

# FEDERAL FINANCE

by

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( Delegate to the three Round Table Conferences,  
1930-32, and the Joint Select Committee, 1933 )

SHRIMANT SAYAJIRAO LECTURES

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## PREFACE

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These lectures were delivered at Baroda this year on March 6 and 7. They were rendered possible through the munificence of the Gaekwad's Government, as they constituted the Shri Sayaji Rao Gaekwad series. The Baroda Government had done me the honour of appointing me to this lectureship, and every Indian scholar values this privilege greatly. I have not made substantial alterations, though a number of minor points which needed clarification have been developed here and there. They are mainly based upon an experience as a member of the two Federal Finance Committees of the Second and Third Round Table Conferences, 1931 and 1932 which constructed the financial structure of the Federation. I have not used any confidential document or other information in the preparation of these lectures, and have tried to avoid any topic which tended to wear a controversial aspect.

I have been a firm believer in the Indian Federation for the last ten years, and the march of time has tended to strengthen my belief that a Federation of British India and the Indian States offers the only satisfactory solution of our problems. Through it alone can the autonomy of our provinces be maintained in its integrity, and it provides us with an effective safeguard against violation of

minority rights. A federal Government does not mean a weak Government; it means a Government in which the powers of the units and the Federal centre are precisely defined.

It is my firm belief that most of the obstacles to the inauguration of the Indian Federation have been removed by tact, sweet reasonableness and prudence, and its success is now assured. I feel that the year 1941 will mark the introduction of Part I of the Constitution Act of 1935, and I have no doubt whatsoever that that year will herald a new era for India—an era in which the dream of twenty centuries will be realised and India will achieve her unity in a way which will be a source of inspiration to nations of Asia.

This little book attempts an analysis of the financial structure of the Act of 1935, and deals very briefly with many of the important problems which were the subject of prolonged discussions in London in 1930-1933.

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SHAFAT AHMAD KHAN

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