tax. The whole of the distributable share of the income-tax is to be treated as a fund, out of which fixed proportions, varying in each case, are to be distributed among the provinces. Bombay and Bengal will get 20 per cent., Madras and U. P. 15, Bihar 10, Punjab 8, C. P. 5, and the rest 7. The fixing of these proportions is highly arbitrary, and certainly not less open to objection than the basis accepted by previous committees and experts, namely place of residence. The doubtful nature of the whole scheme about the income-tax is bound to provoke serious dissatisfaction among the provinces, particularly in Bengal and Bombay. The mention of the relief secured by Bombay because of the separation of Sind is entirely out of place in this connection, as the main question at issue is not what a province needs, beyond its minimum of orderly and efficient government, but what it is entitled to.

A careful perusal of Sir Otto Niemeyer's report leaves one with the strong impression that the great British expert has not adequately realised that he is dealing with a Federal India composed of self-conscious provinces, and not with an Empire where the units play a subordinate and quite an amenable role. One need not be a prophet to foresee that the Niemeyer Award, like the almost notorious Meston Award, will long continue to draw on itself the severe criticism of all provincial finance members. The great uncertainty that now pervades railway finance might at any moment upset the whole of the Niemeyer scheme, and will in all probability postpone the day when the provinces may be entitled even to a small share in the yield of the income-tax. Like the other 'awards' with which the path of the coming constitution has already been strewn this one also will go through, in the shape of an Order-in-Council. By perpetuating a regime of high taxation, by intensifying the inequalities among provinces and by rendering precarious the path of provincial finance the Niemeyer scheme will obstruct the working of the new constitution and will soon call for radical reform.

## THE JUNGLE LAW PREVAILS.

THE capital of the brave Ethiopian Emperor has fallen to the Italian army, and the Emperor himself, with his consort and the Crown Prince, has had to leave the country. The invader has succeeded in overrunning Abyssinia, but one hopes that he will not succeed in subjugating it. Whatever that be, it is clear that the defeat of Abyssinia means the defeat of the system of collective security and the defeat of all notion of international morality. The issues here are plain and leap to the eyes. There is no attempt at concealment; no smoke-screen is raised

here. As Mussolini flagrantly broke the Kellogg Pact and the League Covenant in making war upon an innocent country, so he violated other equally solemn pledges in conducting the war. His armies have bombed open towns and used a deadly gas, yperite, to kill and maim unoffending Ethiopians. The Hague Convention of 1907 prohibits all nations subscribing to it to bomb unfortified towns, places of religion, hospitals and other charitable institutions. Italy has signed this Convention, and yet she has had no scruples in violating its provisions. It is known that 300 bombs

fell on the town of Harar. Some of them fell on the Swedish Mission, 50 on the Egyptian Red Cross, 14 on the Catholic Mission, 4 on the French hospital, 4 on the Harar Red Cross, and others on various churches in the vicinity. Again Italy has signed the Geneva Gas Protocol of 1925 which prohibits the use in war of asphyxiating and poisonous gases. This prohibition was accepted by Italy, as the Protocol says, "as a part of international law, binding alike the conscience and the practice of nations," but she is guilty of a definite breach of this undertaking. Italy has piled lawless outrage upon ruthless aggression.

The collective system has received a death blow; international law and justice have gone by the board. When aggression takes place, no common action in resistance to the aggressor can be relied upon. The world has definitely gone back to the old way of each for himself. It was thought when the League was established that if the independence of any of its member States was threatened that State would not be left to fight for its self-preservation, but that every other State would run to its rescue and restrain the aggressor. It was known, of course, that every State would not be able to make an equal contribution to the defence of the victim of aggression. The contribution would vary according to the resources and the geographical position of each State. But, be the contribution small or great, no State would hang back; each State would do whatever is possible for it to do to check and punish the aggressor. If this idea had at all materialised then there would indeed have been pooled security and nations would have been willing to disarm themselves, leaving it to the international police force, or the combined forces of the world, to defend them in case of an unprovoked attack. But it is found that however glibly nations may talk of their desire to uphold the Covenant, their actions are governed by self-interest. If the aggressor happens to be their friend, they will do nothing to put any kind of pressure upon him; on the contrary, they will discover some justification for the aggression. It is obvious that in these circumstances the collective system really reduces itself to the old military alliance system, and however much homage may be paid to the League, in actual fact, nations do not show any regard for international morality when it conflicts with their own national interests.

In this particular instance of the Abyssinian war, it is no doubt France which has proved the greatest stumbling-block in the way of the application of sanctions, but there is no country which has done its duty, regardless of consequences. The sanctions Article of the League Covenant, viz., Article 16, requires all members of the League to sever all economic relations with a nation which the League has named an aggressor. If this Article were honestly implemented, war would have stopped long ago. For embargoes on shipments of oil, coal, cotton, rubber, iron and steel would then have been in force since October of last year, and it is known that if only all members of the League had stopped sending oil to Italy, her war machine would have come abruptly to a halt. But so much insistence was placed upon collective action

that no country would cease exporting oil unless all other member States also did the same. And, curiously enough, in the case of oil, France was unnecessarily made the scapegoat. She is not an oil exporting country, and yet her unwillingness to apply oil sanctions was made an excuse by Britain and other countries for inaction on their own part. The Anglo-Iranian Oil Company, which is mainly under the British Government's control, was allowed to continue its oil exports to Italy. That is to say, Britain was responsible, while she was denouncing the aggressor, for supplying him with means for carrying the aggression still further. And not only Britain, but every other country. When this is the regard which nations have for their solemn undertakings, it is no wonder that the League comes into disrepute everywhere.

Sir Samuel Hoare's forebodings have come true. If the proposals concocted jointly by him and M. Laval for the dismemberment of Italy were not accepted by Abyssinia, Abyssinia would be forced, he said, to accept infinitely worse proposals later on, and the responsibility for it would lie on those who were goading Abyssinia on to resistance. As a matter of fact, the League has long been found out, and no amount of talk on the part of Mr. Eden and others about loyalty to League principles has deceived the Ethiopian Emperor. He rejected the Hoare-Laval proposals, not because he had any faith in the League, but because he thought that to go down fighting was better than to surrender. He naturally felt that it was no part of his duty to save the face of Britain and France and other members of the League who professed faith in its principles by accepting proposals which in fact were calculated to deprive him of his sovereignty. We think it is good for all concerned that the utter futility of the League has been demonstrated in its stark nakedness. Now everybody knows that the much vaunted new international order has not come into existence, that the law of force still governs the world, and that we are all on the verge of war. It is a disaster for the world at large that such anarchy should prevail, but it would be a much greater disaster for the masses of people to lull themselves into a sort of security that machinery exists for doing international justice while as a matter of fact might is still right as of old.

---

## Reviews.

---

### THE ECONOMICS OF PROGRESS.

**INCOME AND ECONOMIC PROGRESS.**  
By HAROLD G. MOULTON. (Brookings Institution.) 1935. 21cm. 191p. \$2.00.

THIS book is the last volume in a series of four studies devoted to an analysis of the distribution of wealth and income in relation to economic progress. It thus brings into focus the conclusions and arguments of the three earlier volumes, viz., *America's Capacity to Produce*, *America's Capacity to Consume*, and *The Formation of Capital*; and after presenting a diagnosis of the problem of unutilised capacity and retarded progress, puts forward a scheme of national economic policy

"destined to bring about a better distribution of the national income and hence a more rapid and steadily maintained rate of economic progress." According to Mr. Moulton, the economic engine "is adjusted perfectly only if it hums along at a steady rate under full load." The full load, of course, means here the "practically attainable capacity" of the earlier volumes. It is to be feared, however, that the interpretation which the Brookings Institution have put upon "capacity" is not compatible with their aim of a rapid rate of economic progress. One might well agree that it is all a matter of definition; yet it must be admitted that the maintenance of industrial equilibrium within the four corners of the capitalist system and the maximisation of economic satisfactions are not coterminous concepts and it is the former that the authors of the series have actually analysed in effect although it is the latter that they, ostensibly, are out to achieve. Thus, the footnote on p. 19, which attempts a further elucidation of the term "capacity," and a defence against criticism of reviewers of the first Volume, hardly meets the broader criticism.

Part I of the book relates to "Diagnosis," Part II to "Lines of Progress." The former contains a good summary of the findings the earlier volumes fully illustrated with facts and figures which are all very ably presented. The conclusion is stressed over and over again that the present problem is not one of over-production and excess capacity but of under-production relative to the vast unsatisfied needs of the masses, which fail to have a determining voice in production for lack of consumer purchasing power. This conclusion, as well as the general argument against the modern restrictionist philosophy of Control Schemes, Monopolies and Governmental quotas, is both brilliant and sound but hardly original. The fact that capacity is not fully utilised must, in the author's view, be attributed to some "deficiency or bottle-neck in the production mechanism." The search for a bottle-neck proceeds in the manner of a *reductio ad absurdum*: the supply of raw materials is abundant; there is no dearth of manufacturing capacity; the transportation system is adequate; marketing facilities have not lagged behind power; the supply of labour is as large as can be; the supply of money and credit has been only too plentiful. What, then, can possibly be the root of the trouble? The author lays his finger on the fact that there is a lack of consumer purchasing power, caused by unequal distribution and excessive saving on the part of the upper strata of income-holders. On p. 40, the "law" (which is nothing better than a statistical fallacy) is stated that "the greater the number of persons in the high income groups the larger the percentage (*sic*) of the aggregate national income that will be set aside for investment purposes." This state of affairs is, therefore, curiously enough, sought to be remedied by raising the level of incomes of the lower strata, which, by the "law", must lead to excessive saving! Consumptive demand is held to be the directional force of production and even capital production is said to be caused by this. This is indeed true as a matter of psychology; but the author does not seem to have considered the fact that consumptive demand itself, as Keynes's new theory tells us, depends upon a constant flow of investment. The fact that construction of new capital closely "parallels" (p. 43) activity in the consumption goods industries, does not warrant a converse conclusion, and it is *not* true to say that "fluctuations in the construction of capital goods have usually followed rather than preceded fluctuations in the output of consumption goods." However, the author's points that America has not lived beyond her means, or suffered from general over-production (whatever that means) are acceptable. It is, moreover, perfectly correct to insist that curtailment of production by reduction of hours and letting workmen enjoy that "quasi-commodity", leisure, would

not help but would freeze the standard of life. Wealth and income equalisations are brushed aside as either impracticable or inadequate remedies and the argument in this connection is developed convincingly. "The amount to be divided is simply not large enough to afford the desired level of well-being."

In Part II, the role of public enterprise is examined, but the treatment is superficial. The case for public work is wrongly stated. Few protagonists of public work have ever asserted that they are "essential not only in time of acute depression but as a permanent means of providing employment." Only primary employment, moreover, resulting from public work is taken into consideration and the secondary expansion, which can be very large particularly in a closed economy, is completely ignored. There follows a critique of the Federal policy of raising money wages, which, though sound as regards the conclusion, is rather muddled in its logic. It is not correct to assert, as the author does, that higher wages would cause prices to rise, in the *short* run, through increased costs. However, the author's own remedy of reduction of prices *pari passu* with increased efficiency and falling cost and consequent redistribution of real income is much better. He does not realise, however, that this is only a policy suitable for long-period management and cannot work when, in a deep depression, prices have already sagged. He is perfectly right in saying that price stabilisation has been a mistaken ideal encouraged by the rigidities of monopolism. The programme of price reduction has not, however, been fully worked out and it is doubtful how far the manipulation of prices through cartels, without the active intervention of monetary authorities, is likely to be successful or appropriate.

B. P. ADARKAR.

## COW-TESTING AND MILK SUPPLY.

DAIRY COW TESTING THROUGHOUT THE WORLD. (International Institute of Agriculture.) 1935. 24cm. 168p. 20 liras.

MILK recording has undoubtedly had quite special value in connection with the increase of national wealth of the countries concerned. Not merely has it served to raise milk production and reduce its cost in case of 4½ millions of cows for which records are kept but the off-spring and ancestry of these cows have also gained in value as a result of the determination of the yield performances.

The book supplies the reader with a general idea of all the different systems of milk recording followed today in different parts of the world. The fact of the marked increase in yield due to the system of recording is now generally recognised. During recent years some 14,000 recorders have been employed for carrying out milk recording tests in 34 countries. The book contains a classified account of all these activities with the uniform arrangement of subheads and hence serves the very useful purpose of a reference book on the subject.

India, however, finds no place amongst these 34 countries as no cow-testing activity has been taken up either by Government or non-official agency in this country. The mainstay of the dairy industry in India is the buffalo. The cow is regarded as the sacred animal by the majority and hence the difficulty of weeding out poor milkers after testing. The agriculturist looks at the cow as a bullock-supplying machine, and hence neglects her milk-giving qualities. The city stables and the absence of facilities of maintaining dry and young stock lead to the indiscriminate slaughter of the best dairy animals. The whole dairy industry and cattle breeding arrangements in India need overhauling. An experiment in cow-test.

ing was reported by Col. A. Oliver, the Animal Husbandry Expert to the Government of India in the *Live-stock of Agriculture* (August 1934). At the Veterinary Research Institute of Muktesar, it is proved that the milk yield per cow could be raised from 8 to 14 lbs. per cow per day, reducing at the same time the feeding cost by 40 per cent. In India there is a great scope for milk-recording organisations, official or non-official, so that the milk yielding capacity of the cow may be increased. Every body interested in the cattle and dairy business is recommended to go through the book to get himself acquainted with the development, organisation, registration and application of cow-testing activities throughout the world.

S. G. NAVATHE.

### SHORT NOTICE.

**THE CHURCH CONTROVERSY IN GERMANY.** By ANDERS NYGREN. (Student Christian Movement Press, London, and Association Press, Calcutta.) 1934. 18cm. 125p. 2/6.

THE author, a Swedish professor of the Univer-

sity of Lund, who gave us a great analytical book on "Agape and Eros" now turns his attention to the question of the conflict of true Christianity with Paganism in Germany. That such a book has not been written about the situation in India is not because there is no such situation in India but there is not a body of Christians, Europeans and Indians, of the Christian Church true to Christ's principles to resist the encroachments of the State as in Germany. Let me quote a few sentences from the book which seem to depict an identical situation in India.

The Christian people in India have adopted the British Government and they have adopted it as something holy—nay, as the Holy of Holies. The holiness of people and race has become the absolute value... Even to many Christians (and other missionaries) this experience of one's own people has been something so overpowering that it puts Christianity in the shade (p. 87).

We recommend the book to all Christian missionaries to be read, marked and inwardly digested.

SWAMI YESUDAS.

## INDIAN LABOUR IN CEYLON.

*The following is a memorandum prepared by Mr. R. Suryanarayana Rao, Member, Servants of India Society, and Hon. Secretary, Overseas Indian Association, Madras, on Indian Labour in Ceylon.*

HOWEVER much the Ceylonese may attempt to control and restrict immigration into Ceylon from India, it cannot be denied that the Indian labourer has come to stay in that Island. The impossibility of getting local labour and its unsuitability for estate work, even when it becomes available, and the fact that the Indian worker has, as stated by the Chief Secretary to the Government of Ceylon, "established a reputation as a steady and reliable worker" are undeniable facts. It is recognized all over the Colony that the tea and rubber industries could not have been built up and could not have been carried on so well but for the imported labour from India and that free immigration of Indians has become "an essential condition in the economic life of the Island." So year after year the flow of labourers from India has continued and it is estimated that there are at present more than 800,000 Indians in that Island, of whom nearly 700,000 are Indian labourers and their dependants. It is stated that during the year 1934, 159,398 Indians migrated to Ceylon, of whom 140,607 were labourers mostly from Trichinopoly, Salem and Tanjore, while emigration from Ceylon was only 54,790. But the rise or fall in immigration to and emigration from Ceylon depends on the prosperity or the adversity of the tea and rubber industries in the Island. The phenomenal rise in immigration in 1934 as compared with that of previous years, except perhaps 1927, is due to a rise, though temporary, in the price of tea and rubber. The demand for recruitment was so great that the labour requirements of estates were raised from a flat rate of  $1\frac{1}{2}$  labourers per acre to  $1\frac{1}{2}$  labourers per acre. It is not known what the exact number of estates assessed to paying acreage fees employing 10 or more Indian labourers now is and what the acreage of such estates is under tea, rubber, cocoa and cardamoms, which is necessary if one is to examine whether the point of saturation has been reached and if it is worth while to encourage immigration. But the economic forces play their part; also when the recruitment is in excess of

the actual requirements the Controller of Labour restricts the issue of recruiting licences. Moreover, Ceylon would require at least 50,000 emigrants in a year to replace those returning to India and the labour requirements are likely to increase when the prosperity of the tea and rubber industries is fairly established and the acreage of plantations increases. To this extent at least immigration will have to be encouraged. So the problem is not only of safeguarding the interests of the nationals of India who may in future years migrate to Ceylon, but also of those who have already settled there for a long or short period of time. That the problem is assuming increasing importance will be seen from the fact that there has been a phenomenal volume of immigration from India to Ceylon during the last 100 years, the population increasing from 10,000 in 1827 to 697,000 in 1931 and it is estimated to be nearly 800,000 in 1934. As long as Ceylon needs Indian labour—and without it she cannot get on in spite of protestations of the Ceylonese—and as long as emigration is permitted under the Indian Emigration Act, the Government of India will be perfectly justified in insisting on better conditions of labour.

The first point for consideration is whether, in spite of the Indian Emigration Act and the rules framed under it the system of recruitment of labour is satisfactory. The Kangani who is the recognised recruiting agent is not growing more honest and less able to evade the law relating to recruitment. It is true that the number of cases of evasion of law which have come to the notice of the authorities is small. But there may be many cases of evasion which remain undetected. There are rules framed under the Act to ensure that the emigrant wishes to migrate of his own accord, that the members of the family of such intending emigrant have no objection to his emigration and that he is fully aware of the conditions attaching to his emigration. Whether all these conditions are being fulfilled and whether the ignorant labourer is not lured to migrate on promises of help and attractive conditions of living, it is very difficult for any one to assert with certainty. Knowing generally the mentality of an ordinary Kangani, his equipment for the task of recruitment, his love for lending and the labourer's love for borrowing, Kangani's pence money depending upon the number of labourers, it may be safely stated that the system of recruitment is not



satisfactory. An extract from the speech of Mr. K. P. S. Menon, I.C.S., delivered in 1932 may be aptly quoted here to show the iniquities of the Kangani system.—

As an official witness put it somewhat cynically before the Royal Commission on Labour, the Indian labourer in Ceylon is born in debt, he lives in debt and he dies in debt. The trouble is that not only does the labourer love borrowing, but the Kangany loves lending. He lends because his pence money depends upon the number of his labourers. He feels that he cannot keep an adequate supply of labourers unless he makes advances to them. Perhaps also he feels that the labourer in debt is less likely to question his domination than the labourer who is free. The result is that the labourer's debts go on increasing in inverse proportion to his ability to pay. At last when the ability to pay falls below zero point and the Kangany's demands become more and more exorbitant he tries to leave the estate; sometimes he bolts. Bolting, however, is not a paying proposition because it disentitles him to a discharge certificate; and in these days of Discharge Ticket Agreement he cannot obtain employment elsewhere without a discharge ticket. He therefore gives a month's notice to his employer. Then starts a tussle between the Kangany and the labourer, between the creditor and the debtor, between law and custom. There are just 30 days left for the Kangany to screw out his money from the labourer. He therefore resorts to moral persuasion under the guise of physical threats—a persuasion which has at its back the weight of the Superintendent. He seizes the labourer's cattle, he seizes his goats, he seizes his *samans*, he tries to keep back his wife and children. Desperate, disheartened and occasionally assaulted the labourer flees from pillar to post. He petitions to the Police Magistrate, the Controller and the Indian Agent. Or he proceeds to another estate where a Kangany will be waiting with open arms to receive him and to lend him the necessary amount for repaying the former Kangany with. Thus you see that on the new estate again he starts with debt which he will never, never be able to repay. It is a vicious circle, a formidable curse, demoralising both to the labourer and the employer.

It is clear from this authentic description that the evil of indebtedness can be directly or indirectly traced to the Kangani system and it is a great stumbling block to the economic independence of the labourer. How best to remedy the present system so as to remove the abuses to which it is liable, is well worth consideration by every one interested in Indian Labour in Ceylon. Direct recruitment by the Ceylon Emigration Commissioner dispensing with the services of the Kanganis or, the abolition of the pence money or both are some of the suggested remedies. In this connection the observations of the Agent to the Government of India in his Report for 1927 on the Kangani system and his suggestions for supervision of the work of labourers may be read with interest.

The Kangani system has to my mind outlived its usefulness. Except in the matter of pence money being included in the term "wages" the law does not as such recognise the Kangani. The contract of service is with each individual labourer and it would be far better for all concerned if employers ceased to look upon Kanganis as masters each of so many labourers. The immediate supervision over gangs of labourers working on an estate could be entrusted to paid supervisors or foremen who would have nothing to do with the recruitment or upkeep of the labour force. While throwing more work on the individual Superintendent such a system would bring him into more intimate contact with his labour force and the good results to both parties—the estate and the labourers—accruing therefrom are too obvious to need mention.

It is also pointed out that due and greater publicity should be given to the various Ordinances in force affecting the labourer. In fact the statement of

information prescribed under rule 17 of the Rules under the Indian Emigration Act should contain not only particulars mentioned therein in a more explanatory and readable form, but should also contain a summary of the Ordinances protecting his interests and all information regarding the particular estate for which the labourer is recruited and not merely of Ceylon. It is well known that climatic and other conditions differ in different estates and if a labourer chooses to go to any estate he should do so with the full knowledge of everything relating to that estate.

There is the question of wages. The Minimum Wage Ordinance lays down a clear obligation on the part of the employer to give eight hours' work in the day and six days' work in the week and also guarantees the employee a minimum wage which may be subject to variations irrespective of the work turned out provided the labourer has worked for eight hours in the day. The minimum rates of wages are defined as the rates proper in cash or kind or both for an able-bodied unskilled male labourer above the age of 16 years, for an able-bodied unskilled female labourer above the age of 15 years or for an able-bodied child of either sex. It is not understood what is meant by "proper wage." Does it mean a wage which will enable a labourer to live in moderate comfort according to his standard of living? This requires examination. This means, the Controller of Labour and the Agent to the Government of India should, constantly and not occasionally, carry on investigations into the cost of living and examine how far the wages at a particular time are above or below the cost of living. From the reports published it is seen that the adversity of the tea and rubber industry caused reduction even in the minimum wage and if the wage is to be dependent on this factor as well, it is a misnomer to call it a Minimum Wage. A point for consideration is whether, when the Minimum Wage was fixed, the prosperity of the industry was taken into account and whether in that case the wages should not have been far higher than that fixed. Though the question of providing for dependants was one of the points settled between the two Governments as far back as 1926, it did not find a place in the Minimum Wage Ordinance passed in 1927. What about provision for sickness, old age, and other legitimate expenses? Ordinance No. 34 of 1935 is apparently passed to give effect to this agreed point after a period of nearly eight years. The Ordinance fixes liability on the employer to issue a monthly allowance of  $\frac{1}{2}$  bushel of rice to every male estate labourer above the age of 16 years and to every widow resident in the estate and having at least one child below the age of 10 years dependent on her. The Ordinance also permits provision of one or more meals daily to children below 10 years of age in lieu of allowance of rice. From this it is clear that the minimum rates of wages did not take into account dependants of labourers. But it is not understood how this  $\frac{1}{2}$  bushel of rice was arrived at and why commutation into kind instead of fixing the increase in cash was adopted and on what data the commutation is based. While there may be need for revision of the provision made for dependants, it is perfectly clear that this indirect increase in wages is not meant to provide for sickness, old age and other unforeseen expenses. To that extent the Minimum Wage rates fall below the absolute necessities of the labourers. This point needs examination as labourers who are incapacitated either by old age or sickness are left unprovided for. The Government of India must urge that the wages should be increased by at least 10 per cent. and this increase should be set apart as insurance for unemployment, sickness or old age till such time as unemployment relief, old age pension and sickness insurance will be accepted as legitimate charges on the estates. The figures of savings shown from the amount

of remittances to India are misleading as they are mostly from non-estate labour employed in urban areas. They are no indication of the Minimum Wage being even a "proper wage".

The Agent to the Government of India reports that *cumblis* (blankets) are issued free of cost at Mandapam by the Ceylon Labour Commission to labourers going to up-country estates. It is stated that the majority of the labourers proceed to estates situated at an elevation of 1,500 to 6,000 feet above the sea level where usually the rainfall is heavy and the climate is often cold. The Agent suggests that labourers proceeding to all estates situated over an elevation of 1,500 feet should be given *cumblis*. Out of 1,474 estates paying to the Indian Immigration Fund in 1934 only 435 authorised issue of *cumblis*. Out of a total of 140,607 labourers only 27,169 labourers received *cumblis* in 1934. It is necessary to enforce by rule or some such method the obligation on the part of all estates, at least the mid-country and up-country estates, to distribute *cumblis* to all labourers free of cost. Besides this free supply the estates should also be made to supply a *cumbli* to each labourer who has been in continuous services for at least a period of two years when he is recruited.

In view of the number of Labour Ordinances including the recent Workmen's Compensation Ordinance, the need for inspection of all the estates at least once a year should be recognised to ensure if the laws are being strictly observed. At present the only way of approaching the Agent for redress of grievances is by means of petitions. Human touch is absolutely necessary to infuse hope and cheer into the minds of the Indian labourers and assure them that the Government of India will not spare themselves to protect their interests. The Agent can hardly be expected to visit all the estates. He has enough number of petitions of various kinds to enquire into and dispose of. The number of petitions in 1933 and 1934 was 2,468 and 1,473 respectively. In the case of some at least of the petitions a personal visit of the Agent may be necessary to ascertain and verify facts on the spot to enable him to take necessary action. How is it possible for one Agent and his assistant to cope with this large amount of work? The Agent has also many social duties to perform which take up some part of his time. So it is suggested that an Inspectorate known as Welfare Inspectors should be created at the rate of at least one Inspector for 200 estates so that either the Agent or the Inspector can at least pay one visit to every estate during the year. Successive Agents to the Government of India speak of only irregularities which have come to the notice of the Agency. That there must be many which are going on undetected is evident from the fact that even the irregularities pointed out year after year continue to exist on some of the estates. As an instance it is said that the practice of giving "half-names" and "no-names" to labourers for short outturn of work seems to continue with unabated vigour. Human nature being what it is, the subordinate staff on the estates commit many abuses of laws which go undetected even by the Superintendent. Evasion of the Minimum Wage Ordinance is also another instance in point. Arbitrary reduction can be resorted to with impunity and it will be known only if the practice is continually persisted in and the labourers prefer to complain of it. The significance of what is known as the Perth Estate Case in which the Indian labourer's Magna Charta in regard to the Minimum Wage was reaffirmed lies in the fact that it is one among the many evasions of law which go undetected. The Agents to the Government of India in their Annual Reports also quote instances in which the Superintendents joined the Kanganis in harassing the poor labourers. Laxity in the enforcement of Labour Ord-

nances affects vitally the interests of Indian labourers and greater vigilance on the part of the Agency is necessary. Personal visits to estates of the Inspectors or the Agent himself will prove a good corrective and so the Government of India should not hesitate to incur the expenditure involved. It is reported that Superintendents of certain estates insist on settlement of debt as a condition for the issue of discharge certificates. That this is illegal and is another method of perpetuating the *tundu* system are facts well known. But for want of proper check these evils still persist undetected.

The question of separation of families of labourers is of urgent importance. Though the planting community seems to be fully aware that the separation of families is contrary to public policy, the practice seems to be still going on in some estates and often when a husband is discharged the wife is detained on the pretext that she is unwilling to accompany the husband. The Agents have had to help the labourers to take out writs of *habeas corpus* in order that the children may be restored to their lawful guardians. Though these abuses have been occurring for some years in the past and attention has been often drawn to them, the Government of Ceylon have not moved in the matter and not enacted a provision such as that which exists in the Labour Code of Malaya by which separation of families or any attempt to separate them is made an offence. The matter still appears to be under consideration. It is high time that immediate steps are taken to stop this practice by legislation and the Government of India will be perfectly justified in demanding immediate enactment of such a law.

The Agent to the Government of India does not generally undertake prosecutions of cases on behalf of labourers or give financial assistance unless the dispute involves, as in the Perth Estate case, some question of general importance. In cases of miscarriage of justice also the Agent has sponsored the cause of labourers when they were too poor to take action themselves. Reports of the Agents mention only a few instances in which they have interfered. But whether this policy of non-interference, except for purposes of redress of grievances by methods of conciliation is justifiable or not deserves consideration. The Indian labourer is ordinarily helpless and the wages he receives hardly enable him to keep his body and soul together. If he is the victim of caprices of the estates and their subordinate staff in which he is employed and if the Agent's intervention proves of no avail, is he to be left helpless in a foreign land where he has none to befriend him? At least in cases where the offences are against Labour Ordinances and the Controller of Labour for some reason fails to take action warranted by the gravity of the offence or even when action is taken the result is unsatisfactory, the Agent should be free to render assistance. The Government of India can trust the Agent, who is ordinarily a member of the Indian Civil Service, to use his judgment to pick and choose cases requiring his support.

There is no denying the fact that the Indian labourer in Ceylon is always in a state of chronic indebtedness. He migrates to Ceylon in search of employment, sometimes leaving his kith and kin in his native village. He goes there with the hope of bettering his economic condition. But when he reaches there and works on the estates, to his disappointment he realises he has gone to a place where the chances of his economic improvement are nil. His wage is the minimum wage always liable to be cut down on some ground or other. He sees no method by which he can find money to meet marriage and other expenses. If he has to retain employment he finds he has to propitiate the Kanganis by putting a portion of his wages in the Kanganis' "kutty sacku?"

Those who have left their families in India think of their wives and children awaiting remittances, not knowing that with the wages earned there will be nothing to spare. So finding no way out of the difficult situation, the labourers go to the ever-ready and apparently over-solicitous Kangany or the pawn-broker and borrow at usurious rates of interest. As there can be little or no saving out of the meagre wages they become eternally obliged to the Kangany from whose clutches they can never hope to extricate themselves. This indebtedness restricts their freedom of movement, for the Kangany prevents them from obtaining a discharge certificate which alone will enable them to secure employment elsewhere. Some estates stand by the Kangany forgetting the fact that by their attitude they are encouraging the perpetuation of a vicious system. Mr. K. P. S. Menon's description already quoted gives a graphic account of the fate of the Indian labourer. This tragic state kills all zest for life and makes the labourer a mere machine with no hope or cheer, the only moments of "heavenly bliss" he enjoys being when he drowns his woes in drink. It is a tragic existence a pen-picture of which it is difficult to draw but a rough idea of which with a little imagination and sympathy can be easily formed. How best to save the Indian labourer from indebtedness and the consequent demoralising effects, is a question bristling with difficulties. It is opined that illiteracy and unthrifty habits are the main causes. While it is conceded that these causes have a great deal to do with his wretched condition, it cannot be that the basis on which his minimum wage is fixed and gainsaid which does not enable him to save anything to meet his other wants, requires further examination. Thrift and Better Living Societies should be organised on each estate. It is in the interests of the estates themselves that this should be undertaken, for a contented and stable labour force free from worries of the kind described above will be able to give better output of work. Every estate should make the Co-operative Credit Society a part of its work. The Superintendent should take personal interest in such an organisation. The Government of Ceylon should realise their moral obligation to provide the necessary staff for organising and supervising the working of these societies. Co-operative Societies encourage the development of habits of thrift, careful borrowing and regular payment. They prevent indiscriminate borrowing. Besides credit societies, organisation of co-operative stores for labourers, one in each estate or one for two or three estates as the case may be, will prove a great boon. Credit purchase which is the common practice results only in reckless and unrestricted borrowing. It is understood that successful attempts have already been made to start societies and stores in some of the estates. But the Government of India should put pressure on the Government of Ceylon to undertake this work seriously.

Whether a free passage to India should be provided for each labourer after a period of continuous service at the expense of the estates calls for attention. When such concessions are demanded by and granted to even highly paid services, this concession to a poor labourer who gives his best to his estate and by the sweat of whose labour the estates make profit will not be too much. Though rules regarding repatriation are being interpreted liberally it is well to recognise by law that every immigrant unwilling to stay in the Island either before or after one year, and for any reason, should be repatriated.

The housing problem especially in areas with high altitude in which most of the estates are situated is of great importance. Every estate should be compelled by law to provide adequate housing accommodation of the approved design. Ordinance No. 27 of 1921

empowers the Principal Medical Officer to make rules with the approval of the Government for the location of coolie lines, the manner of and plan for their construction etc., for provision of sanitary conveniences such as latrines, drainage and water supply. It is not known how far this Ordinance is being enforced. This with the Housing Ordinance will go a great way to better the lot of the labourer. The heavy toll of mortality which generally accompanies malaria breaking out in an epidemic form should be avoided by taking preventative measures such as anti-malarial operations. The Government of Ceylon should by rule or Ordinance insist on the estates carrying out the minimum requirements suggested by the Director of Medical and Sanitary Services. It is reported that in 1934 2,620 labourers died of debility and 2,242 of pneumonia. The Government of India should call for a report every year from the Government of Ceylon stating whether deaths due to preventable diseases cannot be checked by taking suitable measures and how far such measures have been effective. The enactment of the Maternity Benefit Act and provision for infant care are urgent reforms long overdue. If Ordinance No. 9 of 1912, dealing with medical wants is not sufficient to enforce provision of adequate medical and sanitary facilities the Government of Ceylon should not hesitate to enact another Medical Wants Ordinance making it obligatory on the estates to provide for necessary medical wants.

It looks as though the Government of Ceylon is very anxious to provide all the amenities to which the South Indian labourer is accustomed in his village. Since 1926 estates are being encouraged to run what are euphemistically called 'canteens'. All kinds of estate canteens numbered 15 at the end of 1934. It is hoped the Government of India will not insist on providing this amenity as even in this country public opinion is increasing against drink.

Out of 1,474 estates only 587 estates maintain schools for the children of the labourers. A large number of children of school-going age are not receiving benefits of education. Every estate should be required to maintain one or more schools and that parents should be induced to send their children there. A free mid-day meal may prove attractive. As children above 10 years of age can be employed on the estates, automatically the school-leaving age is 10. It should be raised to 12 prohibiting their employment earlier. It is also necessary to consider if children between 12 and 16 years of age should be permitted to work for 8 hours and whether it is not necessary to provide further educational facilities for them till the age of 16 years. At any rate a reduction in the hours of work in their case is called for.

It is the duty of the Government of India to see that adequate provision for recreation and amusements is made on each estate. Removed from the surroundings in which most of them were born and bred up, the Indian labourers need recreational facilities to forget their exile from their homes and Workmen's Clubs should form part of the equipment of every estate.

This memorandum deals only with the estate labourers. Matters relating to Indians other than estate labourers will be dealt with on a future occasion. The memorandum is by no means exhaustive; it contains only some points culled from various reports and deals with them perhaps in a perfunctory manner. But all the same it raises some questions of importance which vitally affect the future of the Indian labourer in Ceylon and on the solution of which will depend the contentment and happiness of a 'loyal, hard-working and productive worker' as the Indian labourer is aptly described.

It is stated that the Government of India propose to send out a deputation to Malaya in order to study the labour conditions there and report before the question of future emigration is settled. Is it too much to hope that the same deputation will be asked to visit Ceylon also? It may be remembered that the questions of emigration to Ceylon and of that to Malaya stand on the same footing and are governed by the same set of rules framed under the Indian Emigration Act.

### THE CONGRESS AND THE STATES.

*The Working Committee of the Indian States' People's Conference passed the following resolution on the 2nd inst. in Bombay :*

**T**HE Working Committee of the Indian States' People's Conference deeply deplores the defeat of two proposals made on behalf of the States' people in the last session of the Congress. The first, defeated in the Subjects Committee, asked for a promise to include in the Constituent Assembly, if and when one is convoked, the representatives of the States' people on a footing of equality with the representatives of the people of British India. The second, defeated in the open session of the Congress, asked for recognition by the Congress of its duty to give active help to the States' people in their struggle for political freedom as the resources available to the Congress would permit of such help being given.

The Working Committee can conceive of no valid excuse for rejecting the first demand as it lays upon the Congress no further obligation than to refuse to take part in framing a constitution for all-India in collaboration with the Princes as representatives of the States on the Constituent Assembly and without consultation with and approval of the States' people.

The second demand too, in the opinion of the Working Committee, does not impose upon the Congress any onerous obligation. It leaves to the Congress unfettered judgment as to the particular struggle in which it may give active support to the States' people, but only asks for an unambiguous enunciation of the principle that, British Indian people and States' people being common members of the Congress, it shall not discriminate between the two, giving active help to the former and reserving only moral sympathy for the latter. By the resolution adopted

at the last session on this subject the Congress in effect reverts to the policy of non-intervention in States' affairs, in order to undo which the Congress altered its constitution in 1928 at Calcutta and admitted the States' people in its fold. Unless this policy of non-intervention is reversed the Congress will again become a British Indian Congress.

The Working Committee hereby declares its firm resolve not to rest content till the Congress accepts both the demands of the States' people, for it believes that their acceptance is as much in the interest of the Congress and of the people of British India as in that of the people of the States.

*The Congress at its last session passed the following resolution :*

The Congress, while reaffirming the resolution regarding Indian States passed in the Calcutta session of 1928 and expressing its approval of the policy laid down in the statement issued by the A. I. C. O. in Madras in October 1935, desires to make it clear that, in its opinion, the people of the States should have the same right of self-determination as those of the rest of India, and that the Congress stands for the same political, civil and democratic liberties for every part of India. The Congress, however, desires to point out that the struggle for liberty within the States has, in the very nature of things, to be carried on by the people of the States themselves.

### BOOKS RECEIVED.

- RULERS OF AMERICA.** By ANNA ROCHESTER. (International Publishers, New York.) 1936. 24cm. 366p. \$3.50.
- UNEMPLOYMENT. AN INTERNATIONAL PROBLEM.** A Report by a Study Group of Members of the Royal Institute of International Affairs. (Chairman: The Viscount Astor.) (Oxford University Press.) 1935. 24cm. 496p. 25/-.
- MATTER, MYTH, AND SPIRIT OR KELTRI AND HINDU LINKS.** By DOROTHEA CHAPLIN. (Rider.) 1935. 22cm. 224p. 8/6.
- THE UNIVERSITIES OF INDIA.** By P. SESHADRI. (Oxford University Press.) 1935. 22cm. 58p. Rs. 2.
- NATIONS CAN LIVE AT HOME.** By O. W. WILCOX. (Allen & Unwin.) 1935. 22cm. 279p. 10/.
- PACIFISM IS NOT ENOUGH.** By WILLIAM E. RAPPARD and others. (Problems of Peace-Ninth Series.) (Allen & Unwin.) 1935. 20cm. 269p. 8/6.

ESTABLISHED 1911.

## The Bombay Provincial Co-operative Bank Ltd.

(Registered under the Co-operative Societies Act.)

Head Office: Apollo Street, Fort, BOMBAY. (Branches: 28)

Apex Bank of the Co-operative Movement in Bombay Presidency.

**WORKING CAPITAL Exceeds Rs. 2,00,00,000**

**FIXED, CURRENT AND SAVINGS DEPOSITS ACCEPTED.**

*Terms on Application.*

**ADVANCES** made only to registered Co-operative Societies.

**COLLECTION WORK** undertaken at almost all important towns in the Bombay Presidency

Money deposited with this Bank directly benefits the agriculturists and persons of small means.

*For further particulars write to Managing Director.*