

इयिन्न प्रवर्त्तनम् Manu xi 63.

According to Manu, the use of large machines for
the commercial purposes is to be condemned and
forbided.

—*Babu Bhagwan Das.*

“Machinery is the chief symbol of modern civilisation;
it represents a great sin.”

—*Mahatma M. K. Gandhi.*

Without the pauperism bred by our present-day civilisa-
tion, we would have a veritable Heaven on earth.”

“The cry of labour is “Have productive labour and
productive capital.”

“Spiritualise your Economics.”

—*The Author.*

Most Respectfully Dedicated

In Loving Memory of

MY FATHER

To Whom I Owe All

That I Am

Or can Be In This Earthly Sojourn

But A Fragment of Him.....

He lived in DAILY Protestation

And Died in Protestation

Of what was Left ME IN Duty Bound

To Give Vent To IN SO MANY WORDS

AFTER HIM

AndTHE Result is This BOOK.

—The Author!

THE LABOUR PROBLEM

AND ITS COMPLETE SOLUTION
BY A COMPLETE CO-OPERATION AND
CO-ORDINATION BETWEEN
CAPITAL AND LABOUR,

—Also explaining a profit-sharing scheme: or the
price and due share" of labour in machinery out-put
(mathematically solved).

priv
disco

BY

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PREFACE.

We believe in Progress, because we believe and take for granted that truth will come out in the end, that truth shall be known, that is, truth will be recognised by us, or in other words, we shall move towards truth.

THE AUTHOR.

The above were the words that had formed before me in an inspirational moment in the days of inception of this book, long before it had taken its present shape either in ideas, or any thing more than a merest beginning. They were, however, jotted down in an offhand way; but as I look back to them today, they seem no less than to possess prophetic charm for me. It was an intense search for "the whole truth and nothing short of truth" that moved me on during my labours of well nigh over one full year—now progressing, now at a standstill; now in sight of the end, and now again lost in a maze of wilderness. The end has come at last; but "I am no expert nor specialist" is the lingering shadow over the joy and all the pleasurable sense that comes of accomplishment and achievement in the regions unknown and unexplored before. Perhaps I may have, after all, trusted my rational faculty too far. But how often have I not myself suggestively complained in course of the book, that the very "expertness" and "specialised genius" on the subject takes the man away from throwing any precious light on it—"for he is at once sold"? At any rate the wide range compassed by me within this small volume, from economics to sociology, ethics, and spiritualism, while no less trying to make it practical to the core and in each little detail; the very enumeration of these would rob away any so-called specialist or expert of his "specialised talents for attainment." I mean no self-praise when I say that from the out-set I had it in my nature not to give final credit to any idea until I had tried and tested and made it my very own; while language and the outward expression of any idea never engrossed my attention in the least possible. And so I might say now, after having

determined to hazard out this book at any cost that in touching this vast subject I am not afraid of the immense mass of literature that I have read, or left unread; for to my mind, most of it is words, words and words. I do not want to associate either cheapness or hollowness with them as my words would be no deeper and perhaps too often, uninviting and bitter. Only I would feel amply rewarded if the book would have shown my intense desire to delve into a subject in order to catch hold of the fundamental principles upon which alone, I can confidently expect, will rest the fulcrum for establishing equilibrium in the thought forces of the world, respecting one of the most vital problems in the womb of futurity to solve. We must agree there, viz. in the basic principles—or nowhere, if we would be drawn round a common centre of effort and organisation. If I should seek credit for my work, it should lie in my revolt that has been against the modern so-called “education” which in the words of Dr. M. Sadler in “Indian Education”, is in no small degree at the root of men’s “Poverty of intellectual initiative, of their torpid acquiescence in material theories of life, of their deadness to the higher satisfaction of the spirit.” I would even add the words of a certain chaplain, serving in the war, who when questioned as to what the men were thinking, replied thus:—

“Generally speaking, and here I find every one agrees with me, they are not thinking at all..... They have not been helped to, or expected to. Education has been merely imposition—the learning of lessons, not the stimulus to thinking.” Another sergeant said in reply to the same question. “It is difficult to get at the real mind of the men because of a sluggish and unathletic intellect, an inertia of the spirit, a tendency to do and submit to things because others do so. The Scotsmen I met were as a rule better educated than the English, and, more than that, they were three parts, self-educated. Yet they had as much or more of the tendency to hypocrisy as the English.”

To the same question a group of six chaplains wrote, “The prevailing weakness is superficiality. Men

(III)

are unwilling to think things out."

I have in my humble way made an honest endeavour and have done my little bit in "thinking things out", which is all that I can say in favour of the book.

Let me, however, go one by one over some of the significant features of the book.

In fact, the whole superstructure of the book is raised on the loan theory, it is made the corner-stone of every thing else. The poor ancient Hindu article of law about a loan being considered redeemed in payment of broken-returns of interest only when amounting to double the original loan contracted—and which I struck out as the solution quite accidentally by reasoning out on quite different lines, until finally I became aware of the concurrence—this law has been brought into lime-light and upheld very highly. Think of the enormous, nay fabulous amount of shipments of bullion sent from Europe to United States of America in payment, not of the war loan proper but as mere interest on it. Again as to how long the title to existense of interest-bearing capital continues is indefinite, as we would see, in the case of investments of rich countries abroad, and which investment is made in the beneficent interest of the country "required to be developed", whereas, in effect it is made a means of its exploitation.

Take the case of England and we would quote the following from the "Theory of the Foreign Exchanges" by the Rt. Hon. Viscount Goschen:—

"The interest and commissions which are still paid by almost every country to English capitalists, certainly form a noticeable element in the revenue by which England is enabled to discharge her enormous foreign liabilities." Again, "The large sums which England receives every year in payment of interest from foreign countries, considerably reduce the balance which, notwithstanding our enormous exportation, is almost always against us; the foreign loans negotiated in England increase her indebtedness at the time when they are contracted; but the annual revenues subsequently derived from them contributes towards its reduction,"

It is through their confirmation and patronisation of this "exploiting fraud" of the "advanced" nations of the west, that the League of Nations, otherwise the most ennobling institution that was the direct product of the last war, was not spared the well-deserved calumny contained in the words of M. Korniloff, the erstwhile dictator of the Soviet Republic, that

"It was a band of bankers, bourgeoisie and banditti."

and this blot was even more justifiable by later events in the light of the ravenous spirit shown by the Great Powers in the matter of settlement of the question of "mandatories". We venture to say, that nothing less than the adoption of our loan theory could wipe out the stigma.

One special word to England, however. Thou England, who art, otherwise foredoomed ! listen to me ! although I pose not the Delphic Oracle I must claim the privilege of a heart-to-heart talk with the country, the Mighty and the glorious today and of yesterday, in whose language I write today. Thy zenith, Oh England, has been reached and the psychological moment is drawn nigh when thou wilt be wanted no more in the Divine scheme of Evolution like Rome or Carthage, Babylon or Assyria or Egypt that had had their day ! A Great Fall, indeed, eh Cæsar ! Remember, "the retribution is in the act itself" and howsoever great and mighty thy iron and steel, it will rust in the mire and avail not; and the inexorable law would not take heed of thine splendour and in spite of it would dash thee to the ground, the law, that "Without feeling for One-ness of life, and thus securing co-operation to that end: feeling equally for the lowest human being of the meanest race as well as for the best and the highest, the greatest might and grandeur of the most resplendent of civilisations would be broken asunder. for the bonds that unite human nature are stronger than the strongest steel-plate". Beware Oh England ! in time, and save thy face and glory. Thou art so much removed from natural conditions and so much drunken with materialism that it were hardly possible for thee even to accept, not to say of adopting even half of what is here respectfully present.

ed to the world as "the solution". Take my advice in a word and instead of robbing other countries parasitically from a distance, "come and toil with us side by side under the same sun, by a wholesale emigration of your population and settle down in my country if you will."

Be humane above every thing. Break asunder your material laws of "Supply and Demand", by organising truly Brahmanaic orders above the trading and producing classes. Sell not education, or justice either, through any guarded monopolies. Breathe and feel the pure incense of the one organic existence of the One-Body—the body-politic-and-Social—so that the pain in any one part becomes the pain of the rest whole. But, naturally, there must be less and less individual freedom, as man attaches himself more and more with the money-mechanism. Formerly, in simple contrivances of one-man-combination of capital and labour, there was more freedom of action allowed, now less latitude naturally.

Regarding the importance that we have attached to "minimum-wage" at the end of the fourth chapter in the formation of truly Brahmanaic orders, and as some prominence has been given to this subject (in a rather different sense, though) of late by the Tradesunion congresses, I may say, that I have done but little justice to it and that a separate volume might have been written to amplify and ventilate those ideas.

I have not only suggested that the Labour Government as being the true custodian of the real interest of humanity—the labour-interest—would be the right Government, but that also to ensure its proper functioning for the protection and well-being of the least-provided labour, each State servant, from the highest down to the lowest, must be maintained on the minimum wage and no more. I have made a distinction between the minimum-comfort-wage-to-be-aimed-at and the actual minimum-wage-in-existence, and have applied the two in producing a practical scheme, given at the end of the book.

I have also attached the modern forms of legislatures or legislative bodies, as being more or less "sold" to property-qualifications and considerations, and in this I include to a certain degree the "rule of the majority" on which the "elections" to their constitution are based. I would not be far from right in asserting that the so-called "majority" can never be possessed of sufficient wisdom and intelligence for the right exercise of the "vote," and as such the higher and nobler will of the community must always be set at a compromise. The Government's function must be not only to safeguard the interests of all divided and competing interests according to the then accepted customs and usages of the society, but also to enforce better ones, as asserting the better and higher will of the community, so that the weakest unit may be protected against the strongest and the minimum-standard of comfort be properly guaranteed to all.

The truly Brahmanic order, from my view-point, must be composed of those satisfying certain qualifications and by virtue of which alone eligible for standing at public elections. Who would deny that the legislators of the country must be selfless people, whose main qualification must lie in the height of their sacrifice and not their property acquisitions? To the true Brahmana the whole humanity must be akin to his own family—he represents the idea of kingship: the father of the subject people. The spirit of renunciation, selflessness and sacrifice must be fully ingrained in his nature, the ideals of social service and public reform must be the stirring ideals within him. The diffusion of Free education must be the great pastime of his leisure. And, above all, he must be the greatest apostle of the average standard of living or the minimum-comfort-wage being secured to the lowest unit of labour.

To fulfil these qualifications, you may make a number of rules. For instance, he may be past the middle age, having led a respectable family life of a spotless character. He must retire with his family on the minimum-comfort-wage for the rest of his life.—renouncing all other sources of income, or if there must be any, it must be devoted to the State or public weal. After serving for at least one term of election, he would

still for the rest of his life continue to receive the minimum-comfort allowance, and would lead an ideal life worthy of example for others, and may be called upon to partake in any deliberations of the Government when so required. He would not be allowed to carry on any other business that may be a source of income to him, but would make education his sole pastime. We specify a certain age, such as of past fifty at least, because in the light of what we have written on "public morality" in our exposition of the Laws governing human population towards the end of the fourth chapter it would be clear that we should expect from a Brahmana of the realm not only complete renunciation, but also a guarantee for a life of strictest continence and so a future abstention from originating life even from cohabitation with one's legal consort of the other sex, and if in any special case this vow of continence may be voluntarily forthcoming the restriction of age may be removed. We hope we would be borne out in our conception of strict morality in the light that we should expect a true Brahmana or law-giver of the land to have risen far high above the carnal and material things of life that after all bind down our flesh and particularly because he must be imbued with exuberant love towards all the children of humanity as of one family and so not wish to beget his own.

Again, for the right exercise of a vote by an individual elector a minimum degree of intellectuality, such as equal to secondary or middle school education, or at least sufficient for newspaper reading, must be essential.

It must be apparent from the above, that when the common law, like any moral code, enters the private life of individuals to the degree as shown, it would depend a great deal at least on the individuals themselves adhering to it to follow it in the spirit, or only to the letter of the law as what happens in the present-day standard of morality of the world.

As for the grossest evil of moneyed-qualifications to Parliamentary elections, one might observe for the mere matter of saying, that we have now substituted "poverty qualifications" for the same as being a natural reaction from the

present system, but that would not carry conviction to those who would care "to understand things with the right eye", and surely the conformists to the minimum-comfort-wage plan would not be a hungry, starving people considering the proverbial "stability" of State services, but would, nevertheless, stand a surest guarantee for the protection of such of the community. The "vow of poverty" would not only help to strike out a most uniformly adaptable and average standard of living, but would also tend to humanise the laws of Supply and Demand by creating more opportunities of giving the most "idealistic touches" to life, by setting an example for the same. Who, indeed, has said it that Law and Polity are things existing in spirit and idea only and not a conglomeration of so many rules of conduct or of punishments for misconduct, like any material things to be seen in concrete shape; but that they represent the reigning spirit behind the curtain of realistic life as lived, or as ought to be lived?

Again, to those of my readers who may be sceptic at first glance in the practicability of such a scheme, I would hasten to point out, that there is first of all the entire department of education, of so many belonging to the noble profession of teaching or dissemination of knowledge, who would be by law of the realm duly qualified as above, as "*no knowledge must be sold above a certain price.*" Education and politics are in more than one way allied, or near to each other—as both requiring a life of public service of the highest kind, for which the one has to do with determining the present law of the land, the other undertakes to prepare the way for the ideals of the generation-to-come. I have laboured fairly long in the third chapter to explain the true nature of education, but this must go without saying that true education, which must consist in an expansion of one's mental outlook and developing, what we call "intellectuality", must always be like an ornament or embellishment and possess a cultural value of its own, to be always coveted by the rest of the multifarious departments of human activity. As I have taken no small pains to establish that all human beings, belonging to all the various occupations of labour, must so far as possible, enjoy equal physical comforts, *i.e.*, share similar life on the

physical plane, and hence when the labourers of each of the multifarious departments earn the same wage, the "cultural side" of the education department, or for the matter of that, of those who can "afford to dabble" in Politics, bears out even more prominently. . And this is exactly what we want to emphasise while enunciating the rules for the formation of the Great Brahmanaic Order.

Remember for all time that there must be guarantees for the purification of all knowledge, for there is not a shadow of doubt in that : "as man advances and increased responsibilities devolve upon him, he must make finer distinctions between "good" and "bad" for the additional powers to be rightly wielded." To give its due importance to this piece of warning, I may make bold, as acting on my belief, to say that every time in previous Manus or the Great Cycles of renewals of life on earth following upon cataclysmic destructions of the nature of submersion of whole continents under the sea—thus in each Manu science and human arts and crafts had developed to heights not yet even imagined by us, but the fall became inevitable from the failure of man to grapple successfully with the problem of problems—that of securing real equality of bodily-comfort on the physical plane; and each time the race of man had to be reduced to first principles of living by the manifestation of Divine Wrath, or say Divine Curative Mercy—for He is all-merciful—and the lesson must be learnt sooner or later ! Take heed, Oh race of Man, to save thyself from another blundering pitfall !

At this point, I think I would be prepared to answer the direct question so often and persistingly put to me by all sorts of people in connection with this book, the question as to whether "I am against machinery." Am I? Can any body be? I revert the question on my kindly-disposed enquirer, and still be credited with any sense of "civilised instinct", by denying which I should know I would be perty confronted by the convenient and apt remark of the so-called "civilised", that then I had not sufficiently developed the finer and highly-differentiated quality of nervous fibre to appreciate the complex machinery of the modern "civilised" life, and consequently the "natural" phenomena of "out-

distancing" and "unlevelling" in the well-defined and graded strata of our social rank and position. So, pray! don't let us be misjudged from the first impressions of this book, as the beauty of machinery-production exercises by itself an irresistible charm which must naturally win a place in the heart of hearts of its strongest critics. Who can deny that machinery is certainly nobler and more beautiful in view of less requirement of human labour, better organisation, stabler existence, not to say of its artistic and cultural side? My attitude, besides, is constructive from the first to the last, and broad-based on the full belief, that if a moral standard equal to the need of the times cannot be evolved, we had better go back to our primitive past rather than handle "the power of the giants" in the quicksands of "stinking materialism of the grossest kind", as seems to be the order of the day. Is that question answered?

From the above, however, we would not mean to be understood that there is any implied assertion, such as, that there was any better standard of humanity shown in the older pre-machinery processes of employment of labour. But the difference lies in this, that whilst the "consumptive" employment of labour must always be guided by the social customs, the productive employment of labour was not then so extensive as in large-scale production of the present-day. Hence, there were fewer such dependents as of the modern type owing to the simplicity of instruments of production, and besides, without doubt, whatever else, they lived nearer to nature and their own native-village atmosphere than could be possible in the most unnatural conditions of the modern city-life. Our aim must be that the greatest number possible should participate in equal comforts of livelihood and that was true of the pre-machinery day, leaving very few cases of exploited labour at one end, and the other extreme of the handfuls of tyrannising aristocracy based on divine right. But to-day the greatest number has been precipitated down to the persecuted ranks of the modern "productive" labour, whilst the fold of the higher extreme has also greatly widened out—thus leaving the golden mean of an average middle class man in a most precarious condition of unstable equi-

brium, so that instead of forming a happy majority he is pulled in opposite ways by the wire-pulling processes of the modern system: sometimes licked and favoured by the beaming smiles of an aristocrat, and the very next moment threatened to be stranded down to the wretched ranks of common labour and thus finding it too difficult to keep on the coat of respectability intact, he is always living from hand to mouth. Such is the "contented" lot of the average majority!

Our check to one end is the Loan Theory, and on the other, that of the protection of labour by Labour Government. We have emphasised so much, beginning from the very first chapter, the multiplying-function of the machinery in respect of human labour, and should, therefore, be justified in drawing the conclusion that the theory of State production should be applied only to those concerns making use of that multiplying-function of machinery, such as of the H. P. Engines driven by steam or electricity, and no other private concerns.

This should lead naturally to a consideration of our theory of Private and State property. It is already discussed at great length in the third chapter, and I may only add that the history of the growth of the conception of Divine Right in property—beginning with the king of the realm and the Rule of Primogeniture and ending in the conception of modern Democracy, *i.e.*, the Rule of the Majority and Equality of opportunities—would bear ample evidence of the fact that all growth in the past was unconsciously forced by painful round of centuries of a slow moving evolutionary wave,—and all because it was unconscious. Henceforward, although we may not necessarily believe in forced marches involving a change of our entire psychology of mental and moral outlook, we would at any rate move in the wakening consciousness of advanced rationality. And we ought to do better than blundering in the abysmal deeps by a moral wreckage, when it would have to be admitted that "Ignorance is bliss". The way is yet long and tedious. The kingship was hard to surrender its divine right in property of the realm, and still harder will it be for us to realise and act consciously, so that we may

move towards a state of most uniformly and universally-shared physical comforts of life, which is only possible in this age of machinery by the fact that the profits of machinery beyond a certain point should go to the State, which in turn may employ it most productively by investigating on land, and thus counteracting the Law of Diminishing Return and thereby augmenting the true wealth and general prosperity of the whole community. The modern rule, born of material civilization, is to "snatch away as much as you can", but, henceforward, let our Government and education departments make for further counteracting checks to commercialistic and grabbing tendencies natural to an Individualistic age.

Remember, please, for all time that it remains fundamentally true that all mankind is but one—an inalienable, indefeasible whole—but for purposes of the proper division of the world's physical comforts, we have divided ourselves, from the beginning into so many divided interests, in which respect we are trained to compete with one another, and our refinement consists in making those rivalries as pleasant as possible. In the midst of these clashing interests, we have retained the institution of the joint-family, in which the rule can be possibly applicable, of "Work according to capacity and reward according to need", which is the only consolation after the day's work of competition. Yet, all these institutions are, after all, man-made, and can at any time be altered or modified by man to suit his changing needs.

As for securing equality of bodily comfort as within a joint-family, exports should determine the average of standard of living. No wages in any department should be paid over that. There is difference in the nature of work of the various professions, but if "all labour is sacred" its remuneration in each line must also be the same. It is true that some are born to order sitting, and the others to obey them only to toil and moil from morn till eve. But when we urge that the remuneration of both must be at par, you might say that as the various professions differ in the quality of work, so the remuneration in each must depend on the quality of work turned out by the individual. Well, there, while admitting

that it is by all means true that one may do the work involving hours to another in as many minutes, but—and we would make a big but. The thing is, you are not to multiply your gains above that average livelihood, and if work for the sake of work is a joy to you, or if you seek to find “rest in work”, you may by all means work gratis, work to lighten up others’ duties; but do not make your “extra time more paying”. Above that average you have no right, although for any thing below that you have got to compete and fight your way. The day when this uniformity is aimed at as the common goal of humanity and the relations between the master and servant smoothed down by this common understanding instead of the commercialistic spirit of Demand and Supply reigning between them, we would have the brightest dawn and a real millenium crystallised out on our earth—and not the less, the day of Fulfillment of God’s One Great Purpose of embodying human souls on this relative and finite plane of existence.

We believe certainly in the finest and minutest division of work and there is no need for either the highest or the lowest of labourers to be overworked. The ever-busy minister of State may employ hundreds of Private Secretaries to help him through with his vast duties while he may only move his tongue sitting at ease. But as a servant of the State he could not be paid more than “average” or minimum-comfort-wage. Certainly, leisure must be coveted more than an “increasingly-paying-time” above that standard, so that, by all means make your time more and more valuable, but with the object of creating more and more leisure.

Next, to apply the same rule to a trader or producer, as he would not require to be taught the value of accumulated capital for his purposes, and while any body was perfectly free to spend away his money any way he liked, a sufficiently strong check would have been applied to the “stability of incomes” of the capitalist class by our Loan theory allowing no more than double the return of invested money in broken form.

Next, to pass over to another time-worn institution, that of land-lordism which is no more than a commission-agent’s business between the Government and the tenant-farmer, and is the most crystallised product of the conception of heredi-

tary rights in property. We may say here, by the way, that the present day governments are for the best part living on Force, merely eking out their existence and barely justifying their position, growing as it is more and more untenable for them every day to respond in any degree compatible to the growing needs of the society. They nurture under their shadow the time-worn institution of land-lordism, and as having unnaturally adopted it as their chief stay, a source of revenue; have developed into a second evil based on the first. I would refer the reader to the economics of the case about so-called land-taxation presented towards the end of the second chapter; while in the light of the modern age of facilitated communications, when the tenant-farmers could be directly or indirectly approached by any centralised Government, even the canons of taxation of Adam Smith could not furnish any justification to the antideluvian system of land-lordism wrong in principle, and, in practice, found rotten to the core, and a heavy drag on the society. We have given the quite natural alternatives of either direct farming, or by means of employed-labour—but that rental-business of commission agency must be given a death-blow in due course, particularly owing to the pernicious effect of Ricardo's principle of "land rentals being the surplus of the land under cultivation over the marginal land."

Regarding the addition of the fifth chapter it requires, I think, some explanation to be offered. "It is at present foreign to practical politics" is what I have said in its very beginning; but its necessity that I felt, was to add one more justification of my loan theory, if one were wanting, in light of its effect on one of the most puzzling of currency problems—the maintenance of a standard of value. I hope it has much simplified the problem.

Lastly, I may say to those who fear "innovations" for the mere matter of name, that when the present mechanism has been a proved failure and has been judged by its after-effect and found wanting we should not make it too late in the day to prepare for the on-coming hours of the night of change and trials, of travails and turmoils, in order to greet the new wakening dawn of morrow of peace and plenty—

and so on and on, through each stage of progress and change leading to expansion on the march of evolution. The clouds of the inevitable change are long since in the air and are gathering fast and thick ; the horizon is overcast with forebodings; and it must be true that “ nothing succeeds like success” it must also remain, that the preliminaries and essentials to success are, both foresight and risk of experiment.

Any Government, poor thing! ‘cannot solve national difficulties—it is too much committed to the aristocracy’ to the conservatism of old ideas of prestige, and privilege, to the vested interests and immemorable precedents and so it is incapable of imposing from above reforms on itself. It is for a people to fight and determine its Government and even in this struggle the Government must yield slowly, resistingly, to make its resistance sufficiently felt at every step, when alone it can remain true to its pledged word implied in its claim to security and stability, and when also the people would enjoy the blessed fruits of labour in a sacred fight waged to a successful end, in view. But remember that, although according to the well-known dictum of Thomas Paine, “Society, in every state, is a blessing; but Government, even in its best state, is but a necessary evil”, there is at any rate no doubt, that the slightest evil in the machinery of Government, is multiplied to *ad infinitum*, and so if evil must be fought in individual man, evil Governments must be the first and foremost to be destroyed. The instinct of the East requires every thing, however good and necessary to be imposed and superimposed from above, for to the Oriental all things seems to have a divine source—to come as the bounteous blessings of a Providence from on High guiding the destinies of the world. With the Westerner, however, things go different, and our hope also centres round the more virile race of my western brothers for taking initiative on the lines of my theoretical work. Suffice to say, in the words of Edmund Burke, “A State without the means of some change is without the means of its conversation.”

Dated 14th Oct. 1921. }
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 Budaun (U.P.) India. }

P. M. L. VARMA.

APPENDIX.

NOTE I. *A practical scheme of equal-empluments for all State servants.*

We should first of all clearly grasp the idea involved in the distinction between the *minimum-wage-in-practice* as the result of Supply and Demand of labour and the wage of *minimum-comfort-to-be-aimed-at*, the latter being calculated to strike out an *average standard of living*. As the country's prosperity increases, *i.e.*, the value of money rises with the greater supply of the prime essentials of life that go to support labour, and which will be consequent on the "truly productive" employment of capital on land to counteract the Law of Diminishing Return, there would no doubt be a decline in the minimum wage of the labour, but with the general all-round cheapening of prices there must be still greater reduction in the *minimum-comfort-wage-to-be-aimed-at*. The two ends must be brought nearer, which would be the only true criterion of increasing prosperity—indeed, the two are only relative, call them the maxima and minima points on the curve of Life leading ultimately to chains of succeeding millenia, is it not? Well, we may leave the doubter to doubt or the calculating statesman to ponder over, but it must be evident to plain reason that with cheaper food-prices even a slight lowering or decrease in the labourer's minimum wage in all industries would lead to a correspondingly greater lowering of the maximum point, since a general all-round cheapening would secure the same average standard of comfort at a much reduced cost.

Keeping this rule in view, we can grade up the emoluments of State servants between the two limits, as the Government of a community must be held responsible for effecting an average and most uniform standard of living. Our duty, therefore, must be to curtail higher salaries than the wage of minimum comfort, and to try to bring the actual-minimum-wage-in-

(ii)

practice to the same level—thus to apply preventive checks on both sides—to counteract the competitive effect on society and hence too much unequal-levelling and out-distancing.

Let us make a concrete example, taking the case of India. In Government service a constable or peon gets the least, say 20/Rs. p. m. Now, the wage of minimum comfort by which an educated man can certainly support a biggest joint-family with no great inconvenience—of course, without needing to hoard money—may be taken at, say Rs. 200/-. The check on the former, *i.e.*, those drawing higher salaries than Rs. 200/- can be automatically applied—from the highest minister down. Only their privileges can be differently marked. For instance, the ministers may be pensioned on minimum-comfort-wage after their term of office for the rest of their life. Similarly, the higher services may be pensionable after a fixed scale of time according to the rank. Again, differentiation must be made in the matter of leave-rules, such as the higher services may enjoy a longer period of casual leave every year than lower services. The other items can be in the matter of equipment during term of employment only. If the minister must keep his status of a well-furnished residence or a personal staff or a car—that must be provided by the State for State purposes only. If he must appear in a certain uniform or particular costumes, it must be charged for from the State coffers, and so on. Even the privileges for travelling as a source of recreation on the State account, or say, a separate allowance for the provision of a private library or of other readings matter, may be included on the list, and graded up.

Now about the relation of minimum-wage-in-existence to minimum-comfort-wage, we may proceed on the following steps in the intervening time until the prosperity of the country generally so increases to the level that the minimum wage becomes naturally the

minimum-comfort-wage—which would be the only test of a millenium, remember that.

Let us first in a broad way divide the various services into the following groups according to the degree of intellectuality required from each:—

- (1) The lowest unit—such as the peon or constable—illiterate class.
- (2) The posts of clerkships etc. requiring only *vernacular middle* education.
- (3) The posts requiring a High School education—*i.e.*, the same standard as vernacular middle but with a foreign language, such as English.
- (4) An University education—for this we will consider an ordinary graduate to be capable of best intellectual work and hence the highest unit.

Of course, we must open all the recruitment for various services in all departments to open competition, allowing equal opportunity to all. Next, all posts must be put on an increasing scale of salary, which will serve as an impetus as well as reward. It may happen at times that an older servant of a lower grade may be more highly paid and nearer to the minimum-comfort-wage than the one newly-recruited in a higher grade. But, not only the initial wages of the various grades must be graded, but their regular-increment-scale must also be, as well as their other privileges of pension and leave rules.

For instance, on further working out our example as follows:—

The lowest-grade salary may begin at Rs.20/- p.m. and rise by a regular annual increment of Rs. 5/—the post being pensionable after 30 years' service and so on about leave and other rules. The next higher

grade men may begin at Rs. 40/- p. m. with a rising-scale of Rs.8/- annually, and pensionable after 25 years. The third higher grade men may begin at 60 Rs. with a rising scale of Rs. 10/- p. m. and pensionable after 20 years. The fourth higher grade men may begin at Rs.100/- with Rs.15/- annual increment and pensionable after 10 years.

Of course, the maximum attainable salary is Rs.200. Beyond this last unit or standard, we may make further differentiations in the privileges, leave and pension rules etc. according to the rank and position.

Now before closing up, let us clearly mark out some of the brightest features and outstanding advantages of such a scheme.

Firstly, as we have already emphasised, it will create a certain average standard of comfort best adapted to the preservation of human body and it will be most uniformly shared and participated in by the greatest possible number. Beyond that standard of bodily-comfort, differentiation will be marked in greater honour or leisure afforded than any thing else.

Secondly, at present, the Government practically purchases its employes' honesty by money—then will it be more by sense of honour. Here we must also dispel any such doubt that may be raised in connection with the lowest grade servants that the high salaries earned by them towards the end of their career would "puff up" their minds and make them inefficient. Well, we should be inclined to think just the contrary, and hope we would be forgiven for even going to the length of putting this down as an uncharitable judgment on your part about others with whom you cannot feel and as naturally symptomatic of the venom distilled in your mind of "inequality" and that it would be a passing phase until one has actually realized that "Labour is sacred". And then, who would not vouchsafe having met with cases of humblest of State-

servants more conscientious of their duties, more faithful and loyal to their charge but after all retiring on a mere pittance of sustenance from the Government, and who can deny that a chain is no stronger than its weakest link and so the trust of a Government must be secure in the hands of its lowest representatives as well as the highest ?

Again, the fact that grabbing tendencies would be better checked by regular-increment-scale even for the sake of efficiency of Government work may be illustrated by a true instance that the present writer remembers having been told him by a learned Professor of his:—

“ An Undersecretary of a certain department of English Government was very assiduous at his work, and always worked overtimes and kept his office up-to-date—all in order to gain in the good favours of the ministry and thus to make for a further promotion. The result was at last that he grew very impatient; although still worked himself to death. One day, a certain Italian Consul casually questioned him on the point as to why he was always working more than the rest of them and overworking. Thereupon the Undersecretary bewailed his bad lot before him, and lo! the mystery of his bad luck was laid bare to him by the Consul explaining that his hard work was just the reason why he was not given promotion, because his superiors had the sense to be reasonably afraid that by giving him a promotion they would miss a capable and unreplaceable assistant, and so discreetly followed the “ You are good where you are ” rule so far. He further advised him to have recourse to a more dependable passport to success and it was that he should next try to make overtures for the hand of a certain niece of a cabinet minister, in which if he would succeed, his object too would have been gained so soon. Well, fortunately for the worthy Undersecretary he succeeded in his object well within a week and two birds were killed with a single stone ”.

Now, what for would have been that cringing desire for promotion if regular increments were assured to him up to the highest point without a corresponding elevation of his rank?

It would be worth our while now also to consider what would be the ultimate state of things, when the two ends would have met, and so we may well imagine the picture of the consequent millenium. All State servants will draw the minimum wage, which will also be the minimum-comfort-wage. Now any State servant would know that by leaving service of the State he will be easily able to earn more elsewhere, for it would not otherwise be the minimum in State service. Hence it would *no longer be any temptation* for any body to seek Government service, except perhaps for the sake of greater honour or esteem in which a particular post may be held. Thus, it would be clear from this that no special hereditary privilege need be given to the children or descendants of any Government servants from the fact of their birth or lineage—and so we would be saved from the repetition of the gravest error into which the old Indo-Aryan machinery of Government and hence the civilization also fell, by first breaking the rule of minimum wage on the part of the high monopolising ministers and then by their claiming hereditary privileges—indeed, the fall of society begins when its highest leaders suffer a fall in their nature!

NOTE II. *The limits of capitalisation of private industry and decentralisation of capital.*

Man becomes civilised as more and more he recognises the value of fixed capital in production. Capital we know is a necessary concomitant of every trade and profession, more or less, from the lowest to the highest—that is no doubt too true; but when that same capital assumes the enormous power of the machinery-giant with its multiplying-function, it be-

comes unsafe in private hands and there begins the downward decline of civilization until that capital is decentralised once more and the cycle completed. We may quote Manu, the Indo-Aryan law-giver from its English rendering by no less a reliable authority on the subject than Babu Bhagwan Das,

सर्वा करेष्वधीकारो महा.यन्त्र प्रवर्तनम् ।

आत्मार्थं च क्रियारम्भो-नास्तिक्यं चोपपातकम् ॥

Manu, xi, 63, 64, 66.

“ The starting and working of great machines and factories and also of mines, etc., by individuals, is one of the sins that rank next after the heinous ones (an Upa-pataka). Again, we may take another English rendering by the same learned pen from Mahābhārata (Shanti, Chap. XXV).

यज्ञाय सृष्टानि धनानि धाता यज्ञादसृष्टः पुरुषो रक्षिता च ।

तस्मात्सर्वं यज्ञएवोपयोऽयं धनं न कामाय हितं प्रशस्तम् ॥

एतत्स्वार्थेन क्रीतेयं धनं धनवतां वरं ।

धाता ददाति मुक्तैर्भ्यो यज्ञार्थमिति विद्वितम् ॥

“Manu’s Vaishya gathers and holds wealth only for the use of others, not for his own luxury; and if he should start factories using machinery, it should be not in the individualist but the co-operation spirit, as if it were a State-business, not his own.” “So only will the evils of machinery be avoided”, adds the learned author in his book, “The science of social organisation or The Laws of Manu”.

Thus, we may limit a certain capital-value—say, that which could be utmost afforded by a person having the income of minimum-comfort-wage—beyond which all private concerns should pass to State-ownership; and this could be easily done by the application of our Loan theory, since as we have generally that concerns capitalised above a certain value are “limited liability” companies of which the

subscribed shares could be easily paid back by double the recurring dividends, there would thus be no difficulty for the State to assume charge of all such concerns. Any private capitalisation in trade need not be combated by the State, as we have shown before, it is a middleman's work of distribution only, and again any capitalistic monopoly in that direction too could be easily overcome by the opening of Co-operative stores in each place at first to be subscribed by public money and patronised by the public, but that too afterwards passing to State control and ownership as its share-money might be redeemed by its dividends declared, and after which they would be like State-shops, impossible to compete with any private capitalistic enterprise. Of course, business on a small scale, as we say "within certain limits", whether relating to trade or production, should always be left for private competition—as before, and no change need be introduced in our present state of affairs.

Another point, here, we should make clear and that is, whether the State by owning large industrial concerns would invest its "risk capital" or not—for we should bear in mind the fact that these ~~are~~ besides fixed-capital we have to lay out some more—which may be called risk-capital—for instance, goods are manufactured long before they may be in demand, and for such how far would the State bear the burden of risk? Well, we think the question, first of all, might be left to the controlling department of the State to judge, which would also try to help private industry by grants-in-aid and other expert advice, and then, as we have said, even the concerns under State-production could freely invite any more private investment of money, subject of course to the Loan theory, provided the investors might be forthcoming.

NOTE III. *The Question of time in the Loan* y.

	Rate of interest per mensem.		Rate of interest per annum.		Time taken in payment.
[1]	½ per cent ...		3 per cent		66½ years
[2]	½ per cent ...		6 per cent		33½ years
[3]	¾ per cent ...		9 per cent		22½ years
[4]	1 per cent ...		12 per cent		16½ years
[5]	1½ per cent ...		15 per cent		13½ years
[6]	1½ per cent ...		18 per cent		11½ years
[7]	2 per cent ...		24 per cent		8½ years

Now all this above table would show that there is nothing impractical about it for all purposes of a life-time's schemings, except perhaps a change of heart on our part. The rate of interest can certainly be varied according to the credit of the borrower or the risk of the lender. And, whenever the creditor's regular payment of interest be in doubt, he can have recourse to the ordinary law as formerly, when the debt could be recoverable from the borrower's assets.

Let us next make it quite clear that the rule is for the debtor not to pay in any case more than double the loan contracted, so that if he may have already paid something in interest, it is open to him to either compound the double of the loan, or to pay it down on the old system with the interest upto date: whichever be the cheaper way for him. For instance, suppose A borrows 100 Rs. from B on a certain rate of interest. Now, after a certain time if he would have already paid more than 100 Rs. by way of interest, he could clear off his debt by compounding the balance from 200 Rs., but if he might have paid less than

10. by that time he could clear off his debt, as at present, by paying back the borrowed money, i. e., 100 Rs. *enmasse* and be done with it. The latter method would apply generally to all short duration loans, but the choice between the two must be left open to the debtor, while the contracting parties can only settle the rate of interest.

Again, if any interest-bearing deed of agreement be transferred from one hand to another, its valuation at the time of transaction can be made on the above principle and then a slight discount or premium may be given depending on the good honour of the deed, whereas there will not be much room for speculation as these days. For instance, the shares of a company subject to State-production may be put out for sale, then since their face-value according to our rule would evidently be double their issue-value less by the dividends already paid on it, the prospective purchaser may offer a little premium or claim discount according to the conditions of investment, but that will be practically inappreciable, whereas all the grabbing of the share-market would cease for good and all. In case the two parties agree, the interest at any time, if not paid down, may be added to the capital and would then give added interest, or call it compound interest. Such as, in case of any investment on railways if the Company declares dividends after a few years it had taken loan on a certain rate of interest payable yearly, then with the good will of its creditors it may add the interest due every year to the capital as further loan, but it must always be payable on the same system of instalment payment by broken interest—call it compound or simple.