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TOPICS OF THE WEEK.

A few of the pleas put forward that Indian troops have been despatched to China to protect the lives of nearly a thousand Indians, it is useful to know the number of men among them. Answering a question in the Assembly in August 1925, Mr. Burdon said in his report that the total number of Indian troops stationed in China was 859. These are not paid out of Indian revenues. Some of these troops are employed to safeguard the British interests in the International Concession at Shanghai which is governed largely by the British and the Japanese. Indian troops were used to shoot the Chinese in the Shanghai strike of 1925. These troops are mostly Sikhs, who, in the words of Mr. Bertrand Russell, "play the same part as the Cossacks play in Tsarist Russia." No Indian can possibly have any sense of kinship or sympathy with these mercenaries who deserve the fate to which their mission may condemn them. Further, it is interesting to note that Shanghai is a city divided into three parts, the Chinese City, the French Concession and the International Concession. The British has not despatched troops to safeguard the International Concession nor has she used the position of the Indo-Chinese Concession as a pretext to send troops and destroyers as a 'purely defensive measure'.

NEVER is the sense of justice among the Powers so quickened as when some big interests are at stake and nowhere is this fact more clearly demonstrated than in the Chinese situation to-day. Treaties and concessions, which were considered as sacrosanct and of semi-divine origin, are now in the stress of circumstances conceded to be 'admittedly' anomalous requiring either radical modification or abolition. At the conclusion of the Washington Conference the Powers patted their own and one another's back at the unexampled exhibition of their benevolence towards China. What appeared to be proffered as an act of virtue on the eve of the Washington Conference, circumstances have rendered into a stern necessity to-day. As a matter of fact the Washington Conference promised no more than a revision of extra-territoriality and an effective 5 per cent. customs tariff. What China demands to-day, and very rightly too, are the abolition of extraterritoriality and complete tariff autonomy. Col. Amery in his recent speech enumerated the various benefits that China has derived from the foreigners in general and foreign concessions in particular. The latter, he said, are examples to the Chinese in developing their own municipal systems on modern lines. The Colonial Secretary, however, did not say what precisely is the relation between the municipal administration and the gunboats. It appears that the Chinese have learnt more lessons from the latter than from the former. Oriental perversity!

* * *

UNLIKE its immediate predecessor, the present Bengal Ministry. Bengal Legislative Council has passed the necessary provision for Ministers' salaries: but the chances of a stable Ministry there do not at the moment appear to be particularly bright. In order to hold the scales even, Lord Lytton decided to appoint only two instead of three Ministers, one a Hindu and the other a Mahomedan. In his quest for Ministers, he hit upon Sir Abdur Rahim who was appointed Chief Minister on the understanding that his colleague would be a Hindu; but having failed to find a Hindu to accept office with him, Sir Abdur Rahim resigned, after only four day's tenure of Ministership. France is noted for very short-lived

ministries; but it is doubtful if even she can furnish an instance of a Ministry of such short duration as was that of Sir Abdur Rahim. Mr. B. Chakravarti and Mr. A. K. Gaznavi have since been appointed Ministers; but the Mahomedans, irritated at Sir Abdur Rahim's discomfiture owing, as they seem to think, to sheer cussedness of Hindus, are apparently bent upon making it too hot for the Mahomedan Minister to continue in office much longer. Whether they will eventually succeed in their object time will show. In the meantime no means are spared to induce Mr. Gaznavi to send in his resignation. Soon after his appointment crowds of students surrounded his residence and begged him to resign; while public meetings of his co-religionists have repeated the same request perhaps with greater vehemence. And the latest report is that he has been receiving threatening letters, which have necessitated special police precautions for his safety. We have so far not been told whether joint responsibility binds the two Ministers together; but if it does and if the Mahomedan Minister ultimately yields to public pressure, Mr. Chakravarti will also have to go with him. And Lord Lytton will in that case be hard put to it to find people to take charge of transferred departments.

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THE question of prohibition has recently received so much public attention that no fresh argument now remains to be adduced either for or against it. And when debates on such hackneyed subjects are sought to be started in the Councils, public education will hardly suffer by the question being at once put to vote. The saving in time thus effected will, in our opinion, more than counter-balance any possible loss consequent upon this innovation. The recent excise debate in the U. P. Council was noticeable for nothing so much as the subtle distinction the Excise Minister tried to make between total abstinence and total prohibition. We are sure the attempt will be lost on the general public who will, in spite of the Minister's explanation, fail to see how the one differs from the other. If, as Mr. Chintamani pointed out, the Minister had no difficulty in accepting the amendment which wanted Government "to bring about abstinence from liquor as speedily as possible" especially by a resort to local option, he might as well have accepted the original resolution which sought to commit Government to total prohibition. In his zeal to present his Government in the most favourable light in this matter, the present Home Member, who was once Excise Minister, asserted on the strength of "his past experience" that "total prohibition did not come within the purview of practical politics." Another of his objectionable statements was that "the policy of the Government had given better results in reducing consumption than the steps suggested in this resolution could ever do." This strikes us

as somewhat too sweeping. It may be a fact, as he says, that consumption in U. P. had gone down by 60 p. c. during the last six years, that shops had decreased by 42 p. c. and that the incidence of excise revenue in U. P. was the lowest among Indian provinces, being only 4½ annas per head. All this is creditable, so far as it goes; but what ground has he for saying that such wonderful achievements as he claims for his own Government's policy are impossible of attainment by any other method? And when he talks of reduction of consumption by 60 p. c., will he tell us which is his basic year? The Minister having shown his partiality for total abstinence, the public would doubtless watch with keen interest the steps he may take to prevent the entry into U. P. of foreign spirits, which are a central subject.

* * *

ONE of the stock arguments against the grant of constitutional reforms to this country is that the interests of the rural masses would not be properly looked after by their more educated countrymen. The hollowness of the plea has been exposed times without number and the history of the National Congress and the lives of our political leaders furnish an irrefutable answer to it. If further proof were needed, it is supplied by the resolution recently passed by the U. P. Legislative Council urging the need of rural reconstruction. Whenever popular representatives have pressed for bettering the condition of the masses and making their lot tolerable, their efforts are thwarted by the bureaucracy on the excuse of want of funds. The present occasion was no exception to the general rule. During the debate on the resolution elaborate statistics were given with the object of showing that the Government was doing its best for them and the familiar plea of want of funds was again trotted out. This shows conclusively that whatever the bureaucratic champions of the masses may say, their real friends are their own educated countrymen.

* * *

MR. MAHAMAD ALI has made superlatives his normal vehicle of expression. We Mr. Mahamad Ali resolves. admire his heroism and feel a little timid ourselves. At Gauhati he would do nothing short of washing with his own blood the crime of the murder of Swami Shradhdhanda. At Delhi this fierce resolution was shrinking down to common human proportions of routine life. China has given him occasion to be his superlative self again. He would lay himself down before the train carrying Indian troops to fight against China. We fervently hope that he will do nothing of the kind and continue enlightening the Indian public with the latest census figures of moslems in Latvia, Peru and Guatemala and their intimate relation with Indian nationalism.

* * *

ABOLITION OF COMMISSIONERSHIPS.

THE recent debate in the U. P. Legislative Council on the question of abolition of Commissionerships showed once again the Government in the unenviable position of defending the indefensible. The Council carried by a very large majority the amended resolution recommending the reduction of the present number of Commissioners of ten to five. The Finance Member in opposing the resolution said that the Government had not the requisite local knowledge and experience and could not keep in constant intimate touch with the local officers and that the Commissioners performed useful functions in this respect. He further said that after observing the effect of the new tenancy legislation on the number of revenue appeals to Commissioners' courts, the Government would recommend the abolition of unnecessary Commissionerships. It will be recalled that the Committee appointed by the U. P. Government in 1922 to consider the question of abolition or reduction of Commissionerships recommended *unanimously* a reduction from ten to five. The tenancy legislation passed since then makes the case for reduction or abolition still stronger to-day, as the result expected from this legislation is a reduction of revenue appeal cases. The Finance Member's plea that the Commissioners help the Government to keep in constant touch with local officers is really hollow. Considering the same question, the Bengal Retrenchment Committee observed. "We are not convinced that it would not be better for Government to be in more direct touch with the District Officers by whom the work is actually done. It is clearly uneconomical to interpose a Commissioner between a District Officer and Government unless the Commissioner makes an original contribution to the matter in hand, and, we are told, that in regard to an appreciable portion of correspondence this cannot be said to be the case. We feel that where advice is received by Government from a Commissioner in regard to District work, it amounts at best to a second opinion. The first opinion comes from the District officer who has intimate knowledge of local conditions and feelings." There is no reason to believe that those remarks do not apply to other provinces. In this connection, it will be remembered that there are 42 Divisional Commissioners in the whole of India including Sind and Burma and that a sum varying from 35 to 40 lakhs of Rupees is annually spent on these officers and their establishments. As a measure of economy almost every provincial legislature has recommended their abolition. Committees were appointed in six provinces to consider the question of their reduction or abolition and all the Retrenchment Committees which were appointed in several provinces soon after the Reformed Constitution came into operation recommended either their abolition or reduction.

Whatever justification there may have been for the retention of these posts before the Reforms, it may be certainly said that they are quite su-

perfluous under the new constitution of the Provinces. The transferred departments are now administered by Ministers whose policies are regulated by the vote of the legislature. The District Officers and the Commissioners have now very little, if any, part in the framing of policy. The District Officers under the transferred departments carry out the policy laid down by the Ministry and do not thus need the advice of a Commissioner. Even on the reserved side of the administration all important matters and proposed legislation are subject to joint discussion of the Government and the help of a Commissioner as an adviser is no longer needed by the District Officers. The Commissioners are thus, as the Hon'ble Mr. B. P. Standen observed in the U. P. Legislative Council, 'altogether out of place in a picture of the Reform Government.' The work of the Commissioners such as they perform now can be well distributed to a very large extent among district officers as suggested by the various Retrenchment Committees. The removal of this none too useful intermediate authority will result in the strengthening of the district officers and their responsibility will be less obscured.

Replying to a question in the Assembly in September 1925, the Home Member said that the Government of India had informed the Local Governments that while they were unable to agree to the abolition of Divisional Commissionerships generally, they will be prepared to consider on their merits proposals for the reduction of any particular posts. This decision of the Government of India is entirely opposed to the non-official opinion in the country, as it implies that the retention of these posts needs no justification. While public opinion demands that Commissionerships should be abolished except where as in Sind, special circumstances may require its retention, the Government of India adopt the reverse attitude and say that all these posts should be maintained except where their superfluity is proved. Now whatever the duties the Commissioners of a particular Province perform, they are of an identical nature in the different Divisions of the Province and it cannot be expected that the post of Commissioner of a Division will be considered superfluous while the same post in the adjoining or other Division is considered necessary. The Government of Assam, for instance, cannot recommend the abolition of the Commissionership of Surma Valley without condemning the same post in Assam Valley to the same fate. We are prepared to believe that there may be a case or two where retention of the post may be considered advisable. But, speaking generally, there is no room for Divisional Commissionerships in the present administrative system of the Provinces. The provincial exchequers are not overflowing with money and the saving of a few lakhs will be far better used in the promotion of rural sanitation and primary education than wasted on these supernumerary posts.

AGRICULTURE AND THE ROYAL COMMISSION.

VI.

THE apathy of landowners towards farming was mentioned in the evidence at Calcutta. This is due here, as elsewhere, to the practice prevalent in all parts of what is called absentee landlordism. In certain parts of the country more than in others, this practice predominates and that is due to the fact that the holdings of individuals are comparatively more extensive. In such cases it has happened that the landlord has shifted his centre of interest to the city gradually, till at the present time he visits his lands only when rent has to be collected, if he does not delegate this work to an employee of his. The reason for this gradual migration is manifold. It usually is due in the first place to the want of facilities for education in the rural parts. The younger members of the family have therefore to go to the cities for education and in course of time an establishment will come to be maintained in the city for their benefit. By frequent visits to the city entailed by this, the other members acquire a taste for city life and then the transference of the landlord's habitation from the village to the town is complete. In the case of the smaller landlords it is often a case of supplementing the meagre and, in years of adverse rainfall, insufficient income from the land, by work of some sort in the cities. Then again there is the case of the young man going to the city for education and finding employment in the city afterwards. Once a man drifts into the city, it often gets very hard for him to return to the country. The time is coming, however, when the evil of this process will be fully realised and active measures taken to correct it.

A proper and lasting solution of the problem can only result from a proper diagnosis. In the light of what has been said above, the provision of adequate facilities for the education of boys, say up to the matriculation standard, in rural centres will in some measure prevent the acquisition of a taste for city life among some boys at least. The value that has so far been attached to college education as a means of securing lucrative appointments, is now coming to be recognised as having been disproportionate, and a fuller realisation of the true values of the different grades of education is sure to result in not only stopping this migration to the cities, but also to turn the current back towards the country. It is needless to say that some readjustment will have to be made in the curricula followed in our schools, and that agricultural education must be given its proper place. It is pleasing to note that for the first time in the course of the evidence we find emphasized the need for the establishment of fully equipped agricultural colonies all over the provinces.

The necessity of each province having its own complete scientific staff was emphatically brought out and it was further stated that there was no

necessity specially to increase the research staff of the Government of India. As has been said before, some sort of correlation and coordination is necessary among the various provinces and this work can properly be done by the Government of India. One important step may be taken with advantage, and that is the establishment of a Central Bureau to keep in touch with all provincial departments, to collect all useful information, and to embody such knowledge in periodical publications to be distributed as widely as possible. While the publication of matters of purely provincial interest may be left to local departments, matters of general interest may with advantage be published by the Bureau in bulletin form, somewhat on the lines of the "Farmer's Bulletin" issued by the U. S. A. Government.

The popular complaint that one often comes across, that the Agricultural Department is top heavy, that it is unpopular with cultivators, that its officers do not do their work properly, found expression in the Calcutta evidence. While it is impossible to refute accusations of this kind without going into minute detail,—and that cannot be done here,—a general indication might be given to show the reason for the existence of such beliefs in certain minds. In work of the kind that has to be done by agricultural departments, it is natural that the first item that claims attention is research or experimental work. This demands the services of the best intellects available, for on the soundness of this work depends the stability of the whole fabric that is going to be built on it. The obtaining of results which can be utilised by the cultivators takes some time, and these two combined give the impression to the lay mind that the Agricultural Department is top heavy. It has to be conceded that there may be stray instances where greater staff is maintained than is absolutely necessary and more expense incurred, but a general charge like that is hardly fair. Coming to the work of the district officers, it must be recognised that the work that has to be done is enormous and that all departments grew from small beginnings. The result was that a very small number of men had to do a very large amount of work over a very wide area. The beginning had to be made somewhere and naturally enough, it was made in the places most easily accessible. As the number of officers for this work increases, as it is increasing, places hitherto not reached will be taken up, and with the improvement in communications, we can look forward to seeing all places reached at no distant date. With regard to the farms again, the first farms to be started were all naturally experimental farms, and these were not started with the idea that they would serve as model business farms. We have now reached a stage when we can utilise the knowledge gained on the experimental farms and start other farms as purely business propositions. An urgent need of the country is the establishment of seed farms and as these can and ought to be run as business

farms, their establishment ought to be hastened as far as possible. At the same time facilities ought to be given to private people to try out methods found useful on experimental farms.

Centralisation was the keynote of the evidence given at Pusa. Two lines of organisation have been suggested, one of having a strong central board having executive authority over and being in charge of all research work and having control of funds for financing research. This is what might be called real centralisation. The other is, having a central advisory board consisting of officers from all provinces, to discuss and suggest the research work that should be undertaken in the various provinces. A larger body of opinion seems to favour the latter course. It may not be desirable to allow executive interference in the work of the provincial departments by a central board, but advice from a body consisting of provincial representatives is likely to be very welcome. The very fact that a provincial representative has accepted some scheme, and also that no province is likely to be coerced to undertake something which its representative on the board has not accepted, means that all source of friction will be eliminated. Any money that any province may want in addition to grants by its own Government, can be allotted for special work from funds under the control of the central board. How such funds can be accumulated, is a matter for careful consideration. Either a grant from the Government of India may be asked for or a small export duty levied on agricultural produce and earmarked for this purpose.

Considering that there are extensive tracts in India where the finest quality of sugarcane is grown, it is regrettable that we are still depending upon imported sugar to the extent of fifteen crores of rupees. With the help of the improvements in machinery and methods of manufacture of sugar, with the increasing importance of alcohol for industrial purposes, the manufacture of sugar in this country is a paying proposition. The reason preventing the establishment of more factories in suitable areas is said to be lack of encouragement. At a time when various Governments in India are embarking on extensive schemes for the development of the natural resources of the country, it is not too much to ask that a model sugar factory be established in a suitable tract to serve as an incentive to capitalists. Incidentally such a factory could serve as a centre for research in the technique of sugar manufacture, and could train the men needed for such factories.

Coming to the consideration of Pusa as a proper centre for the training of men suitable for work in the Indian Agricultural Service, the suggestion that some arrangements be made for the work at Pusa to be recognised by some University and allowed to lead to a degree of D. Sc. or Ph. D. deserves careful consideration. There is a general feeling that the holding of a doctor's degree makes it easier for a man to get promotion to the higher

ranks, and one must say that there is some justification for it. This suggestion, therefore, is worthy of adoption and it may be appropriate that such degrees should be given by the Delhi University of which the chancellor is the Viceroy. It is something to be told that Pusa offers as good a training as any institution outside India, so far as recruits to the Indian Agricultural Service are concerned; but one cannot understand why such training should be suitable only for the Indian recruits. It is not quite intelligible what the 'economic standard' is that should guide the selection of students; but one hopes that it is not meant by this to exclude the brilliant but poor student. A system of scholarships ought to get over this difficulty.

GUNDAPPA S. KURPAD.

OUR PARLIAMENTARY LETTER.

(SPECIAL TO THE SERVANT OF INDIA AND THE WEEK.)

New Delhi, January 28.

FIRST IMPRESSIONS.

MY first impression of the third Assembly which commenced its sittings on Monday last is none too favourable. It may be that I shall have to correct it later on, and I hope it will be so, but for the moment I must record my personal disappointment of the high expectations I had formed of this Assembly. One misses some of the most active and influential members of the second Assembly. The loss of Sir Sivaswami Aiyer, who, I understand, was unwilling to be renominated, is absolutely irrecoverable, the knowledge which he brought to bear on the questions he handled and consequently the weight which his utterances carried were unequalled by similar qualities in the speech of any other member, elected or nominated. Dewan Bahadur Ranachariar is another member who will be very sorely missed. The member who has ousted him, Mr. S. Srinivasa Aiyengar, is perhaps even more clever and subtle than Mr. Rangachariar, but I am afraid it is too much to expect that the former will give as much study to public questions as the latter used to do, and it is our experience that mere intellectual power unaccompanied by a close and constant study does not take one very far. From this point of view the replacement of Diwan Bahadur Ramachandra Rau by Mr. T. Prakasam is wholly to be deplored. In this case one who has devoted the best part of his active life to an unremitting study of public affairs has been made to give place to one who has to begin at the very beginning, but who, it appears, will never even begin. In speaking on the Steel Protection Bill he made an exhibition of himself, of which even the Swaraj party, which seems so contemptuous of detailed knowledge of any subject, will be ashamed. The policy of "discriminating protection" which the Government of India have adopted was confounded by him with the policy of "imperial preference" discriminating in favour of the British Empire and against extra-imperial countries. The protection which is proposed to be given to the steel industry is restricted for the present to seven years (in contrast to three years for which it was at first given); this appeared to the Swarajist member to savour of the spirit which prompts "step by step" policy in conceding self-government to India. Why limit it to seven years?, the hon'ble member cried; why in our own country should we subject ourselves to such limits of time? How can any man

with a spark of self-respect in him agree to such a humiliating proposal? Such is the extent of the knowledge of economics of this new recruit to the Swaraj party returned to the Assembly by a thumping majority; and after this declamation, when the question was put, he quietly agreed to it without demur, overflowing with self-respect as he is! The difference between him and Mr. Ramachandra Rau is typical of the difference between the Swaraj party and the Liberal party. The absence of Babu Bipin Chandra Pal and Dr. Dutta will be felt to be a severe handicap by the progressive members of the Assembly. The ready wit and the originality and independent thinking of the former and the thorough mastery of the subjects in which the latter interested himself and the courage with which he espoused the popular cause as against the cause of the wealthy classes who dominate the Assembly were great assets and the Assembly will certainly be rendered poorer by the loss of their services. I would not be understood by what I have said to cast a reflection on Mr. Ratnaswamy Pillai, who is nominated to represent Indian Christian interests in the place of Dr. Dutta; the former is however yet to make his mark and it is also feared that Mr. Ratnaswamy will not be so accessible to forward-looking ideas as Dr. Dutta was. It is for Mr. Ratnaswamy to give the lie to such a belief by his conduct. The Assembly, on the other hand, has certainly derived an accession of strength by the return of some new members. Without desiring to be invidious, I shall mention only three names which occur to me at the moment: Messrs. Jayakar, Kunzru and Birla. The general ability of Mr. Jayakar is undisputed and he will ever exercise a great influence on the side of reason and commonsense in general politics, but his utility as a member of the legislature will be determined by the industry which he will bring to the study of public questions and that remains as yet a doubtful factor. Pandit Hirdaynath Kunzru's knowledge of political and economic questions is even now very extensive, but of all members he will easily be the most assiduous student of public affairs, and the Government will soon find in him a persistent critic who more than anyone else will give them a few very bad hours every session. Big business has secured a strenuous and able champion in Mr. Ghanashyam Das Birla, who by his maiden speech on Tuesday produced a very good impression on the House. How one wishes that the native ability of the Assembly members, which makes a great show in the mass, were harnessed to a serious purpose and a capacity for work! Of the European members I will only refer to Mr. Arthur Moore, of whom much is expected as an ambassador of unity between the officials and non-officials.

The first few days were spent by members in forming groups and alliances. There was a faint attempt for some time at organising an Opposition block from all the non-official Indian members irrespective of their party labels, but the attempt failed, as it was bound to fail in the present temper of the leaders of respective parties. So the Swaraj party maintains its integrity and acts as a separate entity. It does not inspire any fear, however, in official members; it looks as if its claws have been out. With the election of Mr. Srinivasa Aiyangar, the Swaraj party naturally had some difficulty in appointing its leader. But eventually Pandit Motilal Nehru was re-elected leader and Mr. Aiyangar quietly subsided into the position of a deputy leader. There are of course valid reasons for the Constitutional party in

the Assembly refusing to coalesce with the Swaraj party, but I can think of no reason why the several groups in the Constitutional party should not work together in one organization. That party is now split into two parties—the Nationalist party headed by Pandit Madan Mohan Malaviya and Lala Lajpat Rai and the Independent party headed by Mr. Jinnah. There may of course be reasons of personal ambition why politicians who generally take the same line in politics find it necessary to have two different organizations, but apart from such personal considerations what divides the two parties is that one is devoted to Hindu interests and the other to Mahomedan. I do not mean to say that those who have joined as members have any such line of demarcation in mind. If Pandit Malaviya's party were a Hindu organization, Pandit Kunzru could not be a member of it, and if Mr. Jinnah's party were a Muslim organization, Sir Purshotamdas would not have joined it. But the fact remains that the Nationalist party includes no Mussulman member and is led by men identified with the Hindu Sabha and the Independent party consists of a large majority of Mahomedans and is led by a prominent Muslim Leaguer. There is a real danger of these two parties becoming by the force of circumstances communalistic bodies, which will be disastrous to the country. The formation of these parties is very much to be deplored. It also demonstrates the complete lack of power in our politicians to work in team. Even if these two parties had united, they would be numerically weak compared to the Swarajists. Where would each party by itself be, consisting as it does of some 18 members, in opposition to the Swarajists who are 40 strong? Ordinarily, of course, the Nationalists and Independents will work together, but where was the need for separate parties when their politics is identical? In fact the Swarajists too will on most occasions join with these parties, for with obstruction shed, the Swaraj party has very little of a distinctive platform left for it. Nevertheless the existence of three separate parties is not a matter on which we can congratulate the Assembly.

GOLD STANDARD AND RESERVE BANK BILL.

The first measure of importance considered by the Assembly in its new magnificent Chamber was the Bill to establish a Gold Standard currency and constitute a Reserve Bank—a circumstance in which the Finance Member took much pride. The House as a whole, however, was not disposed to go into transports of joy over that fact. In the first place, the House took a much keener interest in the ratio question than in that of the standard, which to the majority of members was more or less an academic question, and the disappointment which it felt at the more practical question of the exchange value of the rupee being delayed was expressed in terms which did not err on the side of tenderness for the Finance Member. He was charged with deliberately keeping the Ratio Bill back in order to stampede the House into accepting its provisions by encountering the members with a dilemma of either accepting an eighteen-penny rupee or having a deficit in the budget. Sir Basil Blackett in fact very cleverly turned the table upon the Hon'ble members, for he had brought up the more urgent question of the exchange rate in the last September session of the Assembly, when, however, the very members who now objected to delay, had gone on their knees, in Mr. Jinnah's expressive phraseology, and begged the Finance Member to postpone the matter. The Leader of the House, Sir A. Muddiman, promised later to give an earlier day, if possible, to the

Coinage Bill or the Ratio Bill (as it has come to be called), but he warned the House that the dilemma to which members had referred would not be conjured out of existence by the mere fact of an early introduction of the Bill. Whether the gold value of the rupee was fixed a week or two before the Budget or a week or two after the Budget, it would affect the finances of the Government of India to the same degree and the House could not possibly ignore this effect.

The question of the exchange rate might well have been left at that for the time being, but it raised its head over and over again during the discussion of the Gold Standard Bill and Reserve Bank Bill, though the Finance Member had begged the House to dissociate the ratio question for the moment. The Bill itself met with a mixed reception; the Reserve Bank part of it won general support, while the Gold Bullion Standard part provoked almost unanimous opposition, to judge, that is to say, from the speeches made.

Sir Purshotamdas Thakordas had expressed the opinion, it will be recalled, in his dissenting minute that though it would be "an ideal system" for India to have an organisation to perform the central banking functions entirely separate from an organization from commercial banking, in the present circumstances of India it would be best to have the existing Imperial Bank of India, like the Bank of France, to perform both the functions. Since then, in order to meet the objections urged on behalf of the Imperial Bank, the Finance Member has offered to give to the Bank the option of subscribing three-tenths of the original share capital and one wondered whether in view of this further concession, Sir Purshotamdas would waive his objection, none too energetically expressed in the Minute of Dissent, to the constitution of a separate Central Bank. It soon became plain, however, that Sir Purshotamdas still continues to be in two minds on the subject, and in fact now to lean more on the side of opposition than on that of acquiescence. The grounds of his opposition too have apparently become wider. A Central Bank should come, he says, in the normal sequence of things, after and on the top of a number of institutions affording banking facilities. It was a question even then whether this Bank at the apex should be constituted. A Reserve Bank was no doubt established in the United States after a large development of banking in the country; but Canada had not yet thought it necessary to equip itself with a Central Bank, though it could boast of more than 4000 branches at the base. Why then foist upon India "a pure unalloyed Central Bank when she was so backward in banking"? The constitution of such a bank would not promote, but he feared would even retard, the development of banking in this country. At this stage he seemed to realise that he had here preferred a more fundamental objection than any he had advanced in his Minute of Dissent, and he said: "I may be asked why then I support any Reserve Bank at all. The answer is that the formation of such a Bank will enable us to get rid of the control of the Secretary of State who now runs the whole show without regard to the Government of India's opinion, and the currency policy will then be regulated by the Government of India under the influence of the Indian Legislature." That, in following this line of reasoning, Sir Purshotamdas should for the moment have lost sight of the elementary fact that a Reserve Bank will not put the Government of India in control of currency but will and is expressly designed to take it out of their hands as well as out of the hands of the Secretary of State appeared very surprising to

those who listened to Sir Purshotamdas. He also seemed unmindful of another fact in arguing as he did; a separate Reserve Bank was being proposed just in order that the Imperial Bank should be set free to open branches at all possible centres and promote banking. It is, therefore, hard to understand why the establishment of a Central Bank in charge of the currency and credit policy should, instead of fostering, hinder banking. Sir Purshotamdas' speech shows how little thought is given in India to the really important problems of currency and how public attention is concentrated on what after all is a minor question, that of the external value of the rupee.

It must be said, however, that Sir Purshotamdas was alone in urging such objections. He was contradicted soon afterwards in a forcible and well-ordered speech by Mr. Shanmukham Chetty, the Chief Whip of the Swaraj party, who heartily welcomed the formation of the Reserve Bank to control currency and credit independently of Government. Mr. T. Prakasam similarly blessed the project of a Reserve Bank in a downright manner; and Mr. A. Rangaswami Aiyangar in a more cautious way; while Mr. Jannadas Mehta could not quite make up his mind on the subject. While the Swarajist members thus approved of the proposal, some warmly and others tepidly, it was reserved for Sir Purshotamdas, perhaps the biggest non-official expert on the Assembly in this subject, to urge an objection which would be fatal to the whole of the proposed currency reform. In the course of the discussion several suggestions were made, which will indeed be taken into consideration at the proper time. In the schedule giving the names of banks against whose promissory notes the Reserve Bank is to be authorised to make loans are included 26 banks altogether, of which, as Sir Purshotamdas pointed out, not fewer than 21 are non-Indian banks. There is thus the danger, Sir Purshotamdas and several other members pointed out, of India's Central Bank being run in the interest of foreigners. Such a possibility of foreign exploitation must be entirely excluded. To this end Mr. T. Prakasam suggested the nationalization of the Bank, that is to say, the formation of a State bank, with no private shareholders. That, of course, was out of the question inasmuch as (the Finance Member explained in his reply) the whole object of the Bill was to vest the control in an authority independent of Government. The question of Government itself putting up the capital being thus ruled out, it was suggested by Mr. Joshi that shares should be of very small value, preferably of a rupee each, and the concentration of a large number of shares in the hands of a single individual should be prohibited so that the control of currency and credit will be in the hands of the masses and no manipulation by the wealthy classes in their own interest will be possible. Pandit Malaviya too supported restrictions on share-holding; Mr. Joshi also drew attention to the exclusion of central co-operative banks, the true people's banks, from the schedule to which reference is made above. Sir Basil Blackett said in his reply that he had carefully considered the question and arrived at the conclusion that the obligations to be laid upon the banks mentioned in the schedule could not appropriately be laid upon co-operative banks. The explanation given seemed very inadequate, and no doubt the Finance Member will hear more of it in due course. Speakers every now and then suggested that Government should exercise full control, the suspicion in their minds apparently being that exchange banks will have a predominant share in the

control of the Reserve Bank from which it must be saved at all costs. What steps can be taken to ensure national control without altering the fundamental character of the Bank is a very important question which the Assembly will have to tackle.

The provisions in the Bill for establishing a Gold Standard currency on the other hand found not a single supporter in the House (excepting of course the Finance Member) among those who spoke on Tuesday (25th Jan.) Everyone condemned the Gold Bullion standard almost in unmeasured terms and plumped for a Gold Currency standard, and among such was included, strange to say, Sir Purshotamdas Thakurdas who in his Minute has expressed his agreement with the gold bullion standard, subject to a condition which will be fully observed under the scheme of the Bill. This unanimous opposition, however, did not, it must be confessed, make much impression on the House, for if it was founded on reasoned arguments, the members succeeded wonderfully in keeping them to themselves. The currency that is proposed in this Bill is at bottom a paper currency with a gold bullion cover and before members condemned it out of hand, they might have asked themselves whether modern economic thought does not favour the abolition of metallic currency and the substitution for it of a paper currency with a gold bullion reserve. Only one member of the Assembly (that is to say, of those who took part in the debate) recognised this fact. Mr. A Rangaswami Aiyengar admitted that the gold bullion standard was an ideal standard, but contended that it was not practicable in this country. Why it was not practicable he did not care to explain. In his Minute Sir Purshotamdas had expressed his agreement with Sir B. Blackett's view that a paper currency inconvertible internally but freely convertible on a gold basis for external purposes was more ideal than a normal gold currency with gold coins in effective circulation, but on this occasion he went back on his former opinion. The system proposed by the Bill may not be simple nor easily intelligible, nor conspicuously visible, as the Commission would like our currency to be; but if these are its defects, it was not condemned by the critics in the Assembly on that score. Their principal objection was that the Gold Bullion Standard was but a variant, no doubt an improved and, in Mr. Jamnadas Mehta's words, expanded variant of the exchange standard. To this description Sir B. Blackett will not demur; in fact in his reply he indirectly admitted it; his claim, however, is that both the gold exchange standard and the gold bullion standard are different forms of the genuine gold standard and that the gold bullion standard need not be put out of court merely on the ground that it is merely a gold exchange standard under an alias. So great, however, is Indians' dislike of the gold exchange standard that to describe the gold bullion standard as a variety of the gold exchange standard is to invite condemnation on it forthwith. The members showed little appreciation of the fact that the essential defects of the exchange standard were removed from the standard proposed to be introduced into India: by substituting paper currency for silver rupees in circulation provision has been made against the risk of the tokens becoming worth more as a commodity than as currency; by coordinating the control of currency and credit means has been found for making the volume of currency in actual circulation expand or contract according as its exchange value increases or decreases in conformity with price movements; the adoption of gold standard makes it unnecessary to have large sterling reserves,

which was necessitated by the gold exchange standard. These and such other considerations which have been advanced on behalf of the new standard proposed were not even so much as referred to by the members in their speeches. These advantages simply did not exist, so far as our critics were concerned. Nor did any one try to show how a gold standard supported by gold coins in actual circulation would be more advantageous or practical in the immediate future. The Finance Member contented himself with the remark that the introduction of a gold currency standard was not immediately feasible and for the present at least there was no alternative to the gold bullion standard. Its adoption left the door open for its replacement by a gold currency standard when adequate gold reserves would be built up. This might be possible in ten or fifteen years and if the legislature of the time showed a decided preference for a gold currency, the country would certainly have it. He was asked to give a definite pledge on behalf of Government that on the legislature making such a demand a gold currency would be introduced. The Finance Member expressed himself unable to give a pledge which would be binding upon his successors; but it was in the highest degree improbable, he said, that a future Government of India would refuse such a request provided there were sufficient gold assets. That, under the scheme of the Bill, gold cannot be purchased in India except in large quantities and at a deterrent rate was brought forward by Mr. Ghanashyam Birla (who by the bye promises to be a useful member of the Assembly) as a conclusive argument that the standard proposed to be established in India was a gold exchange standard and not a gold bullion standard. Such limitations would, however, be necessary even under the regime of a gold currency standard in order to prevent the bullion market from being destroyed. The Finance Member in his speech dealt with a number of other topics like the demonstration of sovereigns, the withdrawal of the right of rupee encashment of new notes, &c.; but they have been dealt with often before and there was nothing new in his treatment of the subject.

Thus the debate that ensued on the Currency Bill was most disappointing; the speeches made by members showed no grasp of the subject and those of several of them showed that they were absolute strangers to it. The Finance Member claimed that the Bill constituted the largest measure of liberalism in finance yet offered to India, and though it was evident that the members were eager to challenge this claim they did nothing to support their contention by reasons. Much has been written by economists in the country to contest the view of the Royal Commission on the gold bullion standard, but our members have merely adopted their conclusions without mastering their arguments.

STEEL PROTECTION BILL.

The next important item of business that came before the Assembly was the Bill providing for the continuance of protection to the steel industry. As a result of the recommendations of the Tariff Board, protection was first given to the industry in 1924 partly by the imposition of customs duties on foreign steel articles and partly by bounties for home articles. About two crores of Rupees were thus required for the protection of the industry during the last three years. This Act was limited to three years, and that period having now expired, the subject came once again before the legislature. The Tariff Board, which has reinvestigated the question, recommended the grant of a smaller

amount of protection all by means of duties to be continued for seven years. The present Bill gives effect to the recommendations of the Board without any change. On the main question there was no difference of opinion in any quarter, and the debate centred round one point. Steel articles of British manufacture, being of a superior quality, are higher in price than those made on the Continent. The Bill, therefore, proposes, following the Tariff Board's recommendation, that a smaller duty should be levied upon articles imported from Britain than on those imported from Continental countries. Members smelt in this the introduction of the hated imperial preference in a stealthy manner and objected strongly to it. The Tariff Board, anticipating this objection, have answered it by saying that they have made the recommendation on purely economic grounds. Mr. Joshi, however followed a line of reasoning in which unfortunately he does not receive wide support. Such a key industry, as the steel industry, he argued, should in the first place be nationalised. If it had to be protected against competitors, the nation could extend to it the necessary protection willingly if it controlled the industry and reaped advantages from it in prosperity as it sought its assistance in adversity. Nationalisation, however, being out of the question, the form of protection should take in this case should be that of bounties, to be raised from people capable of bearing the burden. The Assembly, being elected mostly on the basis of the income tax paid, would best raise it by an addition to the income tax. Before bounties are given, certain conditions must be imposed, e. g. that labourers who invest their human labour in the industry would receive adequate protection; that the industry would not be turned over in future to non-Indians, and so forth. Needless to say that no echo of this reasoning was heard in the speeches of other members.

OUR PARIS LETTER.

[FROM OUR OWN CORRESPONDENT.]

Paris, January 13.

PAPAL POLITICS.

SUDDENLY the Pope has become a factor in French—and it will be seen in European—politics. The Vatican no doubt has played a leading role as much in the political as in ecclesiastical history from early times down to the very recent events in Mexico; but in France a Radical and anti-clerical Government had for years practically broken diplomatic relations with the Papacy and the Papal Nuncio's New Year's Speech at the Elysee in which M. Briand's foreign policy was paid a marked compliment at once attracted wide attention. At the top of it now comes the Decree placing *L'Action Francaise*, a Paris newspaper supporting the Royalist cause on the *Index Librorum Prohibitorum* which means that all devout Catholics who wish to find their eternity in the right quarter should no more run the risk of scanting its pages. The ban, it is explained, is based both on moral and doctrinal grounds and arises over the writings of the two editors, M. Maurras and M. Daudet. The former is an outstanding man of letters, upholding an atheistic philosophy which has attracted many adherents among the *Action's* Royalist organisation and the latter is a writer of novels, the themes of which have long been an annoyance to Rome. But the manner in which the Pop's political opinions have affected French politics suggests possibilities of Papal diplomacy such as may not be readily apprehended. Stimulated by this gesture of

encouragement about his foreign policy, M. Briand is said to have announced his intention of asking for a ratification of that conduct of affairs in the Chamber; for the Nuncio's speech has not only strengthened the Foreign Minister's hands among Catholics both in and outside France but has also divided the ranks of the Royalist party who have tried to combine nationalism and catholicism. The *Action Francaise* folk have carried their defence into the attack and suggested that the Vatican has inspired and supported the autonomist movement in Alsace including its anti-French manifestations and also encouraged the movement for the political union of Austria and Germany. It is suspected that the Papacy aims at nothing less than the creation of a powerful Catholic party in French politics and it is recalled that the National Catholic Federation, founded since the War, already contains quite two and a half million members excluding the Royalists.

The Chinese situation would seem to receive the close attention of the Vatican although the Catholic missions in the East have been advised not to concern themselves with political and economic problems. The Italian *Secolo* says that the latest events "will have a profound effect on the future of the Catholic world in the Far East."

L' UNION NATIONALE.

If rumours are to be believed, the discord in M. Poincaré's cabinet has reached the point of imperilling the *Union Nationale* which has been the foundation of the country's recent attempts at financial recovery. The bone of contention is ever the same and the general impression is that the Prime Minister and the Foreign Minister do not see eye to eye as regards foreign policy, notably in the matter of the evacuation of the Rhineland. The *Echo de Paris* understands that M. Poincaré is firmly against the evacuation. So grave is the situation considered to be that M. Romier characterises it as "intolerable" in an editorial of the *Figaro*. "Individual or collective denials are worthless here," says he, "so, on the first occasion before the two Houses M. Poincaré as Premier and as the person responsible for the general policy of the Government should himself define the principles and policy which the Minister of Foreign Affairs has the duty of putting into practice. Such a proceeding would require an agreement in advance between the Premier and the Minister. This would be one guarantee. It would entail a reciprocal understanding by them. This would be a second. Thereafter there could be no danger save on a hypothesis which we cannot accept as possible—that of bad faith on the part of one or the other." The crux of the situation is that M. Briand wants an open discussion of foreign policy in the Chamber, whereas the Premier is determined to oppose it at least as regards the *rapprochement* with Germany and its development by bringing the military occupation of the Rhineland to an end before the date fixed by the Versailles Treaty.

AMERICAN IMPERIALISM.

The situation in Mexico and Nicaragua has drawn considerable comment from the French press and the newspapers agree in characterising it as the demonstration of American Imperialism. Pertinax in *L'Echo de Paris* recalls America's policy thirteen years ago contributing to the fall of President Diaz and regards the present difficulties in Mexico as its natural harvest. American Imperialism "goes on without the aid of a continued and attentive foreign policy which is impossible under the constitutional provision which divides the foreign policy between the President and the

Senate." An opinion which is more or less reflected in the *New York World*: "European protests against American imperialist policy in the Caribbean are due to a certain complacent recognition of the fact that after all the conferences which we have held on European policy, we do exactly the same as the European nations. Our imperialism is more or less unconscious, the direction of affairs in the American Empire being confided to anonymous bankers, naval officers of rather limited sympathies and to more or less irresponsible persons. In consequence of all this the American people in its entirety knows nothing and learns nothing of the frightful responsibilities in which it is now so inextricably engaged."

A *propos* of this the contrasting attitude of British opinion is interesting. The latest *Observer* has it that "the predominance of the United States in that key position (the passages from the Atlantic to the Pacific) is as vital to the world's interests as is the British predominance in Suez canal.....It happens that the United States are more valuable to the world than Mexico as custodian of its communications in Central America. Mexico is situated between the United States and the Canal routes, actual and contingent. The United States have a delicate but necessary duty to perform. This is but an echo of the discussion of the Egyptian question following the assassination of Sirdar Stack in the British press when in flowing periods the Egyptians were given to understand that their geography fixed their destiny and that it should lead them to curtail their national aspirations to the measure of their present "independence". The *Morning Post's* unblushing recognition as regards China that on critical occasions the "British fleet gives greater assurance and is more useful than the League of Nations or the spirit of Locarno" confirms the nature of the common mentality from which all such comment springs. Is it any wonder then that the critical Frenchman regards the Englishman as a pious hypocrite and all Anglo-Saxon idealism including its enterprise of the League of Nations as imperialism rendered easily transparent? Even in Germany Mr. H. W. Steel, the well-known publicist, tells us in the opening article of a series on "Germany Today" in the *Observer* "it is safe to assume that a large majority of her people conceive her membership of it (the League) less as an opportunity of dealing with other nations on a footing of equality than as a means of amending the Versailles treaty out of existence". The Germans do not condemn ha'pennies; should we then disdain the annas in our hand whether it be as regards the League or as regards our present constitution?

PROBLEM OF THE PACIFIC

Lé Temps—the *Times* of Paris—has just concluded a remarkable series of articles on the problem of the Pacific and the writer has formed the opinion that an independent and flourishing China is the only solution to the problem: "The governments must not be astonished to have to change the formula of their relations with China. Acting thus they help in a certain measure, and more than the Washington Conference, to re-establish the equilibrium in the Far East by the creation of an independent China. In effect, this independence in leading to nothing certain ambitions suppresses altogether one of the causes of the conflict, because the problem of the Pacific is also the problem of China! Such an inference follows from its premises. "The Dogma of equilibrium and of alliance has virtues hardly capable of being replaced by governments." This faith in the old

diplomacy of equilibriums has considerable adherence in France. The main argument is that such an equilibrium was more or less upheld as long as the Anglo-Japanese alliance was intact; the expiry of it and the unconcealed attempts of Britain to get nearer to America in Washington is what really constitutes the problem of the Pacific. The British interests in the Pacific are plain enough. Canada, Australia, and the approach to India; and Singapore marks the jealousy with which the British regard these. America's foreign policy in the Central and South American States mainly dictated by the needs of American capital has earned for it the name of *Dollar Diplomacy* and the same significance is said to underlie her dealings with China. In spite of seeming signs to the contrary America's aim is the monopoly of the trade in China with its almost literally infinite possibilities and, that of course brings Japan to the fore with her population increasing at the rate of a million each year in spite of floods and earthquakes and the sheer physical necessity of finding these Nippons air to breathe. And one thing is certain for the Japanese and that is that it is against them. Great Britain and the United States are arming themselves."

France's interest in this potential danger-zone is not merely academic, for with Indo-China, if French foreign policy has not so far showed any tendency to play a prominent part in that region, it may yet do so all the more effectively in the times that lie ahead." After the War, the Japanese newspapers.....have shown themselves strongly impressed by the efforts that France had furnished during the four years; but above all, it is since the Washington Conference that one finds in Japan a favourable opinion towards our country. The neglect of this on our part will be first a fault against ourselves, but what is more, we will also have to incur a heavy responsibility in the storms that could burst in the Far East". That shows how the wind blows and has blown for some time, in France:—a Franco-Japanese alliance?

RACIAL ISSUES.

The writer does not fail to point out that the racial issues involved in the problem would not make a Franco-Anglo-American alliance an element in the equilibrium as that would simply reduce it to a white domination. The Pan-Asiatic Conference of Nagasaki in August last is here recalled as indicating the distrust towards Geneva in Asiatic countries in general in spite of the evident insignificance of the Japanese session for the moment. 1914 has not taught England to assuage racial antagonisms due "no doubt to the very strong notion of hierarchy that Anglo-Saxon peoples have as regards humanity. The white man to them is of an essence different from other men. The coloured man, the native, whatever be the antiquity of his civilisation and the nobility of his feelings, remains mercilessly out of the sphere of the privileged where men with the white skin intend to be singled out."

Neither losing sight nor grip of realities we will do well in future to take an intelligent interest in Asiatic affairs. Whether as Inter-nationalists we seek to promote world-peace or as Nationalists we confine ourselves to direct and immediate ends, it behoves us in the event of a conflict to be wary against being used as mere spokes in the wheels of a policy, the responsibilities of which we will not hold and against being led into the fight as easily as in 1914.

REVIEWS.

MACHINE AND MASS PRODUCTION.

UROBOROS OR THE MECHANICAL EXTENSION OF MANKIND. By GAREL GARRETT. (Kegan Paul Trench Trubner and Co., Ltd., London.) 1926. 6¼ × 4¼. pp. 93. 2s. 6d.

THIS is a thought-provoking book. Adopting a pithy style the author discusses the problem of over-production, a bogey present in the minds of a great number of students of economics. The author surveys the field and suggests (but does not go so far as to assert) a most pessimistic outlook for the future.

The real trouble arose during the time of the Great War. England, America, France, Germany, Belgium, and other belligerent countries increased their productive capacity to an enormous extent and they are reaping the consequences of it.

It is a feature of modern industrial equipment that it is possible with very slight modifications of plants and processes, to manufacture at will either munitions of war or articles required for peaceful occupations, say, agriculture. To take only one instance. Ammonia can be manufactured by a synthetic process. By combining with sulphuric acid, one gets ammonium sulphate, a most valuable fertilizer. But the same ammonia can be oxidized to nitric acid which in combination with glycerine gives nitro-glycerine or in combination with cellulose (cotton) gives nitro-cellulose or gun cotton; or in combination with toluene gives trinitro-toluene (T. N. T.)—all of them famous in the modern explosive industry. At the close of the war, Western nations naturally experienced a derangement of industrial affairs. Every one of these nations could produce peace time articles in abundance, and "armed" with this, the commercial warfare commenced. Competition became keener and keener. First of all the internal or "home" markets were secured by all sorts of devices. The new Tariff in U. S. A., Key Industries Act, the Safe-guarding of Industries Act, etc. in England, and so on were introduced to shut out foreign articles from one's own country. The manufacturers then turned their attention to sell abroad. In the words of the author, "in order to sell abroad, an industrial nation must be able to produce cheaply. To produce cheaply it must produce in large quantities by a multiple method called mass-production. And you can safely manage this mass-production only provided you have a fairly large and constant base of domestic demand.....". One need only think of Mr. Ford and his cars. The author continues: "Competition among industrial nations to exploit one another's internal markets is but one profile of all that dangerous activity taking place in the name of foreign trade. The industrial Powers holding their feet in China's doorway and France fighting the native in Morocco are other aspects of the same thing.....". "The industrial equipment of the world meanwhile goes on increasing, though it is already so great that its capacity cannot be fully utilized. In the United States alone there is enough surplus machine capacity to satisfy the whole demand of Great Britain's foreign customers for staple merchandise, such as textiles, iron and steel manufactures, rubber tyres, motor cars, electrical apparatus, machinery, glass, garments, shoes, outlery and so on.....".

In their attempts to sell somehow, when people could no longer pay cash, the much discussed in-

stalment-system was introduced into business. This in essence means that the buyer pledges his future income. Thrift no longer becomes a virtue to be practised.

One inevitable thing follows from this. If nations go on manufacturing with the help of machinery, their capacity to grow food will become less and less. Then the colonies will have to be encouraged to produce food while the "Mother Country" goes on bartering manufactured articles for food. If agricultural countries also tend to become industrial, the trouble begins. As a matter of fact the trouble has commenced—look at only China, Brazil, India and Canada! "China an exporter of machine products!" Well, it is true! Brazil can now manufacture "the whole of her want for matches, textiles, foot gear, wall-paper, phonograph discs, hardware, hats and playing cards, and will soon be self-supplied with practically everything she needs".

But whatever might have been the confusion at the close of the war, things are settling down now and manufacturers are curtailing production in proportion to demand. Order is slowly emerging out of chaos.

The world had unprecedented conditions to face at the close of the war and the combined intellectual effort of the world is producing a new attitude of mind in all international affairs. Novel adjustments are being sought and introduced to meet the situation and there is more harmony in the world today than was thought possible seven or eight years ago. It is hinted earlier in this review that the author tended to draw some pessimistic conclusions. But it is difficult to share his views. We may not yet reach a state of affairs in this world with no poverty, no unemployment: we may not immediately reach a world-wide agreement regarding production, exports, imports and exchange; we may not as yet say there will be no scrambling for markets (just think of the recent Chinese affairs); in short we may not reach the millennium as yet—but one must admit that things are moving in the direction of greater economic harmony amongst the nations. Modern investigations in science are making life, if anything, more pleasant, more bearable and more secure than ever before. Time has come when a man works for five days with six days' wages in his pockets; time is past when a man was compelled to work twelve hours a day; time is past when famine meant wiping away the population of vast tracts of country. We are today living in a safer, pleasanter and more healthy world than our forefathers.

The book is recommended for careful study to all students of economics.

S. G. SASTRY.

DRUG EVIL.

OPIUM—THE DEMON FLOWER. By SARA GRAHAM MULHALL. (Harold Vinal, New York.) 1926. 7½ × 5. pp. 310.

THE prominent part taken by the United States of America in the international negotiations for the suppression of opium traffic is often put down to a spirit of meddlesomeness in the affairs of other nations. The vehemence with which representatives of this country have been urging the strict limitation of the production of opium to medical and scientific purposes can only be understood when we realise that thousands in America are succumbing to the dreadful habit of drug-addiction. So long as opium is produced in excess of the legitimate medical and scientific demands of the

world, it is bound to find its way to factories where opium derivatives are manufactured. These derivatives then reach persons who have a craving for drugs. The fabulous profits involved in the manufacture and sale of these drugs lead unscrupulous men to resort to methods of smuggling and illegal traffic that baffle even the most alert of police and customs officers. Graham-Mulhall's book describes the ramifications of the drug evil in America and tells us how innocent school children and men and women of all classes get caught in the meshes of the net spread by designing men, how once caught they are made so much grist for their devilish machinery for making money, how even the medical profession and ministers of religion are lured to become accomplices in this nefarious traffic and how the evil is spreading among all classes in defiance of laws and regulations. Some of the facts mentioned in the book seem incredible, but coming as they do with the authority of one who was formerly the First Deputy Commissioner in the Department of Narcotic Drug Control in the New York State, they cannot be set aside as the exaggeration of an interested propagandist. The book should be read to realise what a great menace to humanity, at any rate to the humanity of the U.S. A., is the opium traffic, especially the traffic in opium derivatives like morphine and heroin. Incidentally the book is a terrible indictment of the policy pursued by certain Governments in producing opium with the aim of augmenting their revenues, without giving any thought to the fact that every grain of opium produced in excess of the legitimate demands of the world goes towards the physical and moral degradation of some human being in some part of God's world.

P. O. PHILIP.

SHORT NOTICE.

THE POLITICAL ASPECT OF CO-OPERATION.

By ALFRED BARNES, M P. (The Co-operative Union Ltd., Manchester.) 1926. pp. 84. 8¼ x 5½. 1s.

MR. BARNES is the Chairman of the Co-operative Party, though he was not that at the time of writing this small book. It contains a clear account of the unwillingness for a long time of Co-operators in Great Britain to form themselves into a political party and of the exasperating actions of the Coalition Government during the war—food control, excess profits tax, military tribunals, &c.—that finally forced their hands in 1917. In the General Election of 1918, 10 candidates sought election of whom only one succeeded; whereas in the elections of 1922, 1923 and 1924, 4, 6 and 5 succeeded respectively. The author, however, thinks that the future development will be for the Co-operative Party to become amalgamated with the Labour Party with or without a change of name. He rightly points out that "political conditions in England do not encourage the existence of a number of political groups, but, on the contrary, irresistibly work towards the two-party system to ensure that stability and balance in political affairs which is necessary for a nation like ours, so dependent upon foreign trade and having such wide and international responsibilities." The breaking up of the Liberal Party which is now going on is a clear proof of this tendency of British political life.

To the Co-operator in India the book is not of special importance. His thoughts are not running in the direction of political organisation. On the other hand, it is to the interest of the Co-operative movement in India to keep out politics altogether from Societies—as has been done in Ireland. Nevertheless, the book should find a place in Co-operative libraries.

V. V. S.

BOOKS RECEIVED.

- STUDY OF POLITICS. By HAROLD J. LASKI. (Oxford University Press, London.) 1926. 8¼ x 5½. pp. 27. 1s.
- THE SOCIAL REVOLUTION IN AUSTRIA. By C. A. MACARTNEY. (University Press, Cambridge.) 1926. 7½ x 5. pp. 288. 8s. 6d.
- HARSHA. By RADHAKUMUD MUKERJI. (Rulers of India Series.) (Oxford University Press, London.) 1926. 7½ x 4½. pp. 203. Rs. 3-6-0.
- AN INTRODUCTION TO THE INDIAN GOVERNMENT AUDIT. By F. GAUNTLETT. (Govt. of India, Central Publication Branch, Calcutta.) 1925. 9¼ x 6½. [pp. 148. As. 8.
- INTERNATIONAL LABOUR CONFERENCE, GENEVA. Vols. I & II. (International Labour Office, Geneva.) 12½ x 8¼. pp. 769.

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