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Topics of the Week.

Late Mrs. Kamala Nehru.

MRS. KAMALA NEHRU passed away on Friday last. The sad occurrence must be said to be somewhat sudden, for recent advices from Europe, where she was taken in July last for the benefit of her health, reported consistent improvement. But the improvement was obviously more apparent than real or lasting. It was really providential that her illness took a turn for the worse before Pandit Jawaharlal Nehru had started for India to preside over the next session of the Congress, as he had hoped to do last week. Else he would have been deprived of the consolation of being by her side in her last moments. Universal sympathy will be felt for Pandit Jawaharlal in his loss. She was something more than a wife to him. She was also a co-worker and valued helpmate in the national cause, in that she fully shared all her husband's ideals and aspirations for his country. It may be recalled that Mrs. Kamala Nehru was an active worker in the Congress movement and held many important positions in the national organisation. Her participation in the civil disobedience movement earned for her six months' imprisonment in 1930. How high her place was in the Congress hierarchy could be seen from the fact that for a short time she occupied even the very responsible position of a member of the Working Committee. India has reason to mourn her death.

The Congress and the States.

IT must in fairness be admitted that, in his elaborate criticism of the new constitution to which reference is made in a leader on another page, Dr. Pattabhi Sitaramayya has not spared the Indian States as Congress leaders have often done. He regards the

representatives of the States as no better than a "substitute for the old official bloc," with this difference that while the States' representatives will be 33 per cent. in the new Assembly, the proportion of nominated members, both official and non-official, in the present Assembly is only 27 per cent. And Dr. Pattabhi points out that "there is a clause which says that no reserved subject can be transferred in relation to the Federal States unless the State concerned gives its consent." This is probably the first instance of a Congress leader having made a complaint about the Princes' veto power.

Dufferin Cadets.

THE difficulty that is being experienced by cadets trained on the Dufferin in securing employment was the subject of a recent debate raised by the Hon'ble Mr. Sapru in the Upper House of the Indian Legislature. The training ship has been effectively at work for only about six years. But already, said the mover, 34 cadets sent out by the Dufferin had remained unemployed. The problem of providing careers for young Indians who were nautically trained engaged the attention of the Mercantile Marine Committee whose recommendation resulted in the establishment of the training ship. The reservation of coastal traffic for Indian shipping was an integral part of its scheme, but a part which has not yet proved agreeable to the Government.

BUT even were it carried into effect, it was estimated by Sir Charles Innes ten years ago that the number of yearly vacancies would not exceed 15 even in the most favourable circumstances, while the cadets trained by the Dufferin outnumbered the vacancies. There was no doubt the possibility of some of the Dufferin cadets taking to other than sea-life while some more would take what are called shore jobs. Even so it seems problematical if occupation could be easily found for all the Dufferin cadets.

THAT does not however justify the Government not doing anything to ease the situation. The Committee was assured by some steamship companies of their willingness to accept duly qualified Dufferin cadets for training on their ships. Despite repeated non-official pressure during years past the Government had only recently moved in the direction of holding these shipping companies to their promises. But it is something that the Government have moved, though as usual very late. The Commerce Secretary disclosed the fact of their having "very forcibly" addressed all the companies operating on the Indian coast on this subject. Though the replies from all of them had not been received, the response received so far was by no means disheartening.

AS suggested by the Committee itself, effective pressure could be brought to bear upon the companies at the time of renewing mail contracts. In the case of the B.I.S.N. Company such an opportunity would arise three years hence. It is gratifying to learn that the occasion would be availed of by Government to insist upon a larger employment of Dufferin cadets by that Company. It is thus clear that if only Government were to use their opportunities judiciously, there is no reason why the products of the Dufferin should find themselves stranded, anyway for some years to come.

Grievances of Third Class Passengers.

THE hardships of third class passengers were voiced in the Assembly in connection with the consideration by it of the Railway Budget. They are as old as the Indian railways themselves and it cannot be that the railway administration is unfamiliar with them. They relate to overcrowding in trains, unsatisfactory and incommodious latrines, lack of good drinking water and of facilities for eating and bathing, difficulty in getting tickets, etc. This catalogue is by no means exhaustive. But apart from these individual grievances, the complaint of this class of passengers is, really speaking, more fundamental. It has very much to do with the spirit in which the whole railway administration is conducted. If an improvement could be effected in that spirit, all these grievances would disappear as a matter of course.

AS pointed out by one speaker in the recent debate, it is the third class passengers that contribute the most to railway earnings. In 1934, e. g., their contribution was nine times as large as that of all the other classes put together. And yet strange to say, it is they who are subjected to callous neglect at the hands of the railway authorities! In any business concern such a paying customer would be shown every possible consideration. Far from doing so, the Indian railways exhibit a deplorable tendency to exploit the lowest class traveller to the utmost.

A GLARING instance of this tendency is to be found in the fact that while the fares of the higher classes are reduced, those of the third class are enhanced. In the construction of important railway stations also, every attempt is made to consult the convenience and comfort of the higher class passengers, while the last to be considered is the third class passenger. He is carefully segregated from the higher class passengers with the result that the third class waiting room and booking window is as a rule situated at an inconvenient distance from the platform. In the Victoria Terminus Station at Bombay, to give an instance, the distance between the third class ticket office and the long-distance trains is quite formidable. Apart from the inconvenience and trouble caused thereby to the third class passenger, it adds to his economic difficulties by increasing his coolie charges in the bargain. We fail to understand why the third class waiting room with the booking office should not be located in the new station building.

TO go back to the debate. The utterances of the new Railway Member show him to be full of sympathy for the woes of the third class traveller. But he cannot be unaware of the saying that soft words butter no parsnips. It is true that he had little time to give proof of his practical sympathy with their hard lot. But there can be no doubt that the success

of his tenure will be judged, not by the expressions of his professed sympathy for them, but by the practical steps taken by him to translate it into action.

No Hope of Reduced Military Expenditure.

A RESOLUTION was recently discussed in the Council of State, which asked for a reduction in military expenditure so that its relation to the average income would be the same as in the Dominions. The reactionary record of that less popular part of the Indian legislature never could have encouraged the expectation that the resolution would be passed by it. As a matter of fact it was rejected. The new Commander-in-Chief did not only not hold out any hope of reduction of army expenditure but indicated the possibility of its going up. It is a case of a hungry man asking for bread and being given stone in stead.

THE principal consideration urged in support of the demand for reduced military expenditure was that, with the conclusion of an Anglo-Russian agreement, the fear of a Russian invasion of India need no longer be entertained. Such a fear used indeed to be the official excuse—or shall we say justification?—for the high level of India's defence expenditure. To all intents and purposes, the recent agreement between England and Russia had considerably reduced the probability of Russia marching on India. A reduction in military expenditure must therefore follow as a corollary.

SUCH action might appear to the layman the logical sequence of world events; but to the Commander-in-Chief any decrease in the expenditure on Indian defence was unthinkable at any rate for the present. And who said, he asked, that the Indian army was maintained at its present strength from fear of Russian invasion? Who indeed?

Joshi Wins Hands Down!

FROM the official report of the debates in the Legislative Assembly on the Payment of Wages Bill that is now to hand it becomes manifest that, in the fight between Sir Homi Mody and Mr. N. M. Joshi on the former's amendment penalising lightning strikes, Mr. Joshi won hands down—in argument—though, of course, the amendment was carried by force of numbers.

SIR HOMI MODY's plea was that the scales should be held even between the employer and the employees. The employer is made to pay, in case he discharges his workmen without notice, wages for the period for which notice should have been given. Similarly, the workmen also should be made to lose, in case they leave work without notice, the wages for the period for which they should have given notice but failed to do so.

WORKMEN under Sir Homi's amendment are liable to lose wages for 13 days, which means that the period of notice in their case also is to be the same as that in the case of the employer—on the principle, as Sir Homi put it, of reciprocity.

MR. JOSHI gave quotations from the labour laws of several countries to show that as, in the words of Sir Frank Noyce, "the employer is in a far stronger position than the workman" everywhere a shorter

notice is required from the workman than from the employer. Here are the extracts which Mr. Joshi read out :

Austria. Legislation in 1921. Employer to give six weeks to five months according to the length of service of the employee. Employee to give a month's notice unless agreed to otherwise.

Japan. 1926. Employee to be dismissed must be given 14 days' notice or 14 days' wages. Corresponding obligation of employees regarding notice is not referred to at all. The employee need not give any notice.

Italy. In undertaking to work throughout the year, if a worker is dismissed for no fault, he has to be given compensation proportional to the length of service. If a man has worked for 25 years, the compensation must vary according to the length of service. No corresponding obligation on the employee when he elects to leave work.

Russia. The employer can terminate a contract after a notice of one week; the employee can terminate contract after 3 days' notice.

Peru. Compensation to dismissed salaried employees half month's salary for each year of service. Not 14 days' wages, but one half month's salary for each year of service.

China. If employer wants to terminate contract, notice from 10 to 30 days proportionate to the length of service of the worker is required. The worker, when no particular period for a contract is stipulated, can terminate contract with 7 days' notice.

BUT is there reciprocity, Mr. Joshi asked, in the way in which the payment due to the employer and the workman in lieu of notice is realised? The workman has to go to the court or to the authority set up under the Bill to recover his dues. The employer, however, just deducts the amount from the wages of the workman. As Mr. Joshi put it, the employer is given the right to put his hand into the workers' pocket and to take away the wages which he has earned. To establish reciprocity, the worker should be given the right to remove furniture or something else from the factory without saying 'by your leave.'

MR. JOSHI disclaimed all sympathy with lightning strikes, but in the present circumstances, he maintained, they must not be penalised in the way in which Sir Homi Mody proposed to do. He said:

There is no minimum wage legislation in India. The legislature has not provided for any protection against the attacks on the standards of life of the working classes of this country.... They cannot go to court for an increase in their wages... The working classes, therefore have to depend upon a strike and absent themselves from the factories in order that the standards of life may be protected.

Governor's Protection !

THE communist member of the House of Commons, Mr. Gallacher, made an interesting speech on the motion of the Under-Secretary of State, Mr. Butler, on the excluded areas on 7th February. Mr. Gallacher said:

I listened carefully to the very clear and very soothing explanations of the Under-Secretary respecting his attitude to the aborigines and the protection that is offered to them. The hon. Member for Bridgeton (Mr. Maxton) and myself once occupied adjoining cells in a prison in Scotland, and there was a governor there, with all kinds

of officials, to protect us from going wrong in any way. We were excluded. We were aborigines. If there were any real understanding of this question, instead of keeping the aborigines in excluded areas and appointing all kinds of officials to protect them, all our power and wealth ought to be directed towards bringing the aborigines into line with the general development that is going on in India. But no exclusion, no excluded areas. Therefore, while I am not calling for any Division on this Order I want to register the fact that I am not giving any support or encouragement to this idea of excluded areas and of protection. I know what is meant by the protection that is given by Governors and the officials who operate under Governors. As I listened to one of the Members who was speaking in a previous discussion I almost heard the jingling of the keys.

Indo-European Co-operation in Kenya.

THE Government demand for £ 12,500 to cover a fresh subsidy to maize-growers in Kenya was recently passed by the local Legislative Council. To say this is not to imply that the Council's support of the proposal was unanimous. The Indian members have never concealed their dislike of this policy of continuous spoon-feeding of the industry and did not fail to register their dissent even on this occasion. But what must have come as a surprise to many is the manner in which two European elected members joined hands with the Indian members in opposing the grant. It is of course true that different reasons impel the two communities to disapprove of the step. While the Indians criticise it as embodying the vicious principle of benefitting a section at the cost of the tax-payer, the Europeans set their face against it on the ground of the prejudicial effect which the grant of such a subsidy is likely to have on coffee-growers. Whatever their respective reasons for the opposition, the combination of Indians and Europeans for fighting a Government measure is an extremely uncommon phenomenon in Kenya, which augurs well for the future.

THIS Indo-European combination inside the Council chamber was not an isolated phenomenon either. It was the culminating point of a co-operative effort on the part of these communities to the same end outside it. For we read of a petition signed by Indians and, what is more important, by European tax-payers in Nairobi, and it was presented to the Legislative Council by Dr. DeSouza. This is said to be the first occasion in Kenya's history when a joint petition on behalf of Indians and Europeans was submitted to the legislature.

WHAT is the secret of this Indo-European co-operation? The answer is economic necessity. As elsewhere, an overwhelming majority of the tax-payers of both communities are people of limited means, 21,600 out of a total of nearly 23,000 tax-payers in Kenya having income less than £500; Heavy taxation rendered necessary by the grant of repeated subsidies to white farmers presses equally heavily on the poor tax-payer, whether Indian or European. But what is even more exasperating to him is the fact that the more subsidies are given the more still are wanted, so that the process of giving artificial props to industries, which ought to be able to stand on their own legs at the earliest opportunity, appears to be an endless one. Who can say that the tax-payer's complaint lacks substance?

THE OTTAWA AGREEMENT.

VII.*

THE view put forward by official spokesmen that on the one hand it was the wickedness of foreign countries that forced on U.K. the policy of import restrictions and imperial preference and that on the other hand the Ottawa agreements have not had any effect whatever in intensifying the international trade situation is really too naive. "Retaliation" may or may not be a myth. It is useful to remember that the bogey is not newly raised but is at least as old as the memorandum on Imperial Preference by Lord Curzon's government. There are a number of ways in which the possibility of retaliation is disputed. In the first instance it is pointed out that Imperial Preference is not usually considered in international trade as "discrimination" against foreign countries. On this general question it is enough to record the following opinion of Prof. A. Zimmer: "The combination of a system of reciprocity within the Empire with the most-favoured-nation system in external relations is no doubt illogical and thus lays itself open to criticism." (*Index*, June 1933.) In practice what is and what is not considered "discrimination" changes from time to time. When the measure of Imperial Preference is not considerable foreign countries may not trouble themselves about it; but if its effects are deeply felt it will certainly be resented. It is, for example, an open question whether under the new U. S. A. policy of unconditional extension of reductions of customs duties to all countries not discriminating against U. S. A. the preferential agreements within the Empire will be interpreted as being discriminating or not. It again depends on what you interpret as "retaliation." Was the action of Japan in stopping imports of Indian raw cotton retaliatory in character or not? And will Japan in the next renewal of the trade agreement put up with such a high measure of preference in favour of U. K. goods, especially cottons?

As regards retaliation in general, it may well be said that today no retaliation (except in such a case as the tariff-war between U. K. and the Irish Free State) is to be noticed in the world. For it is not a question of general easy conditions of trade to be made more difficult against a particular country. It is rather the variety and difficulty of the general barriers that have to be discriminatingly lowered. No country has retaliated on any other; each has raised barriers against all others. Today, therefore, the situation is that no country fears retaliation but rather hopes for favourable discriminating treatment. And the only way of obtaining this favourable treatment is to negotiate a bilateral treaty. The crux of the whole situation is thus whether we are free to use our bargaining position to the fullest advantage when negotiating with other countries.

It has been taken for granted by some official apologists that it is no use entering into bilateral

treaties with countries with which we have a favourable balance. For, if the principle of compensation is applied this favourable balance is either way bound to vanish. It is obvious that such writers have not had any acquaintance with even official trade literature such as the reports of the Indian Trade Commissioner at Hamburg. The Trade Commissioner at Hamburg has commented in the past on the steady diminution in India's exports of various commodities to European countries, such as that of rice to Poland, oilseeds to France and Germany, etc. He has invariably given as the reason for this diminution our not having entered into trade agreements with these countries. The best exposition of our position vis-a-vis these European countries is to be found in the latest annual report of the Trade Commissioner (*Indian Trade Journal*, Dec. 19, 1935). Here it is pointed out that already India has lost all its favourable balance of trade with Germany. Imports and exports just equal and they must continue to equal under the operation of Dr. Schacht's new plan of compensation trade. But this is not all; for, even with a trade treaty, we cannot expect a highly favourable balance of trade. The real danger, in the opinion of the Trade Commissioner, is not disappearance of the favourable balance of trade but the possibility that in the absence of trade agreements, the total volume of trade will continue to shrink. "One inevitable result of Germany's adoption of compensation trade and clearing agreements is that she has changed her sources of raw material supplies. She is now obtaining large quantities of raw materials, which she formerly bought from India from countries with whom she has clearing agreements." In the Trade Commissioner's opinion, these circumstances are likely to continue for something like a decade and if that happens he points out that we shall have permanently lost a good customer. He says: "This is a very serious danger and one which must receive due consideration." The Trade Commissioner's final comment on the whole situation is as follows:—

With the exception of jute, Indian raw materials do not enjoy any monopoly of supply to the German markets, and under the present abnormal conditions India can only maintain even the form of trade with equally balanced exports and imports to and from Germany by means of compensation or barter trade. Under these conditions an expansion of exports from India to Germany postulates an expansion of imports into India from Germany.

In considering the costs involved by the Ottawa agreement we must, therefore, pay attention to a cost other than the loss of revenue and the increased price to the consumers. This additional cost, to which we attach very great importance, is the effect that the Agreement has on our capacity to bargain with other countries.

In this connection we may note the peculiar character of the Ottawa agreement between U. K. and India. By this agreement U. K. accorded preferential treatment or free entry to a small number of the export products of India. Of the total value of the exports from India to U. K. covered by the

* The first six articles appeared in our issues of January 16, 23 and 30, and February 6, 13, and 27.

Ottawa agreement the exports of tea alone amount to nearly 50 p. c.; and the total value of the articles of exports that we have examined in detail above amounts to more than 95 p. c. Prof. Zimmermann thus characterises the effect of Ottawa on U. K.: "The Ottawa agreements have left Great Britain far freer than was generally expected before the event to negotiate treaties for tariff reduction with other countries. It is indeed only in respect of some 30 articles that her tariff is 'tied' in favour of the Dominion." (*Index*, June 1933). The preferential treatment accorded by India to U. K. ranges on the contrary over a very wide list of commodities of all kinds. And the problem before us is: if our tariff gets "tied" in favour of U. K. on almost all the more important items in our import trade, what is there left for us to offer to the other countries?

The problem of a trade treaty with Japan will arise in an acute form in the near future. Whatever the unwillingness of the Indian Government to allow any manufactures other than British a fair chance in the Indian market, Japan as an important customer for our raw materials holds such a strong position that it can easily force the hands of our Government. At the time of the last treaty a raw cotton boycott had to be successfully enforced by Japan for some months before our Government woke to a sense of its responsibility in this matter. In recent years Japan has proved a good buyer not only of raw cotton but of other articles such as pig iron, pig lead and lac. On the sales of raw cotton to Japan depends a great deal the prosperity of large tracts of agricultural India. Of pig iron Japan has always been our most important customer and even in the post-Ottawa

period the take-off by Japan of our pig iron has been much more than double that by U. K. Our sales of pig lead and lac to Japan have increased very noticeably during the year 1934-35. We can ill afford to discriminate against such an important customer of ours and we must, if we want to expand the Japanese market for our products, be willing to extend the same opportunity to Japanese producers in respect of at least some of their export lines. The position of our trade relations with Germany has been made clear above by extracts from the Trade Commissioner's report. The U. S. A. President is recently following a policy of entering into trade treaties with other countries and of allowing general benefit of a large number of reductions in customs duties only to countries that do not discriminate against U. S. A. All the countries of continental Europe, and as a fact all over the world are now working by way of negotiating bilateral treaties. We have noted above how U. K. has been left free to negotiate with other countries bilateral treaties on favourable terms in spite of Ottawa. In the case of India, however, the opposite is the case. The imports that she receives from her important customers like Japan, Germany, U.S.A., France and Belgium all compete with some portion or other of the imports from U. K. and are mostly covered under the Ottawa preferential arrangements. We should, therefore, be obviously unwise to accept the detailed schedules of Ottawa on which to give preference to U. K. or to accept the general principle of preferential treatment as propounded in the 1935 Indo-British agreement.

D. R. GADGIL.

THE INDIAN BUDGET

SIR JAMES GRIGG in presenting the budget for the year 1936-37 had a much more pleasant task than the one performed by the Railway Member a few weeks before. The budget that Sir James presented was definitely a surplus budget and he was able to tell the Legislative Assembly of results, better than were expected before, of the workings of the years 1934-35 and 1935-36. On the strength of these results the Finance Member claims that a definite trend towards economic recovery has set in in India. It is curious that in making this claim he paid no attention to the sentiments expressed and the figures divulged by his colleague, Chaudhari Zafrullah Khan, in presenting the Railway budget. In commenting on the Railway Budget we had pointed out that the figures showed no improvement in the traffic on railways, especially in agricultural produce, and hence presumably indicated a lull in the progress towards trade recovery. In spite of the surpluses no facts have been disclosed in the general budget which counteract to any material extent the impression left by a perusal of the railway budget. The most important surplus in this connection is that to be noticed in the revised estimates for the current year. More than half of this surplus results from an increase in the yield of the customs duty on sugar imports. This increase in yield, as the Finance Member himself admits, does not indicate any general movement towards economic recovery but is rather the result of the Finance Member's previous calculations having gone wrong. The

Finance Member expects that as a result of the high protective duty the imports of sugar will soon reach a vanishing point and the income from the sugar customs correspondingly disappear. Last year he calculated that the rate at which this disappearance will take place will be fairly rapid; in this he has been proved wrong and the result is that he has a large surplus to boast of and to dispose of to sundry claimants. Of the Rs. 3,53 lakhs of excess receipts for the year 1934-35, Rs. 1,85 lakhs are accounted for by the sugar duty; there are also some other increases in sea customs and excise revenue. None of these are very considerable and it is clear after all that instead of building claims of trade recovery on the yield from customs it is better to examine the foreign trade figures directly. And, as we have recently shown, these show only a halting progress and further reveal that we are under the continued necessity of meeting our foreign obligations by drawing upon our reserves of gold.

Apart from customs there are two sources of revenue, increases in which may be taken more unequivocally to indicate better economic conditions. These are the receipts under Income-Tax and the Posts and Telegraphs. Both these show better results than expected for the years 1934-35 and 1935-36. The increases under these heads are not, however, large and there are no real increases over the actuals of previous year's collections, but merely increases over the expectations of collections made previously, by the Finance Department. Such as they are,

the better results may be taken to indicate a movement towards the betterment of industrial conditions in which the agriculturist has no considerable share. Such an explanation would fit the facts revealed in both the General and the Railway budgets.

Presumably everybody is more interested in what the Finance Member does with his surpluses than in the reasons why he came to have them at all. The surpluses have enabled the Finance Member to make a large variety of grants and to remit some taxation. One major work of capital construction which better finances have enabled the Finance Member to finance out of revenue receipts is the work of Quetta reconstruction. This will cost a great deal and the expenditure will naturally be spread over a series of years. But immediately a good start will have been made. Then there are the initial subventions to be given to the new provinces of Orissa and Sind. These subventions do not represent the annual grants for meeting deficits which will have to be made later on, but only grants for certain buildings and such help as will enable the new provincial governments to make an unencumbered start. There is also a big sum to be spent on New Delhi sanitation. Next there are a series of what may be termed development grants. Prominent among these are grants for agricultural research, malaria research, help to the woollen cottage industry and the development of broadcasting. And last year's rural reconstruction grants to provinces are to be continued and to be somewhat increased.

We have now for some years taken this occasion to comment annually on the lopsided view of Indian finances presented by the Imperial budget, taken by itself. While the mass of the agriculturists is still in the grip of the depression and the majority of provincial governments on the verge of bankruptcy (and some actually bankrupt), the Finance Member of the Government of India is enabled by our peculiar fiscal arrangements to talk complacently of economic recovery and the sound management of government finances. The problem becomes specially acute when, as now, large surpluses accrue to the Government of India. We are of opinion that as, under existing arrangements, the Government of India is in charge of no nation-building activities it should never have a surplus. For it is not in a position to use a surplus fruitfully. Apart from such activities as co-ordinating some types of research there are no really beneficial activities that it can undertake. And because it cannot do this the only way that it can dispose of these surpluses is by doling them out. We have had enough experience even in India of the vicious effects of the system of doles. It is demoralising both to the Imperial and Provincial Governments and it is wasteful. We do not expect the Rural Reconstruction grants to be of much real use; for they are in the nature of windfalls and cannot properly be co-ordinated into any long-term programme by the Provincial Governments. Hence we would have welcomed a much greater reduction in the measure of taxation than that proposed by the Finance Member. We may admit, however, in this connection that the plea for placing the imperial finances on a specially sound basis on the eve of the inauguration of the Federation has some force.

The tax relief granted has been by way of re-exempting incomes below Rs. 2,000 from taxation, halving the surcharge on income-tax and allowing an increase in the weight of the one-anna letter. While the Finance Member mentioned the claims of the commercial classes for a reduction in the emergency surcharges on income taxation he should surely not have forgotten that the surcharge imposed on customs duties was equally an emergency measure. And if he professes to have

the interests of the general consumer so much at heart a reduction in some of the customs duties surcharges was more urgently called for than the halving of income-tax surcharges. Income-tax after all is imposed on proved capacity to pay while the indirect customs tax is paid in a number of cases by the large body of consumers who have notoriously no capacity to bear a tax. In the same way a relief in postal charges by way of a reduction of the cost of a post card is more sure to affect the really poor than the increase in the weight allowed for a one-anna letter. But one supposes that for all his protestations the Finance Member in framing his proposals for tax relief has at the back of his mind the composition of the members of the Assembly.

A MOVE FOR COUNCIL BOYCOTT.

NO one need suppose that a movement for the boycott of the new constitution is wholly dead in Congress circles. The controversy among Congress leaders appeared so far to concern itself solely with the question of acceptance or refusal of office. No voice was raised so far in favour of a revival of the legislative boycott, and it was therefore assumed by Pandit Jawaharlal Nehru when he spoke in London, as it was assumed by most of us in India, that Congressmen were agreed on the advisability of entering the Councils and that they disagreed only on that of accepting Ministerships. But a very strong impulse to the boycott of Councils has just been given by Dr. Pattabhi Sitaramayya, a member of the Working Committee of the Congress and the right-hand man of Mahatma Gandhi, in an article, which we have no doubt will make it necessary for the pro-Council section of the Congress to reckon with a view which he has expressed with characteristic forcefulness.

Even the advocates of a policy of office acceptance among Congressmen urge it on the ground that the constitution can be smashed more effectively that way than by remaining permanently in the Opposition. It is quite possible that there are some among them who look upon Ministerships as an instrument of putting into force measures for the constructive good of the community. But they have not dared to defend their policy on that ground, so overwhelming is the opposition in the Congress ranks to anything that savours of sitting down quietly under the national affront of the new constitution. "Let us seize hold of the reins of power," they are therefore compelled to say, "only for the purpose of sabotaging the whole machinery." Because the case is argued in this wise, the difference between the proponents and opponents of office acceptance has seemed trivial. The ultimate objective being the same, viz. producing a condition of stalemate, it is immaterial whether Congressmen stay away from office and thus prevent the constitution from functioning, or they take the wheel only for the purpose of putting on the brakes. It is only a difference of positive and negative action. The result is just the same.

Dr. Pattabhi, however, reasons with those who using the language of breaking the constitution, really wish to utilise it for constructive good.

"Can we not give effect at any rate to a part of the Karachi programme—quite incidentally—while engaged in proving the insufficiency and unworkableness of the constitution?" Such a question is often asked by some Congressmen, and Dr. Pattabhi answers it with a resounding no. His answer runs thus. The Karachi programme relates mainly to matters which can be handled only in the central government, such as a guarantee of elementary rights, drastic reduction of military expenditure, abolition of salt duty, scaling down of civil salaries, state ownership of key industries, exclusion of foreign cloth, regulation of currency and exchange, &c., and in the central government Congressmen can have at best one representative. "The Congress Minister will have to work in unison with a Minister or two from the Indian States, another from the commercial magnates, one from the zamindars and perhaps two from the Mussalmans, the Europeans contributing one, the Anglo-Indians and Christians another and the Harijans a third. The Ministers will be a veritable menagerie which requires a ring master to run the show in the arena of politics."

It is obvious, Dr. Pattabhi argues, that in these circumstances the Congressmen will fail utterly in trying to implement the Karachi programme. It is true that a small part of the programme relates to provincial matters, like the prohibition of drinks, reduction of land revenue, &c. In the provincial sphere the Congress Party will no doubt have a better chance, but even there not so good a chance as some imagine. For even in provinces where the Congress secures an absolute majority of seats in the legislature the Governor will insist upon dividing Cabinet offices among various groups, according to the recommendation of the J. P. C. Report and "this means the end of all corporate responsibility." Besides, the loss in revenue that will result from prohibition of intoxicating drinks or reduction of land revenue cannot possibly be made good except by reducing military expenditure or the scale of salaries of superior civil services, over which, however, they will have no manner of control. Thus Dr. Pattabhi comes to the conclusion that it is futile to think that, under the new constitution, the Karachi programme or anything like it, which envisages big changes in the present order of society, is even partially capable of achievement.

He also reminds Congressmen that the Congress is committed to rejection of the reforms. "Rejection" is variously interpreted. When the policy was adopted it was pointed out that it did not necessarily bang the door on Council entry. The question was still open, it was said, and the Congress might decide it in whichever way it pleased at the proper time. The Liberals, however, thought that rejection necessarily carried with it the connotation of Council boycott, and they did not think it wise to commit themselves to that policy without ascertaining what other progressive parties would do about it, and they therefore adopt-

ed a different phraseology. So long as rejection did not imply boycott as a necessary consequence, it was not substantially different from non-acceptance, and Dr. Pattabhi too does not recommend Council boycott as if it flowed naturally and logically from rejection. But he recommends it on the ground, first, that it is impossible to wreck the constitution from within, and, second, that it is impossible to do any appreciable good to the people on the lines of the Karachi programme. So, boycott the Councils, he says, keeping in mind apparently the resumption of satyagraha at a suitable time.

He concludes thus :

No one will be pleased more than the British Government to see the prodigal Congressmen return to the parental roof with a penitent heart and a pious determination to taste the crumbs that fall from the master's table. The master has never grudged it and is always prepared to feed those that seek his hospitality generously. The Government would rejoice that the rearing horse is entering the stables and is taking the bit in its mouth and consenting to being harnessed.

They would be jubilant that the whining and whimpering Congressmen are settling down to honest work. They love constitutional forms for unconstitutional acts and they get them when Congressmen form the team that pulls the cart of the Government. Despotism, no less than democracy, thrives on opposition which covers its nakedness and helps to make it appear least abhorrent.

Today, the Congressmen that advocate Council-entry and Ministry formation would be helping the Churchillian doctrine that what a subject race requires is a sound kicking, and a generous treatment after it.

Let it be taken for granted that, if today we form Ministries, the fate of direct action is once for all sealed and, for a generation, the country will be the plaything of moderate politicians under the new name of Congressmen or the victim of immature minds who believe that they can scale the mountain-heights of Swaraj by the short-cut of a vertical flight in the plane of violence.

Considering the position of Dr. Pattabhi in the Congress hierarchy, one cannot but feel that the campaign launched by him will gather considerable support in the country, and that even if it fails, it will very much weaken the movement for office acceptance, of which the most active champion is Mr. Satyamurti.

UNEMPLOYMENT IN INDIA.

THE growing difficulty of finding a suitable channel for employing the large number of persons turned out by our educational institutions has been felt for a very long time. Especially after the World War this problem has been rendered very acute. The question was first raised in the Legislative Assembly in 1926 when a non-official resolution recommending the appointment of a committee to inquire into the problem of middle class unemployment and to suggest remedies was carried by a narrow majority in spite of Government opposition. Sir B. N. Mitra who spoke for the Government felt that the problem of the educated unemployed should, at least in the first instance, be tackled by Provincial Committees and administrations. Two years later the question was raised in the Council of State when a more emphatic opposition was offered by Government through their spokesman Sir Arthur McWatters. The Government of India while leaving the problem to Provincial Governments had expressed themselves as follows:—

The educational system, the state of industrial development, the changes that are being slowly wrought in the structure such as the gradual disintegration of the caste system, which at one time operated to prevent middle class unemployment by restricting admission to the clerical professions, and at the bottom psychological factors inherent in the habits and customs of the people are all contributory causes to a state of affairs for which from the nature of the case no Government can find a panacea. The people alone can produce a change, and the change must necessarily take time to accomplish.

While the Central and Provincial Governments in British India thus combined to follow a policy of indifference a progressive Indian State, namely Travancore, appointed a committee to investigate the problem for their own territory. No better commendation for the labours of this committee is necessary than is to be found in the almost complete agreement between its findings and those of the recent report of the U. P. Unemployment Committee presided over by Sir Tej Bahadur Sapru. As the problem of unemployment in general and of the educated unemployed in particular is a pressing all-India problem a closer survey of the Sapru Committee's findings will be found helpful.

No less than 127 witnesses, representing all the interests involved including the students themselves, were examined by this Committee. The Chairman had the advantage of extensive discussions with experienced people in Europe and with his remarkable attainments he has succeeded in producing a very comprehensive and well-reasoned report. That unemployment among the educated classes is economically wasteful and politically dangerous has now been admitted by all and the Sapru Committee feel that it is up to the Government of India to deal with this problem comprehensively. The particular educational reforms suggested by the Committee and their plea for a radical change in the mentality of students and teachers are indeed valuable. But most of all it is their insistence on governmental leadership which ought to mark a new starting point in the solution of this problem. The Committee observe:—

With all the inadequacy of the resources of the Government at present, we very strongly think that the Government must place itself definitely at the head of the movement for reorganising our entire national system of education, agriculture and industries, without which it seems to us that the evil of unemployment cannot be combated and is bound to grow in volume and size.

The objectives, methods and agencies of an unemployment policy cannot be more pithily summarised than in this extract from the Sapru Report. The Committee realise only too well that such contingent and temporary factors as the economic depression and the extension of education to hitherto uneducated classes create special problems which must be treated in a suitable manner. Even here the opening of public works or generally the extension of capital investments has found little favour with the Government of India. The basic problem of unemployment and under-employment has not been tackled by any public authority in the country. When it is the educated unemployed who are under discussion it is suggested by some that the admission to educational institutions should be restricted. It is not realised that merely the denial of education will not create employment but will only add to the ranks of the uneducated unemployed. The U. P. Committee very wisely refuse to place any direct restrictions on admissions to educational bodies. They suggest a number of educational reforms which in their opinion will increase the economic value of education and will bring about a more satisfactory adjustment between employment and instruction.

They insist upon a new approach to education. For a long time education, and particularly higher education, was looked upon as a passport to Government service, which had all the attractions of a highly paid and secure employment. Even those who took to education for a higher purpose had still in view the object of producing good citizens. It was not sufficiently realised that good citizenship ought to include besides cultural and civic qualities efficiency as an economic agent as well. Modernisation of outlook and aptitude is as necessary in the economic as in the two other spheres. Unfortunately this aspect of education has not as yet received the attention that it deserves and the Sapru Committee have done well in drawing pointed attention to the same.

The Committee recommend that at all stages of education in India the industrial and technological aspect of life should be kept in view. Primary education should have a definite correlation with the surrounding organisation of business, which will be agricultural in the rural and industrial in the urban areas. Secondary schools, instead of being a mere bridge leading to a university career, ought to be so organised as to reflect more adequately the advance of technology in the day-to-day life of the people and to offer alternative choices to those who desire to go in for a university or a business career. With the first part of the Committee's recommendation there will be wide agreement in the country. Our habits and experiences are being increasingly imbued with the products of modern science and technology. But our schools have lagged behind in imparting the theoretical knowledge about these. The young mind misses the opportunity to enter easily into the technical processes of modern production and thus a gulf between the educated and productive classes is induced. Undoubtedly it is a very pressing reform to reduce the preponderance of literary subjects in our secondary courses and to increase the scientific and technical significance of instruction. This can be achieved only by a thorough overhauling of the primary and secondary courses. The medium of instruction in schools must be vernacular. Some advance in this direction has been made, but unless vernaculars as media are made universal in schools the reorganisation of secondary courses either with a view to reduce their length or to increase their diversity is not feasible.

Whether in the secondary stage itself extensive choices of subjects are justified is a more doubtful question. Many would incline towards the belief that the secondary stage of instruction should be a self-sufficient and independent course of instruction in which literary and scientific subjects are included in due proportion. These should be followed by a variety of choices for higher or specialised instruction. Agriculture, commerce, industry, science—natural and social—these are alternative choices, and as the Committee imply, it ought to be possible to provide both for higher, i. e. University, and practical, i. e. institute or diploma instruction in all these subjects. The criticism of the Committee that even in the so-called technical branches of instruction comparatively less attention is given to the practical side of instruction is well worth the attention of our educationists. That the research departments of the University should have a definite liaison with the industrial life and prospects of the nation is also a dictum which is being increasingly appreciated.

A greater coordination between education and employment has got to be consciously and deliberately secured. As the Committee observe, "While culture and general knowledge must develop, products of education must be practical and efficient agents of production; in future education and employment

must be viewed together." With a view to secure this end more efficiently the Committee recommend the setting up of expert advisory bodies which will help students and guardians in the choice of courses. They also recommend the establishment of "appointments and employment committees" of educationists, employers and officials. It is to be hoped that rapid progress along these lines will be made in all the provinces.

But with all these and other detailed educational reforms which the Committee has outlined the question of providing employment to the products of educational institutions remains. The problem of educated and uneducated unemployed in India is not merely a problem of maladjustment, as perhaps is the case in several advanced countries. Here the total employment offered by industry—including all its branches, viz. agriculture, manufacture, commerce, transport, banking, insurance and several other business activities—is inadequate to employ usefully and profitably the man power of the nation. The Committee has recommended the development of several new professions, e. g., accountancy, architecture, librarianship, secretarial duties, etc. They have also suggested the strengthening of certain Government departments. But these are mere palliatives and will not avail to solve the problem for good.

This can only be done by bringing a more scientific, vigorous and organised national effort to bear on the task of modernising agriculture and developing non-agricultural industry. An industrial survey followed by planned action for the country as a whole and for the several provinces is urgently needed. Above everything else is needed a passionate desire on the part of the people and Government to secure the maximum of economic progress by their individual and joint action. In so far as the educational reforms suggested by the Sapru Committee help to bring about the desirable change in the mind and attitude of the youth in India they will have really marked an important stage of progress. But so far as the Government of India are concerned, the Committee's exhortation for Government to put itself at the head of a movement of educational and industrial reorganisation must prove a cry in the wilderness. In the Provinces, particularly under the coming constitution, there is considerable scope for useful action by popular ministries. The electorate will be well advised to bring pressure on their representatives in this matter. As, however, is realised by the Committee itself, provincial action unguided and uncoordinated by central effort is likely to be of very limited efficacy.

It is in the central sphere of governmental activity—tariffs, railways, civil and military services, etc.—that the mainsprings of an intensive modernisation of the country must be sought. And it is exactly here that the forces of irresponsible obstinacy are most firmly enthroned. The situation is not

likely to improve materially under the federal constitution wherein every important item of national progress is hedged in by a safeguard. The educationists and Provincial Governments should take to heart and act upon the very valuable suggestions contained in the report of Sir Tej Bahadur Sapru. But unless the leaders of all parties combine to discover a path leading towards the control of economic and political power in the all-India Government no satisfactory solution of the problem of unemployment, educated or otherwise, is likely to be found.

SHORT NOTICE.

INDIAN INFLUENCES IN OLD-BALINESE

ART. By WILLIAM F. STUTTERHEIM. (The Indian Society, London.) 1935. 25cm. 41p. 23 plates. 15/-

THIS is a small but highly instructive volume. It reflects great credit on the India Society of London whose efforts in promoting the study and knowledge of Indian culture in all its aspects are highly praiseworthy. The present work is translated from the original Dutch of Dr. Stutterheim, who was charged by the Dutch Government to make a systematic exploration of the antiquities of the enchanting Island of Bali, which is well-known to be the only example of a living Hindu society outside India. Dr. F. Stutterheim's study is characterised by a deep knowledge and keen sympathy with his subject. After sketching the pre-Hindu culture of Bali in which ancestor worship played a prominent part, he goes on to describe the changes worked in Balinese society after the advent of Hinduism. We learn that the Hindus like other colonists first came for trade only and later introduced the system of kingship, which up to that time was quite unknown in the indigenous village community but took a deep root in the soil. The history of Bali after the advent of Hinduism is sketched briefly, and the religious worship and the cult of kings, which occupied such a predominant part in the life of the people of this Island, is next described. The arts and antiquities are studied with an understanding and appreciation of the inner springs of action and we learnt that the Balinese artist selected such elements from Indian culture as were suited to his genius and adapted them to their own needs. The conclusions are lucidly put forward and it is interesting to learn that Bali represents a unique and perfect example of what Indian culture would mean to people wholly different from the Hindus themselves. It is interesting to note that in the author's opinion "though India owes nothing to the little island, it may regard the present art and culture of Bali with the same satisfaction as a *guru* contemplating with pride the work of his *Sisya* who did not slavishly imitate him, but applied the acquired knowledge in order to arrive at his own system."

ORIENTALIST.

THE BOMBAY FINANCE BILL.

MR. BAKHLE'S SPEECH.

Mr. R. R. Bakhale, M. L. C., delivered the following speech in the Bombay Legislative Council, on Friday Feb. 28, on the first reading of the Finance Bill:—

SIR, it is not without feelings of regret that I rise to support the opposition that has been launched against this Bill. I say, Sir, "not without feelings of regret", because this being the last budget and the last Finance Bill of the present regime, one

would like to secure for it, if one could, a smooth passage. But the experience of the last 15 years, and particularly of the last five years, has shown that the more accommodating the legislature becomes, the more defiant in attitude and the more reckless and extravagant in its demands does the executive become. It is, therefore, out of sheer sense of public duty that we have decided to take this extreme step, and, as a last weapon in the armoury of the constitutional agitation, to oppose the Finance Bill.

Sir, this Bill, as a measure of taxation, contains such items of taxation as, having regard to their incidence, should not be opposed by a person like myself. But, Sir, it is not the character of the measures of taxation which compels our opposition; it is the levy of taxation itself which forces us to adopt this course. Sir, our opposition to this Bill is based mainly upon three considerations: (1) the well-known parliamentary procedure, grievances before supplies; (2) extravagance in expenditure out of the supplies so far voted; and (3) undesirability and the absence of necessity, from our point of view, of voting any more supplies. Grievances have been ventilated during the general discussion of the budget, and will be discussed again when the demands for grants are to be voted. Perhaps, Sir, other honourable members who may follow me will also do so. I shall therefore not deal with this aspect of the question at any length. I propose to concentrate myself on the last two grounds, namely, extravagance in expenditure and undesirability and absence of necessity of voting any more supplies. And this I propose to do in two ways: firstly, by examining briefly the position on the revenue side in respect of (1) a shrinkage in revenue since 1922-23, (2) additional taxation so far voted since that date, and (3) relief in expenditure that we have been able to secure since 1922; and secondly, by examining the position on the expenditure side, ascertaining the increase or decrease in expenditure under important heads and comparing, where necessary, such increase or decrease in receipts in all those departments, and finally finding out the extent to which we have to provide for additional funds.

In finding out the position on the expenditure side, Sir, I propose to follow closely the arrangement of departments as given by the honourable member Mr. Freke in his Introductory Note and Statement C (White Book entitled "Provincial Accounts for the year 1934-35 and Revised Estimates for the year 1935-36). Sir, not being a member of the Indian Civil Service, I do not, and perhaps cannot, lay claim to infallibility; but, Sir, I can assure this House that I have taken some pains in working out these figures. However, I should be delighted if any errors that have occurred during the course of my calculations were pointed out to me.

I first take the major heads, Land Revenue, Excise, Stamps, Forests and Registration. I find that in 1922-23, the revenue from these heads was Rs. 11, 31.50 lakhs, and in 1935-36 the revenue from these heads was Rs. 9, 41.50 lakhs. Therefore, the shrinkage in revenue from these major heads comes to Rs. 1, 90 lakhs.

On the other side of the picture, I have ascertained the additional revenue that we have given to the Government by means of additional taxation, namely, the Scheduled Taxes, such as the entertainments tax and the betting tax, and the Miscellaneous, such as the electricity duty, tobacco duty (Bombay City) and tobacco duty (Districts). I have also ascertained the relief in expenditure that we have secured since 1922-23. I find from the budget books that the receipts for 1922-23 from the Scheduled Taxes and Miscellaneous taxes were only Rs. 9 lakhs, while in 1935-36 the receipts increased to Rs. 36.9 lakhs. Therefore, the rise in receipts between 1922-23 and 1935-36 is Rs. 27.9 lakhs.

In addition to this increased taxation, as I said, we have got relief in expenditure under certain heads of administration since 1922-23. We did not pay in 1935-36 Rs. 63.5 lakhs as our contribution to the Famine Insurance Fund, which we paid in 1922-23. We did not pay in 1935-36 Rs. 56 lakhs which we paid in 1922-23 as our contribution to the central revenues. As a result of the separation of

Sind from this province, we shall get next year a betterment in our revenues to the extent of 76 lakhs of rupees. And on top of it, there is a betterment from the Bombay Development Loan conversion to the extent of 22 lakhs. Thus, Sir, between 1922-23 and 1935-36, we have secured relief in our expenditure to the extent of not less than Rs. 2,17.5 lakhs.

Now, how does the position stand *vis-a-vis*, on the one hand, the increased receipts and relief in expenditure and, on the other, shrinkage in revenue? As I said, the rise in taxes comes to Rs. 27.9 lakhs and relief in expenditure comes to Rs. 2,17.5 lakhs. And we have to provide against this, for the shrinkage since 1922-23, to the extent of Rs. 1,90 lakhs. If you deduct this amount of shrinkage from the additional revenue that was given to this Government in the form of relief in expenditure and additional taxation, the net improvement in our revenue position since 1922-23 is Rs. 55.4 lakhs.

Now, Sir, I come to the expenditure side. Here, I take, as I said, Statement C in Mr. Freke's Introductory Note. First, I take the administrative heads, Land Revenue and General Administration, Police, Jails and Justice. I find that the expenditure in 1922-23 under these heads was Rs. 4,51.9 lakhs, and now it is Rs. 4,44.8 lakhs. In other words the expenditure between 1922-23 and 1935-36 over these administrative heads is reduced only by Rs. 7.1 lakhs and no more, although we have lost in revenue to the extent of Rs. 76 lakhs. Under Ancillary Charges our expenditure has come down from Rs. 1,29.5 lakhs to Rs. 93.4 lakhs during the same period. Taking these two namely, the four departments I mentioned and the Ancillary Charges, we find that expenditure is reduced by Rs. 43.2 lakhs between 1922-23 and 1935-36. Under unavoidable charges, viz., the Debt Charges and Pensions, we find there is an increase of Rs. 1.68 lakhs between the same years, so far as debt charges are concerned, and Rs. 68 lakhs in pensions. Taking both together, we find that the expenditure under these two heads has increased by no less than Rs. 2.36 lakhs.

Thirdly, I come to a set of figures for what the honourable member Mr. Freke calls "beneficent activities of the State", namely, Education, Medical, Public Health, Agriculture and Industries. I find, Sir, that in 1922-23 the expenditure was Rs. 2,59 lakhs and now it is Rs. 2,72.1 lakhs. That is to say, there is an increase in expenditure over these beneficent activities of the State, as the honourable member the Finance Secretary calls them, to the extent of Rs. 13.1 lakhs. But let not this House suppose that it is the public treasury which has supplied these funds in order to extend the activities of these departments. These departments are admittedly spending departments and are rightly called "nation-building departments". If you look to the figures on the receipt side of these departments, you will find that this extra expenditure of Rs. 13.1 lakhs which Government incurred in 1935-36 is more than made up by the additional receipts from these very departments since 1922-23. These are the figures of receipts in these departments:—

| | 1922-23 (Rs. in lakhs) | 1935-36 (Rs. in lakhs) |
|---------------|---------------------------|---------------------------|
| Education | 9.6 | 16.3 |
| Medical | 6.5 | 6.9 |
| Public Health | 4.8 | 14.5 |
| Agriculture | 3.5 | 4.2 |
| Industries | .4 | 2.9 |
| Total | 24.8 | 44.8 |

You will thus see that while the total receipts in 1922-23 from these beneficent activities of the State were only Rs. 24.8 lakhs, to-day the receipts are Rs. 44.8 lakhs. That means these departments are yielding to Government an additional income of no less than 20 lakhs of rupees against which only 13.1 lakhs of rupees are being spent on these departments over and above the expenditure which the Government of Bombay incurred in 1922-23. In other words it means that in addition to defraying the extra cost of Rs. 13.1 lakhs over these departments, these nation-building departments are supplying to Government an additional amount of 7 lakhs. And yet, Sir, I find in the honourable member Mr. Freke's note at the end of para. 3 a statement, which I challenged two years ago, that the expenditure on beneficent activities, namely, education, medical, public health, agriculture and so on, has increased. There is no doubt that the expenditure has increased, but it is met from the receipts of those very departments which are popularly known as the spending departments. And yet, Sir, the Finance Department persists in its obstinacy which, if I may say so, is generally associated with an animal called the mule. Take Industries, for instance. Bombay is an industrial province, and yet how much do we spend upon that department? Rs. 7.1 lakhs, including the expenditure on account of the Weights and Measures Act. If I may make a comparison, I can only say that this figure of expenditure on industries is as thin, lean and emaciated as the figure of the Director of Industries who presides over this department!

I now come to the Miscellaneous Departments—Scientific Departments, Ports and Pilotage, Miscellaneous Departments and Expenditure in England. I find that the expenditure in 1922-23 over these departments was 37.5 lakhs; to-day it is 63.9 lakhs. Therefore, there is a rise in expenditure to the extent of Rs. 26.4 lakhs. As against this, these departments have increased their revenue from 8.4 lakhs to 34.1 lakhs. In other words, it means that the revenue under "Miscellaneous" has increased by 25.7 lakhs, while the expenditure has increased by the same amount plus only one lakh more.

To sum up, taking the administrative heads and the ancillary charges, unavoidable charges such as debts and pensions, beneficent activities and miscellaneous departments, we find that the revenue has been reduced by 29.2 lakhs since 1922-23, while our expenditure has increased by 2.32 lakhs. But if unavoidable charges, viz., the debt and pensions, are excluded, it will be seen that between 1922-23 and 1935-36, there is a net decrease in revenue to the extent of Rs. 29.2 lakhs and a net decrease in expenditure of only Rs. 3.7 lakhs. We have thus to find money only to the extent of 25.5 lakhs of rupees, if we have to reach the position which we occupied in 1922-23. But as I pointed out, since 1922-23 we have secured a net improvement in our revenue position to the extent of Rs. 55.4 lakhs. Therefore, even if we defeat the present Finance Bill, I claim that, barring pensions and debt charges, our financial position will still show an improvement by Rs. 29.9 lakhs. Because, as I said, Rs. 55.4 lakhs represents the betterment in revenue position, and 25.5 is the additional money we have to find to meet the normal shrinkage, excluding unavoidable charges. The net betterment therefore is 29.9 lakhs. Even if we do not sanction the Finance Bill, which is expected to yield Rs. 25 lakhs, we still have Rs. 4.9 lakhs by way of betterment for next year. Therefore, I submit that any additional money that we vote will be the money which we shall be sanctioning for paying debt and pension charges and not for nation-building departments. Let there be no mistake about it. The nation-building depart-

ments have all these years starved and will continue to starve even if this Finance Bill is passed.

Sir, the huge pension figure that we find in our budget books is the result of the high salaries that were sanctioned in 1919-20. All of us are perfectly aware of the fact that a huge agitation on behalf of the superior services was started in 1919-20. They demanded a price for the 1919 reforms. Let those who sanctioned this extravagance be held responsible for the present pension charges. They have the power to secure that sanction; let them now exercise that power by certification. I am inclined to take the view that, having regard to the staggering figure which gets on increasing year after year, the time has now arrived to examine the position of the pension charges and the possibility of their reduction in the near future.

With regard to debt charges, I have to say this, that they are the result of the extravagance of the Bombay Development Scheme. Let the executive Government sanction the debt charges now and come to the legislature.

In spite of these stupendous charges, we restored last year the 10 per cent. cut in the higher salaries. We maintained up to a few years ago the luxury of the three seats for our Government, and even to-day we have the luxury of two seats. Even to-day the strength in the cadres of the different departments is not appreciably reduced, particularly in the higher services. Their allowances are still kept at a fairly high pitch. As regards retrenchment, I am inclined to take the view that the limit has been reached in so far as the power of this Government is concerned with regard to salaries and wages, curtailment of leave and other privileges. Enough chaprasis and pattawallas have been reduced; enough clerks have been thrown on the streets. The salaries of such of them as are in service have been sufficiently reduced to keep the people perpetually in debt. Cuts in the grants to local bodies have also not been fully restored. In spite of such retrenchment, we find it difficult to make the two ends meet. If the budget is studied carefully and dispassionately, we cannot help coming to the conclusion that it is nothing short of a civil list such as the one sanctioned for an Indian Prince, sought to be sanctioned by this House in order to maintain the superior services in luxurious comfort not only during their service but also in their retirement.

For these reasons, I strongly plead that every vote given to the Finance Bill will be a vote given not to improve the standard of life of the common people of this Presidency and to ameliorate their condition, but to defray the pension and debt charges. It will be a vote given to enable the members of the superior services to remain in peace and comfort now and after retirement. It will be a vote given in favour of the past extravagance of this Government.

Sir, the life of this Council is at an end. Let it stand, at least at the close of its career, by the people it represents. Otherwise history cannot fail to write an epitaph on its tomb somewhat in these words: "This Bombay Legislative Council, in season and out of season, supported a Government which, during its 16 years of existence, made itself responsible for extravagance, for launching ruinous schemes, for taxing the people beyond their capacity and reducing them to poverty and placing their liberties at the mercy of the executive."

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