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Topics of the Week.

Harijan Conversion.

THE private correspondence between Dr. Ambedkar, Dr. Munje and Mr. Rajah, now published by the third without the permission of the first two, shows how far the conversion plan of Dr. Ambedkar has gone. No one now need suppose that this plan was a mere empty threat; we must, on the contrary, face the grim fact that at one time or other it will be translated into a reality. Dr. Ambedkar never left anyone in doubt that with him it was not a matter purely of a change of faith for spiritual solace. We know for a fact that he is not an atheist or an agnostic as so many of the modern educated men are. He is a religious-minded person, and to him a change of religion is not just like a change of clothes, a mere matter of convenience. His intention to leave the Hindu fold is therefore invested for Hindus with awful significance.

BUT all the same, as Dr. Ambedkar himself avers, the change of faith is prompted mainly by social, political and economic considerations, and therefore he is open to consider offers from all religions in order to decide which religion will give best advantages to his community. Similarly Dr. Munje is anxious to bring about an arrangement which will do the least damage to the solidarity of the Hindu community. It is in this sense that he offers to raise no objection on behalf of the Hindu Mahasabha if Harijans will change over to Sikhism, which in fact is a sect of Hinduism, though it is now currently believed to be a different religion. Dr. Moenje further offers that all the concessions and

privileges secured to them by the Poona Pact will be continued to them even after they have gone over to Sikhism. Dr. Ambedkar too does not appear to be unfavourable to the idea, though he knows that in some respects other religions have more to give. Granted that a change of religion is to take place, there is no question that, from the point of view of Hindus the arrangement proposed by Dr. Munje is the best.

WE must say that all this fills us with great sorrow. It is a matter of shame to caste Hindus that a large section of Harijans should think that they have no future in Hinduism. Dr. Booker Washington, the American negro leader, used to say to the whites: "You cannot keep the black man in the ditch without staying there yourselves". The same kind of appeal has been addressed by Dr. Ambedkar to the educated Hindus, but the appeal has not had the response which would satisfy educated and aspiring Harijana. Even if Harijans took themselves out of the ditch by becoming either Christians or Muslims or Sikhs or Buddhists, caste Hindus would still remain in the ditch. So long as they retain their caste prejudices and caste prerogatives, they are in the ditch. We see signs of their struggling to get out, but the signs are not half as strong as we would like.

Restrictions on Frontier Gandhi.

THOUGH public sentiment appears to be in favour of council entry, one is not sure that some foolish action on the part of the Government may not unexpectedly give a fillip to the movement for council boycott. This movement is quiescent at present but may raise its head at any time, the Government themselves being its unintended promoters. Their latest act of this character was the action they took in regard to Khan Abdul Gaffar Khan, popularly known as the Frontier Gandhi. After serving his sentence of two years rigorous imprisonment for sedition, he was set at liberty last week, but his entry into his own province and the Punjab was simultaneously banned. If the Government had properly understood their own interests it is unthinkable that such a suicidal step would ever have been taken.

MR. KHAN'S presence in the Frontier province would undeniably have strengthened the Congress cause and the Red Shirt organisation but would in no way have helped the party advocating a boycott of the new constitution. He is too devout and loyal a follower of Mahatma Gandhi who is now an uncompromising a champion of the cause of entry into councils as he was not long ago of their boycott to do anything not having the Mahatma's approval. His presence would thus have resulted in putting fresh heart into the party of constitutionalists, which is the crying need of the hour.

BUT the Government's action in regard to him has served to give a stimulus to the idea of non-cooperation with the reforms, which, if indications are to be trusted, threatens to gain ground in the Frontier province owing to the illiberal and repressive acts of the local authorities. Apart from the serious personal injustice to Mr. Khan involved by these restrictions, their helpfulness in lending strength to the boycotters' elbow, if nothing else, should dictate to Government the wisdom of their removal.

The Mahatma's Tactics.

THE *Hindustan Times* has a correct appreciation of the problem of the States as it presented itself to the British Indian politicians who took part in the Round Table Conference. It admits that "on the matter there can be two honest opinions." One opinion is that fight should first be concentrated with the British Government by forming a patriotic front with Indians of all classes and interests, and when success is attained in this fight issue should be joined with the Princes. But the other opinion is that, federation being now proposed, battle should be given both to the British and Indian rulers at the same time. To the *Hindustan Times* the former appears to be the only practicable course, and it thinks it too idealistic altogether that "the Congress, contemptuous of all tactical considerations, should espouse the rightful cause of States' subjects."

HERE let us say one preliminary word about tactics. We are not learned in sacred literature, but the word "Mahatma" connotes to our lay mind one who always places Principle before Expediency. We conceive of him as a man who tries to attack evil where he finds it without looking right or left. In any case he would not postpone attacking a greater evil having its origin in our own people to a lesser evil residing in foreigners. Such a spirit of narrow nationalism or racialism appears to us to square ill with the mental make-up of a saint. How else is a mere politician who is of the earth earthy and always guides his policy by tactical considerations to be distinguished from a Mahatma? Politicians of the better type are honest and truthful enough, but they frankly give as much attention to strategy as to the inherent merits of a case and occasionally side-step a question even of urgent importance because it will not be of political advantage for them to take it up at the time. In a Mahatma, as we picture one to our minds, uncompromising devotion to truth would be required. Does the *Hindustan Times* suggest that, in following the policy that Gandhiji did towards the States, he descended to the level of a mere politician?

AND what is the practical outcome of the tactics adopted by Gandhiji? Did he, by refusing "to espouse the rightful cause of States' subjects," succeed in getting the Princes to support, not to speak of any extreme demand made by him on the British Government, even one single moderate demand made, let us say, by Sir Tej Bahadur Sapru? Did they join in the demand for relaxation of control by the Financial Adviser or rapid Indianisation of the Army or the bringing of the Indian Civil Service under the Indian Government? The constitution could not possibly have been worse if the Princes had not been cultivated with such tenderness. What then is the actual result of Mahatma Gandhi's turning his back on "the rightful cause of States' subjects?" Only this—that the British Government has been able to underpin its own autocracy to the autocracy of the Princes. Perhaps by pursuing a more straightforward

course we should have had only one autocracy on our hands to deal with. The supposedly superior tactics of Mahatma Gandhi have only landed us into a double autocracy. There might be some justification for deviating from principle if it were to secure some solid good, but to abandon "the rightful cause of States' subjects" only to have superadded to our existing difficulties that of the wrongful domination of the Princes does not appear to us to be any very brilliant strategy.

BUT, the *Hindustan Times* will say, Mahatma Gandhi will destroy the federal constitution, and with the destruction of the constitution the domination of the Princes as well as of the British Government will disappear. But will the Princes remain friendly while this process of destruction of the constitution is in progress? Where is the sense then of trying, at the cost of renouncing a "rightful cause", to keep on to the right side of the Princes in order to bring about a federation which you will destroy and in destroying which you will necessarily alienate the Princes? Is fighting for the States' people from the inception of federation such an absurdly quixotic proposal?

HOWEVER, we agree that it was a matter of strategy with Gandhiji in going rather gingerly with the advocacy of the States' people's cause. His object was to make common cause with the Princes and present, as the *Hindustan Times* itself says, a united front to the British Government. If so, is it likely that he would not have caused his attitude to be made known to the Princes? How is a united front to be brought about if any fears that the Princes might have entertained about Mahatma Gandhi from his extreme views in regard to British India are not dispelled? And how then is it "an unworthy charge" for us to have stated that Gandhiji behaved in such a manner at the R.T.C. as to make the Princes assured in their minds that, however dangerous he might be to the British Government, he was friendly to them? The very strategy which the *Hindustan Times* says that he followed and which it approves implies so much. Surely, our contemporary does not consider the Mahatma to be so utterly devoid of practical talent as to plan, so to say, a Pact of Friendship with the Princes and then conceal from them his real intentions. The pact would not materialise that way.

Sir P. Chetwode & Indian Army.

DURING the regime of Sir Philip Chetwode as Commander-in-Chief the "experiment" of Indianisation was extended from the eight units to which it was originally restricted to a whole division of the Indian Army. This was officially represented as a concession to the public demand for more rapid Indianisation. In point of fact, however, it was nothing of the kind. The extension was forced on the authorities as a matter of necessity. Evidence to support this view is furnished by Sir Philip's recent lecture in London before the East India Association. This is what he had to say on this point:

The experiment, as you know, began with eight units detailed for eventual Indianisation. They became overcrowded, and by the time I took over command it was necessary to increase the experiment to fifteen units, departments and services; to make a start with a brigade of artillery and an air squadron. Before very long—that is to say, about 1939 or 1940—there will again be congestion among the young officers, and the number of units detailed will not be large enough to balance themselves by the normal process of intake and wastage. The Government will have to decide whether to increase the quota or not.

So what was responsible for the extension was sheer force of necessity.

SUGGESTIONS for reducing the unbearably heavy cost of the Indian army include one for the enlargement of the air force to be followed by a corresponding contraction of the Indian land army. Sir Philip scolds the suggestion as being not less costly.

Air power is not so cheap to buy and maintain as some people imagine. It costs from Rs. 17 to Rs. 20 lakhs a year to maintain a squadron, and anything up to Rs. 40 lakhs or over to purchase the machines, to say nothing of the cost of barracks and buildings to accommodate them. In other words a squadron of air costs as much as three battalions of Indian infantry to maintain, and the initial cost is vastly greater.

His conclusion therefore is that "situated as we are on the frontier in India, and especially in regard to internal security, it is still heads that count very largely."

IN a recent debate on military affairs in the Upper House of the Indian legislature the present Commander-in-Chief was reported to have hotly contested the proposition that the so-called Russian menace had anything to do with the Government's military policy. The ex-Commander-in-Chief's views on this matter will, we are afraid, be a source of considerable embarrassment to the present holder of that high office. But this cannot be allowed to come in the way of our bringing them to the notice of our readers.

The Indian frontier (said Sir Philip Chetwode) is within touch of the Russian menace, which advances and recedes according to the state of the rest of the world and Russian politics, but is always there. . . . Given a cause, given the leader, given an opportunity, the cause being a weak India with an indifferent army, the object being the looting of India, is it outside all possibility that a leader may appear (in Russia) with such a tempting bait to offer to his followers that they will sink their differences?

And is one to suppose that the military budget of India is not framed in view of these considerations, though the present Commander-in-Chief would have us believe to the contrary?

Appalling Labour Conditions in Ceylon.

AN officer of the Labour department of Ceylon was recently told off on an inquiry into the conditions of work of Sinhalese labour in tea estates in some districts. The results of his investigation are as damaging to the Ceylon Government as to the employers. The officer found that in many estates payment to the labourer was made on the truck system. Where monetary payment was in vogue, the payment was irregular. Instead of payments being made monthly or fortnightly, as they should be, they were half-yearly or quarterly or once every two months. Though the truck system is legally abolished in England it still persists in this Crown Colony. The system consists in the employer issuing chits for the supply of provisions or other necessaries of life to a labourer upon a shop which is owned by the estate itself. This system, as the Controller of Labour explained at a planters' meeting, worked unfairly to the poor labourer. Prices in the shop were not controlled and more often than not were actually higher than the prevailing market rates. But the labourer had no other alternative than to make his purchases in this shop at these enhanced and even exorbitant prices. The hours of work too were found to be unduly long. The officer specially mentioned the case of a woman who had to work for twenty-four hours at a boiler at a stretch for which

she got no more than 30 cents, or five annas. Can heartlessness go further?

IN the discussion that took place on the officer's report, there was found to be complete unanimity amongst the planters as to the desirability of the introduction of some labour laws in regard to estate labour in Ceylon. The Controller of Labour seemed to favour the introduction of a minimum wage, though he saw difficulties in doing so. In the first place he was afraid that such a measure would be difficult of enforcement in view of the enormous number of small estates employing indigenous labour. To watch its operation and to detect any offences against it, a very large staff of inspectors would be needed, which is apparently not a matter of practical politics in the present financial condition of the Ceylon Government. It therefore seemed to be his aim, to judge from his part in the discussion, to concentrate his efforts for the present upon securing for the labourer an increase in his wage so as to make it a fair wage. We wish him godspeed in his endeavour to secure humane conditions of work for Sinhalese labour.

Jhabua.

IT is greatly to be regretted that the hard lot of the people of Jhabua has not yet come under the notice of the Paramount Power. The ex-ruler of the State against whom there were loud complaints of misrule and oppression was displaced by a Council of Administration of the Paramount Power's choice. But this change of their masters has not brought the woes of the people to an end. As a matter of fact, the change has been one from the fire into the frying pan and the Council which was avowedly designed to ensure the blessings of fair and just rule to the people has failed to fulfil the high hopes to which its creation gave rise.

THE maladministration on the part of the Council during the last few weeks has aggravated public discontent to such a pitch that large numbers of the subjects of the State, finding life intolerable in the State, are compelled to leave it in sheer despair. Many of them have already gone to the adjoining Dohad district in British India and the exodus will continue unless steps are urgently taken by the suzerain Power to retrieve the situation by making it possible for the people to enjoy the benefits of good government. The desirability of early action to that end by the Paramount Power cannot be over-emphasised, specially in view of the problems which the invasion of large numbers of State subjects on British territory is likely to create for British Indian administrators.

LET the Paramount Power however be cautioned against the sedulous propaganda set afoot by the Council, since the All-India States' People's Conference which recently met at Karachi pointedly drew the attention of the Paramount Power to misrule in Jhabua, to make it appear that all was well with the State. Let not such propaganda mislead the Viceroy. For public meetings to secure a general certificate of good conduct in favour of the Council are said to be actually got up by the Council itself, which is reported to be using even coercive methods in order to force unwilling people into submission. The situation is thus very critical and cries for remedial action. The first step to such action is obviously an inquiry in order to get at the truth. It would put some heart into the people of Jhabua even if this is set on foot without delay.

District Boards in Bihar & Orissa.

A FEATURE of the working of district boards in Bihar and Orissa during 1934-35 was the extension of their statutory tenure from three to five years. The legislation authorising this prolongation in their life was passed and put in operation during the year under report. The principal argument advanced in its support, while the proposal was on the legislative anvil, was that as the normal life of the future legislatures of the land had been fixed at five years, it was in the fitness of things that an equally long span of office should be vouchsafed to bodies working in the humbler field of local self-government. The period of three years for which these bodies could exist under the law in force till then was described as being too short to allow of the formulation and enforcement of comprehensive schemes of public utility. We are not concerned here to examine the validity or soundness of these considerations except to state that under the new law the term of life of the boards, both district and taluka, was fixed at five years.

THE educational expenditure of the district boards in the province increased by about Rs. 1¼ lakhs, to Rs. 45,62,000, which is a matter for some satisfaction. This feeling will be heightened by the fact that no part of this increase went to the financing of the construction of school houses, for which separate financial provision was forthcoming. The increase, we are told, was not confined to a few districts but was shared by most of them. It is difficult to ascertain from the report whether the number of pupils in schools went up and if so, how much. The educational statistics are unfortunately so presented that it is not possible to get this information without elaborate calculation. May we suggest that the relevant table be in future compiled in such a way that the total number of pupils in the year to which the report relates and that preceding it would be available almost at a glance? Also in view of the wide public interest evinced in the problem of the uplift of the depressed classes, it is proper that the report should furnish to the public fuller information about their educational progress.

Panchayats in C. P.

THE report of the Village Panchayat Officer, C. P. and Berar, for 1934-35 is an interesting document. The number of panchayats rose by 56 to 917. Even so it would be going too far to say that the importance of the panchayat movement is adequately realised everywhere in the province. For if it had been we would find district councils much more active in adding to their number by all means within their power rather than considering their duty discharged, as they seem to do now, when they appoint either a paid or honorary panchayat officer or a sub-committee to be in charge of their panchayat work. If these functionaries had been really serious about their work, the province would by now have been studded with a net-work of these village self-governing bodies. We hope that steps will be taken by proper authorities to stimulate public interest in the panchayat movement.

THE complaint against the panchayats in C. P. and Berar not long ago was that they preferred to attend to their judicial duties to the neglect of administrative or civic ones. The remedy was to insist, as a condition precedent to the grant of judicial powers, upon the performance by them of administrative duties for a stated period. The remedy seems to have worked well, for in the year under report 43 per cent. of panchayats were doing administrative work of one kind and another. The general unwillingness of panchayats to undertake administrative duties is to

be traced to the fear of public unpopularity consequent upon the imposition of new taxation, without which it seems to be widely believed that no civic work is possible. The belief is apparently not very well founded, in view of the fact that out of the total of about 400 panchayats taking interest in municipal work, not even 50 per cent., 183 to be exact, had resorted to taxation. Need it be specially pointed out that the imposition of new taxes is not an essential condition of the performance by panchayats of civic duties, some of which do not cost anything? If the public misconception on this head is effectively dispelled it will go a considerable way to help the progress of the panchayat movement.

AS usual, panchayats attended to a considerable volume of judicial work. The number of village benches went up from 842 to 905, an increase of 63. Out of 5,920 cases disposed of, accused persons were acquitted on compromise in about 3,200 cases, after trial in 1,200 and on admonition in 177. The number of village courts trying civil cases was also 905. They disposed of 8,439 cases as against 10,200 during the previous year.

Land Settlement for Indian Labourers in Malaya.

THE contemplated scheme of land settlement for Indian labourers in Malaya is having many new adherents amongst planters who were so long opposed to the idea of encouraging Indian labourers to settle permanently in the Colony. The rationale of this change of front on their part is easily intelligible. Malaya has to look to India for her labour supply which is dependent on the good-will of the Indian Government. In a matter of such far-reaching importance to the planting industry the planters felt they were too much at the mercy of the Government of India. If that Government took it into its head, for some reason or other, to stop emigration of Indian labour to Malaya, they were afraid that the planting industry would go to rack and ruin.

REALISING the precariousness of their position, they set about exploring new methods of ensuring their labour supply and hit upon the expedient of encouraging Indian labourers to settle permanently in Malaya by giving them plots of land where they could live, grow vegetables and breed goats and other livestock. In case this scheme worked successfully, their dependence upon India for the supply of labourers would, they thought, cease for all time, and they would have a perennial source of local labour supply so that Malaya would, in course of time, be self-contained in regard to her labour requirements.

SO far as one can see, the scheme has received a generally favourable reception in Indian circles both in Malaya and India which augurs well for its success. The *Indian* has, however, a point to suggest which, we hope, will receive from the framers of the scheme the consideration its importance deserves. With the present wage rates in force in Malaya it is well known that the average Indian labourer is always in want and cannot lay by anything for use on such extraordinary occasions as marriages or festivals. Moreover many calls for help are made on his slender purse from India. When faced with the need to raise money in such emergencies he is almost sure, according to this paper, to use the land allotted to him under this scheme as a security or even to sell it away. Since the planters want to enrich themselves by the sweat of the Indian labourer's brow, it is only fair to expect them to devise means of protecting him from the consequences of his improvidence. If we have understood the *Indian* aright this is what it is driving at.

THE MAHATMA'S STATES' POLICY.

I.—LETTER FROM MR. BALVANTRAY MEHTA.

TO THE EDITOR OF THE SERVANT OF INDIA.

SIR,—I have seen the article in the SERVANT OF INDIA reviewing the speech of Dr. Pattabhi. I have also seen the leading article of the *Bombay Chronicle* replying to the charges framed by the former against Mahatma Gandhijee. As one who had every opportunity to discuss with Gandhijee his attitude towards the rights of the States' people in the new constitution and as a responsible official of the All-India States' People's Conference who carried on talks with Gandhijee on this subject immediately after the Gandhi-Irwin truce at Ahmedabad, again at the time of the Congress at Karachi and on several occasions afterwards, I should like to dissociate myself from the allegations made by the SERVANT OF INDIA against Mahatma Gandhijee regarding his stand on the question of States at the Round Table Conference. I am sorry to see that a responsible journal like the SERVANT OF INDIA has somehow been seriously misled on this important matter. I wish it takes an early opportunity to withdraw the undeserved and unjustified allegations made against Mahatma Gandhijee.

Gandhijee never played a misleading part either at the R.T.C. or at the Congress nor did he betray the interests of the States' people on any occasion. His, and for the matter of that the Congress's, acceptance of the idea of federation in the Gandhi-Irwin truce was not unconditional. Gandhijee made that clear to us immediately after the truce at Ahmedabad. He was not going to accept a federal scheme if it failed to satisfy certain well-defined conditions. He had specially mentioned the necessity of guaranteeing certain fundamental federal rights to the people of the States. He also stressed the necessity of protecting those rights through the machinery of a Federal Court. He further maintained that there should be an element of popular representation in the federal legislature. He had assured us that these three were the *sine qua non* of any acceptable federal scheme. He had made it clear that he had every confidence that these requirements were sure to be fulfilled before the Congress decided to accept any federal constitution. He was prepared to break the Conference if he failed to secure satisfaction on these points.

These assurances first given to us at Ahmedabad were repeated by him to many friends at Karachi. He even hinted at it in his speech at the open session of the Congress. While making these comments, Gandhijee had made it clear that he had his own method of doing things. He might not exert himself in the old orthodox way to redeem these promises. He desired to be left free to choose his own method and to work in his own way, provided that ultimately he succeeded in getting what he had promised. The workers of the States' people had agreed to this and Gandhijee had their willing consent in carrying on his negotiations in this behalf in his own inimitable way.

We have learnt on good authority afterwards that Gandhijee had received a very good response from some of the leading Princes on these points. He was very confident that if the R. T. C. did not break up on other points, it would not have to break on this point. He was certain of substantial support both from the Princely and from other influential quarters in the acceptance of his modest demands on behalf of the people of the States.

Gandhijee actually worked to this end both in India and in England. He again, I believe, received reassurances on this point from those who were in a position to deliver the goods. He had not the least doubt that the R. T. C., if it did not break on other points, would have to break on this one.

His promise to secure the rights for the States' people or, failing satisfaction, to break the R. T. C. held good even in the uncongenial atmosphere of England.

I do not think we could blame Gandhijee for his methods. After all they are the sources of his strength. We cannot impose our methods on our plenipotentiary. Given the instrument of instructions, he must be allowed to choose his methods. His choice therein must be free and unfettered.

With the unexpected and sudden downfall of the Labour Government from power, the R. T. C. took a different turn. Gandhijee, as was feared both by himself and many others, could not agree with the British on many more vital points. He saw that there was little hope of any genuine reconciliation between England and India under the circumstances prevailing. He was not given a sporting chance to work for success. The tragedy is too fresh to require any special mention. Gandhijee could not reach the point when he could usefully negotiate on the question of the rights of the States' people. The atmosphere was lacking. If he had to exert to secure these rights not as a result of fight, but as a result of negotiations, he did require a proper atmosphere to get on with his work. This was entirely lacking, specially after the downfall of the Labour Government, and Gandhijee had no opportunity to conclude the negotiations that he had started. As regards his utterances at the R. T. C., well, they form part of his method and it is useless to cavil at them. You have to take him as he is, if he is to be of any use. His pleading and his arguing have a different meaning from those of others. He has his peculiar way of putting things. It was not the phraseology that he used that matters; it is the spirit behind it, the unalterable faith and the determination to secure that for which he seems pleading and arguing that matters.

He would bend before the Viceroy and beg him to repeal the Rowlatt Act. He would go on his knees to secure the abolition of indentured labour, the rights of the Champaran Kheduts or the release of the Ali Brothers. It is a part of his unique method. There is an unconquerable will to win behind this humble petition. There is a strength of purpose behind all his pleadings. So, let us not decide (*sic*) his words,

his methods. Gandhijee did his best at the R. T. C. and failed. No discredit attaches to him for his failure. He has not betrayed his trust. If an opportunity arises, if he sees his way to be useful, we shall see that he again rises to the occasion and takes us to the promised goal.

We should, without bringing (sic) him on every little occasion, carry on our work in our own way. If we are sincere and if we carry on with unflagging zeal and undiminished ardour, if our methods are otherwise clean, Gandhijee is sure to support us and be helpful to us in his own way and in his own time. So I pray to my friends to continue the noble work that is ahead of us in a spirit of service and sacrifice, with all humility and sincerity. We should, above all, resist the temptation of criticising the one man who is trying to work ceaselessly for the underdog in a most effective manner for the best part of his life. We have to woo him to our demands not by harsh criticisms, but by the strength of our work and worth.—Yours, etc.

BALVANTRAY G. MEHTA.

II.—THE EDITOR'S REPLY.

WE are not surprised at this communication from the General Secretary of the Indian States' People's Conference. It is within the experience of every journalist that people come to him and talk bitterly of some gross injustice suffered by them in some State, say, confiscation of property, and when the journalist offers to ventilate their grievance in his paper they go down on their knees to him and say: "For heaven's sake, don't do that. We have some little property left yet in the State; in order to preserve it, we must avoid publicity." Mr. Balvantray Mehta, himself a Congressman, cannot afford to offend the Congress dictator, for he realises the need of "wooing" the latter, as he says, to support the demands of the States' people. His testimony, not being disinterested, will not help in arriving at an impartial determination of the question as to whether Mahatma Gandhi did, or failed to do, all that was expected of him in the interest of the country's freedom. Such determination must be based upon independent evidence.

Mr. Balvantray Mehta refers to the promise that the Mahatma had made to the States' people to reject federation and even to break the Round Table Conference if he did not secure for them elected representation in the federal legislature and the placing of their fundamental rights under the guarantee of the federal court. The least that one who is pledged to obtain these results would do is to leave no one in doubt that these are the essential conditions of federation. It is agreed on all hands that Mahatma Gandhi failed to do so at the R. T. C. and this failure can only mean to all those who are capable of taking a judicial view of the matter that he defaulted on his promise. He was given an opportunity later of retrieving his position; he could then have made use of the golden bridge that was offered to him of retracing his steps and showing that he was alive to the promise he had made. Mr. N. C. Kelkar, the then President of the

Indian States' People's Conference, and some others who waited in deputation on Mahatma Gandhi in Poona on 20th June, 1934, subsequently presented to him at his own instance a Memorandum which contained the following passage:

While on this subject it would be well to refer to the apprehensions that have arisen in the mind of the Indian States' people by some passages in your speeches at the Round Table Conference. You pleaded earnestly in this Conference with the rulers of the Indian States for allowing the States' representatives in the federal legislature to be chosen by election and for allowing the fundamental rights of the States' people to be written into the federal constitution and placed under the protection of the federal court. But your pleadings on this occasion have given rise to an impression that if the Princes did not agree, as they did not and do not agree, you would accept a constitution in which provisions of the kind that you suggested did not find a place. If this impression is well-founded, we cannot help saying, and saying it straight out, that you have done a grave wrong to the States' people. If you think that nomination by the Princes, for instance, must be acquiesced in, if necessary, in the existing circumstances, we will only beg you to refer the matter to the States' people themselves in order to ascertain what their wishes are in this respect. The right of self-determination of the Indian States' people is no less sacred than that of British Indians.

But it has been explained to us that in expressing your views in favour of the election of the States' representatives and the protection of the fundamental rights of the States' people in the way you did, you wished it to be understood by the rulers of the States that if they did not agree to do what you urged upon them you would not admit them into the federation. You meant these to be essential conditions of federation, but you did not express yourself in this categorical manner only because, at the time you spoke, federation was still shrouded in uncertainty. If this be your meaning, we would entreat you to make it clear beyond the possibility of doubt, for we know that the rulers of the States are putting a different interpretation upon what you said. They are representing that you are ready to put up with nomination by the Princes, for instance, for an indefinite length of time. It is necessary that your meaning should be made plain, for the Swarajist Conference at Ranchi made it known that their party (which is now only a wing of the Congress) would follow the lines of your speeches at the R. T. C. in framing the future constitution. Since in the final determination of the Congress policy on these points your personal view plays such a decisive part, we are anxious to know whether election of the States' people and a Declaration of Rights in their interest are, in your opinion, merely desirable features of a federation or essential conditions thereof.

Mr. Kelkar and other auditors of Mahatma Gandhi were not at the time in a position to refer publicly to his promise to the States' people; they had to rest their case upon general considerations of a sound policy. The bringing to light by Dr. Pattabhi Sitaramayya and Mr. Balvantray Mehta of a definite promise on the part of Mahatma Gandhi adds, it need hardly be said, very much to the force of those considerations. One would expect Mahatma Gandhi, when so asked, to say promptly: "Yes, I would reject federation if the conditions are not fulfilled." See, however, how evasive his reply to Mr. Kelkar was on this point:

What I said at the Round Table Conference was in the nature of an appeal made to the Princes. It certainly did not imply that whether they listened to the appeal or not, the Congress would enter the federation. I had no author-

nity to bind the Congress to any such thing. The Congress entering the federation had to depend upon many other circumstances beyond the attitude of the Princes. If ever federation comes it will surely depend upon mutual adjustment.

He was asked to give his personal opinion; he burkes the issue by taking shelter behind the Congress. If even as the sole representative of the Congress he had no authority to speak for that body on this point as he had on others, he might have thought of it before he made the promise. The reader will notice how carefully he avoids saying: "Even if there are no other circumstances demanding rejection of federation, the non-compliance on the part of the Princes with the demand for elective representation and protection of elementary rights of citizenship of the States' people would be a sufficient ground, so far as I am concerned, for not accepting federation."

The "orthodox" way, as Mr. Balvantray Mehta puts it, of carrying out a mandate of not accepting a federation which does not fulfil certain conditions is to say in no uncertain terms that the conditions are essential and cannot be departed from. Perhaps the unorthodox way which Gandhiji followed is to use words which would imply that compromise is possible on those terms and that non-acceptance of the terms does not necessarily rule out federation. We are old-fashioned enough in our moral conceptions to conclude that one who, after accepting the mandate, does this throws off the mandate. Mr. Balvantray would have us believe that though Mahatma Gandhi's pleadings with the Princes were mild enough, they were coming from him, in the nature of an ultimatum. The point is that the Princes themselves never took them to mean anything else than pleadings which only required on their part a sort of gesture, the outcome of this gesture being in fact that two Princes promised to let their people have some voice in the selection of their representatives in one chamber of the federal legislature and nothing being promised in regard to the protection of the fundamental rights of the people. We know that in the case of some people just a light word from them goes a long way. But imagine Mahatma Gandhi going up to the Viceroy and saying about the Rowlatt Act which Mr.

Balvantray mentions: "May it please Your Excellency, something must be done about this Act. It is not for me to say what exactly you should do. Your love for the people of India is no less than that of any other person. I must therefore leave it to you to decide whether a clause here or a clause there cannot be excised. Mr. Joshi and Dr. Ambedkar would not be content till the whole Act is repealed. I cannot agree with them. We must not dictate. Knowing well that you will never abuse the trust reposed in you, I would rather, agreeing in this matter with Sir Sultan Ahmed and Mr. Gayin Jones, leave the final decision solely to your good sense." This is not the kind of way in which he is known to speak to the British Government and we should have reason to find fault with him if it were. But what we are quarrelling with at the moment is the discrimination he makes in his approach to the Princes and to the British Government: one is to him Ram raj, the other is satanic; one he would meet in amicable conference, the other he would pursue with a battle axe, and that only because the first are Indian and the second foreigners, though in point of misrule the first certainly outpace the second.

But if Mahatma Gandhi's policy is the right one, we should like to know why Mr. Balvantray Mehta and his friends are so full of fury against poor Bhulabhai Desai and Vallabhbhai Patel, who are merely pale editions of the Mahatma. In what respect does their policy differ from the Mahatma's? It is essentially the same, and if the Mahatma is to be spared criticism, so might they. We do not think it particularly manly to let go the captain and belabour his lieutenants. Mr. Balvantray feels certain that Mahatma Gandhi would help the States' people "in his own time." Yes, in his own time, but Mr. Balvantray would do well to look for help in a spirit of disillusionment, so that when it comes his joy will be all the greater. The Mahatma might start a campaign in the States when he has finished with the British Government, and some of us believe that this time will never come because the States are the last strongholds of the British Government in India.

THE TRANSVAAL INDIANS:

THEIR LAND-HOLDING AND TRADING RIGHTS.

BEFORE the Union Parliament rose on 17th June, it passed the Transvaal Asiatic Land Tenure Amendment Act. This Act is modelled on the earlier Act of 1932, though, unlike the latter, it is restricted in its scope to the gold mining areas in the Transvaal and is somewhat more liberal in recognizing the trading and land-holding rights of Indians in these areas. But the underlying principle of both measures is the same: viz. the two-fold principle of setting aside, on the one hand, areas in which Asiatics, and the coloured people in general, may reside and carry on their businesses with a measure of security, and, on the other, of taking effective steps to prevent them from occupying and trading in any others.

The nature of the provisions cannot be properly understood unless we take a brief survey of the previous history of this question. The first Act that was passed in connection with ownership or occupation of land in the Transvaal was Act No. 3 of 1885 of the old Republican regime. Section 2 of this Act has the following subsections:

(b) They (the Asiatics) cannot be owners of landed property in the Republic save only in such streets, wards and locations as the Government for sanitary purposes shall appoint as their residence.

(d) The Government shall have the right for sanitary purposes to appoint special streets, wards and locations for their residence.

This law, which is still in force and applies to the whole of the Transvaal, sought to impose residential segregation upon Asiatics but in practice it failed to do so. It did not provide for any penalties against those who broke the law, and therefore the effect of passing the law merely was that, while the Government could point out to Indians areas where they might reside, Indians could acquire ownership in those areas and actually reside in any other places they might obtain. The prohibition of this law was also supposed to extend to occupation for trading purposes, but judicial decisions have made it clear that under the law Indians have an unfettered right of trading. Even the limitation on land ownership could not be very effective, because the British Government objected to it on the ground that it conflicted with Clause 15 of the London Convention of 1884, which laid down that a British subject should be free to live where he wished in the Transvaal and acquire property.

The next restrictive Act is the Gold Law of 1908, which applies not to the Transvaal as a whole, but only to areas of a gold-bearing nature. Under Sections 130 and 131 of this Act Asiatics and coloured people, except those who are in the employ of Europeans, are prohibited from residing on the gold fields except in bazaars, locations, mining compounds and such other places as the Mining Commissioner may permit. The Act also prohibits the coloured people, including Asiatics, from acquiring rights as owners or leasees. It will be noticed that neither the Law of 1885 nor of 1908 placed any restrictions upon the trading rights of Indians. These laws placed restrictions only upon the Indians' right of residence and ownership, though in fact the restrictions were not strictly enforced. As Mr. Alexander remarked in the debate on the 1932 Bill:

Asiatics were directly encouraged to enter the Transvaal for the purpose of trading. The Gold Law of the Transvaal of 1908 never attempted to prevent Indians from trading on proclaimed ground. There was communication between the British Government and the then Attorney-General of the Transvaal on the subject, from which it was perfectly clear that no existing rights were being interfered with by the Gold Law, and one existing right was the right of the Asiatics to trade. The only thing the legislation looked to was the mining rights and questions of sanitation and so on.

When in 1909 the Transvaal Companies Act was passed, permitting the formation of private companies, Indians began using the Act and buying land in the name of companies, because the prohibition contained in the Act of 1885 was only in respect of individuals. An outcry was raised everywhere that the provisions of the law were being evaded. This of course is wholly misleading. Indians were doing nothing unlawful; they were acting strictly within the law. Mr. Alexander in 1932 put the point well. He said:

We have heard a great deal about evasions of the laws by Asiatics. If a law is passed, and it does not prevent a man from doing a certain thing, a man does not evade the law if he does that thing which is not forbidden. People do what the law allows them to do, but whenever an Asiatic has been successful in a court of justice in the Union, his success has been put down by Europeans as a result of evasion or illegality.

The provisions of the law were strengthened in 1919, when Act No. 37 was passed, recognising the existing rights of occupation and ownership, but applying the prohibition of the Act of 1885 to private companies in which Indians owned a controlling number of shares. It was the intention at the time to maintain a register of businesses existing at the time, but the intention was never carried out, and since then some occupation was taking place on the gold fields which was not wholly according to law. Then came the Act of 1932, which provoked such bitter criticism among Indians in South Africa. The present Minister of the Interior, Mr. Hofmeyr, thus described the Act in introducing the present Bill:

That law, in the first place, extended the scope of the Gold Law restrictions, by bringing in certain areas which had previously not been subject to those restrictions, and, secondly, it extended the scope of these restrictions in so far as it made them more complete, made them cover more classes of Asiatic and coloured occupation. That was the first point in that Act. Secondly, Sir, the law of 1932 set out to deal with the ownership of land by Asiatic companies and European trustees, purporting to recognise vested interests, but for the rest seeking to put an end to them.

The Act did this by inserting into the Gold Law a new Section 131 (a) empowering the Minister of the Interior in consultation with the Minister of Mines to issue certificates exempting areas or particular pieces of land from the restrictions of the Gold Law, and in order to decide what areas of land or pieces of land should be so exempted, the Minister of the time, Mr. D. F. Malan, later appointed a Commission presided over by Mr. Justice Feetham which presented its report last year.

The Act of 1936 that is now passed is based on the report of this Commission, though it introduces several other changes in the existing law. The Feetham Commission "distinguished between what one might call blocks, areas comprising several stands, it might be a whole township or a whole block in a township, or a portion of a block comprising several stands and on the other hand individual cases, scattered stands about the township." And the Government decided, on the recommendation of the Select Committee on a Bill drafted by it, that the two cases of blocks of land and individual pieces of land should be treated in different ways. It was advised that "the act of setting aside these (large) areas (or blocks) under Section 131 (a) of the Gold Law would be tantamount to setting aside areas under Law 3 of 1885," which contemplates that where streets, wards or locations are set aside for Asiatics their ownership would be permitted. The Government therefore provides in the new Act that in such areas Asiatics should be allowed not only the right of occupation, but also the right of ownership and full security of tenure. This marks a very important advance on the 1932 Act, but while making the advance, the Government has thought it necessary to provide what it calls safeguards. "While the Act of 1932 left it to the discretion of the Minister of the Interior to set aside these areas, we felt," says Mr. Hofmeyr, "that, in view of the wider rights now given, that discretion should be limited, and the Bill proposes first of all that the

Minister (in addition to having to consult the Minister of Mines as heretofore) must consult the local authority before setting aside an area, and secondly that such setting aside of an area will not become of force and effect without a resolution of both Houses of Parliament." He adds: "In that way the position is adequately and completely safeguarded." In the case of individual pieces of land scattered about townships the Act does not give proprietary rights, but only the right of occupation. The exemption of such lands will be qualified and terminable; it will terminate when the lands cease to be occupied by coloured or Asiatic persons. In this case no resolution of Parliament will be required, though the local authority will have to be consulted. Section 131 (a) of the Gold Law has been modified to effect these changes and appears as Section 5 in the new Act. The Act of 1932 required the Minister to compile a register of lands legally occupied in order to prevent illegal occupation outside of exempted areas, and the new Act provides in Sections 13 to 16 the machinery of the 1932 Act in a more complete form.

There are some other subsidiary provisions in the new Act which are important. Section 2 deals with Asiatic bazaars. "A good many areas were set aside under the Law of 1885, and a good many of these areas which were set aside under that law never really came to be occupied by Asiatics. Many of them were under the Law of 1905, the Transvaal Ordinance of that year, changed in their status. They were transferred to the control of the local authorities, and the local authorities under the Law of 1905 were merely empowered to lease land in these areas to Asiatics... Subject to a resolution of both Houses of Parliament, these bazaars may (under Section 2) be scheduled as areas in which Asiatics may, subject again to the consent of the local authority, also own land, as well as lease land." Where the bazaars are not really Asiatic bazaars, the Act in Section 18 provides that the assignments be cancelled. Section 17 is of great importance. Mr. Hofmeyr, in explaining it, said:

It is contemplated that certain areas will be set aside for coloured occupation either solely or permanently. Let us remember that in the Transvaal the coloured man has no municipal franchise. There is a danger that such areas will be neglected from the point of view of municipal amenities, and these people cannot enforce the claims to municipal developments by means of their votes. It is proposed, therefore, that the Minister be given the power of intervening in cases of neglect and what we have done here is to transfer the power to the Public Health Act, where there is provision for the Minister to intervene. I do not think that actually that power in the Public Health Act has ever been used, but its existence in the Public Health Act has been most salutary and it is helping, and I have no doubt that the insertion of this clause here will be an effective means of ensuring that there will be proper development of these areas and that they will in the interests of the community obtain those amenities which they should obtain.

Section 10 extends the power given by the Act of 1932 to the Minister of the Interior to issue special certificates of exemption to consular offices, public agents of other States in respect both of occupation and ownership to certain other classes, e. g., members of learned professions and distinguished visitors but only in so far as occupation is concerned. On this

Mr. Hofmeyr said: "For instance it would be illegal for a most distinguished Asiatic to reside at the Carlton Hotel in Johannesburg because he would be contravening the law in regard to occupation... So we propose to give the right of occupation to members of learned professions and to distinguished visitors. We propose also to extend the right of ownership of the power of conceding the right of ownership so as to cover the holding of land by Asiatics and Asiatic associations for religious and educational purposes, while that land is so held." In Clause 11 there is a set-back. It provides, in accordance with the recommendation of the Feetham Commission, that, in case of individual sites scattered about the townships which are exempted from the restrictive provisions of the Gold Law, permanent exemption need not be given. Instead of giving exemption to the site, which would be final, a personal exemption might be given to the occupant of such a site either for the period of his life or for a term of years to be fixed.

Considering the measure as a whole, the verdict of Senator F. S. Malan seems to be just, when he said: "On the whole, Sir, I am prepared to think that this Bill is an advance on what has been done before. First of all, I think it is a little more liberal; there is a little more recognition of the right which people have who obey the law to make a living in the country. I think, Sir, that the liberal spirit, the spirit of recognising these human rights, comes to the fore in this legislation a little better than in the previous legislation."

Reviews.

THE MIDLAND BANK.

A HUNDRED YEARS OF JOINT STOCK BANKING. By W. F. CRICK and J. E. WADSWORTH. (Hodder & Stoughton.) 1936. 250m. 464p. 15/-

THE institutional evolution of the Midland Bank is traced in this comprehensive volume. Arising from a modest beginning the Midland soon became one of the "Big Five" of the London Money Market. By the twin process of amalgamation and branch banking the Midland soon expanded its size and range. Adapting itself to the economic needs of the people it soon won the confidence of the people.

Banking is an intensely human institution, responding to the habits and character of the people. The history of the Midland amply illustrates the above truth. The structural evolution of the Midland as depicted by the authors easily reveals the threefold characteristics, viz. efficiency, stability and flexibility. The different phases of this growing organism are clearly presented in an interesting narrative.

The economic evolution of commercial banking—apart from central banking or monetary policy—during the last hundred years is portrayed in this volume. Increasing population and growing production soon called forth a parallel change in the banking structure of England. The first Joint Stock banks, thanks to Mr. J. Joplin, could be started in 1826. For a number of decades they remained purely as local unit banks operating in small areas. The enlarged demands of growing industry led to the decay of private banking and the extension of the operation of these

Joint Stock banks. The consolidation movement of English Joint Stock banks owes its origin to the trend of industrial development of the country. Concurrently with industrial advance there was marked improvement of the means of transport and communication. These rendered possible the stage of banking cohesion which has so rapidly transformed the industrial and economic structure of the country.

More than a hundred banks have contributed towards the making of the present Midland Bank. The steady process of their unification is the interesting theme of this volume. The difficulties experienced by them and the perseverance shown by the organisers are referred to. The gradual regional expansion of the bank and its entry into London is carefully outlined. The charts and tables at the end of the different chapters will enable the reader to follow the author's remarks.

The rapid democratization of banking service is undoubtedly due to amalgamation and branch banking tendency. It is indeed a misfortune that this welcome feature has been delayed for a number of years on account of restrictive, meaningless and discriminatory legislation. Structural cohesion and technical efficiency would have been attained sooner if only the successive governments of England had abandoned their laissez-faire attitude towards banking development. Fortunately for England she had a succession of good bankers like Joplins, Gilberts, Raes, and Holdens who have by their adroitness and pertinacity tended to overcome the repressive laws. To them is due the credit of building the present-day sound, strong and unified banking system.

The effects of this unification process and widespread branch development on the capital of the Midland Bank, the spread of the banking habit among small depositors and less wealthy people, the widespread use of the cheque almost supplanting the bill of exchange, the technique of its internal management, the rapid decline of country note issues, the practical supersession of the bank post bill, the general broadening of the scope of commercial banking service and the encouragement of the investment habit on the part of its customers are carefully related in the chapter entitled "The Welded Whole".

The Midland Bank has also pioneered the way in the matter of forming affiliations with some of the Scottish and Irish banks. An 'affiliation' ought to be differentiated from 'amalgamation'. Apart from learning the advantages arising out of amalgamation and the branch extension policy the supreme moral to be gathered from a study of the Midland Bank is that a bank ought to adapt itself to the rapidly changing order of economic society.

The short biographical notes on Thomas Leyland, George Rae, and Sir Edward Holden afford us a useful glimpse of the activities of the early pioneers of Joint Stock banking and the architects of the fortunes of the Midland Bank. We heartily recommend every banking library of this country to possess a copy of this book. The directors of the loan companies of Bengal would be greatly benefited by having a running glance through this monumental history of the greatest of England's Joint Stock banks.

Students of English Banking history have heard of the Midland Bank and its laudable attempt to strengthen the gold base lying at the back of the British banking system. Again it was the first Joint Stock bank to conduct foreign exchange business in 1905. Finally it has become famous for its excessive and almost devoted concentration on domestic field, tabooing overseas branches altogether. But we have for the first time—in this fascinating volume—a connected historical account of this giant banking organisation.

Indian banking development has arrived at the cross-roads. It is high time for it to decide whether future banking expansion should be on the model of "unit banks" or "branch banking system". The history of the Midland Bank which possesses 2100 branches has many illuminating lessons for us.

B. RAMACHANDRA RAU.

INDIAN INDUSTRY AND BANKING.

INDUSTRIAL ORGANISATION IN INDIA. By P. S. LOKANATHAN. (Allen and Unwin) 1935, 22cm. 413p. 15/-

THIS is a scientific and critical study of the structure of Indian industries and makes certain practical suggestions for reform that are mostly endorsed by the Government in the Bill recently introduced by them in the Legislative Assembly, to amend the Indian Companies Act. The book has thus great topical interest and will serve as a prelude to a proper understanding of the changes contemplated in the Bill.

The main thesis centres round the managing agency system which is peculiar to India and traces its origin, evolution and main features. It examines critically the influence of the system on the structure and growth of industries, the causes of their localisation, and several other factors which go to determine the size of the industrial unit and its efficiency. It also comprises a remarkable analysis of the defective methods of raising finance for industry and the absence of close co-ordination between banking and industry, save the link that is established by the managing agent.

The utility of the managing agency system has been a subject of long controversy. While credit is given to its great pioneering services in the early stages of industrial development, there has been of recent years growing public opinion against the continuance of the system because of its several inherent defects, malpractices and unhealthy rules of business conduct which have been exposed from time to time by the reports of the Tariff Board. In particular the system as it is found in Western India, especially in the textile industry of Bombay and Ahmedabad, reveals such glaring abuses, that it is now feared that unless the system is radically changed or controlled by stringent regulations, all industrial progress would be seriously hampered. Dr. Lokanathan however comes before the public as a powerful supporter of the system. Though he admits the necessity of its radical reform in order to remedy certain gross evils, he maintains that the system, being slowly evolved out of peculiar circumstances in the past, is too deep-rooted to allow of any sudden change. Any new system that may be suggested as a substitute would lack business experience and technical knowledge which are so fundamental to the success of any new venture. Besides, he argues that industry in India is undercapitalised, as seen from the high rates of interest and the heavy cost of finance to industry, and that the present system of banking and machinery of finance are so ill-adapted to the peculiar needs of industry, that unless these are reformed, need will always be felt for the continuance of the managing agency system. There is in India little intimate relationship or close link between industry and banking save that which is supplied by the managing agent. The banks even to-day are unwilling to advance credit on the security of the assets of a limited company unless backed by the personal security of the managing agent. In the absence of Issue Houses and Investment Trusts, our ill-organised Stock Exchanges are too much dominated by speculative considerations and too little by the real needs of

industry. The name of the managing agent, being closely associated with his industry, is still regarded as sufficient guarantee when shares and debentures are issued or when bank loans and public deposits are raised. Dr. Lokanathan further examines the different methods of raising capital for industry and criticises the theory commonly held by the industrialists that the whole of the working capital should be raised by bank credits. And this the banks are unwilling to give. "It is a mistake" he points out "to suppose that the working capital is in the nature of demand for credit varying with the demand for products of industry." The non-acceptance of this principle has led the capitalist *entrepreneur* to lay stress on wrong things. Though it is not possible to lay down any definite rules regarding the relative proportions of block capital and working capital, the author thinks that block capital should be initially contributed by the industrialists themselves and in respect of working capital, instead of relying too much on bank credit or public deposits, the major portion of it should be raised by shares and debentures. There is still, he believes, a large field open for floating debentures.

The foregoing discussion must have made it clear that Indian industry is too much dominated by financial considerations and too little by industrial factors. The managing agent has become the very centre and life of industry and in him are centralised all powers of ownership and control. The Directors being his own nominees are nothing but tools in his hands and the share-holders, being scattered over a wide area, are too imbecile to control his actions. This has had several unfavourable reactions on industrial organisation. Industrial ability is not valued and in some cases talent and experience are excluded by declaring the agency contract to be "hereditary, permanent and perpetual." In some cases where there is a combination of industries under one managing agent he enjoys so much freedom that he can easily transfer the financial burdens of sinking concerns to others greatly to their detriment or assign his own powers of management without even referring to the general body of share-holders. Failure of the auditors to expose such illegalities points to the inefficiency of the system of audit and accounting. The remuneration of the managing agent is most exacting and the various methods by which it is calculated are the least conducive to the interest of industry.

In short, industrial organisation in India needs radical changes both internally and externally. A reform of the Company Law as contemplated by the proposed legislation would go some way to remove the defects that lurk in the managing agency system. Externally the industrial structure can be made independent of the managing agents by providing a new system of industrial finance more intimately connected with the present banking and capital market. This, we believe, is the crux of the problem. The general opinion in this country has always favoured the organisation of Industrial Banks to meet the capital or other needs of industry. This view is further strengthened by the remarkable success achieved by the German and Japanese industrial banking systems. Dr. Lokanathan however severely criticizes this facile notion cherished by many of us. He points out that "misconception of the true nature and functions of the German banking system persists to this day, not alone in India but in other countries as well." "The German banker" he stresses "is not an industrialist". There is nothing corresponding to the German *Aufsichtsrat* either in England or elsewhere; it acts as a board of supervisors and of confidential advisers of industry and this has resulted in creating a more sympathetic and intimate link between banking and industry.

Then follows a long and critical discussion of the various continental systems and that of Indian bank-

ing as well. The author concludes that under present circumstances the Imperial Bank of India is the only institution that can profitably take up the work of industrial finance. He is against the starting of state-aided provincial industrial banks but recommends a state-aided financial institution for public utility services of a semi-monopolistic character. We invite particular attention of our readers to chapter VII wherein the feasibility of organising special financial institutions is fully discussed, and also to chapters VIII and IX wherein the influence, cost and efficiency of the managing agency system are thoroughly criticised.

We commend the volume to our readers as a remarkable study, "the first of its kind", of the most imminent problem of industrial organisation in India and as a sure guide to a balanced judgment on the most controversial topics connected with it.

S. G. PURANIK.

CHOICE OF A MATE.

THE CHOICE OF A MATE. By ANTHONY M. LUDOVICI. (John Lane.) 1935. 22cm. 510p. 15/-

As Dr. Norman Haire says in his Introduction, the author is essentially a believer in aristocracy and conservatism. The present book gives the author's views on the choice of a lifemate from the point of view of improvement of the human race. It can hardly be doubted that modern medical and scientific knowledge is doing a great deal to lower the quality of the race. The natural elimination of the weak and unfit in the struggle for existence is prevented in modern times by many devices which enable the unfit not only to live long, but to propagate their weakness and thus make each successive generation more and more unfit, increasing the number of idiotic and unhealthy people who are bound to become an intolerable burden on the community. Some people, like Dr. Haire, admit the evil, but think Ludovici's remedies worse still. The author in fact proposes that healthy people should marry among themselves and leave the others severely alone. He advocates in-breeding, which admittedly multiplies both the good and bad qualities in the next generation. The result will be that the unhealthy traits being multiplied in each successive generation will ultimately eliminate themselves, while the remaining people will be a healthy, beautiful and strong race. He pleads that more consideration should be given to personal beauty in mating and considers that ugliness necessarily implies some internal derangement leading to disease. He therefore advocates the marriage of the like, so that when different parts of the body are inherited from different parents, as they are known to be, they will still fit each other. If the parents are unlike and suppose the teeth are inherited from one of them and jaws from the other, there will necessarily be a misfit, which is another word for ugliness, and this will be only an outward sign of similar misfits of the internal organs. This interferes with proper functioning. Beauty therefore implies a correct fit of the different parts of the body, internal and external, and hence good health, which is the principal asset in conjugal happiness. Close in-breeding ensures a proper fit and this is made use of by animal-breeders. The laws against incest do not depend on any biological truths, but are merely human superstitions. In animal-breeding, it is found that the closer the relationship, (for instance, father and daughter, mother and son, brother and sister), the better the results, provided the original stock is not diseased. And this can go on for generations together without showing any bad results. These methods have also been in use among different people belonging to ancient civilisations. Laws may not allow close in-breeding at present, but the author thinks these laws

should be altered and at any rate one should always marry as close a relative as may be allowed by law, first cousins in Europe, for instance. In the absence of close relatives, or where law does not allow any relationship, the next best thing is to choose a mate as like oneself as possible, apart from the difference in sex and the secondary differences that go with it. Then he discusses ancient and modern ideas of beauty and gives his views as to what really constitutes beauty and how to recognize it in the two sexes.

The author's ideas will evidently not be acceptable to many, but even to them, the book will provide food for thought, considering the importance of the problem. A book worth study even by its opponents.

R. D. KARVE.

INDIAN UNIVERSITIES.

THE UNIVERSITIES OF INDIA. By P. SESHADRI. (Oxford University Press.) 1935. 22cm. 58p. Rs. 2.

PRINCIPAL SESHADRI was asked to write for the Year Book of Education edited by Sir Eustace Percy and published by Messrs. Evans Bros. The book under review is a reprint of the chapter of Principal Seshadri from the Year Book of 1935. As a College teacher at Benares, Cawnpore and Ajmere, as the Secretary of the Inter-University Board, as a member of the Punjab University Commission and as President of the All-India Federation of Educational Associations, Principal Seshadri is very intimately in touch with the administrative and instructional work of Indian Universities, and in about fifty pages he has successfully condensed an amount of information on the subject.

While in respect of information the book is incomparably accurate there is bound to be some difference of opinion on the views expressed by him. It is, for instance, an over-painted picture when he says on p. 15 that "Following the British tradition, the Universities of India are more or less autonomous", or on p. 42, that "there is no longer a blind worship of foreign degrees as foreign degrees . . . There have been numerous instances in recent years of candidates with Indian degrees being preferred for some of the best appointments in the educational world to those who had the best degrees of the West." He is more judicious in expressing an opinion on what he calls "The Vernacular Problem".

It is a legitimate demand (says Prof. Seshadri) that a student should have opportunities of acquiring knowledge through his mother tongue, but in the peculiar circumstances of India it would seem almost an impossible task to ensure it for a long time to come. . . . It will, however, be conceded even by those who do not believe in the possibility of imparting higher instruction through an Indian language, that the present arrangement is unnatural and the idea of imbibing all instruction through a foreign medium is a serious limitation. (p. 41.)

Regarding the Indian Women's University, Principal Seshadri notes "one point which may be mentioned to its special credit. It has a net-work of schools all over the Bombay Presidency . . . But the introduction of a vernacular medium is also a serious handicap, as it practically confines admission to those who speak the Marathi language." (p. 32.)

Referring to the possibilities of additional Universities being started in India, Principal Seshadri devotes considerable space to the claims of Poona.

The people of Maharashtra have been demanding in no uncertain voice that, for the adequate expression of their peculiar culture and the development of the Marathi language and literature, a separate University with its headquarters at Poona is essential. It is true that a recent Conference convened under the auspices of the Local Government considered it impracticable to start a separate University at present, but one may perhaps say with confidence that it will come at no distant date.

When reading the book if one keeps before one's mind the fact that Principal Seshadri has been writing for a "Year Book" and therefore his method is deliberately more informative than critical, one will be inclined to agree with the author in all that he says.

The absence of an index is a serious deficiency of the book.

M. R. PARANJPE.

SHORT NOTICES.

THE POWER TO LOVE. By EDWIN W. HIRSCH. (John Lane.) 1936. 22cm. 308p. 12/6.

"THE recipe for the successful consummation of the sexual act is what the average male seeks, and the factors which pave the way are here comprehensively presented." This sentence from the preface adequately describes the scope of the book. The author thoroughly exposes several popular fallacies which obstruct the way to sexual competence. For instance on p.73.

The old school of clinicians believed that in abstinent men the semen was absorbed into their bloodstream, thereby making a man buoyant and happy, by its effect on the whole system . . . The erroneous inference was also drawn that athletes derived their strength and courage from their semen. Therefore men were told that if they wanted to be strong, they should conserve their precious fluid and be abstinent like athletes. Among youths the opinion was current that each ejaculation of semen was equivalent to the loss of a pint of blood . . . Of course, we know such beliefs were based on certain myths and that those men are strongest sexually who exercise the function periodically. To ensure normality in the sexual life, semen should be correctly disposed of at physiological intervals. This in turn stimulates the production of sperm, prostatic and vesicular fluid and so exercises the genital muscles that they will be able to function ably whenever the call comes.

R. D. KARVE.

INDIA THROUGH A BISHOP'S DIARY. By EYRE CHATTERTON. (Society for Promoting Christian Knowledge, London.) 1935. 25cm. 207p. 7/6.

ONE is disappointed in this book in that it does not give us much about the past of India. One would have expected greater things from a Bishop and his diary. It is true he tells us about the growth of the Diocese of Nagpur and his comments are valuable in respect to bishops and missionaries. But for the rest it is filled with shooting and fishing expeditions, Darbars with Indian Princes, etc. The absence of the one and the presence of the other makes the book of very little value to the ordinary reader.

SWAMI YESUDAS, C. P. S. S.